# Framery Group
# Consolidated Financial Statements

1.1.–31.12.2022 | 1.1.–31.12.2023 | 1.1.–31.12.2024

framery

# Contents

# Consolidated statement of comprehensive income

| EUR, thousand | Note | 1 Jan - 31 Dec, 2024 | 1 Jan - 31 Dec, 2023 | 1 Jan - 31 Dec, 2022 |
|---|---|---|---|---|
| **Revenue** | **2.1.** | **162 119** | **151 070** | **152 484** |
| | | | | |
| Other operating income | **2.6.** | 1 587 | 649 | 1 121 |
| Materials and services | **2.3.** | -79 243 | -71 068 | -78 547 |
| Employee benefit expenses | **2.4.** | -30 007 | -27 605 | -29 149 |
| Depreciation, amortisation and impairments | **2.7.** | -5 557 | -4 028 | -4 510 |
| Other operating expenses | **2.8.** | -19 292 | -17 562 | -17 301 |
| **Operating profit** | | **29 607** | **31 455** | **24 099** |
| | | | | |
| Finance income | **2.9.** | 631 | 241 | 252 |
| Finance costs | **2.9.** | -6 350 | -7 667 | -6 748 |
| **Net financial items** | | **-5 719** | **-7 426** | **-6 497** |
| | | | | |
| **Profit before tax** | | **23 888** | **24 029** | **17 602** |
| | | | | |
| Income taxes | **2.10.** | -4 322 | - 4 703 | -4 509 |
| **Profit for the period** | | **19 566** | **19 326** | **13 093** |
| | | | | |
| **Other comprehensive income** | | | | |
| | | | | |
| Items that may be reclassified to profit or loss | | | | |
| Exchange differences | **4.2.** | -267 | 76 | -12 |
| **Other comprehensive income for the period, net of tax** | | **-267** | **76** | **-12** |
| | | | | |
| **Total comprehensive income for the period** | | **19 299** | **19 403** | **13 081** |
| | | | | |
| **Profit for the period attributable to:** | | | | |
| Owners of the parent company | | 19 566 | 19 326 | 9 573 |
| Non-controlling interests | | - | - | 3 520 |
| | | | | |
| **Total comprehensive income for the period attributable to:** | | | | |
| Owners of the parent company | | 19 299 | 19 403 | 9 561 |
| Non-controlling interests | | - | - | 3 520 |
| | | | | |
| **Earnings per share for profit attributable to owners of the parent company** | | | | |
| Basic and diluted earnings per share, EUR | **4.3.** | | | |
| Series A shares* | | 0.24 | 0.23 | 0.16 |

*The earnings per share for profit attributable to owners of the parent company, basic and diluted, for the periods presented have been retrospectively adjusted for the effects of the share issue without payment, as resolved by the Company's Board of Directors on 14 November 2025. See note 4.3. Earnings per share for more information.

The consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

# Consolidated balance sheet

| EUR, thousand | Note | 31 Dec, 2024 | 31 Dec, 2023 | 31 Dec, 2022 | 1 Jan, 2022 |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| Goodwill | **3.1.** | 68 730 | 68 730 | 68 730 | 68 730 |
| Other intangible assets | **3.1.** | 3 462 | 4 099 | 2 036 | 1 565 |
| Right-of-use assets | **3.3.** | 3 608 | 4 417 | 2 835 | 3 759 |
| Property, plant and equipment | **3.2.** | 6 897 | 7 091 | 6 052 | 6 193 |
| Deferred tax assets | **2.10.** | 4 669 | 3 225 | 3 288 | 3 221 |
| **Total non-current assets** | | **87 365** | **87 562** | **82 941** | **83 468** |
| | | | | | |
| **Current assets** | | | | | |
| Inventories | **3.4.** | 22 003 | 16 079 | 17 911 | 18 116 |
| Trade receivables | **3.5.** | 26 393 | 20 286 | 21 656 | 17 758 |
| Other receivables | **3.5.** | 5 657 | 4 602 | 3 487 | 2 568 |
| Cash and cash equivalents | **4.1.** | 20 461 | 14 256 | 11 300 | 5 598 |
| **Total current assets** | | **74 514** | **55 224** | **54 354** | **44 040** |
| | | | | | |
| **TOTAL ASSETS** | | **161 878** | **142 786** | **137 295** | **127 508** |
| | | | | | |
| **EQUITY** | | | | | |
| Share capital | **4.2.** | 13 | 13 | 13 | 3 |
| Reserve for invested unrestricted equity | **4.2.** | 12 178 | 11 779 | 11 714 | 11 948 |
| Cumulative translation difference | **4.2.** | -200 | 68 | -8 | 4 |
| Retained earnings | **4.2.** | 28 853 | 10 371 | -7 490 | -15 947 |
| **Total equity attributable to owners of the parent company** | | **40 845** | **22 230** | **4 228** | **-3 993** |
| Series P shares | **4.2.** | 15 805 | 14 653 | 21 644 | 20 158 |
| Non-controlling interests | **5.2.** | - | - | - | -3 281 |
| **Total equity** | | **56 650** | **36 883** | **25 872** | **12 884** |
| | | | | | |
| **LIABILITIES** | | | | | |
| **Non-current liabilities** | | | | | |
| Bank loans | **4.1.** | 9 750 | 18 572 | - | 8 400 |
| Shareholder loans | **4.1.** | 59 052 | 54 594 | 81 478 | 75 508 |
| Lease liabilities | **3.3.** | 2 264 | 3 251 | 1 480 | 2 486 |
| Other payables | **3.5.** | - | 4 242 | 5 394 | 4 906 |
| **Total non-current liabilities** | | **71 066** | **80 659** | **88 352** | **91 301** |
| | | | | | |
| **Current liabilities** | | | | | |
| Lease liabilities | **3.3.** | 1 480 | 1 264 | 1 393 | 1 273 |
| Contract liabilities | **2.1.** | 41 | 54 | 382 | 691 |
| Trade payables | **3.5.** | 18 162 | 13 839 | 11 882 | 13 363 |
| Other payables | **3.5.** | 14 480 | 10 087 | 9 414 | 7 997 |
| **Total current liabilities** | | **34 163** | **25 244** | **23 071** | **23 323** |
| | | | | | |
| **Total liabilities** | | **105 229** | **105 903** | **111 423** | **114 624** |
| | | | | | |
| **TOTAL EQUITY AND LIABILITIES** | | **161 878** | **142 786** | **137 295** | **127 508** |

The consolidated balance sheet should be read in conjunction with the accompanying notes.

# Consolidated statement of changes in equity

| EUR, thousand | Note | Share capital | Reserve for invested unrestricted equity | Cumulative translation difference | Retained earnings | **Total equity attributable to owners of the parent company** | Series P shares reserve | Non-controlling interests | **Total equity** |
|---|---|---|---|---|---|---|---|---|---|
| **Equity at 1 Jan, 2022 (FAS)** | | **3** | **11 948** | **4** | **4 872** | **16 826** | **-** | **10 314** | **27 140** |
| Impact of adoption of IFRS | **5.5.** | - | - | - | -20 819 | -20 819 | 20 158 | -13 596 | -14 256 |
| **Equity at 1 Jan, 2022 (IFRS)** | | **3** | **11 948** | **4** | **-15 947** | **-3 993** | **20 158** | **-3 281** | **12 884** |
| Increase | | 10 | - | - | - | 10 | - | - | 10 |
| Profit for the period | | - | - | - | 13 093 | 13 093 | - | - | 13 093 |
| **Other comprehensive income** | | | | | | | | | |
| Translation differences | **4.2.** | - | - | -12 | 131 | 119 | - | - | 119 |
| **Total comprehensive income** | | **10** | **-** | **-12** | **13 224** | **13 222** | **-** | **-** | **13 222** |
| **Transactions with owners** | | | | | | | | | |
| NCI transactions | | - | -334 | - | -3 281 | -3 615 | - | 3 281 | -334 |
| Share issue | **4.2.** | - | 100 | - | - | 100 | - | - | 100 |
| Interest on P shares | **4.2.** | - | - | - | -1 486 | -1 486 | 1 486 | - | - |
| **Total transactions with owners** | | **-** | **-234** | **-** | **-7 490** | **-5 001** | **1 486** | **3 281** | **-234** |
| **Equity at 31 Dec, 2022** | | **13** | **11 714** | **-8** | **-7 490** | **4 228** | **21 644** | **-** | **25 872** |
| **Equity at 1 Jan, 2023** | | **13** | **11 714** | **-8** | **-7 490** | **4 228** | **21 644** | **-** | **25 872** |
| Profit for the period | | - | - | - | 19 326 | 19 326 | - | - | 19 326 |
| **Other comprehensive income** | | | | | | | | | |
| Translation differences | **4.2.** | - | - | 76 | -8 | 68 | - | - | 68 |
| **Total comprehensive income** | | **-** | **-** | **76** | **19 318** | **19 394** | **-** | **-** | **19 394** |
| **Transactions with owners** | | | | | | | | | |
| Share issue | **4.2.** | - | 65 | - | - | 65 | - | - | 65 |
| Dividends and capital returns | **4.2.** | - | - | - | - | - | -8 448 | - | -8 448 |
| Interest on P shares | **4.2.** | - | - | - | -1 457 | - | 1 457 | - | - |
| **Total transactions with owners** | | **-** | **65** | **-** | **-1 457** | **-1 392** | **-6 991** | **-** | **-8 383** |
| **Equity at 31 Dec, 2023** | | **13** | **11 779** | **68** | **10 371** | **22 230** | **14 653** | **-** | **36 883** |
| **Equity at 1 Jan, 2024** | | **13** | **11 779** | **68** | **10 371** | **22 230** | **14 653** | **-** | **36 883** |
| Profit for the period | | - | - | - | 19 566 | 19 566 | - | - | 19 566 |
| **Other comprehensive income** | | | | | | | | | |
| Translation differences | **4.2.** | - | - | -267 | 68 | -200 | - | - | -200 |
| **Total comprehensive income** | | **-** | **-** | **-267** | **19 634** | **19 367** | **-** | **-** | **19 367** |
| **Transactions with owners** | | | | | | | | | |
| Share issue | **4.2.** | - | 400 | - | - | 400 | - | - | 400 |
| Interest on P shares | **4.2.** | - | - | - | -1 152 | -1 152 | 1 152 | - | - |
| **Total transactions with owners** | | **-** | **400** | **-** | **-1 152** | **-752** | **1 152** | **-** | **400** |
| **Equity at 31 Dec, 2024** | | **13** | **12 178** | **-200** | **28 853** | **40 845** | **15 805** | **-** | **56 650** |

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

# Consolidated statement of cash flows

| EUR, thousand | Note | 1 Jan - 31 Dec, 2024 | 1 Jan - 31 Dec, 2023 | 1 Jan - 31 Dec, 2022 |
|---|---|---|---|---|
| **Cash flows from operating activities** | | | | |
| Profit for the period | | 19 566 | 19 326 | 13 093 |
| Adjustments: | | | | |
| Depreciation, amortisation and impairment | **2.7.** | 5 557 | 4 028 | 4 510 |
| Unrealized exchange rate gains and losses | | -1 137 | 239 | - |
| Gains and losses on sale of non-current assets | **3.2.** | -389 | -407 | -197 |
| Finance income and costs | **2.9.** | 5 719 | 7 426 | 6 497 |
| Income taxes | **2.10.** | 4 322 | 4 703 | 4 509 |
| Other non-cash adjustments | | -112 | -825 | 4 347 |
| **Adjustments total** | | **13 960** | **15 165** | **19 666** |
| Changes in net working capital: | | | | |
| Change in trade and other receivables | **3.5.** | -4 752 | 15 | -4 817 |
| Change in trade and other payables | **3.6.** | 5 460 | 3 131 | -1 638 |
| Change in inventories | **3.4.** | -6 762 | 2 402 | 1 114 |
| Interest received | **2.9.** | 377 | 166 | 1 |
| Income taxes paid | **2.10.** | -4 345 | -5 278 | -3 811 |
| **Net cash flow from operating activities** | | **23 505** | **34 926** | **23 607** |
| | | | | |
| **Cash flow from investing activities** | | | | |
| Purchases of property, plant and equipment and intangible assets | **3.2.** | -3 830 | -6 242 | -4 085 |
| Proceeds from sale of property, plant and equipment | **3.2.** | 389 | 407 | 197 |
| **Net cash from investing activities** | | **-3 442** | **-5 835** | **-3 888** |
| | | | | |
| **Cash flow from financing activities** | | | | |
| Issuance of shares for cash | **4.2.** | 400 | 65 | 100 |
| Dividends paid and other distributions | | - | -13 099 | - |
| Company's own share acquisitions | **4.2.** | -1 136 | -218 | -3 780 |
| Interest paid | | -1 338 | -2 796 | -274 |
| Transaction costs paid on financing transactions | | -1 273 | - | - |
| Proceeds from borrowings | | - | 30 000 | - |
| Repayment of borrowings | **4.1.** | -9 000 | -11 250 | -8 401 |
| Repayments of lease liabilities* | **3.3.** | -1 533 | -1 485 | -1 484 |
| Repayments of shareholder loans | | - | -26 900 | - |
| **Net cash from financing activities** | | **-13 880** | **-25 682** | **-13 839** |
| | | | | |
| **Net change in cash and cash equivalents** | | | | |
| Cash and cash equivalents at the beginning of the period | **4.1.** | 14 256 | 11 300 | 5 598 |
| Effects of exchange rate changes on cash and cash equivalents | | 21 | -453 | -179 |
| Cash and cash equivalents at the end of the period | **4.1.** | 20 461 | 14 256 | 11 300 |
| **Change in cash and cash equivalents** | | **6 205** | **2 956** | **5 702** |

* Including interests on lease liabilities

The consolidated statement of cash flows should be read in conjunction with the accompanying notes.

# Notes to the consolidated financial statements

## 1. General information and basis of preparation

This section comprises the general information of the Framery Group, basis of preparation, foreign currency translation as well as summaries of the key estimates and management judgement.

### 1.1. General information of the Group

Framery Group Oyj (the company, the parent company) together with its consolidated subsidiaries (Framery, the Group) is the pioneer and the world's leading designer, manufacturer and marketer of soundproof private workspaces and related software solutions and pods for solving noise and privacy issues in open offices. Framery's products make employees happier and more productive in the offices of dozens of the world's leading companies.

Framery Group Oyj, the parent company of Framery Group, is a Finnish limited liability company, with a corporate identity number, 2887221-4, registered in Tampere, Finland. The registered address is Patamäenkatu 7, 33900 Tampere, Finland.

The Board of Directors of Framery approved these consolidated financial statements for issue on 21 November 2025. According to the Finnish Limited Liability Companies Act, the shareholders can approve or reject the financial statements at the Annual General Meeting held after their publication. Furthermore, the Annual General Meeting can decide on modifications to be made to the consolidated financial statements.

### 1.2. Basis of preparation

Framery's consolidated financial statements have been prepared in accordance with the IFRS Accounting Standards as issued by the IASB and adopted by the European Union, including IAS and IFRS Accounting Standards as well as interpretations issued by the SIC and the IFRIC as at 31 December 2024.

Framery publishes the first consolidated financial statements prepared under IFRS Accounting Standards for the financial periods ended 31 December 2024, 31 December 2023 and 31 December 2022. In these consolidated financial statements Framery applies IFRS 1 First-time adoption of International Financial Reporting Standards with the date of transition 1 January 2022. Framery has previously applied the Finnish Accounting Standards (FAS) in the consolidated financial reporting. The impacts arising from the first-time adoption of IFRS Accounting Standards are presented in reconciliations included in the note 5.6. First-time adoption of IFRS Accounting Standards to the consolidated financials.

These consolidated financial statements for the financial periods ended 31 December 2024, 31 December 2023 and 31 December 2022 have been prepared solely for the purpose of inclusion in the Offering Circular with the listing of Framery Group Oyj's shares in the main list of Nasdaq Helsinki Oy and cannot be used for any other purposes.

#### New or amended standards IFRS accounting standards and interpretations

The Group will apply the new standard IFRS 18 Presentation and Disclosure in Financial Statements from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with IFRS 18. The standard will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

#### Principles of consolidation

The consolidated financial statements include the parent company Framery Group Oyj and those subsidiaries in which the parent exercises control. List of subsidiaries and consolidation principles related to subsidiaries have been presented in note 5.1. Group structure.

The consolidated financial statements have been prepared under the historical cost convention unless otherwise indicated.

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest thousand unless otherwise stated, therefore the sum of individual figures may deviate from the presented total figure.

### 1.3. Foreign currency translation

#### Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in euros, which is the company's functional and presentation currency.

#### Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognised in the consolidated statement of comprehensive income.

Foreign exchange gains and losses relating to the revenue and purchase transactions are presented in the other operating income and other operating expenses. Foreign exchange gains and losses relating to financing items are presented in finance income or costs.

#### Group companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency. Assets and liabilities for each consolidated balance sheet presented are translated at the closing rate at the balance sheet date. Income and expenses for each consolidated statement of comprehensive income are translated at average exchange rates. All resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

### 1.4. Key estimates and management judgement

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires management to use certain critical estimates and exercise judgement, which have an impact on the amount of assets and liabilities as well as the amount of income and expenses recognised for the financial year presented in these consolidated financial statements. In addition, the management is required to use judgement in the application of the accounting policies.

The estimates and judgement are continually evaluated and are based on the management's best knowledge, historical experience and expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Areas that involved a higher degree of judgement, and items which include a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities due to final outcomes deviating from estimates and assumptions made are presented in the following notes to the consolidated financial statements:

| Note | Key estimates and judgements |
|---|---|
| 2.1. Revenue | Recognition and measurement of revenue based on the estimated transaction price of contracts |
| 2.5. Share-based payments | Measurement of share-based incentive plans |
| 2.10. Income tax | Recognition of deferred tax assets for tax losses |
| 3.1. Goodwill and Other intangible assets | Impairment testing of goodwill |
| 3.3. Leases | Determination of lease term and incremental borrowing rate |

These areas are explained in more detail in the individual notes.

### 1.5 Notes disclosures

Financial statements' notes include information which are required under IFRS Accounting Standards and in general needed to understand the consolidated financial statements and which are material and relevant to Framery's operations, financial position and performance. Information is considered material and relevant if, for example:

- The amounts are significant because of size or nature;
- Disclosure is important for understanding the results of the Group;
- Disclosure helps to explain the impact of significant changes in the composition of the Group, operations or significant events such as acquisitions, impairments, major refinancing transactions; or
- The disclosure relates to an aspect of Framery's operations that is important to its future performance.

In addition to certain accounting policies presented above, which relates to the consolidated financial statements as whole, when an accounting policy is applicable to a specific note, it is described within that note with the related disclosures including key estimates and judgements made by management when applicable. The impacts arising from first-time adoption of IFRS Accounting Standards are presented in reconciliations which are included in the note 5.6. First-time adoption of IFRS Accounting Standards to the consolidated financial statements.

Disclosures of this consolidated financial statements are organised into the following sections:

2. Performance – provides a comprehensive overview of the Group's financial performance for the periods presented. It includes details on revenue, other operating income, materials and services, employee benefit expenses, depreciation, amortisation and impairments, other operating expenses, finance income and costs, income taxes, and changes in deferred taxes.
3. Capital employed - provides an overview of the Group's assets and working capital items. It includes details on goodwill and other intangible assets, property, plant and equipment, leases, trade and other receivables and payables.
4. Capital structure, financing and financial risk management - provides an overview of the Group's financial position and financial risk management strategies. It includes information on cash and cash equivalents, borrowings, lease liabilities, and financial risk management. This section outlines the company's liquidity position, its debt structure, lease obligations, and the strategies employed to manage financial risks such as interest rate and currency risks.
5. Other disclosures - provides additional important information about the Group's financial activities. It includes details on related party transactions, contingent liabilities and assets, commitments, events after the reporting period, and other significant disclosures that are necessary for a comprehensive understanding of the Group's financial position and performance.

# 2. Performance

This section includes notes providing insights into Framery's financial performance, covering areas such as revenue, other operating income, materials and services, employee benefit expenses, depreciation, amortisation and impairments, other operating expenses, finance income and costs, income taxes, and changes in deferred taxes.

## 2.1. Revenue

Framery is the pioneer and the world's leading designer, manufacturer and marketer of soundproof private workspaces and related software solutions for solving noise and privacy issues in open offices. Therefore, Framery's main revenue stream arises from the sale of pods. Framery pods are manufactured in Tampere, Finland and sold either to distributors, who sell the pods to end customers, or directly to end customers. Framery also sells maintenance parts for the pods, leases pods mainly for shorter periods of time (see note 3.3. Leases for more information) and sometimes sells the pods to the customers after the end of the rental period. In addition, from 2024 onwards the company has started to offer digital services as part of the full customer experience for the pods such as easy pod or other meeting space bookings, calendar integration features and opportunity to track usage data. Revenue from digital services will be recognised over-time, however these revenues for the year 2024 are insignificant.

Revenue consists of sales from customer contracts, as well as income from subscribed pods, which are classified and accounted for as leases. Leases in which substantially all the risks and rewards incidental to ownership of an asset remain with Framery are classified as operating lease contracts and recognised as revenue in the consolidated statement of comprehensive income on a straight-line basis over the lease term. All of the leases where Framery is the lessor, are classified as operating leases.

Framery derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical regions:

**Revenue by categories**

| EUR, thousand | 1 Jan-31 Dec, 2024 | 1 Jan-31 Dec, 2023 | 1 Jan-31 Dec, 2022 |
|---|---|---|---|
| Pods | 156 155 | 146 860 | 149 157 |
| Spare parts | 2 623 | 1 160 | 960 |
| Subscribed pods | 3 341 | 3 051 | 2 366 |
| **Total** | **162 119** | **151 070** | **152 484** |
| Recognised at a point in time | 158 778 | 148 020 | 150 117 |
| Recognised over time | 3 341 | 3 051 | 2 366 |

The revenue recognised over time is related to rental income from subscribed pods.

