



Reima Group
Interim report 1 January - 30 September 2025

Unaudited



Reima is a globally leading brand in kids' activewear. It is known for its award-winning innovation and high-quality clothing. Reima offers a 'tip-to-toe', year-around collection for active kids aged 0 to 12 years. In addition to outdoor and innerwear clothing, the offering includes a wide range of accessories, footwear as well as solutions and services for kids. Reima's products are available in about 50 countries across the world. The most important markets are the Nordic countries, Germany, China and North America. Direct-to-consumer business is the largest sales channel for Reima and digital sales accounted for 63% of total sales in 2024.

Accounting principles

Reima applies IFRS accounting principles in its accounting. Reima has applied the same accounting principles in this report as were applied in its financial statements for 2024. The full-year 2024 figures are based on the audited financial statements for 2024 which are available on company's web page (company.reima.com) and full summary of applied accounting policies is available in the annual consolidated financial statements.

This report has not been subject to audit.

Group financial performance

Revenue

July-September 2025

In the third quarter, when Reima typically delivers winter wholesale pre-orders, revenue decreased by 4% to EUR 29.1 million. The drop in revenue was driven by operational difficulties experienced by our third-party logistics partner in Europe, which postponed some of the European wholesale deliveries to October. We are working with our logistics partner to improve operations for upcoming seasons and assessing appropriate remedies for any negative impact. At the same time, North American DTC sales in Reima's own digital channel continued to perform well and grew 20% compared to 2024, or 26% in local currency.

January-September 2025

The Group's revenue was at previous year's level and amounted to EUR 55.4 million. Reima's business has an intra-year seasonal pattern with the second half revenue being typically significantly higher than the first half of the year. Despite the delivery delays in Europe, sales to wholesale customers grew by 3% to EUR 32.6 million. In DTC channel, Reima has focused less on campaigns compared to 2024, which led to a small 5% decline in DTC sales compared to 2024, but was offset by improved gross margin.

Profitability

July-September 2025

In the third quarter Reima's gross profit increased to EUR 13.2 million from EUR 13.1 million in 2024. Gross margin increased to 45.2% from 43.3% in 2024. Increase was driven mainly by operational efficiency improvements, pricing actions, and fewer promotional activities in direct-to-consumer sales channels. Adjusted EBITDA increased to EUR 5.7 million (EUR 5.3 million), driven by an improvement in gross margin % and lower operating expenses.

January-September 2025

During January-September Reima's gross profit increased to EUR 22.9 million from EUR 21.7 million in 2024 and gross margin increased to 41.4% from 39.1% in 2024. Increase was driven mainly by operational efficiency improvements, lower campaign sales and other pricing actions. Adjusted EBITDA was at previous year's level at -0.5 million (EUR -0.4 million), driven by a normalization of personnel expenses following a temporarily lower level in 2024, and therefore underlying profitability clearly improved compared to 2024.

Balance sheet

The consolidated balance sheet total was EUR 116.5 million (EUR 115.9 million) at the end of September 2025.

Cash and cash equivalents totaled EUR 4.7 million (EUR 2.3 million) at the end of September 2025. Inventory balance at the end of September was at EUR 24.3 million (EUR 25.6 million), down 5% despite wholesale delivery delays in Europe. Decline in inventory balance is driven by continued improvement in inventory management and better inventory turnover.

Cash flow and financing

Cash flow before change in net working capital was EUR 2.4 million (EUR -1.1 million), driven by improved profitability. After change in net working capital and finance items, the cash flow from operating activities was EUR -12.7 million (EUR -5.2 million), due to timing differences between years as Reima's underlying profitability and cash flow has improved compared to 2024. More specifically the timing differences were driven by later wholesale deliveries in Europe, earlier inbound of autumn winter products and earlier payments of supplier invoices, compared to the previous year. Reima's business is highly seasonal and working capital typically increases in the first half of the year and decreases in the second half when winter products are delivered from inventory to customers.

Investments in intangible and tangible assets were EUR 1.0 million in January-September 2025, down from EUR 2.3 million in 2024. As Reima has made significant digital and IT related investments in the past years, there is no plan for material investments in 2025.

At the end of September 2025, senior net debt (as defined in the bond terms) was EUR 24.7 million. Under the terms of the bond issued by Reima Group's parent company, Reima Group Holding Oy, Reima is subject to maintenance covenants regarding minimum cash and net leverage. Reima is in compliance with all covenants.