**Revenue by Framery entity location**

| EUR, thousand | 1 Jan-31 Dec, 2024 | 1 Jan-31 Dec, 2023 | 1 Jan-31 Dec, 2022 |
|---|---|---|---|
| Europe, Middle East and Africa | 99 000 | 91 597 | 104 348 |
| North, Central and South America | 43 354 | 39 426 | 38 018 |
| Asia Pacific | 19 765 | 20 047 | 10 118 |
| **Total** | **162 119** | **151 070** | **152 484** |

**Revenue by top 5 countries**

| EUR, thousand | 1 Jan-31 Dec, 2024 | 1 Jan-31 Dec, 2023 | 1 Jan-31 Dec, 2022 |
|---|---|---|---|
| The United States | 39 901 | 34 526 | 35 142 |
| Germany | 12 834 | 12 920 | 13 065 |
| Switzerland | 10 758 | 12 260 | 10 322 |
| The United Kingdom | 9 640 | 9 411 | 7 964 |
| Finland | 9 415 | 8 143 | 9 569 |
| Others | 79 572 | 73 810 | 76 422 |
| **Total** | **162 119** | **151 070** | **152 484** |

In 2024, the increase in revenue was primarily driven by the successful launch of a technically advanced smart pod product line with a high quality-to-price ratio in March 2024. The revenue decline in 2023 is primarily attributed to the timing of orders and resulted in revenue being recognised during the last quarter of 2022.

**Contract liabilities**

| EUR, thousand | Dec 31, 2024 | Dec 31, 2023 | Dec 31, 2022 | Jan 1, 2022 |
|---|---|---|---|---|
| Contract liabilities | 41 | 54 | 382 | 691 |

Contract liabilities are advances received from pods sales. Revenue recognised from the opening balance of contract liabilities was EUR 54 thousand in 2024 (2023: EUR 382 thousand, 2022: EUR 691 thousand).

**Transaction price allocated to performance obligations**

| EUR, thousand | Dec 31, 2024 | Dec 31, 2023 | Dec 31, 2022 | Jan 1, 2022 |
|---|---|---|---|---|
| **Transaction price to be recognised as revenue later** | | | | |
| Europe, Middle East and Africa | 21 406 | 10 688 | 12 854 | 21 121 |
| North, Central and South America | 6 429 | 5 942 | 5 502 | 9 655 |
| Asia Pacific | 6 166 | 2 259 | 4 876 | 5 131 |
| **Total** | **34 001** | **18 889** | **24 232** | **35 907** |

Management expects the transaction price allocated to unsatisfied performance obligations as presented in the table above, will be recognised as revenue within the next 12 months from the period presented.

### Accounting policy

Framery manufactures and sells pods and spare parts for the pods to the distributors or directly to the end-users. All sales are executed through a purchase order, which is a written contract between customer and Framery.

Some contracts include multiple deliverables, such as the sale of products, delivery service relating to the goods and an option to use Framery's digital services free of charge for a certain period of time. Sometimes a contract may also include installation service. Where the contracts include multiple performance obligations, the transaction price is allocated to each performance obligation based on the stand-alone selling prices. Transaction price is the amount of consideration to which Framery expects to be entitled in exchange for transferring the promised goods or services to a customer, including variable amounts, such as discounts, rebates and sanctions. No significant element of financing is deemed present as the sales are made with a credit term of 30 - 90 days. Advance payments from customers are included in contract liabilities. Since March 2024, Framery has granted two-year warranty to its consumable parts and five-year warranty to other parts. To products prior to March 2024 and to connect sensors Framery provides a one-year warranty.

Revenue is recognised when control of the products has transferred. Control may be transferred either at the point in time or over time. Typically, control is transferred to the customer according to the delivery terms and revenue from sales of pods and spare parts is recognised at a point in time. Control transfers when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer. For certain contract terms, a delivery service is considered to be a separate performance obligation when control over the goods is transferred to the customer before delivery. Framery recognises revenue from delivery service over time.

Framery does not have or expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, Framery does not adjust any of the transaction prices for the time value of money. The incremental costs of obtaining a contract are costs that would not have incurred if the contract would not have been obtained and they should be recognised as an asset if Framery expects to recover those costs. Framery does not have any contracts where the amortisation period of the assets would be over a year. Therefore, as a practical expedient, Framery recognises the incremental costs as an expense when incurred.

### Key estimates and judgements

Management judgements and estimates in revenue relates to recognition and measurement of revenue related to the estimates regarding the contract's transaction price.

Products can be sold with retrospective volume discounts based on aggregate sales over a 12- month period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated historical experience is used to estimate and accrue the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. Currently there are no expected volume discounts payable to customers during the periods presented. The estimates are updated each reporting date.

## 2.2. Segment information

Framery focuses on providing soundproof pods designed to enhance workplace productivity. Framery's operations and profitability has been reported as a single operating segment, which is consistent with the way that operative decisions related allocations of resources and assessment of the Group performance have been made by the CEO as Framery's Chief Operating Decision Maker (CODM).

The Group's business model encompasses the entire product lifecycle, from design and manufacturing to post-sale services. Given the Framery's business model and the nature of its operations, governance is organised such that the CEO serves as the Chief Operating Decision Maker (CODM), with support from the executive management team. The CEO is responsible for allocating resources and evaluates the Group's overall performance.

## 2.3. Materials and services

The following items comprise Framery's materials and services reported in the consolidated statement of comprehensive income based on the nature of the item. Materials and services consist of purchases of materials and supplies, change in inventories of finished goods and work in progress, production for own use and external services.

**Materials and services**

| EUR, thousand | 1 Jan-31 Dec, 2024 | 1 Jan-31 Dec, 2023 | 1 Jan-31 Dec, 2022 |
|---|---|---|---|
| Purchases of materials and supplies | 84 790 | 67 814 | 74 881 |
| Change in inventories of finished goods and work in progress | -6 762 | 2 402 | 965 |
| Production for own use | -343 | -439 | -599 |
| External services | 1 558 | 1 292 | 3 300 |
| **Total** | **79 243** | **71 068** | **78 547** |

The increase in purchases of materials and supplies in 2024 aligns with Framery's increasing sales volumes and resulting revenue growth, which is for example driven by the demand for the new pod models. In 2023, change in inventories of finished goods and work in progress were primarily driven by efforts to reduce inventory levels of old pod models. In 2024, the change in inventories of finished goods and work in progress were mainly influenced by the production and sales of new pod models along with the deliberate reduction of older pod models inventories.

Write-offs of inventory are included in change in inventories of finished goods and work in progress, see more information in note 3.4. Inventories. External services mainly encompass installation expenses of pods and operational costs associated with showrooms which are operated by external service providers.

## 2.4. Employee benefit expenses

Framery's employee benefit expenses consist of wages and salaries, cash settled share-based payment transactions and pension costs. Other employee benefit expenses include for example accruals related to social security costs and insurance payments.

**Employee benefit expenses**

| EUR, thousand | 1 Jan - 31 Dec, 2024 | 1 Jan - 31 Dec, 2023 | 1 Jan - 31 Dec, 2022 |
|---|---|---|---|
| Wages and salaries | 24 705 | 22 790 | 20 416 |
| Cash settled share-based payment transactions | -389 | -934 | 4 267 |
| Pension costs - defined contribution plans | 3 752 | 3 483 | 2 846 |
| Other employee benefit expenses | 1 939 | 2 267 | 1 619 |
| **Total** | **30 007** | **27 605** | **29 149** |

The impact and accounting treatment of share-based payments are described in the note 2.5. Share-based payments.

| Number of employees | 1 Jan - 31 Dec, 2024 | 1 Jan - 31 Dec, 2023 | 1 Jan - 31 Dec, 2022 |
|---|---|---|---|
| Average number of employees during the period | 444 | 414 | 398 |

### Accounting policy

Framery's employee benefits consist of short-term employee benefits, post-employment benefits (defined contribution pension plans) and share-based payments.

Short-term employee benefits consist of wages and salaries, including non-monetary benefits, bonus payments and annual leave. They are recognised as expenses during the period in which related service is provided. A liability is recognised when the Group has a statutory and constructive obligation relating to employment relationship based on performance received and when an obligation can be measured reliably.

Framery has defined contribution pension plans in the jurisdictions it operates. The Group pays contributions to external insurance companies, and it does not have a legal or constructive obligation to make additional payments in case the recipient for pension contributions is unable to pay the pension benefits.

The contributions are recognised as employee benefit expense in the consolidated statement of comprehensive income during the period to which the charge relates to.

## 2.5. Share-based payments

The purpose of Framery's share-based incentive plan is to align the goals of shareholders and key employees, with the objective of increasing the company's long-term value. By the end of 2024, Framery's share-based incentive program encompassed one synthetic option program.

The synthetic option plan for key employees was approved on 10 March 2021 as part of Framery's incentive scheme determined by the Board of Directors. The synthetic options are granted with Board of Directors' decision to key individuals who are, or will be recruited to be, in service of the company. The synthetic options are granted to the selected key individuals in connection with their subscription of Series A shares.

### Synthetic options

The Board of Directors may decide to grant synthetic options to individuals selected for participation in the plan. Synthetic options have a vesting period of four years. After this period, the options can be exercised under the following conditions: the options are exercisable only in the event of a) a sale of majority of Framery's shares (transfer of control), b) an initial public offering or c) a separate decision by the Board of Directors. If a majority of the Framery's shares is sold or an initial public offering occurs, all synthetic options are considered fully vested as of the date of such transaction even if less than four years have lapsed from the grant date.

When exercised, each synthetic option gives its holder a right to receive a cash payment corresponding to the value appreciation of series A shares, which is determined based on the appreciation between grant and the exercise date.

Reception of any reward derived from the synthetic options is conditional on continued employment or service relationship with the company throughout the plan period from the grant of the synthetic options until the payment date. If a member of the plan leaves the company before the synthetic options become exercisable and is determined as a good leaver, they are entitled to whole remuneration to which the so far vested synthetic options give a right. Termination of the employment or service relationship by the Group or upon mutual agreement is considered a good leaver situation.

As the synthetic options are settled with monetary payments based on the share value appreciation, the synthetic options are treated as cash-settled share-based payments. The cost is recognised over the four-year vesting period. The cost is included in the employee benefit expenses in the consolidated statement of comprehensive income.

| Number of synthetic options | 2024 | 2023 | 2022 |
|---|---|---|---|
| As at Jan 1 | 162 486 | 169 796 | 169 796 |
| Granted during the year | 63 788 | 5 448 | - |
| Exercised during the year | -6 204 | - | - |
| Forfeited during the year | - | -12 758 | - |
| **As at Dec 31** | **220 070** | **162 486** | **169 796** |
| **Exercisable at Dec 31** | **61 213** | **11 836** | **-** |

| Granted during | 2024 | 2023 | 2021 |
|---|---|---|---|
| Grant dates | January and April | November | March, June and December |
| Valuation model | Black-Scholes | Black-Scholes | Black-Scholes |
| Vesting period | January 2024 – | November 2024 – | March 2021 – |
| | December 2025 | December 2025 | November 2025 |
| **Main assumptions used for valuation:** | | | |
| Expected exercise date | 31 Dec, 2025 | 31 Dec, 2025 | 31 Dec, 2025 |
| Expected price volatility of the company's shares, average* | 39.4% | 37.8% | 43.3% |
| Expected dividend yield | - | - | - |
| Risk-free interest rate, average | 2.8% | 2.9% | 1.3% |

* Defined based on selected peer company data

The expense recognised during 2024 for the synthetic options totalled to EUR 699 thousand (2023: EUR 170 thousand, 2022: EUR 434 thousand). Liability arising from synthetic option plan totalled EUR 1 539 thousand as of 31 December 2024 (31 December 2023: EUR 853 thousand, 31 December 2022: EUR 683 thousand and 1 January 2022: EUR 250 thousand) and is included in other payables in the consolidated balance sheet.

### Share redemption rights

Based on the shareholder agreement, the Group and secondarily the other shareholders have in specific circumstances a right to redeem shares of the company held by shareholder-employees that leave the Group, at the price of the fair value for good leavers, or the lower of the fair value and the initial subscription price for bad leavers. The redemption of the shares is not obligatory, but the Group has historically used its primary right to redeem the shares in certain events. In connection with sale or listing of the Group, the shareholder agreement will cease to be in effect, and as a result the Group's redemption right of shares will cease to exist.

Due to the past practice of exercising the right to redeem shares, Framery's share-based incentive program related to series A shares is treated as a cash settled share-based payment arrangement and is presented as a liability, which is measured at fair value at the end of each reporting period. The change in liability and its corresponding fair value are recorded as employee benefit expenses in the consolidated statement of comprehensive income. As the shareholder agreement and redemption right of shares will cease to exist in connection of sale or listing, the liability would be totally derecognised from the balance sheet on a potential listing date without applicable impact to cash flow. Additionally, the derecognised liability would be recorded directly to equity. Therefore, in that case, there wouldn't be any additional impact to the statement of comprehensive income.

The income recognised during the period for the share redemption rights related Series A shares totalled to EUR 1 088 thousand (2023: EUR 1 104 thousand, 2022: EUR -3 834 thousand). In 2024 and 2023 the impact on employee benefit expenses was favourable due to share redemptions being lower than initially estimated. Liability arising from share redemption rights related to Series A shares is totalling EUR 1 148 thousand (31 December 2023: EUR 3 389 thousand, 31 December 2022: EUR 4 711 thousand and 1 January 2022: EUR 4 656 thousand). 77 114 Series A shares and 2 600 Series P shares were redeemed during the reporting period (2023: 22 650 Series A shares, 2022: 340 547 Series A shares and 12 700 Series P shares).

### Accounting policy

The share-based incentive plans are accounted for as share-based payments whereby certain key employees are granted the right to subscribe Framery's shares in exchange for providing services. Framery has classified these programs as cash settled and equity-settled based on the Group's analysis of whether the Group has a present obligation to settle in cash.

The fair value of synthetic options is recognised as an employee benefits expense, with a corresponding increase in the liability over the vesting period. The liability is remeasured to fair value at each reporting date and the change in fair value is recorded as employee benefit expenses. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, estimates of the number of options that are expected to vest based on the service condition is revised.

The Group's series A shares redemption rights are recognised as a liability over the relevant redemption period in accordance with the management estimate. The liability is remeasured to fair value at each reporting date and is presented as other payables in the consolidated balance sheet. The change in liability and its corresponding fair value are recorded as employee benefit expenses.

### Key estimates and judgements

The share-based incentive plans have been accounted for as equity settled or cash settled share-based payments based on their nature. This is based on a judgment made by the management that the plans will be rewarded in the form of shares or settled in cash.

The expense recognised in employee benefit expenses for synthetic options is based on the estimated number of participants remaining in the scheme when the vesting period ends. At the end of each period, management is using judgement when estimating the expected retention rate for participants in order to calculate the expense for the current period and the change in the amount recognised in equity.

Framery's management is using judgement when estimating the obligation to redeem the shares. This includes assessing the number of participants expected to remain with the Group until the estimated date of sale or listing of the Group.

## 2.6. Other operating income

Framery is recognising following items presented in the table below as other operating income based on the nature of the item. Government grants consist of grants received from Business Finland during 2022 and 2023. These grants relate to a development project focused on creating new products, which ended in 2023.

**Other operating income**

| EUR, thousand | 1 Jan - 31 Dec, 2024 | 1 Jan - 31 Dec, 2023 | 1 Jan - 31 Dec, 2022 |
|---|---|---|---|
| Exchange rate differences related to revenue | 1 066 | - | 827 |
| Government grants received | 1 | 181 | 94 |
| Other items | 519 | 468 | 200 |
| **Total** | **1 587** | **649** | **1 121** |

In 2024, other items primarily consisted of GST refunds in Canada and income generated from the employee lunch restaurant located within the head office. In 2023 and 2022 other items included mainly insurance compensations, which were mostly related to the compensations received from the damaged products.

Exchange rate differences related to revenue are mainly caused by the fluctuation of the US dollar. In 2023, the exchange rate difference related to revenue were recognised under other operating expenses (see note 2.8. Other operating expenses).

### Accounting policy

#### Exchange rate differences

See note 1.3. Foreign currency translation.

#### Government grants

Government grants are recognised when there is reasonable assurance that the conditions underlying the grants have been met and that the grant will be received. Government grants to cover expenses incurred are recognised in the consolidated statement of comprehensive income proportionally over the periods during which the related expenses are recognised.

Government grant received, for which the expenses have not yet been recognised, is recognised as an advance received in the balance sheet. The grant component for eligible expenses already incurred during the reporting period, for which the grant will be received in subsequent reporting periods, is recognised as grant income in the consolidated statement of comprehensive income and as other receivable in the balance sheet.

## 2.7. Depreciation, amortisation and impairment

Framery's intangible assets, property, plant and equipment and right-of-use assets are recognised in the balance sheet at cost less accumulated depreciation, amortisation and impairment. Depreciation and amortisation charges are presented below.

**Depreciation and amortisation by asset group**

| EUR, thousand | 1 Jan - 31 Dec, 2024 | 1 Jan - 31 Dec, 2023 | 1 Jan - 31 Dec, 2022 |
|---|---|---|---|
| Other intangible assets | | | |
| Development costs | 1 225 | 84 | 556 |
| Intangible rights | 83 | 70 | 58 |
| Software | 29 | 128 | 189 |
| **Total** | **1 337** | **282** | **803** |
| **Property, plant and equipment** | | | |
| Machinery and equipment | 1 742 | 955 | 1 319 |
| Subscribed pods | 820 | 1 111 | 583 |
| Leasehold improvements | 285 | 301 | 350 |
| **Total** | **2 848** | **2 367** | **2 252** |
| **Right-of-use assets** | | | |
| Buildings | 1 324 | 1 315 | 1 350 |
| Machinery and equipment | 48 | 64 | 104 |
| **Total** | **1 372** | **1 379** | **1 454** |
| **Depreciation and amortisation total** | **5 557** | **4 028** | **4 510** |

Accounting treatment of property, plant and equipment are presented in the note 3.2., accounting treatment of other intangible assets are presented in the note 3.1. and accounting treatment of leases and related right-of-use assets are presented in the note 3.3 Leases.

### Accounting policy

Depreciation and amortisation are calculated using the straight-line method to allocate the cost of the assets, net of their residual values, over their estimated useful lives. Leasehold improvements are depreciated over the shorter of their useful life or the lease term, unless the entity expects to use the assets beyond the lease term.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The expected useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

## 2.8. Other operating expenses

Framery is recognising following items presented in the table below as other operating expenses based on the nature of the item. Framery's other operating expenses include various costs that are essential for the Group's operations but are not directly tied to the production of goods.

Framery recognises research and development costs as other operating expenses when the criterion for capitalisation is not met (see note 3.1. Goodwill and other intangible assets for more information). During the periods presented, research and development costs have mainly included costs related to development of Framery's digital services' software and new pod models. Expenses related to marketing are arising from advertising agency services, internet advertising and costs related to fairs and exhibitions. Computer equipment and software costs are related for example to general IT machinery expenses and software license fees. Premises expenses are mainly related to operating expenses arising from the premises such as real estate maintenance and lease payments which are not capitalised as right-of-use assets (see note 3.3. Leases for more information). Voluntary social expenses are generated from the recruiting activities and wellbeing of the staff. External services include costs related to consulting, legal, auditing and financial management services. Machinery and equipment costs are mainly arising from the procurement of the machinery and equipment, which does not meet the criterion for capitalisation (see note 3.2. Property, plant and equipment for more information). Administrative services include costs related for example to consulting, finance and legal services. Travel expenses are incurred from the travelling tickets and other accommodation related fees. In addition, other expenses include for example costs related to communication, office operations and insurance management.

**Other operating expenses**

| EUR, thousand | 1 Jan - 31 Dec, 2024 | 1 Jan - 31 Dec, 2023 | 1 Jan - 31 Dec, 2022 |
|---|---|---|---|
| Research and development costs | 2 311 | 2 100 | 1 628 |
| Marketing expenses | 3 868 | 3 576 | 3 045 |
| Computer equipment and software costs | 2 292 | 2 347 | 2 312 |
| Premises expenses | 2 574 | 2 051 | 1 580 |
| Voluntary social expenses | 1 242 | 1 300 | 1 531 |
| External services | 1 178 | 363 | 1 425 |
| Machinery and equipment costs | 557 | 654 | 853 |
| Administrative services | 1 312 | 846 | 845 |
| Travel expenses | 1 340 | 1 161 | 785 |
| Other expenses | 2 618 | 3 164 | 3 296 |
| **Total** | **19 292** | **17 562** | **17 301** |

During the periods presented, Framery has several notable changes in other operating expenses across various items. The costs associated with research and development have risen due to increased efforts in product development, which started during 2022 and expanded in 2023 and 2024. The research and development costs, which do not meet the criteria for capitalization are recorded as other operating expenses. The expansion of Framery's business operations has led to an increase in premises expenses, primarily due to increased number of showrooms globally, increased level of maintenance fees and the growing need for additional storage space to support the business's growth. The lease expenses, which are not recognized as right-of-use assets in the consolidated balance sheet, are recognised as expenses when incurred (see note 3.3. Leases for more information). During 2022 and 2024, the company utilised more legal and consulting services related to strategic projects and market studies which resulted in higher external service expenses during 2022 and 2024 compared to 2023. The increase in administrative services in 2024 is primarily attributable to the strengthening of the finance team through outsourced services. Since 2022, the company has had an increase in travel expenses following the easing of COVID-19 restrictions, as sales representatives have increased their in-person visits to clients. Increase in other expenses in 2023 was due to increased external activities after the Covid-19 pandemic and in 2023 due to foreign exchange rate difference mainly caused by the fluctuation of US dollar.

Auditor remuneration includes the fees paid to the auditors of each group company. The auditor remuneration is presented under administrative services under other operating expenses. Ernst & Young Oy has been the auditor for Framery Group in 2024, 2023 and 2022.

**Auditor remuneration**

| EUR, thousand | 1 Jan - 31 Dec, 2024 | 1 Jan - 31 Dec, 2023 | 1 Jan - 31 Dec, 2022 |
|---|---|---|---|
| Statutory audit | 179 | 125 | 96 |
| Tax advisory services | - | - | 7 |
| Other services | 2 | 1 | - |
| **Total** | **181** | **126** | **102** |

## 2.9. Finance income and costs

Framery's finance income mainly consists of foreign exchange gains and interest income incurred from bank accounts. The increase in finance income in 2022 and 2024 is mainly due to a strong cash position and fluctuation of USD. In 2023 the fluctuation of USD has resulted in higher finance costs.