Significant events during the third quarter of 2025

The increased US tariffs did not have a significant negative impact on the profitability of Reima's North American operations in the third quarter of 2025.

Reima is following the situation closely and has implemented operational and commercial actions, including selected price increases, to offset the increased tariff costs in the second half of 2025.

Reima is also constantly looking into its own retail store network and optimizing the amount and location of retail stores, as part of its digital first omnichannel strategy. During the third quarter 2025, Reima closed one store in Finland, one in Sweden and one in China. At the same time, Reima opened new digital marketplaces in the United States.

Risks

The Reima Group is facing general risks, such as the overall economic climate and general uncertainty of the consumer market that might impact Group's business performance, as well as financial risks such as exchange rate development and financing risks. In the short term, Reima is also facing risks related to unfavorable weather conditions, especially in the last quarter of the year when majority of its outerwear sales take place in DTC channels.

As the purchases of the Group are mostly foreign currency-denominated, Reima faces currency risks and to mitigate this risk Reima applies a hedging policy. The biggest currency flows consist of the Chinese yuan and US dollar. Changes in customers' operations may also cause a credit loss risk to the Group. Credits and credit limits are being monitored according to internal guidelines.

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

Sustainability and environment

Reima reports sustainability matters on an annual basis and report for 2024 calendar year was published in the second quarter of 2025. The sustainability report is available on the company web site (company.reima.com).

Reima's Leadership Team is responsible for strategic decision-making on sustainability. Reima's Innovation and Sustainability Steering Group (ISSG) oversees the corporate responsibility activities and officially approves plans and action points. Reima's latest sustainability strategy is made for years 2023-2026. The strategy has four cornerstones: sustainable products, responsible supply chain, climate action and commitment to stakeholders.

Product sustainability means that the product is safe, durable, and made from more sustainable materials. Reima has a specified list of preferred materials that have been selected for their environmental benefits in the supply chain. To underline the significance of climate action, Reima was the first Finnish apparel company to commit to the Science Based Targets initiative (SBTi), and the company's targets were approved in the beginning of 2023.

Key financial data

EUR thousands	1 Jul -	1 Jul -	1 Jan -	1 Jan -	1 Jan -	Last twelve months
	30 Sep	30 Sep	30 Sep	30 Sep	31 Dec	
	2025	2024	2025	2024	2024	
Revenue	29 144	30 248	55 351	55 546	84 127	83 933
Gross profit	13 169	13 091	22 893	21 721	35 052	36 225
Gross margin, %	45.2 %	43.3 %	41.4 %	39.1 %	41.7 %	43.2 %
EBITDA	5 593	5 194	-1 378	-1 268	1 860	1 750
Adj. EBITDA	5 696	5 326	-535	-426	4 569	4 459
Net debt to adj. EBITDA						5.5

Calculation of net debt¹ 30 Sep 2025

EUR thousands	
Senior secured bond	24 339
Factoring credit	949
Other senior debt	0
Leasing debt	4 037
Cash and cash equivalents	-4 668
Net interest bearing debt	24 658

¹As defined in the bond terms

Reconciliation of alternative performance measures to IFRS

EBITDA and adjusted EBITDA

EUR thousands	1 Jul -	1 Jul -	1 Jan -	1 Jan -	1 Jan -
	30 Sep	30 Sep	30 Sep	30 Sep	31 Dec
	2025	2024	2025	2024	2024
Operating result	4 290	3 867	-378	-5 373	-3 716
Depreciation & amortisation	1 304	1 149	4 220	3 552	4 841
Other non-cash adjustment	0	178	-5 220	554	735
EBITDA	5 593	5 194	-1 378	-1 268	1 860
One-off items	103	132	842	841	2 708
Adjusted EBITDA	5 696	5 326	-535	-426	4 569

Disaggregation of revenue

In the following table, consolidated revenue is disaggregated by sales channel¹.

EUR thousands	1 Jul - 30 Sep		1 Jul - 30 Sep		1 Jan - 30 Sep		1 Jan - 30 Sep		1 Jan - 31 Dec	
	2025	2024	2025	2024	2025	2024	2024	2024	2024	
Wholesale	20 720	71 %	20 756	69 %	32 606	59 %	31 517	57 %	41 466	49 %
Direct-to-consumer	8 424	29 %	9 492	31 %	22 745	41 %	24 029	43 %	42 661	51 %
Total	29 144	100 %	30 248	100 %	55 351	100 %	55 546	100 %	84 127	100 %

¹ Direct-to-consumer sales includes own stores, own digital stores and marketplaces.