Framery's finance costs include interest expenses from shareholder loans, bank loans and lease liabilities as well as foreign exchange losses and other expenses incurred mainly from guarantees and limits. In addition, the finance costs include the predefined accrued annual return on series P shares held by shareholder-employees. See note 4.1. Financial assets and liabilities for more information.

The increase in interest expenses on bank loans in 2023 is related to raising of new bank loans in April 2023. The reduction of interest expenses on shareholder loans in 2023 and 2024 is due to partial repayment of shareholder loans in 2023. See note 4.4. Financial risk and capital management for more information.

**Finance income and costs**

| EUR, thousand | 1 Jan-31 Dec, 2024 | 1 Jan-31 Dec, 2023 | 1 Jan-31 Dec, 2022 |
|---|---|---|---|
| **Finance income** | | | |
| Interest income from bank accounts | 356 | 165 | - |
| Foreign exchange gains | 255 | 75 | 251 |
| Other interest income | 21 | 1 | 1 |
| **Total** | **631** | **241** | **252** |
| | | | |
| **Finance costs** | | | |
| Interest costs on shareholder loans | 3 823 | 4 052 | 5 139 |
| Interest costs on bank loans | 1 341 | 2 207 | 196 |
| Interest costs on Series P shares | 635 | 616 | 831 |
| Interest costs from lease liabilities | 201 | 172 | 75 |
| Foreign exchange losses | 234 | 528 | 431 |
| Other interest costs | 117 | 92 | 77 |
| **Total** | **6 350** | **7 667** | **6 748** |
| | | | |
| **Net financial items** | **5 719** | **7 426** | **6 497** |

### Accounting policy

Interest income and interest expenses are recognised under the effective interest method. The effective interest rate is the discount rate that is used to discount expected future payments related to the financial asset or the financial liability in order for the present value of such asset or liability to match their carrying amount.

## 2.10. Income tax

The tax expense for the period comprises current and deferred tax. Change in deferred tax assets and tax liabilities are related to internal margins of inventories, intangible assets, non-deductible interest expenses, leases, and valuation of synthetic options.

**Income tax expense**

| EUR, thousand | 1 Jan-31 Dec, 2024 | 1 Jan-31 Dec, 2023 | 1 Jan-31 Dec, 2022 |
|---|---|---|---|
| Current tax on profit for the period | -5 577 | -4 558 | -4 471 |
| Adjustments for current tax of prior periods | -85 | -145 | -11 |
| **Total current income tax expense** | **-5 661** | **-4 703** | **-4 482** |
| **Deferred tax expense (/benefit)** | **1 339** | **1** | **-27** |
| **Income tax expense** | **-4 322** | **-4 703** | **-4 509** |

The reconciliation between income tax expense and tax payable is presented in the table below:

**Reconciliation of income tax expense**

| EUR, thousand | 1 Jan-31 Dec, 2024 | 1 Jan-31 Dec, 2023 | 1 Jan-31 Dec, 2022 |
|---|---|---|---|
| **Profit before tax** | **23 888** | **24 029** | **17 602** |
| Tax calculated at Finnish tax rate 20% | 4 778 | 4 806 | 3 520 |
| Effect of other tax rates for foreign subsidiaries | -290 | 108 | 155 |
| Effect of the expenses not deductible for tax purposes | -160 | -204 | 845 |
| Effect of the non-taxable income | -79 | -110 | -21 |
| Effect of other items | -11 | -43 | -1 |
| Adjustment in respect to prior years | 85 | 145 | 11 |
| **Income tax expense** | **4 322** | **4 703** | **4 509** |

## Deferred tax assets and liabilities

Framery's deferred tax assets comprise temporary differences related to internal margin of inventories, non-deductible interest expenses, Series P shares, valuation of synthetic options and leases. Deferred tax liabilities comprise intangible assets, accumulated depreciation differences and other items.

**Deferred tax assets and liabilities**

| EUR, thousand | At 1 Jan | Recognised profit or loss | Exchange rate differences | At 31 Dec |
|---|---|---|---|---|
| **2024** | | | | |
| **Deferred tax assets** | | | | |
| Internal margin of inventories | 1 217 | 1 938 | 104 | 3 259 |
| Non-deductible interest expenses | 1 471 | -635 | - | 836 |
| Series P shares | 289 | 127 | - | 416 |
| Synthetic options | 171 | 137 | - | 308 |
| Tax losses | 105 | -5 | - | 100 |
| Lease contracts | 24 | -1 | - | 24 |
| Expected credit loss | 4 | 1 | - | 6 |
| Other items | 92 | -16 | - | 76 |
| **Total** | **3 375** | **1 547** | **104** | **5 025** |
| Offsetting deferred tax assets and liabilities | -149 | -206 | - | -356 |
| **Net deferred tax assets** | **3 225** | **1 340** | **104** | **4 669** |
| | | | | |
| **Deferred tax liabilities** | | | | |
| Other intangible assets | -114 | 12 | - | -101 |
| Accumulated depreciation differences | - | - | - | - |
| Other items | -36 | -219 | - | -255 |
| **Total** | **-149** | **-206** | | **-356** |
| Offsetting deferred tax assets and liabilities | 149 | 206 | - | 356 |
| **Net deferred tax liabilities** | **-** | **-** | **-** | **-** |

| EUR, thousand | At 1 Jan | Recognised profit or loss | Exchange rate differences | At 31 Dec |
|---|---|---|---|---|
| **2023** | | | | |
| **Deferred tax assets** | | | | |
| Internal margin of inventories | 1 333 | -53 | -63 | 1 217 |
| Non-deductible interest expenses | 1 467 | 5 | - | 1 471 |
| Series P shares | 166 | 123 | - | 289 |
| Synthetic options | 137 | 34 | - | 171 |
| Tax losses | 51 | 55 | - | 105 |
| Lease contracts | 8 | 17 | - | 24 |
| Expected credit loss | 11 | -6 | - | 4 |
| Other items | 116 | -24 | - | 92 |
| **Total** | **3 288** | **150** | **-63** | **3 375** |
| Offsetting deferred tax assets and liabilities | - | -149 | - | -149 |
| **Net deferred tax assets** | **3 288** | **0** | **-63** | **3 225** |
| | | | | |
| **Deferred tax liabilities** | | | | |
| Intangible assets | - | -114 | - | -114 |
| Accumulated depreciation differences | - | - | - | - |
| Other items | - | -36 | - | -36 |
| **Total** | **-** | **-149** | **-** | **-149** |
| Offsetting deferred tax assets and liabilities | - | 149 | - | 149 |
| **Net deferred tax liabilities** | **-** | **-** | **-** | **-** |

| EUR, thousand | At 1 Jan | Recognised profit or loss | Exchange rate differences | At 31 Dec |
|---|---|---|---|---|
| **2022** | | | | |
| **Deferred tax assets** | | | | |
| Internal margin of inventories | 1 453 | -215 | 94 | 1 333 |
| Non-deductible interest expenses | 1 680 | -213 | - | 1467 |
| Series P shares | - | 166 | - | 463 |
| Synthetic options | 50 | 87 | - | 137 |
| Tax losses | 32 | 19 | - | 51 |
| Lease contracts | - | 8 | - | 8 |
| Expected credit loss | - | 11 | - | 11 |
| Other items | 28 | 87 | - | 116 |
| **Total** | **3 243** | **-50** | **94** | **3 288** |
| Offsetting deferred tax assets and liabilities | -22 | -22 | - | |
| **Net deferred tax assets** | **3 221** | **-72** | **94** | **3 288** |
| | | | | |
| **Deferred tax liabilities** | | | | |
| Intangible assets | - | - | - | - |
| Accumulated depreciation differences | -22 | - | - | -22 |
| Other items | - | - | - | - |
| **Total** | **-22** | **-** | **-** | **-22** |
| Offsetting deferred tax assets and liabilities | 22 | - | - | 22 |
| **Net deferred tax liabilities** | **-** | **-** | **-** | **-** |

**Tax losses**

| | Tax losses carried forward | | | | Recognised deferred tax assets | | | |
|---|---|---|---|---|---|---|---|---|
| **EUR, thousand** | 31 Dec, 2024 | 31 Dec, 2023 | 31 Dec, 2022 | 1 Jan, 2022 | 31 Dec, 2024 | 31 Dec, 2023 | 31 Dec, 2022 | 1 Jan, 2022 |
| Expiry within five years | - | 24 | - | - | - | 5 | - | - |
| Expiry within 6-10 years | 500 | 503 | 254 | 158 | 100 | 101 | 51 | 32 |
| **Total** | **500** | **527** | **254** | **158** | **100** | **105** | **51** | **32** |

## Accounting policy

### Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax is recognised in the consolidated statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### Deferred tax

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

## Key estimates and judgements

### Recognition of deferred tax assets for tax losses

The management uses judgement and estimates in deciding on whether deferred tax assets will be recognised for unused tax losses. The estimates are affected by expectations of the profit and taxable profit from the Group companies' operations in future years and the options of utilising the tax losses. Deferred tax assets are recognised to the extent that it is probable that there will be future taxable profit against which the unused tax losses and unused tax rebates can be used.

# 3. Capital employed

This section comprises components of capital employed in the Group, including goodwill and other intangible assets, property, plant and equipment, leases, inventories, trade and other receivables and payables.

## 3.1. Goodwill and Other intangible assets

Framery's intangible assets consist of goodwill, capitalised development costs, intangible rights, software and assets under development. Intangible rights and software are acquired separately while development costs and assets under development are internally generated assets.

**Goodwill and Other intangible assets**

| **EUR, thousand** | **Goodwill** | Development costs | Intangible rights | Software | Assets under development | **Other intangible assets total** |
|---|---|---|---|---|---|---|
| **2022** | | | | | | |
| Cost at 1 Jan | 68 730 | 2 502 | 263 | 1 848 | 432 | 5 046 |
| Additions | - | - | 66 | 4 | 1 349 | 1 419 |
| Disposals | - | - | -15 | - | -130 | -144 |
| **Cost at 31 Dec** | **68 730** | **2 502** | **315** | **1 851** | **1 652** | **6 320** |
| Accumulated amortisation and impairment at 1 Jan | - | -1 897 | -73 | -1 511 | - | -3 481 |
| Amortisation | - | -556 | -58 | -189 | - | -803 |
| **Accumulated amortisation and impairment at 31 Dec** | **-** | **-2 453** | **-131** | **-1 700** | **-** | **-4 283** |
| **Carrying value at 1 Jan** | **68 730** | **605** | **191** | **337** | **432** | **1 565** |
| **Carrying value at 31 Dec** | **68 730** | **49** | **184** | **152** | **1 652** | **2 036** |

| **EUR, thousand** | **Goodwill** | Development costs | Intangible rights | Software | Assets under development | **Other intangible assets total** |
|---|---|---|---|---|---|---|
| **2023** | | | | | | |
| Cost at 1 Jan | 68 730 | 2 502 | 315 | 1 851 | 1 652 | 6 320 |
| Additions | - | 146 | 65 | - | 2 301 | 2 512 |
| Disposals | - | - | - | - | -28 | -28 |
| Reclassifications | - | - | - | - | -139 | -139 |
| **Cost at 31 Dec** | **68 730** | **2 648** | **380** | **1 851** | **3 785** | **8 665** |
| Accumulated amortisation and impairment at 1 Jan | - | -2 453 | -131 | -1 700 | - | -4283 |
| Amortisation | - | -84 | -70 | -128 | - | -282 |
| **Accumulated amortisation and impairment at 31 Dec** | **-** | **-2 537** | **-201** | **-1 827** | **-** | **-4 565** |
| **Carrying value at 1 Jan** | **68 730** | **49** | **184** | **152** | **1 652** | **2 036** |
| **Carrying value at 31 Dec** | **68 730** | **111** | **179** | **24** | **3 785** | **4 099** |

| **EUR, thousand** | **Goodwill** | Development costs | Intangible rights | Software | Assets under development | **Other intangible assets total** |
|---|---|---|---|---|---|---|
| **2024** | | | | | | |
| Cost at 1 Jan | 68 730 | 2 648 | 380 | 1 851 | 3 785 | 8 665 |
| Additions | - | 133 | 103 | 5 | 512 | 753 |
| Disposals | - | -7 | -3 | - | -43 | -53 |
| Reclassifications | - | 4 090 | - | - | -4 090 | - |
| **Cost at 31 Dec** | **68 730** | **6 865** | **479** | **1 857** | **164** | **9 365** |
| Accumulated amortisation and impairment at 1 Jan | - | -2 537 | -201 | -1 827 | - | 4 565 |
| Amortisation | - | -1 225 | -82 | -29 | - | -1 337 |
| **Accumulated amortisation and impairment at 31 Dec** | **-** | **-3 762** | **-283** | **-1 857** | **-** | **-5 902** |
| **Carrying value at 1 Jan** | **68 730** | **111** | **179** | **24** | **3 785** | **4 099** |
| **Carrying value at 31 Dec** | **68 730** | **3 102** | **196** | **-** | **164** | **3 462** |

Goodwill has arisen mostly from the acquisition of Framery Oy by Framery Finance Oy in March 2018.

Framery is continuously performing product development activities and developing additional features to the pods and new offerings e.g. in software. Research and development costs are expensed except when development costs meet the capitalisation criteria. Development costs are related to the development of different pod models and the pod electricity system. When development costs meet capitalisation criteria, these are recorded under other intangible assets. The capitalised development costs comprise external costs such as services for mechanical design and sensor, electrical and software development services and internal costs such as personnel expenses attributable to specific development projects on the periods presented. The capitalised development costs are recorded as Assets under development until the production of the underlying asset commences when the capitalised costs are reclassified to Development costs. Increase to Assets under development in 2022 and 2023 is mainly related to the development costs of the new pod models. Additions to Development costs in 2022, 2023 and 2024 are related to the development of digital services, pod electricity system and new pod models. Reclassifications in 2024 from Assets under development to Development costs are mainly related to new pod modes which were launched in March 2024.

Intangible rights are related to the external patent registration service fees to third party patent agencies, acquired domain and costs incurred historically for the trademark application.

Software includes mainly capitalised costs related to different software licenses.

### Goodwill impairment testing

Goodwill is tested for impairment annually to identify any impairment. In addition, the Group monitors any internal and external indicators for any signs of impairment.

In the goodwill impairment testing, the carrying value of the cash generating unit (CGU) is compared to the recoverable amount of the CGU. Framery has one CGU which is the operating segment defined by the management and is the lowest level used to monitor the goodwill.

If the recoverable amount of the CGU is lower than the carrying value, the difference is recognised as an impairment loss in the consolidated statement of comprehensive income. Impairment tests have indicated that the recoverable amount of the CGU exceeds the carrying value and goodwill has not been impaired.

## Impairment testing and the key assumptions

The recoverable amount of the CGU is determined using a fair value less costs of disposal method. The fair value less costs of disposal is estimated by discounting future cash flows and deducting the estimated costs of disposal, from the net present value of the cash flows.

The key assumptions used in the determination are short-term and long-term revenue development, development of EBITDA and post-tax discount rate. Other assumptions are related to the annual capital expenditures and the change in net working capital. Terminal growth assumptions and discount rates used are presented in the following table:

| | 31 Dec, 2024 | 31 Dec, 2023 | 31 Dec, 2022 | 1 Jan, 2022 |
|---|---|---|---|---|
| Terminal growth assumption | 2.0% | 2.0% | 2.0% | 0.5% |
| Post-tax discount rate | 15.4% | 14.9% | 13.2% | 9.8% |

The average cumulative increase in revenue for the forecast periods are assumed to be between 14.6%-25.7% during the periods presented, and accordingly the average EBITDA assumed for the forecast periods are 21.0-27.3% during the periods presented.

Impairment testing calculations are based on annual long-term plans for the periods presented and other assumptions prepared by the Group's management and approved by the Board of Directors, including the forecast and terminal periods. The forecasts are based on the management's best estimates on future sales, cost development and general market conditions. The estimated future sales and production volumes are derived from the utilization of existing property, plant and equipment. If necessary, the assumptions are reconciled to reflect any possible differences between Group management's view and those that market participants would take when pricing the assets and liabilities.

The impairment testing calculations use a five-year forecast period for 2021, 2023 and 2024, and a four-year forecast period for 2022 due to the market uncertainty experienced during the year as a result of COVID-19. The discount rate used in impairment testing is the weighted average post-tax cost of capital (WACC). The discount rate reflects the total cost of equity and debt and the market risks associated with the Group. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below.

The management has determined the following assumptions used in the calculations:

| Assumptions | Description |
|---|---|
| Revenue growth | Revenue growth is based on the review period forecast. |
| Terminal growth | The terminal period growth assumption has been determined as 2.0% for years 2024-2022 and 0.5% for year 2021 which represents the long-term inflation projections. |
| EBITDA | EBITDA is based on the budgeted, forecasted profitability development in the review period as well as expected long-term profitability. |
| Discount rate | The discount rate is based on the weighted average post-tax cost of capital (WACC), determined using market data and peer company analysis. |

The management judgement and estimates regarding future have a central role in preparing the impairment testing calculations. The discounted cash flow method used in preparing the calculations requires forecasts and assumptions of which the most significant relate to Revenue growth, the development of costs, the level of maintenance investments and changes in the discount rate.

It is possible that the predictions related to the cash flow forecasts are not achieved. As a result, the impairment of goodwill or other assets may have a significantly negative effect on the result and the financial position in the future periods.

No impairment has been recognised in the financial periods presented. The management has prepared a sensitivity analysis for the key factors and based on the management estimate none of the reasonably possible changes in the key assumptions would lead to a situation in which the recoverable amount would be less than the carrying value of the cash generating unit.

## Accounting policy

### Goodwill

Goodwill arises from the business combinations and represents the excess of the consideration transferred over the Group's interest in the fair value of the identifiable net assets acquired at the acquisition date. Goodwill is an intangible asset with an indefinite useful life and is presented separately in the consolidated balance sheet. Goodwill is not amortised, but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the Group level at Framery. An impairment loss recognised for goodwill will not be reversed in subsequent periods.

### Development costs

Development costs that are directly attributable to the design, testing and implementation of identifiable and unique assets controlled by the Group are recognised as intangible assets in the consolidated balance sheet where the following criteria are met:

1. it is technically feasible to complete the intangible asset so that it will be available for use
2. management intends to complete the intangible asset and use or sell it
3. there is an ability to use or sell the intangible asset
4. it can be demonstrated how the intangible asset will generate probable future economic benefits
5. adequate technical, financial and other resources to complete the development and use or sell the intangible asset are available, and
6. the expenditure attributable to the development of the intangible asset can be reliably measured.

Capitalised development costs include external services, materials and directly attributable salaries. Capitalised development costs are recognised at historical cost less accumulated amortisation and impairment losses. Amortisations are calculated on a straight-line method over the useful economic lives of the assets.

### Intangible rights and software

Intangible rights and software are recognised at historical cost less accumulated amortisation and impairment losses. Amortisations are calculated on a straight-line method over the useful economic lives of the assets.

The estimated useful economic lives of other intangible assets are:

- Development costs 3 years
- Intangible rights 5 years
- Software 5 years

The assets' residual values, useful lives and amortisation methods are reviewed at minimum at the end of each reporting period and adjusted, if appropriate, to reflect changes in the expected economic benefits. The amortisation of internally generated other intangible assets is commenced when the asset is ready for its intended use.

### Impairment

Other intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

## Key estimates and judgements

### Key estimates used in goodwill impairment testing

The management has made key estimates and judgements in determining the level at which the goodwill is tested and whether there are any indications of impairment. The calculations of the fair value less cost to sell are based on estimated cash flows, which require assessments and estimates from the management. The most significant estimates are related to the forecasted Revenue and EBITDA as well as calculation of the weighted average cost of capital (WACC) used to discount cash flows. Management assesses the impacts of changes in key estimates used in forecasts by preparing sensitivity analyses as described above in this note.

### Estimates and judgements related to Other intangible assets

Framery has other intangible assets such as development costs, intangible rights and software with definite useful lives which values are presented above in this note. These assets are tested for impairment when events or changes in circumstances indicate that the carrying value may be impaired (a triggering event). The recoverability of these assets is based on management's estimate of the forecasted cash flow and market assumptions. Changes in these assumptions could result in impairment. See more details for impairment testing above in this note.

# 3.2. Property, plant and equipment

Framery's property, plant and equipment consist of machinery and equipment, subscribed pods and leasehold improvements. Additionally, construction in progress includes capitalised development costs related to the launch of new pod models.

**Property, plant and equipment**

| EUR, thousand | Machinery and equipment | Subscribed pods | Leasehold improvements | Construction in progress | Total |
|---|---|---|---|---|---|
| **2022** | | | | | |
| **Cost at 1 Jan** | **5 720** | **2 134** | **2 378** | **207** | **10 438** |
| Additions | 1 135 | 1 130 | 309 | 87 | 2 661 |
| Disposals | - | - | - | -0 | -0 |
| Reclassifications | - | -311 | - | - | -311 |
| **Cost at 31 Dec** | **6 855** | **2 952** | **2 687** | **294** | **12 788** |
| | | | | | |
| Accumulated depreciation and impairment at 1 Jan | -1 708 | -900 | -1 636 | - | -4 245 |
| Depreciation | -1 197 | -583 | -350 | - | -2 130 |
| Disposals | -10 | -181 | - | -171 | -361 |
| **Accumulated depreciation and impairment at 31 Dec** | **-2 915** | **-1 664** | **-1 986** | **-171** | **-6 736** |
| **Carrying value at 1 Jan** | **4 011** | **1 233** | **742** | **207** | **6 193** |
| **Carrying value at 31 Dec** | **3 940** | **1 288** | **701** | **123** | **6 052** |

| EUR, thousand | Machinery and equipment | Subscribed pods | Leasehold improvements | Construction in progress | Total |
|---|---|---|---|---|---|
| **2023** | | | | | |
| **Cost at 1 Jan** | **6 855** | **2 952** | **2 687** | **294** | **12 788** |
| Additions | 318 | 1 271 | 183 | 2 439 | 4 212 |
| Reclassifications | - | - | - | -149 | -149 |
| **Cost at 31 Dec** | **7 173** | **4 224** | **2 870** | **2 583** | **16 851** |
| | | | | | |
| Accumulated depreciation and impairment at 1 Jan | -2 915 | -1 664 | -1 986 | -171 | -6 736 |
| Depreciation | -1 430 | -1 111 | -325 | - | -2 866 |
| Disposals | - | -158 | - | - | -158 |
| **Accumulated depreciation and impairment at 31 Dec** | **-4 345** | **-2 933** | **-2 310** | **-171** | **-9 759** |
| **Carrying value at 1 Jan** | **3 940** | **1 288** | **701** | **123** | **6 052** |
| **Carrying value at 31 Dec** | **2 828** | **1 291** | **560** | **2 413** | **7 091** |

| EUR, thousand | Machinery and equipment | Subscribed pods | Leasehold improvements | Construction in progress | Total |
|---|---|---|---|---|---|
| **2024** | | | | | |
| **Cost at 1 Jan** | **7 173** | **4 224** | **2 870** | **2 583** | **16 851** |
| Additions | 1 417 | 799 | 226 | 476 | 2 917 |
| Reclassifications | 2 689 | - | 60 | -2 788 | -39 |
| **Cost at 31 Dec** | **11 279** | **5 023** | **3 156** | **271** | **19 729** |
| | | | | | |
| Accumulated depreciation and impairment at 1 Jan | -4 345 | -2 933 | -2 310 | -171 | -9 759 |
| Depreciation | -1 742 | -820 | -285 | - | -2 848 |
| Disposals | -29 | -197 | - | - | -226 |
| Translation differences | 0 | - | - | - | 0 |
| **Accumulated depreciation and impairment at 31 Dec** | **-6 117** | **-3 950** | **-2 596** | **-171** | **-12 833** |
| **Carrying value at 1 Jan** | **2 828** | **1 291** | **560** | **2 413** | **7 091** |
| **Carrying value at 31 Dec** | **5 163** | **1 073** | **560** | **100** | **6 897** |

Framery is using various machinery and equipment in connection with the manufacturing process including production line machines and assembly tools. Additionally, molds are another significant item, which are used for casting the frame structures of the pods. These items are presented as machinery and equipment. Subscribed pods include pods that are rented to customers for short term (see more information in note 3.3. Leases). Leasehold improvements include the costs associated with the enhancement of rental premises, which Framery uses for office and production purposes. Construction in progress in 2022 and 2023 is related to the launch of new pod models in March 2024, with the related assets classified as construction in progress. Additions to Construction in progress in 2022 and 2023 are mainly related to molds used for the new product line. These costs have been reclassified to Machinery and equipment in March 2024 when new pod models were launched.

## Accounting policy

Property, plant and equipment is recognised at cost less accumulated depreciation and any accumulated impairment losses. The cost includes purchase price of the asset and any other costs directly attributable to bringing the asset to the location and condition intended by the Framery's management. Maintenance and repair costs are expensed as incurred.

Depreciation is calculated using the straight-line basis over the estimated useful lives as follows:

- Machinery and equipment 5 years
- Subscribe pods 3 years

Leasehold improvements are depreciated over the shorter of the lease term of the leased premise and the useful life of the leasehold improvements. The useful lives and depreciation methods are reviewed, and adjusted if appropriate, at the end of each reporting period.

If there is evidence that an asset is impaired, the carrying amount of an asset is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The impairment loss is recognised in the consolidated statement of comprehensive income and is reviewed at the end of each reporting period and reversed if appropriate.

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing sales proceeds with the carrying amount of the asset and are recognised in the consolidated statement of comprehensive income.

# 3.3. Leases

Framery has several lease contracts during the periods presented. The leased assets include for example Framery's head office and production premises, showrooms, logistic centres, cars and certain production related machinery and equipment. The lease terms are fixed or valid until further notice and only a few include termination or extension options. Lease payments are mostly containing fixed payments, which are annually updated based on indexes such as consumer price index.

Following table presents the items recognized in the consolidated balance sheet based on the categories of leased assets:

| EUR, thousand | 31 Dec, 2024 | 31 Dec, 2023 | 31 Dec, 2022 | 1 Jan, 2022 |
|---|---|---|---|---|
| **Right-of-use assets** | | | | |
| Buildings | 3 374 | 4 355 | 2 765 | 3 627 |
| Machinery and equipment | 235 | 62 | 70 | 132 |
| **Total** | **3 608** | **4 417** | **2 835** | **3 759** |
| | | | | |
| **Lease liabilities** | | | | |
| Current | 1 480 | 1 264 | 1 393 | 1 273 |
| Non-current | 2 264 | 3 251 | 1 480 | 2 486 |
| **Total** | **3 745** | **4 515** | **2 872** | **3 759** |

Additions to the right-of-use assets during 2024 were EUR 639 thousand (2023: EUR 3 056 thousand, 2022: EUR 525 thousand). Additions in 2024 were mainly related to car leases which were classified as short-term leases in 2022 and 2023 since Framery's management made a new estimate in 2024 and decided to keep the leased cars for a longer period. Additions in 2023 were mainly related to a new production space as well as extension of the Framery's head office lease term.

Following table presents the items related to leases included in the consolidated statement of comprehensive income where Framery acts as a lessee:

| EUR, thousand | 1 Jan-31 Dec, 2024 | 1 Jan-31 Dec, 2023 | 1 Jan-31 Dec, 2022 |
|---|---|---|---|
| **Depreciation charge of right-of-use assets [1]** | | | |
| Buildings | 1 324 | 1 315 | 1 350 |
| Machinery and equipment | 48 | 64 | 104 |
| **Total** | **1 372** | **1 379** | **1 454** |
| Interest expense [2] | 201 | 172 | 75 |
| Expense relating to short-term leases [3] | 203 | 187 | 119 |
| Expense relating to leases of low value assets that are not short-term leases [3] | 177 | 262 | 205 |
| **The total amount recognised in the consolidated statement of comprehensive income** | **1 953** | **2 001** | **1 853** |
| **The total cash outflow** | **1 913** | **1 935** | **1 808** |

1) Included in the line item Depreciation, amortisation and impairments in the consolidated statement of comprehensive income.

2) Included in the line item Finance costs in the consolidated statement of comprehensive income.

3) Included in the line item Other expenses in the consolidated statement of comprehensive income.

Until the beginning of 2024 Framery's short-term leases consisted mainly of car leases with lease terms less than 12 months. In 2024 short-term leases consist mainly of flexible workspaces and car leases mainly related to sales representatives in-person visits to clients. Low value leases consist mainly of IT and other office equipment.

Framery acts as a manufacturer lessor by leasing soundproof pods. These are leased only for short-term purposes and treated as operating leases. The rental income incurred from subscribed pods during 2024, 2023 and 2022 is presented in the note 2.1. Revenue. The maturity of the lease liabilities is presented in note 4.4. Financial risk and capital management.

## Accounting policy

### Framery as lessee

The Group assesses whether a contract is, or contains, a lease at inception of the contract. Framery recognizes a right-of-use asset and a corresponding lease liability at the commencement date of a lease. Initially, the lease liability is measured at the present value of the future lease payments to be made over the lease period. The lease payments include fixed payments including variable lease payments that depend on an index or rate.

To determine the present value of future lease payments, Framery discounts the lease payments using the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate reflects the rate at which the Group could borrow an amount similar to the value of the right-of-use asset in a similar economic environment.

Framery determines the lease term as the non-cancellable period of the lease, together with the periods covered by an option to extend the lease, if it is reasonably certain to be exercised, and periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. Management uses judgement to evaluate the lease term for leases with extension or termination options. Management estimates the lease term based on overall strategy and business development plans as well as contract specific facts and circumstances.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets comprises the initial measurement of the corresponding lease liability, initial direct costs incurred, and lease payments made at or before the commencement date. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful life of the underlying asset.

Lease liabilities are measured at amortized cost. The carrying amount of lease liabilities is increased to reflect the interest on the lease liability and decreased for the lease payments made. Interest expenses related to the lease liabilities are recognized in the consolidated statement of comprehensive income. The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term or in lease payments.

Framery applies the recognition exemption provided for leases. Lease payments for leases of low value assets and short-term leases (less than 12 months) are recognized in the consolidated statement of comprehensive income on a straight-line basis. The low value assets comprise mainly IT and office equipment.

### Framery as lessor

Framery has classified all its lease contracts in which it is acting as a lessor as operating leases as the risks and rewards incidental of the ownership of assets are not seen transferred during the lease period because the leases are only for short term purposes (typically less than a year) without a purchase option at the end of the lease term. Framery recognises lease payments as revenue on a straight-line basis over the lease term, see note 2.1. Revenue.

## Key estimates and judgements

### Lease term determination

For leases that continue in perpetuity, but both the lessor and Framery have termination options, management uses judgement to determine the period during which Framery is reasonably certain to remain in the premises. Management assesses the enforceable period of the lease based on the contractual terms and reasonable certainty criteria as described above. If both parties are able to leave the contract without permission of each party and there are no significant penalties related to the termination, the lease term is assessed based on the notice period. However, when assessing whether the penalty is considered significant, management considers not only the direct payments to the lessor, but also indirect or economic penalties for both parties, i.e. replacement costs incl. negotiations and implementations for a new asset, importance of that underlying asset to company's operations and possible investments performed already in connection of leased asset i.e. all the facts and circumstances that create an economic incentive to continue with the leased asset. If the penalty is considered to be significant (direct or indirect), management uses judgement in determination of the lease term. The assessment is updated regularly.

In addition, periods covered by an option to extend the lease term are included in the lease term if the management is reasonably certain to exercise that option. The same rationale applies to termination options. Periods covered by a termination option are included in the lease term if the management is reasonably certain not to exercise the option. The same considerations are applied with termination and extension options as with perpetual leases described above.

### Incremental borrowing rate determination

The incremental borrowing rate is the rate of interest that Framery would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Management has defined incremental borrowing rates based on the company's credit rating, nature and geographical location of the asset, contract currency and the maturity of the contracts. The incremental borrowing rate used during the periods presented varies between 2.4%-5.9%.

## 3.4. Inventories

Framery's inventories comprise materials and supplies, work in progress and finished goods. Materials and supplies are related to the raw materials and components used in the production of Framery's pods. Work in progress is related to the unfinished pods in different stages of production. Finished goods are related to pods ready for sale and distribution. Advance payments are related to payments for materials which have not yet been received at the balance sheet date.

**Inventories**

| EUR, thousand | 31 Dec, 2024 | 31 Dec, 2023 | 31 Dec, 2022 | 1 Jan, 2022 |
|---|---|---|---|---|
| Materials and supplies | 7 902 | 7 809 | 12 574 | 11 538 |
| Work in progress | 1 154 | 970 | 907 | 1 384 |
| Finished goods | 12 681 | 6 511 | 4 430 | 5 193 |
| Advance payments | 266 | 789 | - | - |
| **Total** | **22 003** | **16 079** | **17 911** | **18 116** |

Inventories recognised as an expense were included in the line materials and services of the consolidated statement of comprehensive income (see note 2.3. Materials and services).

Write-downs of inventories to net realisable value amounted to EUR 1 640 thousand (2023: EUR 586 thousand, 2022: EUR 460 thousand). These were recognised as an expense and included in materials and services in the consolidated statement of comprehensive income. Inventory write-downs during 2022 and 2023 were mainly related to aging of inventory. Inventory write-downs during 2024 were mainly associated with the introduction of a new product line, leading to the write-down of older pod models. Write-down related to older pod models amounted EUR 1 180 thousand in 2024.

### Accounting policy

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure such as leases and depreciation of machinery and equipment. Fixed overhead expenditure is allocated on the basis of normal operating capacity.

Costs are assigned to individual items of inventory on the basis of weighted average costs method. Costs of purchased inventory are determined after deducting rebates and discounts. 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.

The policy for inventory write-downs involves that when a product has been in stock for over 6 months, its value is written down by half, and when it has been in stock for a year, it is completely written off.

## 3.5. Trade and other receivables and payables

### Trade and other receivables

Trade receivables represent amounts that Framery expects to collect from customers in the ordinary course of business. Other receivables include mainly prepaid expenses related to software licenses and VAT receivables. Following table presents Framery's trade and other receivables during the periods presented:

**Trade and other receivables**

| EUR, thousand | 31 Dec, 2024 | 31 Dec, 2023 | 31 Dec, 2022 | 1 Jan, 2022 |
|---|---|---|---|---|
| **Current** | | | | |
| Trade receivables | 26 393 | 20 286 | 21 656 | 17 758 |
| Other receivables: | | | | |
| Prepaid expenses | 977 | 786 | 1 261 | 1 136 |
| VAT receivables | 2 957 | 3 606 | 2 177 | 1 283 |
| Other | 1 723 | 210 | 49 | 149 |
| **Total** | **32 050** | **24 889** | **25 143** | **20 326** |

Increase in trade receivables in 2024 was mainly driven by the timing of sales and deliveries. Increase in Other receivables in 2024 was mainly caused by a strategic project at the end of 2024.

### Accounting policy

#### Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 to 90 days and are therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional as they do not contain significant financing components. The Group holds trade receivables with the objective of collecting the contractual cash flows. The carrying amount of trade receivables is considered to equal their fair value due to their short maturity and accordingly fair value information is not provided. Factoring is not in use.

Framery applies the simplified approach to measure the credit losses on trade receivables. The simplified approach requires expected lifetime credit losses to be recognised from the initial recognition of the receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. Framery has assessed the need for expected credit loss provision based on management judgement, the historical payment profiles of sales, the corresponding historical credit losses experienced within respective period as well as current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors and accordingly adjusts the historical loss rates based on expected changes in these factors.

Receivables are written off as uncollectible where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 120 days past due.

Credit risk arising from trade receivables, management of credit risk and the provision matrix of trade receivables are presented in note 4.4. Financial risk and capital management.

#### Trade and other payables

Trade and other payables represent unpaid, non-interest bearing liabilities at the end of the reporting period.

Non-current other payables include employee benefit obligations arising from cash-settled share-based payment plans. These liabilities are presented as current other payables under employee benefit obligations in 2024. More information is presented in note 2.5. Share-based payments.

Current other payables consist mainly of accrued personnel expenses, income tax payables and other accruals. Accrued personnel expenses include payroll accruals, bonus provision and other personnel related accruals. Accruals primarily consist of accruals of purchase invoices, accruals for deferred income from subscribed pods and a liability for expected distributor commissions payable in relation to sales made until the end of the reporting period.

The following table presents Framery's trade and other payables during the periods presented.

**Trade and other payables**

| EUR, thousand | 31 Dec, 2024 | 31 Dec, 2023 | 31 Dec, 2022 | 1 Jan, 2022 |
|---|---|---|---|---|
| **Non-current** | | | | |
| Other payables: | | | | |
| Employee benefit obligations | - | 4 242 | 5 394 | 4 906 |
| **Total** | **-** | **4 242** | **5 394** | **4 906** |
| | | | | |
| **Current** | | | | |
| Trade payables | 18 162 | 13 839 | 11 882 | 13 363 |
| Other payables: | | | | |
| Accrued personnel expenses | 5 911 | 5 482 | 5 361 | 5 299 |
| Other accruals | 1 906 | 1 114 | 560 | 776 |
| Employee benefit obligations | 2 687 | - | - | - |
| Income tax payables | 1 127 | 294 | 902 | 294 |
| Distributor commission | 309 | 403 | 588 | 569 |
| Other liabilities | 2 540 | 2 794 | 2 002 | 1 059 |
| **Total** | **32 642** | **23 926** | **21 296** | **21 360** |

## Accounting policy

### Trade payables

Trade payables represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade payables are presented as current liabilities. They are recognised initially at their fair value and subsequently measured at amortised cost. The carrying amount of trade payables is considered to equal their fair value due to their short maturity and accordingly fair value information is not provided.

# 4. Capital structure, financing and financial risk management

This section comprises an overview of Framery's capital structure including financing position, as well as financial risk and capital management strategies. In addition, the section describes Framery's liquidity position, debt structure and other obligations.

## 4.1. Financial assets and liabilities

Financial assets measured at amortised cost consist of trade receivables and cash and cash equivalents. Framery's cash and cash equivalents consist of cash in hand and deposits held at call with banks. Financial liabilities measured at amortised cost comprise bank loans and shareholder loans. In addition, Framery has lease liabilities related to leased assets, as described in note 3.3. Leases.

Framery also recognises a liability for the series P shares held by shareholder-employees. Framery's series P shares do not carry voting rights but entitle the holders to a predefined cumulative annual return on the initial subscription amount, payable upon an exit event. The Shareholders' Agreement includes good and bad leaver clauses for Series P shares. Upon a good leaver event, the redemption price is based on the fair value of the shares. In bad leaver events, the redemption price is the lower of fair value and the subscription amount, or in certain situations a lower amount as otherwise defined in the Shareholders Agreement. As the entitlement to the predefined return is conditional on continued employment, the series P shares including initial subscription amount and the preference return accrued up to the reporting date held by shareholder-employees are classified as a liability. The annual accrual of the return is recognised as a finance cost in the consolidated statement of comprehensive income due to the nature of the arrangement.

As at 31 December 2024, the liability recognised for series P shares held by shareholder-employees amounted to EUR 8 707 thousand (31 December 2023: EUR 8 073 thousand; 31 December 2022: EUR 12 107 thousand; 1 January 2022: EUR 11 276 thousand). During the reporting period, 2 600 Series P shares were redeemed (2023: none; 2022: 12 700).

### Bank loans

Framery entered into a financing agreement in December 2024, which consisted of a term loan of EUR 110 million and bridge loan facility of EUR 15 million. The term loan and EUR 5 million of the bridge loan facility were drawn down in January 2025 to refinance the existing shareholder and bank loans, redeeming the series P shares, and to repay capital and distribute dividends on series A shares. The term loan carries floating interest of Euribor plus margin of 5.75% p.a. The bridge loan carries floating interest of Euribor plus margin of 4.0% p.a. for the first six months and 5.75% p.a. thereafter Framery has the opportunity to repay the bridge loan before the margin re-set date, while the term loan is paid at its maturity at the latest in 2032. If the undrawn amount of bridge facility is not used during the first six months, the remaining facility becomes terminated. If the facility is drawn down, the same terms and conditions will be applied as with the term loan. The interest margin of the financing agreement is tied to the net debt / adjusted EBITDA ratio.

As of 31 December 2024, Framery had bank loans with conventional terms. The loans carried floating interest of 3 month Euribor plus margin of 4.0% p.a. The interest margin was tied to leverage ratio. In addition, the Group had a revolving credit facility, see note 4.4. Financial risk and capital management for more information.

### Shareholder loans

Shareholder loans are from several shareholders. All the loans have identical terms and were drawn in March 2018 with maturity of eight years. Accrued interest is capitalized annually and accrues interest on interest. The shareholder loans, along with accrued interest were repaid in January 2025 using the proceeds from the new term loan described above.

Following table presents the carrying amounts and fair values of the borrowings on the balance sheet dates, together with applicable fair value hierarchies:

The hierarchy levels are as follows:

Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Fair value of bank and shareholder loans is determined using discounted cash flow analysis. Cash flows are discounted using estimated market rate for similar loans at the measurement date. The management has applied significant judgement in determining the appropriate credit spread for the loans for each measurement date and as such classified the instruments to level 3 in the fair value hierarchy. For bank loans, the management has estimated that the discount rate has not significantly changed between the year, thus concluding that the book value of the loans is a reasonable approximation of their fair value. The group has not changed any valuation techniques in determining the fair values.

**Changes of financial liabilities arising from financing activities**

| EUR, thousand | Bank loans | Shareholder loans | Lease liabilities | Total |
|---|---|---|---|---|
| **Liabilities as at Jan 1, 2022** | **8 400** | **64 232** | **3 759** | **76 391** |
| Cash flows from financing | | | | |
| Repayments | -8 400 | - | -1 484 | -9 884 |
| Non-cash movements | | | | |
| Additions | - | - | 598 | 598 |
| Interest capitalisation | - | 5 139 | - | 5 139 |
| **Liabilities as at Dec 31, 2022** | **-** | **69 371** | **2 872** | **72 243** |
| Cash flows from financing | | | | |
| Proceeds | 30 000 | - | - | 30 000 |
| Repayments | -11 250 | -26 188 | -1 458 | -38 897 |
| Non-cash movements | | | | |
| Additions | - | - | 3 056 | 3 056 |
| Interest capitalisation | -178 | 3 338 | | 3 160 |
| **Liabilities as at Dec 31, 2023** | **18 572** | **46 522** | **4 515** | **69 608** |
| Cash flows from financing | | | | |
| Repayments | -9 000 | - | -1 533 | -10 533 |
| Non-cash movements | | | | |
| Additions | - | - | 763 | 763 |
| Interest capitalisation | -57 | 3 823 | - | 3 766 |
| **Liabilities as at Dec 31, 2024** | **9 514** | **50 344** | **3 745** | **63 602** |

| | | 31 Dec, 2024 | | 31 Dec, 2023 | | 31 Dec, 2022 | | 1 Jan, 2022 | |
|---|---|---|---|---|---|---|---|---|---|
| **EUR, thousand** | **Fair value hierarchy level** | **Book value** | **Fair value** | **Book value** | **Fair value** | **Book value** | **Fair value** | **Book value** | **Fair value** |
| Financial liabilities measured at amortised cost | | | | | | | | | |
| Bank loans | 3 | 9 750 | 9 750 | 18 572 | 18 782 | - | - | 8 400 | 8 400 |
| Shareholder loans | 3 | 47 199 | 47 199 | 44 178 | 40 728 | 65 024 | 60 116 | 60 207 | 63 162 |
| **Total financial liabilities measured at amortised cost** | | **56 949** | **56 949** | **62 750** | **59 510** | **65 024** | **60 116** | **68 607** | **71 562** |

Trade payables are presented in note 3.5. Trade and other receivables and payables and their carrying value approximates the fair value.

## Accounting policy

### Financial assets

Framery's financial assets are measured at amortised cost, as all financial assets are held for collection of contractual cash flows, and the contractual terms give rise to cash flows that represent solely payments of principal and interest. Interest income from these financial assets is included in finance income and is calculated using the effective interest rate method.

Trade receivables are initially recognised at the transaction price. For more information on trade receivables please see note 3.5. Trade and other receivables and payables.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred so that the Group has transferred substantially all the risks and rewards of ownership. Any gain or loss arising on derecognition is recognised directly in the consolidated statement of comprehensive income.

### Financial liabilities

Financial liabilities are initially measured at fair value, net of transaction costs incurred. Subsequently, financial liabilities are measured at amortised cost. Any difference between the proceeds received (net of transaction costs) and the redemption amount is recognised as interest expense over the loan term using the effective interest method and presented as finance costs in the income statement.

Fees paid on the establishment of loan facility are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Financial liabilities are derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the consolidated statement of comprehensive income as other income or finance cost.

Financial liabilities are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period.

Covenants that the group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the group is required to comply with after the reporting period do not affect the classification. For more information on covenants, see note 4.4 Financial risk and capital management.

Series P shares granted to shareholder-employees are subject to good and bad leaver conditions, under which the employee is entitled to predefined cumulative annual return on the subscription amount only if they remain employed until an exit event. As the benefit depends on future employment and service provided, the Series P shares held by shareholder-employees are presented as a liability. A liability is recognised based on the initial subscription amount and the accrued preference return up to the reporting date. The incurred right for the predefined accrued annual return is recorded as a finance cost through the comprehensive income statement, see note 2.9. Finance income and costs.

# 4.2. Equity

Framery's total equity consists of share capital, reserve for invested unrestricted equity, series P shares reserve, cumulative transaction difference and retained earnings. The table below discloses the changes in the number of shares.

| | Outstanding shares (pcs) | |
|---|---|---|
| | **Series A** | **Series P** |
| **Jan 1, 2022** | **11 950 000** | **-** |
| Share issues | 10 342 | - |
| Merger | 7 792 179 | 2 340 157 |
| **Dec 31, 2022** | **19 752 521** | **2 340 157** |
| Share issue | 6 001 | - |
| Cancellation of treasury shares | -340 603 | - 12 700 |
| **Dec 31, 2023** | **19 417 919** | **2 327 457** |
| Share issue | 20 966 | - |
| Cancellation of treasury shares | - | - |
| **Dec 31, 2024** | **19 438 885** | **2 327 457** |

During the reporting period, 2 600 Series P shares were redeemed. Group repurchased 12 700 series P shares and 340 603 series A shares under its redemption right in 2022 and cancelled these shares in 2023. At 31 December 2024, the number of treasury shares held by the Group were in total 94 713, representing 0.4% of the share capital and total voting rights (31 December 2023: 25 927, representing 0.1% of the share capital and total voting rights; 31 December 2022: 353 303, representing 1.6% of the share capital and total voting rights.)

### Share capital

Framery has two different share series: A series (Common share) and P series (Preference share).

| | 31 Dec, 2024 | 31 Dec, 2023 | 31 Dec, 2022 | 1 Jan, 2022 |
|---|---|---|---|---|
| Series A shares (pcs) | 19 438 885 | 19 417 919 | 19 752 521 | 11 950 000 |
| Series P shares (pcs) | 2 327 457 | 2 327 457 | 2 340 157 | -* |
| **Total number of shares** | **21 766 342** | **21 745 376** | **22 092 678** | **11 950 000** |

* At 1 January 2022, P-shares in HappySpace II Oy, which was merged into Framery Group Oyj on 30 November 2022.

The holders of series A and P shares consist of the main owners, other investors, key personnel and the members of the Board of Directors (see also note 5.3 Related party transactions). The main difference between the share series is related to the voting rights and preferential rights to the company's profit, in case of dividend or other asset distribution. The company is not contractually obligated to purchase the shares or distribute dividend on the shares in any event. The distribution of dividend is discretionary for both series of shares.

Series A share has the right to receive dividend or other asset distribution only after series P shareholders have received the preference amount, as defined in the Articles of Associations, which consists of the subscription amount plus a predefined cumulative annual return. The same preferential right applies also in case of asset distribution made in connection of listing or sale of the company.

Each series A share constitutes one vote in the shareholders' meeting while series P share does not have any voting rights.

The company has the primary right to redeem shares from the holders of series A and Series P shares in certain events, with secondary rights for other shareholders. Framery has commonly used its right to redeem shares from the departing key personnel (see note 2.5. Share-based payments for more information). In connection with sale or listing of the company, the shareholder agreement will cease to be in effect, the shares will vest and thereby the company's redemption right of shares will cease to exist.

### Reserve for invested unrestricted equity

The reserve for invested unrestricted equity includes the subscription price for shares as provided by the Finnish Limited Liability Companies Act. Changes in reserve for invested unrestricted equity during the periods are presented in the consolidated statement of changes in equity.

### Translation differences

Translation differences arising from the translation of the financial statements of foreign subsidiaries are recognised in the other comprehensive income and accrued in a separate equity reserve. The cumulative amount of translation differences is recognised as income or expense in the consolidated statement of comprehensive income on the disposal of the net investment.

### Dividends

Framery Group Oyj has not distributed dividends during the periods presented. After the end of the reporting period the Board has made a decision to repay return of capital and distribute accrued dividend on the preference shareholders as well as distribute dividends to common shareholders. See also note 5.5. Events after the reporting period.

### Series P shares reserve

The series P shares reserve in equity includes the consideration received from the external investors as the time of subscription for series P shares. The series P shares issued to external investors are considered financial instruments issued by Framery as the external investors are not employees nor do they provide services to Framery. Although the Series P shares carry predefined cumulative preferred return, the distribution is discretionary and contingent on decisions under the control of Framery's, such as listing decision or asset distribution approved by the Board of Directors. The predefined preferential dividend payable to the investor shareholders of series P shares will be recognised in equity when the dividends are declared and paid.

## Accounting policy

Common shares are classified as equity and measured at transaction price. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Series P shares held by investor shareholders are classified as equity and measured at the amount of consideration received at subscription. The predefined preferential dividend payable to the investor shareholders of series P shares will be recognised in equity when the dividends are declared and paid.

Accounting policy related to share-based payments is presented in Note 2.5. Share-based payments.

## 4.3. Earnings per share

| EUR, thousand | 1 Jan - 31 Dec, 2024 | 1 Jan - 31 Dec, 2023 | 1 Jan - 31 Dec, 2022 |
|---|---|---|---|
| **Earnings per share** | | | |
| Profit for the year attributable to the owners of the company | 19 566 | 19 326 | 9 578 |
| Less: Preference return attributable to the holders of series P shares | 1 152 | 1 457 | 1 486 |
| **Profit for the year attributable to the holders of series A shares** | **18 414** | **17 869** | **8 920** |
| Weighted average number of shares outstanding during the period before dilution: | | | |
| Series A shares (pcs) | 77 467 886 | 77 604 883 | 51 498 710 |
| **Basic and diluted earnings per share (EUR)** | | | |
| Series A shares | **0.24** | **0.23** | **0.16** |

Changes in the number of shares have been described in note 4.2. Equity.

The basic and diluted earnings per share attributable to the holders of series A shares for the periods presented has been adjusted retrospectively for the effects of the share issue without payment (split) determined on 14 November 2025. Framery's Extraordinary General Meeting decided to authorise the Board of Directors to resolve on a share issue without payment (share split) on 12 November 2025. The Board of Directors resolved under the authorisation on 14 November 2025 to implement the issuance of new shares by issuing the shareholders three new shares for each old share. After the split, the total number of shares was 76 640 128. The shares were entered in the share register on 18 November 2025.

### Accounting policy

Basic earnings per share is calculated by dividing the profit for the period less the predefined cumulative annual preference return attributable to series P investor shareholders by the weighted average number of series A shares outstanding during the financial year. Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into consideration the Group's potential commitment to issue new shares in the future. Framery had no instruments during the financial years 2024-2022 that would have had a dilutive effect on earnings per share.

## 4.4. Financial risk and capital management

The Group is exposed to a variety of financial risks including market risks (interest rate and foreign exchange risks), credit risk and liquidity risk. Financial risks are managed by the finance department in accordance with principles approved by the Board. The main focus of the risk management overall is on working capital and operative risk management to ensure the growth and profitability of the business, as the financial risks are not considered significant currently. The Group has not historically used derivatives to hedge the financial risks.

### Market risk

#### Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk, primarily to the US dollar and Singapore dollar. Foreign exchange risk refers to the potential impact on the Group's financial performance or financial position due to fluctuations in exchange rates. The Group is mainly exposed to transaction risk, and to a minimal extent, translation risk that arises to translation of the foreign operations to the Group reporting currency. Foreign exchange transaction risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity.

The Group entities operate in their local currencies in which also the intra-group transactions are carried. Accordingly, transaction risk, arises mainly from foreign trade and internal transactions.

The management monitors the level of the foreign currency risk, and, as long as the business is considered profitable with a reasonable buffer to cover the foreign exchange risk, the policy is not to hedge the foreign currency risk.

The Group's exposure to foreign currency transaction risk at the end of the reporting period was as follows:

**The aggregate net foreign exchange gains/losses recognised in profit or loss were:**

| EUR, thousand | 1 Jan-31 Dec, 2024 | 1 Jan-31 Dec, 2023 | 1 Jan-31 Dec, 2022 |
|---|---|---|---|
| Net foreign exchange gain/loss included in other operating income/expenses | 819 | -770 | 1 142 |
| Exchange gains/(losses) on foreign currency related to cash and cash equivalents included in finance costs | -21 | 453 | 179 |
| **Total net foreign exchange gains/(losses) recognised in profit before income tax for the period** | **798** | **-317** | **1 321** |

In preparing the sensitivity analysis, net transaction position, as disclosed above, is multiplied by the reasonable possible change per foreign exchange rate per year, which is assessed by the management to be 10%. All other variables are assumed to remain constant in preparing the sensitivity analysis.

**Sensitivity analysis**

| | Impact on profit for the period | | |
|---|---|---|---|
| EUR, thousand | 1 Jan – 31 Dec, 2024 | 1 Jan – 31 Dec, 2023 | 1 Jan – 31 Dec, 2022 |
| EUR/USD exchange rate – increase 10% | -2 302 | -1 416 | -1 355 |
| EUR/USD exchange rate – decrease 10% | 2 813 | 1 731 | 1 656 |
| EUR/SGD exchange rate – increase 10% | -1 512 | -668 | -623 |
| EUR/SGD exchange rate – decrease 10% | 1 847 | 817 | 762 |

#### Interest rate risk

Interest rate risk refers to the potential negative impact on the Group's financial performance due to fluctuations in interest rates. The Group's interest rate risk arises from long-term bank loans which are at variable rates, which expose the Group to cash flow interest rate risk. The interest rate risk has not been hedged. During the periods presented, the Group's borrowings at variable rate were denominated in Euro. The sensitivity analysis is provided in the table below. All other variables except for the market interest rate are assumed to remain constant in preparing the sensitivity analysis.

**Sensitivity analysis**

| | Impact on profit for the period | | |
|---|---|---|---|
| EUR, thousand | 2024 | 2023 | 2022 |
| Interest rates – increase by one percentage points* | -159 | -243 | -39 |
| Interest rates – decrease by one percentage points* | 159 | 243 | 2 |

* Holding all other variables constant

**Financing arrangements**

| Floating rate (EUR, thousand) | 31 Dec, 2024 | 31 Dec, 2023 | 31 Dec, 2022 | 1 Jan, 2022 |
|---|---|---|---|---|
| Expiring within one year (bank overdraft) | - | - | - | - |
| Expiring beyond one year (bank loans) | 9 750 | 18 750 | - | 8 400 |

**Foreign exchange transaction risk position**

| | 31 Dec, 2024 | | | | 31 Dec, 2023 | | | | 31 Dec, 2022 | | | | 1 Jan, 2022 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| EUR, thousand | USD | SGD | GBP | AUD | USD | SGD | GBP | AUD | USD | SGD | GBP | AUD | USD | SGD | GBP | AUD |
| Trade receivables | 21 175 | 15 556 | 1 457 | 1 616 | 15 130 | 7 350 | 2 204 | 1 981 | 16 128 | 6 535 | 154 | 3 149 | 18 304 | 4 011 | - | 944 |
| Cash | 1 975 | 16 | 711 | - | 70 | - | 813 | - | 77 | - | 27 | - | 143 | - | 2 | 2 |
| Trade payables | 109 | 34 | 374 | 7 | 217 | 58 | 101 | -22 | 59 | 7 | 163 | 106 | 448 | 3 | 33 | 33 |

Trade receivables also include intercompany balances as these carry foreign exchange transaction risk.

## Credit risk

Credit risk arises from cash and cash equivalents and trade receivables from wholesale and retail customers. Cash and cash equivalents are held with stable banks with high credit rating and their credit risk is considered immaterial. For trade receivables, credit risk is managed centrally. The Group limits the credit risk by requiring prepayments from new clients and only granting credit to known clients with solid credit position and good payment history. The management sets credit limits to clients and the credit controlling unit monitors the compliance with the credit limits. The maximum exposure to credit risk is the carrying amount of cash and cash equivalents and trade receivables. The credit risk overall is currently considered limited.

The credit controlling unit also monitors the general credit quality of the customers, taking into account their financial position, past payment behaviour and other customer-specific factors. If the credit risk of a client is considered increased, letters of payment are required. Trade receivables past due over 12 days are monitored on a daily basis by the credit controlling unit. The Group uses an external company for debt collection for debts which are past due.

The expected credit loss model for trade receivables is described below. While cash and cash equivalents are also subject to the ECL model, the management has assessed that the expected losses for those items are not significant.

## Expected credit losses

The Group applies the simplified approach to measuring expected credit losses for trade receivables which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 24 months before 31 December 2024, 31 December 2023, 31 December 2022 or 1 January 2022 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at 31 December 2024, 31 December 2023, 31 December 2022 and 1 January 2022 was determined as follows for trade receivables. No loss allowance was booked for 1 January 2022 since there has not been any historical credit losses over a period of 24 months prior that date.

**Loss allowance**

| EUR, thousand | Not due | Under 30 days | 30-60 days | 61-90 days | Over 90 days | Total |
|---|---|---|---|---|---|---|
| **31 Dec, 2024** | | | | | | |
| Expected loss rate | 0.0% | 0.1% | 0.2% | 0.8% | 6.6% | 0.1% |
| Trade receivables, gross | 20 878 | 5 746 | 1 199 | 549 | 190 | 28 561 |
| Loss allowance | 5 | 4 | 3 | 5 | 12 | 29 |
| **Trade receivables, net** | **20 873** | **5 742** | **1 196** | **544** | **177** | **28 532** |

| EUR, thousand | Not due | Under 30 days | 30-60 days | 61-90 days | Over 90 days | Total |
|---|---|---|---|---|---|---|
| **31 Dec, 2023** | | | | | | |
| Expected loss rate | 0.0% | 0.1% | 0.3% | 4.3% | 5.9% | 0.1% |
| Trade receivables, gross | 18 993 | 2 015 | 375 | 32 | 177 | 21 591 |
| Loss allowance | 7 | 2 | 1 | 1 | 10 | 22 |
| **Trade receivables, net** | **18 986** | **2 013** | **374** | **30** | **166** | **21 570** |

| EUR, thousand | Not due | Under 30 days | 30-60 days | 61-90 days | Over 90 days | Total |
|---|---|---|---|---|---|---|
| **31 Dec, 2022** | | | | | | |
| Expected loss rate | 0.1% | 0.3% | 0.5% | 1.3% | 2.7% | 0 |
| Trade receivables, gross | 15 995 | 2 519 | 2 895 | 345 | 223 | 21 977 |
| Loss allowance | 21 | 7 | 15 | 4 | 6 | 53 |
| **Trade receivables, net** | **15 974** | **2 511** | **2 880** | **341** | **217** | **21 924** |

| EUR, thousand | Not due | Under 30 days | 30-60 days | 61-90 days | Over 90 days | Total |
|---|---|---|---|---|---|---|
| **1 Jan, 2022** | | | | | | |
| Expected loss rate | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0 |
| Trade receivables, gross | 15 630 | 2 061 | 483 | 60 | 282 | 18 517 |
| Loss allowance | - | - | - | - | - | 0 |
| **Trade receivables, net** | **15 630** | **2 061** | **483** | **60** | **282** | **18 517** |

The loss allowances for trade receivables as at 31 December reconcile to the opening loss allowances as follows:

**Loss allowance reconciliation**

| EUR, thousand | 2024 | 2023 | 2022 |
|---|---|---|---|
| Opening loss allowance at 1 Jan | 22 | 53 | 0 |
| Increase in loss allowance recognised in the statement of comprehensive income during the year | 49 | 26 | 253 |
| Receivables written off during the year as uncollectible | -42 | -57 | -200 |
| **Closing loss allowance at 31 Dec** | **29** | **22** | **53** |

Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables are presented as other expenses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

## Liquidity risk and capital management

The Group's capital as at 31 December 2024 consisted of bank loans, shareholder loans and equity, as shown on the balance sheet. After the end of the reporting period, the capital has been mainly restructured, due to refinancing of the bank and shareholder loans as well as redemption of the series P shares. The objectives of the capital management is to facilitate growth and profitability, and to safeguard the ability to provide returns to the shareholders. Refer to notes 4.1. Financial assets and liabilities and 4.2. Equity for more information.

The Group manages actively the working capital, aiming to maintain adequate levels of inventory to safeguard the Group's ability to continue its operations despite of possible delivery problems arising from external events such as the war in Ukraine. This has been enabled by the Group's strong cash position and profitability of the business.

Under the terms of the bank loans, the Group is required to comply with the covenants on net debt / EBITDA and cash flow / net debt service. The covenants are reported regularly to the banks and taken into account in the internal forecasts. The Group monitors the covenants actively. Over the years presented, the covenants have not been breached, or they have not been close to a breach.

The Group has a stable liquidity position. The liquidity is further ensured by maintaining adequate committed credit facilities at all times as presented below.

The Group's liquidity risk management is based on maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of committed credit facilities to ensure the Group's ability to meet obligations when due. The committed credit facilities amounted to at the reporting period to EUR 4 559 thousand (2023: EUR 4 608 thousand).

Management monitors rolling forecasts of the Group's liquidity reserve (comprising the undrawn borrowing facilities below and cash and cash equivalents) on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the Group, in accordance with practice and limits set by the Group. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet the limits, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

The Group had the following unused sources of financing at the end of the reporting period:

**Unused financial sources**

| EUR, thousand | 31 Dec, 2024 | 31 Dec, 2023 | 31 Dec, 2022 | 1 Jan, 2022 |
|---|---|---|---|---|
| Cash and cash equivalents | 20 461 | 14 256 | 11 300 | 5 598 |
| Committed credit facilities | 4 559 | 4 608 | - | - |
| Used | 441 | 393 | - | - |
| **Total** | **25 020** | **18 864** | **11 300** | **5 598** |

The table below describes the maturities of financial liabilities and lease liabilities. As part of refinancing, remaining bank loans and shareholder loans as of 31 December 2024 were fully repaid in January 2025 (see Note 4.1. Financial assets and liabilities). The new term loan matures in 2032. The bridge loan facility matures in 2032 if not repaid within the first six months.

**Maturities of financial liabilities**

| EUR, thousand | 2025 | 2026 | 2027 | 2028 | 2029 | 2030- | Total contractual cash flows | Carrying amount |
|---|---|---|---|---|---|---|---|---|
| **31 Dec, 2024** | | | | | | | | |
| Bank loans | 655 | 655 | 10 279 | - | - | - | 11 588 | 9 750 |
| Shareholder loans | - | 50 344 | - | - | - | - | 50 344 | 50 344 |
| Lease liabilities | 1 731 | 1 641 | 793 | 5 | 5 | 1 | 4 178 | 3 745 |
| Trade payables | 18 162 | - | - | - | - | - | 18 162 | 18 162 |
| **Total** | **20 548** | **52 640** | **11 072** | **5** | **5** | **1** | **84 273** | **82 002** |

| EUR, thousand | 2024 | 2025 | 2026 | 2027 | 2028 | 2029- | Total contractual cash flows | Carrying amount |
|---|---|---|---|---|---|---|---|---|
| **31 Dec, 2023** | | | | | | | | |
| Bank loans | 8 071 | 949 | 949 | 12 767 | - | - | 22 736 | 18 572 |
| Shareholder loans | - | - | 46 522 | - | - | - | 46 522 | 46 522 |
| Lease liabilities | 1 511 | 1 414 | 1 402 | 699 | 5 | 5 | 5 037 | 4 515 |
| Trade payables | 13 839 | - | - | - | - | - | 13 839 | 13 839 |
| **Total** | **23 421** | **2 363** | **48 873** | **13 466** | **5** | **5** | **88 134** | **83 448** |

| EUR, thousand | 2023 | 2024 | 2025 | 2026 | 2027 | 2028- | Total contractual cash flows | Carrying amount |
|---|---|---|---|---|---|---|---|---|
| **31 Dec, 2022** | | | | | | | | |
| Bank loans | - | - | - | - | - | - | - | - |
| Shareholder loans | - | - | - | 69 371 | - | - | 69 371 | 69 371 |
| Lease liabilities | 1 354 | 1 506 | 48 | 36 | 13 | - | 2 957 | 2 872 |
| Trade payables | 11 882 | - | - | - | - | - | 11 882 | 11 882 |
| **Total** | **13 235** | **1 506** | **48** | **69 407** | **13** | **-** | **84 210** | **84 125** |

| EUR, thousand | 2022 | 2023 | 2024 | 2025 | 2026 | 2027- | Total contractual cash flows | Carrying amount |
|---|---|---|---|---|---|---|---|---|
| **1 Jan, 2022** | | | | | | | | |
| Bank loans | 8 866 | - | - | - | - | - | 8 866 | 8 400 |
| Shareholder loans | - | - | - | - | 64 232 | - | 64 232 | 64 232 |
| Lease liabilities | 1 317 | 1 317 | 1 317 | 7 | 4 | - | 3 961 | 3 759 |
| Trade payables | 13 363 | - | - | - | - | - | 13 363 | 13 363 |
| **Total** | **23 545** | **1 317** | **1 317** | **7** | **64 236** | **-** | **90 422** | **89 754** |

# 5. Other disclosures

This section comprises additional significant information related to Framery's financial activities. It outlines details on related party transactions, contingent liabilities and assets and other commitments, events after the reporting period, and other significant disclosures that are necessary for understanding the company's financial position and performance.

## 5.1. Group structure

The consolidated financial statements of Framery includes the following entities:

**Subsidiaries**

**Following table includes the subsidiaries in the Framery Group during the periods presented:**

| Subsidiary | Country of incorporation | Group ownership 31 Dec, 2024 (%) | Group ownership 31 Dec, 2023 (%) | Group ownership 31 Dec, 2022 (%) | Group ownership 1 Jan, 2022 (%) |
|---|---|---|---|---|---|
| Framery Group Oyj | Finland | 100 | 100 | 100 | 100 |
| HappySpace II Oy[1] | Finland | - | - | - | 60.53 |
| Framery Finance Oy | Finland | 100 | 100 | 100 | 100 |
| Framery Oy | Finland | 100 | 100 | 100 | 100 |
| Framery Trade Oy | Finland | 100 | 100 | 100 | 100 |
| Framery, Inc. | the United States | 100 | 100 | 100 | 100 |
| Framery Singapore Pte. Ltd. | Singapore | 100 | 100 | 100 | 100 |
| Framery Australia Pty. Ltd. | Australia | 100 | 100 | 100 | 100 |
| Framery Japan Co., Ltd. | Japan | 100 | 100 | 100 | 100 |
| Framery Canada Ltd. | Canada | 100 | 100 | 100 | 100 |

1) HappySpace II Oy was merged into Framery Group Oyj on 30 November 2022 when all assets and liabilities of HappySpace II Oy were transferred through a universal succession without a liquidation procedure to Framery Group Oyj. Share of non-controlling interest was 39.47% on 1 January 2022. See more information in note 5.2. Non-controlling interest and transactions with non-controlling interests.

### Accounting policy

Subsidiaries are all entities over which the Group has control. The Group controls an entity where the Group 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. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Group ceases to consolidate because of a loss of control, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in the consolidated statement of comprehensive income. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the consolidated statement of comprehensive income.

## 5.2. Non-controlling interests and transactions with non-controlling interests

**Non-controlling interests**

| EUR, thousand | 2024 | 2023 | 2022 |
|---|---|---|---|
| As at 1 Jan, share of the profit (loss) for the period | - | - | 7 495 |
| Share of the profit (loss) for the period | - | - | 4 877 |
| Merger | - | - | - 12 372 |
| **As at 31 Dec, share of the profit (loss) for the period** | **-** | **-** | **-** |

HappySpace II Oy was merged into Framery Group Oyj on 30 November 2022 when all assets and liabilities of HappySpace II Oy were transferred through a universal succession without a liquidation procedure to Framery Group Oyj. The merger was undertaken to simplify the group structure, to enhance operational efficiency and to save overall costs. As a result of the merger, all shareholders in HappySpace II Oy and Framery Group Oyj became shareholders in the same company in the group structure (Framery Group Oyj).

### Accounting policy

Transactions with non-controlling interests that do not result in a loss of control are treated as transactions with the equity owners of the Group. The difference between the consideration paid for shares acquired from non-controlling interests and the acquired share of the net assets of the subsidiary is recognised in equity. Correspondingly, gain or loss from a share sold to non-controlling interests is recognised directly in equity.

## 5.3. Related party transactions

Framery's ultimate controlling party is Vaaka Partners Buyout Fund III Ky, one of Vaaka Partners Oy's private equity funds. Framery's other related parties include other companies in the Group, members of the Board of Directors, the CEO and members of the management team. The related parties also include the family members of these individuals and entities, in which these individuals have either control or joint control.

**Compensation and remuneration to the members of the Board of Directors, CEO and members of the management team**

| EUR, thousand | 1 Jan - 31 Dec, 2024 | 1 Jan - 31 Dec, 2023 | 1 Jan - 31 Dec, 2022 |
|---|---|---|---|
| **Members of the Board of Directors** | | | |
| Fees | 136 | 97 | 52 |
| **CEO** | | | |
| Short-term employee benefits | 231 | 239 | 211 |
| **Management team** | | | |
| Short-term employee benefits | 1 033 | 1 028 | 1 233 |
| Share-based payments | - | 114 | 2 821 |
| Termination benefits | - | 65 | - |
| **Total** | **1 401** | **1 543** | **4 317** |

**Shareholding of the members of the management team and board of directors**

| | 31 Dec, 2024 | | 31 Dec, 2023 | | 31 Dec, 2022 | | 1 Jan, 2022 | |
|---|---|---|---|---|---|---|---|---|
| **Shareholding** | **Management team (incl. CEO)** | **Board of Directors** | **Management team (incl. CEO)** | **Board of Directors** | **Management team (incl. CEO)** | **Board of Directors** | **Management team (incl. CEO)** | **Board of Directors** |
| Series A shares (pcs) | 2 596 764 | 199 755 | 2 578 580 | 199 755 | 2 585 820 | 199 755 | 2 831 340 | 199 724 |
| Shareholding, % (of series A shares) | 13.4% | 1.0% | 13.3% | 1.0% | 13.1% | 1.0% | 23.7% | 1.7% |
| Series P shares (pcs) | 764 162 | 24 800 | 764 162 | 24 800 | 764 162 | 24 800 | 773 262 | 24 800 |

In the financial year 2023, the members of the Board of Directors were paid EUR 140 thousand, and the members of the Management team EUR 4,299 thousand, in capital returns related to series P shares. The total predefined accrued annual return related to the Series P shares recognised as a financial expense attributable to the members of the Board of Directors and the Management team amounted to EUR 597 thousand (2023: EUR 579 thousand, 2022: EUR 781 thousand).

Executive officers also participate in the Group's share option programme (see Note 2.5. Share-based payments for the terms and conditions of the programme). At the reporting date 31 December 2024, the members of the management team had in total 31 472 synthetic options and the Board of Directors 47 740 synthetic options. During 2024, the expense recognised for synthetic option attributable to the members of the Board of Directors and Management team amounted to EUR 298 thousand (2023: EUR 72 thousand; 2022: EUR 175 thousand). The liability related to the synthetic option programme attributable to the members of the Board of Directors and Management team amounted to EUR 658 thousand as at 31 December 2024 (31 December 2023: EUR 360 thousand; 31 December 2022: EUR 288 thousand).

**Transactions with controlling party**

Vaaka Partners Buyout Fund III Ky holds 6 750 000 of the Company's Series A shares as at 31 December 2024. Other transactions are disclosed below:

| EUR, thousand | 1 Jan - 31 Dec, 2024 | 1 Jan - 31 Dec, 2023 | 1 Jan - 31 Dec, 2022 |
|---|---|---|---|
| **Finance costs** | | | |
| Interest costs on shareholder loans | 2 116 | 2 329 | 2 902 |
| **Financial liabilities measured at amortized cos** | | | |
| Shareholder loans | 28 437 | 26 278 | 39 181 |

See note 4.1 Financial assets and liabilities for more details on the shareholder loans.

In the financial year 2023, a total of EUR 15 195 thousand was repaid to Vaaka Partners Buyout Fund III Ky in shareholder loans and accrued interest.

During the financial years 2024 and 2022, Framery had a minor transaction with a related party. There were no other outstanding balances with related parties as of 31 December 2024; 31 December 2023; 31 December 2022 or 1 January 2022.

## 5.4. Contingent liabilities and commitments

Framery's contingent liabilities and commitments consist of company mortgages, payments relating to short-term and low-value rent commitments and other guarantees. Company mortgages are related to mortgages given as collateral in connection with Framery's loan arrangements with financial institutions. Other guarantees include rent deposits and purchase commitments.

**Commitments**

| EUR, thousand | 31 Dec, 2024 | 31 Dec, 2023 | 31 Dec, 2022 | 1 Jan, 2022 |
|---|---|---|---|---|
| **Guarantees** | | | | |
| Company mortgages | 156 000 | 156 000 | 90 480 | 90 480 |
| Rent commitments | 651 | 810 | 519 | - |
| Less than 12 months | 399 | 371 | 286 | - |
| Over 12 months | 252 | 439 | 233 | - |
| **Other guarantees** | | | | |
| Rent deposits | 441 | 392 | 87 | 87 |
| Purchase commitments | 12 010 | 5 156 | 4 651 | 1 827 |
| Less than 12 months | 10 310 | 4 356 | 4 051 | 1 568 |
| Over 12 months | 1 700 | 800 | 600 | 259 |

### Accounting policy

Contingent liabilities are possible obligations resulting from past events whose existence will only be confirmed by uncertain future events that are beyond the Group's control. Existing obligations that the settlement is not probable, or the amount cannot be measured reliably, are also considered contingent liabilities. Contingent liabilities are presented in the notes to the financial statements.

## 5.5. Events after the reporting period

### Refinancing January 2025

Framery has restructured its capital by executing a refinancing transaction in January 2025. The refinancing included financing agreement, consisting of a term loan of EUR 110 million and bridge loan facility of EUR 15 million. The term loan and EUR 5 million of the bridge loan facility were drawn down in January 2025 to refinance the existing shareholder loans and bank loans.

In connection with the refinancing, Framery distributed capital and dividends to Series A shareholders amounting to EUR 34 988 thousand. In addition, Framery paid a total of EUR 24 564 thousand to the holders of Series P shares as preferential return, including both return of capital and dividends. The Company had the right to redeem the Series P shares without consideration once the amount corresponding to the preferential payment as defined in the Articles of Association had been distributed. After the preferential payment to the Series P shareholders had been made, the General Meeting resolved to redeem all the Company's outstanding Series P shares. The Company cancelled all Series P shares in August 2025. At the same time, the Company amended its Articles of Association so that it now has only one class of shares (common shares).

Framery had the opportunity to repay the bridge loan facility before the margin-reset date, while the term loan is to be paid at its maturity in 2032. The terms of the financing agreement also stated that if the undrawn amount of the bridge facility is not used within the first six months, the remaining facility will be terminated. If the facility had been drawn down, the same terms and conditions would have been applied as with the term loan. Framery repaid the EUR 5 million bridge loan facility in July 2025, and the remaining facility was subsequently terminated. Framery repaid EUR 10 million of the term loan in September 2025.

Under the terms of the term loan, the Group is required to comply with the covenant gross debt / Adjusted EBITDA. The covenant is reported regularly and taken into account in the internal forecasts. Over the reporting period, the covenant has not been breached, nor has it been close to a breach.

### New Financing Agreement

Framery Group has entered into a new refinancing agreement (the "New Financing Agreement") with a Nordic Bank. The New Financing Agreement consists of a EUR 80 million term loan and a EUR 15 million revolving credit facility. In addition Framery has also negotiated an account limit agreement of EUR 5 million with the same Nordic Bank. The Company's current outstanding term loan of EUR 100 million will be repaid due to the New Financing Agreement. The revolving credit facility may be used to finance Framery's ordinary business operations and working capital.

The loans under the New Financing Agreement are available for drawdown in connection with the Listing provided that customary conditions precedent for drawing the loan are fulfilled, including the repayment of the current term loan and the release of the security granted in connection with the current financing agreement. The term loan under the New Financing Agreement matures in five years and will be amortised semi-annually in instalments of approximately EUR 2.7 million, with the first instalment due six months after the drawdown date. The remaining outstanding balance will be repaid on the final maturity date. The revolving credit facility will be available for drawdown during the five-year loan term.

The New Financing Agreement includes covenant net debt to EBITDA adjusted by listing costs and non-recurring items. In addition, the interest margin under the New Financing Agreement is linked to the ratio of net debt to adjusted EBITDA. Loans under the New Financing Agreement are unsecured.

### Changes in the Board of Directors

Tuomas Siponen did step down on 15 August 2025 and Pipsa Loimijoki was nominated as the Member of the Board.

The Board of Directors consist currently of Mika Sutinen (chairman of the Board), Timo Toikkanen, Gregory Bylsma, Pipsa Loimijoki and Ville Koskenvuo.

### Changes in the Management team

Timo Inkinen stepped down in May 2025 and Tomi Nokelainen joined as the acting head of R&D and Henrik Skyttä as the Head of Customer Operations. Additionally, Inka Saxholm was named as the acting CMO during Daniela Tjeder's parental leave.

Executive team currently consist of Samu Hällfors (CEO), Lauri Isotalo (CFO), Inka Saxholm (Acting CMO), Lasse Karvinen (Head of Sales), Arto Vahvanen (Head of Smart Office Solutions), Anni Hallila (Head of People & Culture), Henrik Skyttä (Head of Customer Operations), Tomi Nokelainen (Acting Head of R&D), Hannu Seppä (Head of Supply Chain), Oona Vilermo (Strategy Director), Daniela Tjeder (CMO, on parental leave).

### Shareholder resolutions on 12 September 2025

The shareholders resolved unanimously to change the parent company's corporate form from a private limited company to a public limited company and to change its name from HappySpace Oy to Framery Group Oyj. The shareholders also resolved unanimously to increase the share capital of Framery Group Oyj to EUR 80,000 by transferring EUR 67,500 from retained earnings.

Additionally, it was resolved to change the name of the subsidiary HappySpace III Oy to Framery Finance Oy. The resolution was registered on 19 September 2025.

### Book-entry system

The shareholders resolved unanimously on 28 October 2025 to register the company's shares to the book-entry system maintained by Euroclear Finland Oy. The company's shares were entered in the book-entry system of Euroclear Finland on 14 November 2025.

### Extraordinary General Meeting 12 November 2025

The company's extraordinary general meeting resolved on 12 November 2025 to change the redemption clause from the Articles of Association, subject to the completion of the Listing. At the completion of the Listing, the shares will be freely transferable.

The Board of Directors of the company was authorised by the Extraordinary General Meeting on 12 November 2025 to resolve on the issuance of new shares without payment (share split). The Board of Directors resolved under the authorisation on 14 November 2025 to implement the issuance of new shares by issuing the shareholders three (3) new shares for each old share. After the share split, the total number of shares was 76,640,128. The issued shares were entered in the Trade Register on 18 November 2025.

The Board of Directors of the company was authorized by the Extraordinary General Meeting on 12 November 2025 to resolve upon on the issue of a maximum of 6,000,000 shares in a directed share issue deviating from the shareholders' pre-emptive subscription right, in one or several batches, for the purposes of the company's Listing.

The Board of Directors of the company was authorized by the Extraordinary General Meeting on 12 November 2025 to resolve on the issue of a maximum of 5,000,000 shares and/or the granting of special rights entitling to shares as referred to in Chapter 10, Section 1 of the Companies Act, in one or more batches, for general corporate purposes. The authorization can be used to strengthen the company's balance sheet and financial position, for the purpose of rewarding or committing key persons of the company, to finance or implement corporate acquisitions or other corporate arrangements, or for other purposes decided by the Board of Directors.

The authorization is conditional upon the company's listing and is valued until the end of the next Annual General Meeting but no longer than until 30 June 2026.

The Board of Directors of the company was authorized by the Extraordinary General Meeting on 12 November 2025 resolve on the acquisition of a maximum of 5,000,000 of the company's own shares, in one or more batches, with the company's unrestricted equity, subject to the provisions of the Companies Act on the maximum amount of treasury shares. The company's own shares may be acquired to be used for the purpose of rewarding or committing key persons of the company, to finance or implement corporate acquisitions or other corporate arrangements, or for other purposes decided by the Board of Directors. The shares may be acquired in public trading at market price and the acquisitions would be carried out on the Helsinki Stock Exchange in accordance with its rules and regulations, provided that the company's listing is implemented. The authorization includes the right for the Board of Directors to resolve on all other terms and conditions of the acquisition of own shares, including their acquisition in a proportion other than that of the existing shareholders' shareholdings. The authorization is conditional upon the company's listing and is valid until the end of the next Annual General Meeting, but no longer than until 30 June 2026.

## 5.6. First-time adoption of IFRS Accounting Standards

Framery publishes the first consolidated financial statements prepared under IFRS Accounting Standards for the financial periods ended 31 December 2024, 31 December 2023 and 31 December 2022. Framery applies in these consolidated financial statements IFRS 1 First-time Adoption of International Financial Reporting Standards with the date of transition 1 January 2022. Framery has previously applied Finnish Accounting Standards (FAS).

The impacts arising from first-time adoption of the IFRS Accounting Standards are presented in the following:

### Consolidated statement of comprehensive income 1 Jan - 31 Dec, 2022

| EUR, thousand | FAS | Reclassifications | Leases | Intangible assets | Goodwill | Share-based payment | Financial instruments | P shares | Deferred taxes | Total IFRS adjustments | IFRS |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Revenue** | **153 735** | **-1 252** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-1 252** | **152 484** |
| Other operating income | 1 318 | -197 | - | - | - | - | - | - | - | -197 | 1 121 |
| Changes in inventories of finished goods and work in progress | -965 | 965 | - | - | - | - | - | - | - | 965 | - |
| Production for own use | 599 | -599 | - | - | - | - | - | - | - | -599 | - |
| Materials and services | -67 477 | -11 069 | - | - | - | - | - | - | - | -11 069 | -78 547 |
| Employee benefit expenses | -24 436 | -445 | - | - | - | -4 267 | - | - | - | -4 713 | -29 149 |
| Depreciation, amortisation and impairments | -15 646 | - | - | - | 11 137 | - | - | - | - | 11 137 | -4 510 |
| Other operating expenses | -29 987 | 12 597 | - | 142 | - | - | -53 | - | - | 12 686 | -17 301 |
| **Operating profit** | **17 141** | **-** | **-** | **142** | **11 137** | **-4 267** | **-53** | **-** | **-** | **6 958** | **24 099** |
| Finance income | 252 | - | - | - | - | - | - | - | - | - | 252 |
| Finance costs | -5 917 | - | - | - | - | - | - | -831 | - | -831 | -6 748 |
| **Net financial items** | **-5 665** | **-** | **-** | **-** | **-** | **-** | **-** | **-831** | **-** | **-831** | **-6 497** |
| **Profit before tax** | **11 475** | **-** | **-** | **142** | **11 137** | **-4 267** | **-53** | **-831** | **-** | **6 127** | **17 602** |
| Income taxes | -4 528 | - | 8 | -28 | - | 87 | 11 | 166 | -224 | 19 | -4 509 |
| **Profit for the period** | **6 947** | **-** | **8** | **114** | **11 137** | **-4 181** | **-43** | **-665** | **-224** | **6 146** | **13 093** |

### Consolidated statement of comprehensive income 1 Jan - 31 Dec, 2022

| EUR, thousand | FAS | Reclassifications | Leases | Intangible assets | Goodwill | Share-based payment | Financial instruments | P shares | Deferred taxes | Total IFRS adjustments | IFRS |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Other comprehensive income** | | | | | | | | | | | |
| Items that may be reclassified to profit or loss | | | | | | | | | | | |
| Exchange differences | -12 | - | - | - | - | - | - | - | - | - | -12 |
| **Other comprehensive income for the period, net of tax** | **-12** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-12** |
| **Total comprehensive income for the period** | **6 934** | **-** | **8** | **114** | **11 137** | **-4 181** | **-43** | **-665** | **-224** | **6 146** | **13 081** |
| **Profit (loss) for the period attributable to: / Result for the period attributable to:** | | | | | | | | | | | |
| Owners of the parent company | - | - | - | - | - | - | - | - | - | - | 9 573 |
| Non-controlling interests | - | - | - | - | - | - | - | - | - | - | 3 520 |
| **Total comprehensive income for the period attributable to:** | | | | | | | | | | | |
| Owners of the parent company | - | - | - | - | - | - | - | - | - | - | 9 561 |
| Non-controlling interests | - | - | - | - | - | - | - | - | - | - | 3 520 |

### Consolidated statement of comprehensive income 1 Jan - 31 Dec, 2023

| EUR, thousand | FAS | Reclassifications | Leases | Intangible assets | Goodwill | Share-based payment | Financial instruments | P shares | Deferred taxes | Total IFRS adjustments | IFRS |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Revenue** | **151 839** | **-768** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-768** | **151 070** |
| Other operating income | 393 | 255 | - | - | - | - | - | - | - | 255 | 649 |
| Changes in inventories of finished goods and work in progress | -2 402 | 2 402 | - | - | - | - | - | - | - | 2 402 | - |
| Production for own use | 439 | -439 | - | - | - | - | - | - | - | -439 | - |
| Materials and services | -61 940 | -9 128 | - | - | - | - | - | - | - | -9 128 | -71 068 |
| Employee benefit expenses | -28 424 | -684 | - | 569 | - | 934 | - | - | - | 819 | -27 605 |
| Depreciation, amortisation and impairments | -15 155 | - | -10 | - | 11 137 | - | - | - | - | 11 127 | -4 028 |
| Other operating expenses | -25 943 | 8 362 | -13 | - | - | - | 32 | - | - | 8 381 | -17 562 |
| **Operating profit** | **18 807** | **-** | **-23** | **569** | **11 137** | **934** | **32** | **-** | **-** | **12 648** | **31 455** |
| Finance income | 241 | - | - | - | - | - | - | - | - | - | 241 |
| Finance costs | -7 228 | - | -1 | - | - | - | 178 | -616 | - | -439 | -7 667 |
| **Net financial items** | **-6 987** | **-** | **-1** | **-** | **-** | **-** | **178** | **-616** | **-** | **-439** | **-7 426** |
| **Profit before tax** | **11 819** | **-** | **-24** | **569** | **11 137** | **934** | **210** | **-616** | **-** | **12 210** | **24 029** |
| Income taxes | -4 748 | - | 17 | -114 | - | 34 | -42 | 123 | 28 | 46 | -4 703 |
| **Profit for the period** | **7 071** | **-** | **-7** | **455** | **11 137** | **968** | **168** | **-493** | **28** | **12 256** | **19 326** |

### Consolidated statement of comprehensive income 1 Jan - 31 Dec, 2023

| EUR, thousand | FAS | Reclassifications | Leases | Intangible assets | Goodwill | Share-based payment | Financial instruments | P shares | Deferred taxes | Total IFRS adjustments | IFRS |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Other comprehensive income** | | | | | | | | | | | |
| Items that may be reclassified to profit or loss | | | | | | | | | | | |
| Exchange differences | 76 | - | - | - | - | - | - | | - | - | 76 |
| **Other comprehensive income for the period, net of tax** | **76** | **-** | **-** | **-** | **-** | **-** | **-** | | **-** | **-** | **76** |
| **Total comprehensive income for the period** | **7 147** | **-** | **-7** | **455** | **11 137** | **968** | **168** | **-493** | **28** | **12 256** | **19 403** |
| **Profit (loss) for the period attributable to:** | | | | | | | | | | | |
| Owners of the parent company | - | - | - | - | - | - | - | - | - | - | 19 326 |
| Non-controlling interests | - | - | - | - | - | - | - | - | - | - | - |
| **Total comprehensive income for the period attributable to:** | | | | | | | | | | | |
| Owners of the parent company | - | - | - | - | - | - | - | - | - | - | 19 403 |
| Non-controlling interests | - | - | - | - | - | - | - | - | - | - | - |

### Consolidated statement of comprehensive income 1 Jan - 31 Dec, 2024

| EUR, thousand | FAS | Reclassifications | Leases | Intangible assets | Goodwill | Share-based payment | Financial instruments | P shares | Deferred taxes | Total IFRS adjustments | IFRS |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Revenue** | **162 378** | **-259** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-259** | **162 119** |
| Other operating income | 1 975 | -389 | - | - | - | - | - | - | - | -389 | 1 587 |
| Changes in inventories of finished goods and work in progress | 6 762 | -6 762 | - | - | - | - | - | - | - | -6 762 | - |
| Production for own use | 343 | -343 | - | - | - | - | - | - | - | -343 | - |
| Materials and services | -78 099 | -1 144 | - | - | - | - | - | - | - | -1 144 | -79 243 |
| Employee benefit expenses | -29 876 | -665 | - | 133 | - | 402 | - | - | - | -130 | -30 007 |
| Depreciation, amortisation and impairments | -16 506 | - | 7 | -195 | 11 137 | - | - | - | - | 10 949 | -5 557 |
| Other operating expenses | -30 119 | 9 561 | - | - | - | - | 1 266 | - | - | 10 826 | -19 292 |
| **Operating profit** | **16 858** | **-** | **7** | **-62** | **11 137** | **402** | **1 266** | **-** | **-** | **12 749** | **29 607** |
| Finance income | 631 | - | - | - | - | - | - | - | - | - | 631 |
| Finance costs | -5 537 | - | - | - | - | - | -178 | -635 | - | -813 | -6 350 |
| **Net financial items** | **-4 906** | **-** | **-** | **-** | **-** | **-** | **-178** | **-635** | **-** | **-813** | **-5 719** |
| **Profit before tax** | **11 952** | **-** | **7** | **-62** | **11 137** | **402** | **1 087** | **-635** | **-** | **11 936** | **23 888** |
| Income taxes | -4 128 | - | -1 | 12 | - | 137 | -217 | 127 | -253 | -194 | -4 322 |
| **Profit for the period** | **7 824** | **-** | **6** | **-50** | **11 137** | **539** | **870** | **-508** | **-253** | **11 742** | **19 566** |

### Consolidated statement of comprehensive income 1 Jan - 31 Dec, 2024

| EUR, thousand | FAS | Reclassifications | Leases | Intangible assets | Goodwill | Share-based payment | Financial instruments | P shares | Deferred taxes | Total IFRS adjustments | IFRS |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Other comprehensive income** | | | | | | | | | | | |
| Items that may be re-classified to profit or loss | | | | | | | | | | | |
| Exchange differences | -267 | - | - | - | - | - | - | - | - | - | -267 |
| **Other comprehensive income for the period, net of tax** | **-267** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-267** |
| **Total comprehensive income for the period** | **7 557** | **-** | **6** | **-50** | **11 137** | **539** | **870** | **-508** | **-253** | **11 742** | **19 299** |
| **Profit (loss) for the period attributable to:** | | | | | | | | | | | |
| Owners of the parent company | - | - | - | - | - | - | - | - | - | - | 19 566 |
| Non-controlling interests | - | - | - | - | - | - | - | - | - | - | - |
| **Total comprehensive income for the period attributable to:** | | | | | | | | | | | |
| Owners of the parent company | - | - | - | - | - | - | - | - | - | - | 19 299 |
| Non-controlling interests | - | - | - | - | - | - | - | - | - | - | - |

## Consolidated balance sheet as at 1 Jan, 2022

| EUR, thousand | FAS | Reclassifications | Leases | Intangible assets | Goodwill | Share-based payment | Financial instruments | P shares | Deferred taxes | Total IFRS adjustments | IFRS |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | | | | | | |
| **Non-current assets** | | | | | | | | | | | |
| Goodwill | - | 68 730 | - | - | - | - | - | - | - | 68 730 | 68 730 |
| Other intangible assets | 70 746 | -69 039 | - | -142 | - | - | - | - | - | -69 181 | 1 565 |
| Right-of-use assets | - | 3 759 | - | - | - | - | - | - | - | 3 759 | 3 759 |
| Property, plant and equipment | 9 643 | -3 449 | - | - | - | - | - | - | - | -3 449 | 6 193 |
| Deferred tax assets | 1 152 | - | - | 28 | - | 50 | - | - | 1 990 | 2 069 | 3 221 |
| **Total non-current assets** | **81 541** | **-** | **-** | **-114** | **-** | **50** | **-** | **-** | **1 990** | **1 926** | **83 468** |
| **Current assets** | | | | | | | | | | | |
| Inventories | 18 116 | - | - | - | - | - | - | - | - | - | 18 116 |
| Trade receivables | 17 758 | - | - | - | - | - | - | - | - | - | 17 758 |
| Other receivables | 2 568 | - | - | - | - | - | - | - | - | - | 2 568 |
| Cash and cash equivalents | 5 598 | - | - | - | - | - | - | - | - | - | 5 598 |
| **Total current assets** | **44 040** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **44 040** |
| **TOTAL ASSETS** | **125 581** | **-** | **-** | **-114** | **-** | **50** | **-** | **-** | **1 990** | **1 926** | **127 508** |

## Consolidated balance sheet as at 1 Jan, 2022

| EUR, thousand | FAS | Reclassifications | Leases | Intangible assets | Goodwill | Share-based payment | Financial instruments | P shares | Deferred taxes | Total IFRS adjustments | IFRS |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | | | | | | | | | |
| **Equity** | | | | | | | | | | | |
| Share capital | 3 | - | - | - | - | - | - | - | - | - | 3 |
| Reserve for invested unrestricted equity | 11 948 | - | - | - | - | - | - | - | - | - | 11 948 |
| Cumulative translation difference | 4 | - | - | - | - | - | - | - | - | - | 4 |
| Retained earnings | 4 872 | - | - | -69 | - | -3 645 | - | -18 322 | 1 217 | -20 819 | -15 947 |
| **Total equity attributable to owners of the parent company** | **16 826** | **-** | **-** | **-69** | **-** | **-3 645** | **-** | **-18 322** | **1 217** | **-20 819** | **-3 993** |
| Series P shares | - | - | - | - | - | - | - | 20 158 | - | 20 158 | 20 158 |
| Non-controlling interests | 10 314 | - | - | -45 | - | -1 211 | - | -13 112 | 773 | -13 596 | -3 281 |
| **Total equity** | **27 140** | **-** | **-** | **-114** | **-** | **-4 856** | **-** | **-11 276** | **1 990** | **-14 256** | **12 884** |

## Consolidated balance sheet as at 1 Jan, 2022

| EUR, thousand | FAS | Reclassifications | Leases | Intangible assets | Goodwill | Share-based payment | Financial instruments | P shares | Deferred taxes | Total IFRS adjustments | IFRS |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Liabilities** | | | | | | | | | | | |
| **Non-current liabilities** | | | | | | | | | | | |
| Bank loans | 8 400 | - | - | - | - | - | - | - | - | - | 8 400 |
| Shareholder loans | 60 207 | - | - | - | - | - | 4 025 | 11 276 | - | 15 301 | 75 508 |
| Lease liabilities | 2 486 | - | - | - | - | - | - | - | - | - | 2 486 |
| Other payables | - | - | - | - | - | 4 906 | - | - | - | 4 906 | 4 906 |
| **Total non-current liabilities** | **71 093** | **-** | **-** | **-** | **-** | **4 906** | **4 025** | **11 276** | **-** | **20 207** | **91 301** |
| **Current liabilities** | | | | | | | | | | | |
| Borrowings | - | - | - | - | - | - | - | - | - | - | - |
| Lease liabilities | 1 273 | - | - | - | - | - | - | - | - | - | 1 273 |
| Contract liabilities | 691 | - | - | - | - | - | - | - | - | - | 691 |
| Trade payables | 13 363 | - | - | - | - | - | - | - | - | - | 13 363 |
| Other payables | 12 022 | - | - | - | - | - | -4 025 | - | - | -4 025 | 7 997 |
| **Total current liabilities** | **27 348** | **-** | **-** | **-** | **-** | **-** | **-4 025** | **-** | **-** | **-4 025** | **23 323** |
| **Total liabilities** | **98 442** | **-** | **-** | **-** | **-** | **4 906** | **-** | **11 276** | **-** | **16 182** | **114 624** |
| **TOTAL EQUITY AND LIABILITIES** | **125 581** | **-** | **-** | **-114** | **-** | **50** | **-** | **-** | **1 990** | **1 926** | **127 508** |

## Consolidated balance sheet as at 31 Dec, 2022

| EUR, thousand | FAS | Reclassifications | Leases | Intangible assets | Goodwill | Share-based payment | Financial instruments | P shares | Deferred taxes | Total IFRS adjustments | IFRS |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | | | | | | |
| **Non-current assets** | | | | | | | | | | | |
| Goodwill | - | 57 593 | - | - | 11 137 | - | - | - | - | 68 730 | 68 730 |
| Other intangible assets | 58 679 | -56 643 | - | - | - | - | - | - | - | -56 643 | 2 036 |
| Right-of-use assets | - | 2 835 | - | - | - | - | - | - | - | 2 835 | 2 835 |
| Property, plant and equipment | 9 837 | -3 785 | - | - | - | - | - | - | - | -3 785 | 6 052 |
| Deferred tax assets | 1 200 | - | 8 | - | - | 137 | 11 | 166 | 1 767 | 2 088 | 3 288 |
| **Total non-current assets** | **69 716** | **-** | **8** | **-** | **11 137** | **137** | **11** | **166** | **1 767** | **13 225** | **82 941** |
| **Current assets** | | | | | | | | | | | |
| Inventories | 17 911 | - | - | - | - | - | - | - | - | - | 17 911 |
| Trade receivables | 21 709 | - | - | - | - | - | -53 | - | - | -53 | 21 656 |
| Other receivables | 3 487 | - | - | - | - | - | - | - | - | - | 3 487 |
| Cash and cash equivalents | 11 300 | - | - | - | - | - | - | - | - | - | 11 300 |
| **Total current assets** | **54 408** | **-** | **-** | **-** | **-** | **-** | **-53** | **-** | **-** | **-53** | **54 354** |
| **TOTAL ASSETS** | **124 123** | **-** | **8** | **-** | **11 137** | **137** | **-43** | **166** | **1 767** | **13 171** | **137 295** |

## Consolidated balance sheet as at 31 Dec, 2022

| EUR, thousand | FAS | Reclassifications | Leases | Intangible assets | Goodwill | Share-based payment | Financial instruments | P shares | Deferred taxes | Total IFRS adjustments | IFRS |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | | | | | | | | | |
| **Equity** | | | | | | | | | | | |
| Share capital | 13 | - | - | - | - | - | - | - | - | - | 13 |
| Reserve for invested unrestricted equity | 39 369 | - | - | - | - | 3 780 | - | -31 435 | - | -27 655 | 11 714 |
| Cumulative translation difference | -8 | - | - | - | - | - | - | - | - | - | -8 |
| Retained earnings | -9 171 | - | 8 | - | 11 137 | -9 037 | -43 | -2 151 | 1 767 | 1 681 | -7 490 |
| **Total equity attributable to owners of the parent company** | **30 202** | **-** | **8** | **-** | **11 137** | **-5 257** | **-43** | **-33 585** | **1 767** | **-25 974** | **4 228** |
| Series P shares | - | - | - | - | - | - | - | 21 644 | - | 21 644 | 21 644 |
| Non-controlling interests | - | - | - | - | - | - | - | - | - | - | - |
| **Total equity** | **30 202** | **-** | **8** | **-** | **11 137** | **-5 257** | **-43** | **-11 941** | **1 767** | **-4 330** | **25 872** |

## Consolidated balance sheet as at 31 Dec, 2022

| EUR, thousand | FAS | Reclassifications | Leases | Intangible assets | Goodwill | Share-based payment | Financial instruments | P shares | Deferred taxes | Total IFRS adjustments | IFRS |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Liabilities** | | | | | | | | | | | |
| **Non-current liabilities** | | | | | | | | | | | |
| Bank loans | - | - | - | - | - | - | - | - | - | - | - |
| Shareholder loans | 65 024 | - | - | - | - | - | 4 347 | 12 107 | - | 16 454 | 81 478 |
| Lease liabilities | 1 480 | - | - | - | - | - | - | - | - | - | 1 480 |
| Other payables | - | - | - | - | - | 5 394 | - | - | - | 5 394 | 5 394 |
| **Total non-current liabilities** | **66 503** | **-** | **-** | **-** | **-** | **5 394** | **4 347** | **12 107** | **-** | **21 848** | **88 352** |
| **Current liabilities** | | | | | | | | | | | |
| Borrowings | - | - | - | - | - | - | - | - | - | - | - |
| Lease liabilities | 1 393 | - | - | - | - | - | - | - | - | - | 1 393 |
| Contract liabilities | 382 | - | - | - | - | - | - | - | - | - | 382 |
| Trade payables | 11 882 | - | - | - | - | - | - | - | - | - | 11 882 |
| Other payables | 13 760 | - | - | - | - | - | -4 347 | - | - | -4 347 | 9 414 |
| **Total current liabilities** | **27 418** | **-** | **-** | **-** | **-** | **-** | **-4 347** | **-** | **-** | **-4 347** | **23 071** |
| **Total liabilities** | **93 921** | **-** | **-** | **-** | **-** | **5 394** | **-** | **12 107** | **-** | **17 502** | **111 423** |
| **TOTAL EQUITY AND LIABILITIES** | **124 123** | **-** | **8** | **-** | **11 137** | **137** | **-43** | **166** | **1 767** | **13 171** | **137 295** |

Consolidated balance sheet as at 31 Dec, 2023

| EUR, thousand | FAS | Reclassifications | Leases | Intangible assets | Goodwill | Share-based payment | Financial instruments | P shares | Deferred taxes | Total IFRS adjustments | IFRS |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | | | | | | |
| **Non-current assets** | | | | | | | | | | | |
| Goodwill | - | 46 456 | - | - | 22 274 | - | - | - | - | 68 730 | 68 730 |
| Other intangible assets | 46 770 | -43 240 | - | 569 | - | - | - | - | - | -42 671 | 4 099 |
| Right-of-use assets | - | 4 390 | 27 | - | - | - | - | - | - | 4 417 | 4 417 |
| Property, plant and equipment | 14 698 | -7 607 | - | - | - | - | - | - | - | -7 607 | 7 091 |
| Deferred tax assets | 1 092 | - | 24 | - | - | 171 | 4 | 289 | 1 645 | 2 134 | 3 225 |
| **Total non-current assets** | **62 559** | **-** | **51** | **569** | **22 274** | **171** | **4** | **289** | **1 645** | **25 003** | **87 562** |
| **Current assets** | | | | | | | | | | | |
| Inventories | 16 079 | - | - | - | - | - | - | - | - | - | 16 079 |
| Trade receivables | 20 308 | - | - | - | - | - | -22 | - | - | -22 | 20 286 |
| Other receivables | 4 602 | - | - | - | - | - | - | - | - | - | 4 602 |
| Cash and cash equivalents | 14 256 | - | - | - | - | - | - | - | - | - | 14 256 |
| **Total current assets** | **55 245** | **-** | **-** | **-** | **-** | **-** | **-22** | **-** | **-** | **-22** | **55 224** |
| **TOTAL ASSETS** | **117 805** | **-** | **51** | **569** | **22 274** | **171** | **-17** | **289** | **1 645** | **24 981** | **142 786** |

Consolidated balance sheet as at 31 Dec, 2023

| EUR, thousand | FAS | Reclassifications | Leases | Intangible assets | Goodwill | Share-based payment | Financial instruments | P shares | Deferred taxes | Total IFRS adjustments | IFRS |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | | | | | | | | | |
| **Equity** | | | | | | | | | | | |
| Share capital | 13 | - | - | - | - | - | - | - | - | - | 13 |
| Reserve for invested unrestricted equity | 26 117 | - | - | - | - | 3 997 | - | -18 336 | - | -14 339 | 11 779 |
| Cumulative translation difference | 68 | - | - | - | - | - | - | - | - | - | 68 |
| Retained earnings | -2 108 | - | - | 455 | 22 274 | -8 069 | 125 | -4 101 | 1 794 | 12 479 | 10 371 |
| **Total equity attributable to owners of the parent company** | **24 090** | **-** | **-** | **455** | **22 274** | **-4 072** | **125** | **-22 436** | **1 794** | **-1 860** | **22 230** |
| Series P shares | - | - | - | - | - | - | - | 14 653 | - | 14 653 | 14 653 |
| **Total equity** | **24 090** | **-** | **-** | **455** | **22 274** | **-4 072** | **125** | **-7 783** | **1 794** | **12 794** | **36 883** |

Consolidated balance sheet as at 31 Dec, 2023

| EUR, thousand | FAS | Reclassifications | Leases | Intangible assets | Goodwill | Share-based payment | Financial instruments | P shares | Deferred taxes | Total IFRS adjustments | IFRS |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Liabilities** | | | | | | | | | | | |
| **Non-current liabilities** | | | | | | | | | | | |
| Bank loans | 18 750 | - | - | - | - | - | -178 | - | - | -178 | 18 572 |
| Shareholder loans | 44 178 | - | - | - | - | - | 2 343 | 8 073 | - | 10 416 | 54 594 |
| Lease liabilities | 3 251 | - | - | - | - | - | - | - | - | - | 3 251 |
| Other payables | - | - | - | - | - | 4 242 | - | - | - | 4 242 | 4 242 |
| Deferred tax liabilities | - | - | - | 114 | - | - | 36 | - | -149 | - | - |
| **Total non-current liabilities** | **66 179** | **-** | **-** | **114** | **-** | **4 242** | **2 201** | **8 073** | **-149** | **14 480** | **80 659** |
| **Current liabilities** | | | | | | | | | | | |
| Borrowings | - | - | - | - | - | - | - | - | - | - | - |
| Lease liabilities | 1 213 | - | 51 | - | - | - | - | - | - | 51 | 1 264 |
| Contract liabilities | 54 | - | - | - | - | - | - | - | - | - | 54 |
| Trade payables | 13 839 | - | - | - | - | - | - | - | - | - | 13 839 |
| Other payables | 12 430 | - | - | - | - | - | -2 343 | - | - | -2 343 | 10 087 |
| **Total current liabilities** | **27 536** | **-** | **51** | **-** | **-** | **-** | **-2 343** | **-** | **-** | **-2 293** | **25 244** |
| **Total liabilities** | **93 715** | **-** | **51** | **114** | **-** | **4 242** | **-143** | **8 073** | **-149** | **12 187** | **105 903** |
| **TOTAL EQUITY AND LIABILITIES** | **117 805** | **-** | **51** | **569** | **22 274** | **171** | **-17** | **289** | **1 645** | **24 981** | **142 786** |

Consolidated balance sheet as at 31 Dec, 2024

| EUR, thousand | FAS | Reclassifications | Leases | Intangible assets | Goodwill | Share-based payment | Financial instruments | P shares | Deferred taxes | Total IFRS adjustments | IFRS |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | | | | | | |
| **Non-current assets** | | | | | | | | | | | |
| Goodwill | - | 35 319 | - | - | 33 410 | - | - | - | - | 68 730 | 68 730 |
| Other intangible assets | 38 111 | -35 156 | - | 507 | - | - | - | - | - | -34 649 | 3 462 |
| Right-of-use assets | - | 3 625 | -17 | - | - | - | - | - | - | 3 608 | 3 608 |
| Property, plant and equipment | 10 685 | -3 789 | - | - | - | - | - | - | - | -3 789 | 6 897 |
| Deferred tax assets | 2 729 | - | 24 | - | - | 308 | 6 | 416 | 1 186 | 1 940 | 4 669 |
| **Total non-current assets** | **51 525** | **-** | **7** | **507** | **33 410** | **308** | **6** | **416** | **1 186** | **35 839** | **87 365** |
| **Current assets** | | | | | | | | | | | |
| Inventories | 22 003 | - | - | - | - | - | - | - | - | - | 22 003 |
| Trade receivables | 26 422 | - | - | - | - | - | -29 | - | - | -29 | 26 393 |
| Other receivables | 4 384 | - | - | - | - | - | 1 273 | - | - | 1 273 | 5 657 |
| Cash and cash equivalents | 20 461 | - | - | - | - | - | - | - | - | - | 20 461 |
| **Total current assets** | **73 270** | **-** | **-** | **-** | **-** | **-** | **1 244** | **-** | **-** | **1 244** | **74 514** |
| **TOTAL ASSETS** | **124 795** | **-** | **7** | **507** | **33 410** | **308** | **1 250** | **416** | **1 186** | **37 083** | **161 878** |

Consolidated balance sheet as at 31 Dec, 2024

| EUR, thousand | FAS | Reclassifications | Leases | Intangible assets | Goodwill | Share-based payment | Financial instruments | P shares | Deferred taxes | Total IFRS adjustments | IFRS |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | | | | | | | | | |
| **Equity** | | | | | | | | | | | |
| Share capital | 13 | - | - | - | - | - | - | - | - | - | 13 |
| Reserve for invested unrestricted equity | 25 365 | - | - | - | - | 5 150 | - | -18 336 | - | -13 186 | 12 178 |
| Cumulative translation difference | -200 | - | - | - | - | - | - | - | - | - | -200 |
| Retained earnings | 5 784 | - | 7 | 405 | 33 410 | -7 529 | 995 | -5 760 | 1 542 | 23 069 | 28 853 |
| **Total equity attributable to owners of the parent company** | **30 961** | **-** | **7** | **405** | **33 410** | **-2 380** | **995** | **-24 096** | **1 542** | **9 883** | **40 845** |
| Series P shares | - | - | - | - | - | - | - | 15 805 | - | 15 805 | 15 805 |
| **Total equity** | **30 961** | **-** | **7** | **405** | **33 410** | **-2 380** | **995** | **-8 291** | **1 542** | **25 688** | **56 650** |

Consolidated balance sheet as at 31 Dec, 2024

| EUR, thousand | FAS | Reclassifications | Leases | Intangible assets | Goodwill | Share-based payment | Financial instruments | P shares | Deferred taxes | Total IFRS adjustments | IFRS |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Liabilities** | | | | | | | | | | | |
| **Non-current liabilities** | | | | | | | | | | | |
| Bank loans | - | 9 750 | - | - | - | - | | | - | 9 750 | 9 750 |
| Shareholder loans | - | 47 199 | - | - | - | - | 3 145 | 8 707 | - | 59 052 | 59 052 |
| Lease liabilities | 2 264 | - | - | - | - | - | - | - | - | - | 2 264 |
| Other payables | - | - | - | - | - | - | - | - | - | - | - |
| Deferred tax liabilities | - | - | - | 101 | - | - | 255 | - | -356 | - | - |
| **Total non-current liabilities** | **2 264** | **56 949** | **-** | **101** | **-** | **-** | **3 399** | **8 707** | **-356** | **68 802** | **71 066** |
| **Current liabilities** | | | | | | | | | | | |
| Borrowings | 56 949 | -56 949 | - | - | - | - | - | - | - | -56 949 | - |
| Lease liabilities | 1 480 | - | - | - | - | - | - | - | - | - | 1 480 |
| Contract liabilities | 41 | - | - | - | - | - | - | - | - | - | 41 |
| Trade payables | 18 162 | - | - | - | - | - | - | - | - | - | 18 162 |
| Other payables | 14 937 | - | - | - | - | 2 687 | -3 145 | - | - | -458 | 14 480 |
| **Total current liabilities** | **91 570** | **-56 949** | **-** | **-** | **-** | **2 687** | **-3 145** | **-** | **-** | **-57 407** | **34 163** |
| **Total liabilities** | **93 834** | **-** | **-** | **101** | **-** | **2 687** | **255** | **8 707** | **-356** | **11 395** | **105 229** |
| **TOTAL EQUITY AND LIABILITIES** | **124 795** | **-** | **7** | **507** | **33 410** | **308** | **1 250** | **416** | **1 186** | **37 083** | **161 878** |

The impacts of the adoption of IFRS Accounting Standards to the Framery's consolidated statement of comprehensive income and consolidated balance sheet are summarised in the following.

## 1. Reclassifications

### Goodwill

Goodwill has arisen mostly from the acquisitions of Framery Oy by Framery Finance Oy in March 2018. Under FAS, goodwill has been classified as other intangible assets. Under IFRS Accounting Standards, it has been recognised on its own financial statement line item called goodwill. As a result, the following adjustments were made:

- As at 1 January 2022, EUR 68 730 thousand was reclassified from other intangible assets to goodwill.
- As at 31 December 2022, EUR 57 593 thousand was reclassified from other intangible assets to goodwill.
- As at 31 December 2023, EUR 46 456 thousand was reclassified from other intangible assets to goodwill.
- As at 31 December 2024, EUR 35 319 thousand was reclassified from other intangible assets to goodwill.

### Right-of-use assets

Framery has implemented IFRS 16 also in FAS as of 1 January 2022 and has classified right-of-use assets as other tangible assets. As a result, the following adjustments were made:

- As at 1 January 2022, EUR 3 759 thousand was reclassified from other tangible assets to right-of-use assets.
- As at 31 December 2022, EUR 2 835 thousand was reclassified from other tangible assets to right-of-use assets.
- As at 31 December 2023, EUR 4 390 thousand was reclassified from other tangible assets to right-of-use assets.
- As at 31 December 2024, EUR 3 625 thousand was reclassified from other tangible assets to right-of-use assets.

### Leasehold improvements

Framery's leasehold improvements mainly include leasehold improvement costs related to company's head office and production space. Under FAS, leasehold improvements have been classified as other intangible assets in 2022. Under IFRS Accounting Standards, leasehold improvements are classified as tangible assets, in accordance with their nature. The accounting treatment in FAS has been aligned with IFRS Accounting Standards in 2023. As a result, the following adjustments were made:

- As at 1 January 2022, EUR 742 thousand was reclassified from other intangible assets to property, plant and equipment.
- As at 31 December 2022, EUR 702 thousand was reclassified from other intangible assets to property, plant and equipment.

### Gain on disposal of non-current assets

Subscribed pods are recognised on the balance sheet as non-current assets. Framery occasionally sells these pods to the customers after the leasing period has ended. Under FAS, the income from such sales is recognised as other operating income. Under IFRS Accounting Standards, Framery has decided to reclassify these incomes to revenue since selling the pods is company's main business. As a result, the following adjustments were made:

- In the financial year 2022, EUR 197 thousand was reclassified from other operating income to revenue.
- In the financial year 2023, EUR 407 thousand was reclassified from other operating income to revenue.
- In the financial year 2024, EUR 389 thousand was reclassified from other operating income to revenue.

### Annual discounts

Framery gives annual discounts to its distributors based on the sales volume. Under FAS, annual discounts are recognised as other operating expenses. Under IFRS Accounting Standards, the annual discounts are considered to be a variable consideration which is deducted from revenue. As a result, the following adjustments were made:

- In the financial year 2022, EUR 1 449 thousand was reclassified from other operating expenses to reduce revenue.
- In the financial year 2023, EUR 1 175 thousand was reclassified from other operating expenses to reduce revenue.
- In the financial year 2024, EUR 647 thousand was reclassified from other operating expenses to reduce revenue.

### Materials and services

Under FAS, Framery has shown changes in inventories of finished goods and work in progress as well as production for own use as their own financial statement line items in income statement. Under IFRS Accounting Standards, these line items have been reclassified to materials and services, and they have been disaggregated in the note 2.3. As a result, the following adjustments were made:

- In the financial year 2022, EUR -965 thousand and EUR 599 thousand was reclassified from Changes in inventories of finished goods and work in progress and from Production for own use to Materials and services.
- In the financial year 2023, EUR -2 402 thousand and EUR 439 thousand was reclassified from Changes in inventories of finished goods and work in progress and from Production for own use to Materials and services.
- In the financial year 2024, EUR 6 762 thousand and EUR 343 thousand was reclassified from Changes in inventories of finished goods and work in progress and from Production for own use to Materials and services.

### Sales freights

Costs associated with the freight of sold products are recognised under other operating expenses in FAS. Since these costs are directly linked to revenue, they have been reclassified to materials and services under IFRS Accounting Standards. As a result, the following adjustments were made:

- In the financial year 2022, EUR 10 704 thousand was reclassified from other operating expenses to materials and services.
- In the financial year 2023, EUR 7 165 thousand was reclassified from other operating expenses to materials and services.
- In the financial year 2024, EUR 8 248 thousand was reclassified from other operating expenses to materials and services.

### Employee benefit expenses

Some of the voluntary employee benefit expenses, such as gifts to employees and other voluntary benefits, are recognised under other operating expenses in FAS. Costs that meet the employee benefit expense criteria under IFRS Accounting Standards has been reclassified to employee benefit expenses. Such costs include occupational health care, lunch benefits and gifts to employees.

- As at 31 December 2022, EUR 445 thousand was reclassified from other operating expenses to employee benefit expenses.
- As at 31 December 2023, EUR 684 thousand was reclassified from other operating expenses to employee benefit expenses.
- As at 31 December 2024, EUR 665 thousand was reclassified from other operating expenses to employee benefit expenses.

### Exchange rate differences

Exchange rate differences related to revenue are recognised as other operating expenses under FAS. Under IFRS Accounting Standards, the exchange rate differences are recognised as other operating income or other operating expenses depending on their nature. As a result, the following adjustment was made:

- In the financial year 2023, EUR 662 thousand was reclassified from other operating expenses to other operating income.

As part of the execution of a major refinancing transaction, Framery classified existing bank loans and shareholder loans as current liabilities in FAS as of 31 December 2024. Despite the refinancing contract being signed in December 2024, management determined that the refinancing contract did not trigger the obligation to repay the existing loans within 12 months from the balance sheet date. Therefore, under IFRS Accounting Standards, both the shareholder loans and bank loan were reclassified as non-current liabilities. As a result, the following adjustment was made:

- As at 31 December 2024, EUR 56 949 thousand was reclassified from current liabilities to non-current liabilities.

## 2. Leases

Framery has implemented IFRS 16 also in FAS as of 1 January 2022 and decided to use certain exemptions that IFRS 1 allows in the transition. Management has decided to apply the exemption of IFRS 1.D9B and measure the lease liabilities and right-of-use assets at the present value of the remaining lease payments at the date of transition. Therefore, the company defined the incremental borrowing rate upon the transition date, which was used in the initial measurement. Additionally, management decided to apply voluntary recognition exemptions for short-term leases and leases where the underlying asset value is low. Further, management decided to use EUR 5 thousand as a threshold for low value assets and the exemption regarding short-term leases will be used with all the asset classes.

The lease of the head office was renewed in 2023. Under FAS, this renewal of the lease was accounted as a new lease and the previous contract was written down. The renewal of the contract increased the scope of the lease by extending the lease term. As part of the IFRS conversion, Framery reassessed the modification and accounted the renewal of the contract as a modification of the lease. The lease liability was remeasured, and the right-of-use asset adjusted to reflect the modification in the lease term in 2023. In addition, company has leased a separate production space in 2023 which was accounted as a short-term lease under FAS. Framery applied hindsight in determining the lease term in connection of IFRS conversion and recognised the right-of-use asset and lease liability.

The deferred taxes were not recognised in FAS but under IFRS Accounting Standards, Framery has recognised them.

As a result, the following adjustments were made:

- In the financial year 2022, income taxes were decreased by EUR 8 thousand due to the change in deferred taxes.
- As at 31 December 2022, deferred tax assets increased by EUR 8 thousand and retained earnings (profit for the period) were increased by EUR 8 thousand.
- In the financial year 2023, depreciation and amortisation according to plan were increased by EUR 10 thousand, other operating expenses were increased by EUR

13 thousand, finance costs increased by EUR 1 thousand and income taxes were decreased by EUR 17 thousand due to the change in deferred taxes.

- As at 31 December 2023, right-of-use assets were increased by EUR 27 thousand, lease liabilities were increased by EUR 51 thousand and deferred tax assets were increased by EUR 24 thousand.
- In the financial year 2024, depreciation and amortisation according to plan were decreased by EUR 7 thousand and income taxes were increased by EUR 1 thousand due to the change in deferred taxes
- As at 31 December 2024, right-of-use assets were decreased by EUR 17 thousand, deferred tax assets were increased by EUR 24 thousand and retained earnings were increased by EUR 7 thousand.

### 3. Other intangible assets

Framery has capitalised certain IT software and other long-term expenses under FAS that do not meet the definition of an intangible asset under IAS 38 as they are not identifiable based on separability, contractual or other legal rights. Therefore, these costs have been adjusted in accordance with the IAS 38 at the transition date. These IT software and other long-term expenses have been written down in FAS in 2022 due to the alignment of accounting policy with IFRS Accounting Standards and thereafter have been expensed when incurred. As a result, the following adjustment was made:

- As at 1 January 2022, other intangible assets were decreased by EUR 142 thousand, retained earnings were decreased by EUR 114 thousand and deferred tax assets were increased by EUR 28 thousand.
- In the financial year 2022, other operating expenses were decreased by EUR 142 thousand and income taxes were increased by EUR 28 thousand due to the change in deferred taxes.

Under FAS, Framery has not capitalised the salaries of dedicated personnel involved in development work. Under IFRS Accounting Standards, it is mandatory to capitalise development costs once certain criteria in IAS 38 Intangible assets have been met. Framery has been able to reliably measure directly attributable salaries from two development projects in 2023 and 2024 since these projects' core teams worked full-time for these projects during that time. Therefore, Framery has capitalised these directly attributable costs. As a result, the following adjustments were made:

- In the financial year 2023, wages and salaries were decreased by EUR 569 thousand and income taxes were increased by EUR 114 thousand due to the change in deferred taxes.
- As at 31 December 2023, other intangible assets were increased by EUR 569 thousand, retained earnings were increased by EUR 455 thousand and deferred tax liabilities were increased by EUR 114 thousand.
- In the financial year 2024, depreciation, amortisation and impairments were increased by EUR 195 thousand, wages and salaries were decreased by 133 thousand and income taxes were decreased by EUR 12 thousand due to the change in deferred taxes.
- As at 31 December 2024, other intangible assets were increased by EUR 507 thousand, retained earnings were decreased by EUR 405 thousand and deferred tax liabilities were increased by EUR 101 thousand.

### 4. Goodwill

Framery's goodwill has arisen mostly from the acquisition of the Framery Oy by Framery Finance Oy in March 2018. On the transition date to IFRS Accounting Standards, Framery ceased the amortisation of goodwill and has performed goodwill impairment tests for each period presented. As goodwill is not amortised under IFRS Accounting Standards, goodwill amortisations made under FAS were reversed. As a result, the following adjustments were made:

- In the financial year 2022, depreciation and amortisation according to plan were decreased by EUR 11 137 thousand.
- As at 31 December 2022, goodwill was increased by EUR 11 137 thousand and retained earnings were increased by EUR 11 137 thousand.
- In the financial year 2023, depreciation and amortisation according to plan were decreased by EUR 11 137 thousand.
- As at 31 December 2023, goodwill was increased by EUR 22 274 thousand, and retained earnings were increased by EUR 22 274 thousand.
- In the financial year 2024, depreciation and amortisation according to plan were decreased by EUR 11 137 thousand.
- As at 31 December 2024, goodwill was increased by EUR 33 410 thousand, and retained earnings were increased by EUR 33 410 thousand.

### 5. Share-based payments

Framery has established synthetic option plan which give the key employees a right to receive a cash payment at exercise date of the synthetic option which can be only related to certain events. In addition, the Group has in specific circumstances a right to redeem shares of the company held by shareholder-employees that leave the Group, which it has commonly exercised in the past.

Under FAS, Framery has not recognised employee benefit expenses from the synthetic option plan nor from a right to redeem shares. Under IFRS Accounting Standards, the arrangements are classified as cash-settled and equity-settled share-based payment plans. The fair value of synthetic options is recognised as an employee benefits expense, with a corresponding increase in the liability over the vesting period. The Group's share redemption rights are recognised as employee benefit expense and as a liability over the relevant redemption period. The liability is remeasured to fair value at each reporting date and is presented as employee benefit obligations in the balance sheet. As a result, the following adjustments were made:

- As at 1 January 2022, retained earnings were decreased by EUR 3 645 thousand, non-controlling interests were decreased by EUR 1 211 thousand, other liabilities were increased by EUR 4 906 thousand and deferred tax assets were increased by EUR 50 thousand.
- In the financial year 2022, employee benefit expenses were increased by EUR 4 267 thousand and income taxes were decreased by EUR 87 thousand due to the change in deferred taxes.
- As at 31 December 2022, reserve for invested unrestricted equity was increased by EUR 3 780 thousand, retained earnings were decreased by EUR 9 037 thousand, other payables were increased by EUR 5 394 thousand and deferred tax assets were increased by EUR 137 thousand.
- In the financial year 2023, employee benefit expenses were decreased by EUR 934 thousand and income taxes were decreased by EUR 34 thousand due to the change in deferred taxes.
- As at 31 December 2023, reserve for invested unrestricted equity was increased by EUR 3 997 thousand, retained earnings were decreased by EUR 8 069 thousand, other payables were increased by EUR 4 242 thousand and deferred tax assets were increased by EUR 171 thousand.
- In the financial year 2024, employee benefit expenses were decreased by EUR 402 thousand and income taxes were decreased by EUR 137 thousand due to the change in deferred taxes.
- As at 31 December 2024, reserve for invested unrestricted equity was increased by EUR 5 150 thousand, retained earnings were decreased by EUR 7 529 thousand, other payables were increased by EUR 2 687 and deferred tax assets were increased by EUR 308 thousand.

### 6. Financial instruments

#### Shareholder loans and bank loan interest

Framery has loans from the shareholders from which the accrued interest shall be paid in full at the maturity date although the Group is allowed to prepay accrued interest anytime. Under FAS, accrued interests were recognised as current liabilities. Under IFRS Accounting Standards, the accrued interests are recognised as non-current liabilities to shareholders. As a result, the following adjustments were made:

- As at 1 January 2022, shareholder loans were increased by EUR 4 025 thousand and other payables were decreased by EUR 4 025 thousand.
- As at 31 December 2022, shareholder loans were increased by EUR 4 347 thousand and other payables were decreased by EUR 4 347 thousand.
- As at 31 December 2023, shareholder loans were increased by EUR 2 343 thousand and other payables were decreased by EUR 2 343 thousand.
- As at 31 December 2024, shareholder loans were increased by EUR 3 145 thousand and other payables were decreased by EUR 3 145 thousand.

#### Transaction costs

Under FAS, Framery has expensed transaction costs related to bank loans and refinancing transaction. In transition to IFRS Accounting Standards, these costs are adjusted to the carrying amount of the borrowings and are expensed as part of the effective interest expense over the expected life of the borrowings. As a result, the following adjustments were made:

- In the financial year 2023, finance costs were decreased by EUR 178 thousand and income taxes were increased by EUR 36 thousand due to the change in deferred taxes.
- As at 31 December 2023, retained earnings were increased by EUR 143 thousand, non-current liabilities were decreased by EUR 178 thousand and deferred tax liabilities was increased by EUR 36 thousand.
- In the financial year 2024, other operating expenses were decreased by EUR 1 273 thousand, finance costs were increased by EUR 178 thousand and income taxes were increased by EUR 219 thousand due to the change in deferred taxes.
- As at 31 December 2024, retained earnings was increased by EUR 1 018 thousand, other receivables were increased by EUR 1 273 thousand and deferred tax liabilities were increased by EUR 255 thousand.

#### Expected credit loss provision for trade receivables

Under FAS, Framery has not recorded any expected credit loss provision in the consolidated balance sheet. Under IFRS Accounting Standards, Framery has applied the simplified approach to the measurement of expected credit losses of trade receivables and as a result, the following adjustments were made:

- In the financial year 2022, other operating expenses were increased by EUR 53 thousand and income taxes were decreased by EUR 11 thousand due to the change in deferred taxes.
- As at 31 December 2022, deferred tax assets were increased by EUR 11 thousand, trade receivables were decreased by EUR 53 thousand and retained earnings were decreased by EUR 43 thousand.

- In the financial year 2023, other operating expenses were decreased by EUR 32 thousand and income taxes were increased by EUR 6 thousand due to the change in deferred taxes.
- As at 31 December 2023, deferred tax assets were increased by EUR 4 thousand, trade receivables were decreased by EUR 22 thousand and retained earnings were decreased by EUR 17 thousand.
- In the financial year 2024, other operating expenses were increased by EUR 7 thousand and income taxes were decreased by EUR 1 thousand due to the change in deferred taxes.
- As at 31 December 2024, deferred tax assets were increased by EUR 6 thousand, other receivables were decreased by EUR 29 thousand and retained earnings were decreased by EUR 23 thousand.

### 7. P-shares

Framery has two different share series: A series and P series. Under IFRS Accounting Standards, series P shares held by investor shareholders are identified as classified as equity instruments. Series P shares held by shareholders employees are identified as employee benefit liability. The annual accrual of the return for the series P shares held by shareholders employees is recognised as a finance cost in the consolidated statement of comprehensive income due. As a result, the following adjustments were made:

- As at 1 January 2022, series P shares held by investor shareholders EUR 20 158 thousand was reclassified from non-controlling interest to series P reserve and series P shares held by employee shareholders EUR 11 276 thousand was reclassified as a liability.
- As at 31 December 2022, series P shares held by investor shareholders EUR 21 644 was reclassified from unrestricted equity reserve to series P shares reserve and series P shares held by employee shareholders EUR 12 107 thousand was reclassified as a liability. The annual accrual of the return for the series P shares was recorded in retained earnings. Deferred tax assets were increased by EUR 166 thousand.
- In the financial year 2022, finance costs were increased by EUR 831 thousand and income taxes were decreased by EUR 166 thousand due to the change in deferred taxes.
- As at 31 December 2023, series P shares held by investor shareholders EUR 14 653 thousand was reclassified from unrestricted equity reserve to series P shares reserve and series P shares held by employee shareholders EUR 8 703 thousand was reclassified as a liability. The annual accrual of the return for the series P shares was recorded in retained earnings. Deferred tax assets were increased by EUR 289 thousand.
- In the financial year 2023, finance costs were increased by EUR 616 thousand and income taxes were decreased by EUR 123 thousand due to the change in deferred taxes.
- As at 31 December 2024, series P shares held by investor shareholders EUR 15 805 thousand were reclassified from unrestricted equity reserve to series P shares reserve and series P shares held by employee shareholders EUR 8 707 thousand were reclassified as a liability. The annual accrual of the return for the series P shares was recorded in retained earnings. Deferred tax assets were increased by EUR 416 thousand.
- In the financial year 2024, finance costs increased by EUR 635 thousand and income taxes were decreased by EUR 127 thousand due to the change in deferred taxes.

### 8. Deferred taxes

The adjustments made as part of implementation of IFRS Accounting Standards resulted in various temporary differences between accounting and tax. The group recognised the tax effects as such differences. The impact of deferred tax adjustments has been presented in the note 2.10.

- As at 1 January 2022, deferred tax assets were increased by EUR 1 990 thousand and retained earnings were increased by EUR 1 990 thousand.
- As at 31 December 2022, deferred tax assets were increased by EUR 1 767 thousand and retained earnings were increased by EUR 1 767 thousand.
- As at 31 December 2023, deferred tax assets were increased by EUR 1 645, retained earnings were increased by EUR 1 794 and deferred tax liabilities were decreased by EUR 149 thousand.
- As at 31 December 2024, deferred tax assets were increased by EUR 1 186 thousand, retained earnings were increased by EUR 1 542 thousand and deferred tax liabilities were decreased by EUR 356 thousand.

# Signatures

**Tampere, 21 November 2025**

Mika Sutinen
Chair of Board of Directors

Ville Koskenvuo
Board Member

Pipsa Loimijoki
Board Member

Timo Toikkanen
Board Member

Gregory Bylsma
Board Member

Samu Hällfors
CEO

## Auditor's note

Our Auditor's Report has been issued today.

**Helsinki, 21 November 2025**

Ernst & Young Oy
Authorized Public Accountants

Juha Hilmola
APA