Quarterly information

	1 Jul - 30 Sep	1 Apr - 30 Jun	1 Jan - 31 Mar	1 Oct - 31 Dec	1 Jul - 30 Sep	1 Apr - 30 Jun
EUR thousands	2025	2025	2025	2024	2024	2024
Revenue	29 144	9 734	16 473	28 581	30 248	9 399
Gross profit	13 169	3 630	6 094	13 331	13 091	3 135
Gross margin, %	45.2 %	37.3 %	37.0 %	46.6 %	43.3 %	33.4 %
EBITDA	5 593	-4 432	-2 539	3 128	5 194	-3 230
Adj. EBITDA	5 696	-4 089	-2 143	4 995	5 326	-2 834

CONSOLIDATED INCOME STATEMENT

EUR thousands	1 Jul - 30 Sep 2025	1 Jul - 30 Sep 2024	1 Jan - 30 Sep 2025	1 Jan - 30 Sep 2024	1 Jan - 31 Dec 2024
Revenue	29 144	30 248	55 351	55 546	84 127
Materials and services	(15 975)	(17 157)	(32 458)	(33 825)	(49 075)
Gross profit	13 169	13 091	22 893	21 721	35 052
Other operating income	23	10	5 276	161	177
Personnel expenses	(3 371)	(3 798)	(11 763)	(10 602)	(14 068)
Other operating expenses	(4 228)	(4 288)	(12 564)	(13 101)	(20 035)
Depreciation, amortisation and impairment losses	(1 304)	(1 149)	(4 220)	(3 552)	(4 841)
Operating result	4 290	3 867	(378)	(5 373)	(3 716)
Finance income	228	(355)	(349)	819	1 617
Finance expenses	(1 477)	(3 428)	(9 019)	(9 608)	(13 395)
Net finance expenses	(1 249)	(3 784)	(9 368)	(8 789)	(11 777)
Profit (Loss) before tax	3 041	83	(9 745)	(14 163)	(15 493)
Tax expense	(176)	260	(246)	290	(123)
Profit (Loss) for the financial year	2 865	343	(9 991)	(13 872)	(15 616)
Profit (Loss) for the financial year attributable to					
Owners of the parent company	2 865	343	(9 991)	(13 872)	(15 616)

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

Profit (Loss) for the financial year	2 865	343	(9 991)	(13 872)	(15 616)
Other comprehensive income					
Items that may be subsequently reclassified to profit or loss					
Foreign currency translation difference	799	(301)	1 418	132	(631)
Cash flow hedging	(1 232)	(183)	1 062	(183)	(158)
Total other comprehensive income for the financial year	(433)	(485)	2 481	(51)	(789)
Total comprehensive income for the financial year	2 432	(142)	(7 510)	(13 924)	(16 405)
Total comprehensive income attributable to					
Owners of the parent company	2 432	(142)	(7 510)	(13 924)	(16 405)

CONSOLIDATED BALANCE SHEET

EUR thousands	30 Sep 2025	30 Sep 2024	31 Dec 2024
ASSETS			
Non-current assets			
Intangible assets	4 818	4 745	6 119
Goodwill	50 900	50 900	50 900
Intangible assets and goodwill	55 718	55 645	57 019
Tangible assets	706	500	915
Right-of-use assets	4 221	4 428	5 068
Total non-current assets	60 645	60 572	63 002
Current assets			
Inventories	24 313	25 648	19 043
Trade and other receivables	24 835	25 236	16 833
Deferred tax assets	2 028	2 129	2 113
Cash and cash equivalents	4 668	2 286	2 718
Total current assets	55 844	55 300	40 707
Total assets	116 489	115 872	103 709
EQUITY			
Share capital	5	5	5
Reserve for invested non-restricted equity	101 346	101 346	101 346
Translation differences	1 191	536	(228)
Cash flow hedge reserve	(1 085)	3	(23)
Retained earnings	(137 762)	(126 027)	(127 771)
Total equity¹	(36 305)	(24 138)	(26 670)
LIABILITIES			
Non-current liabilities			
Bond	24 339	0	0
Subordinated loans	92 792	911	911
Lease liabilities	3 615	3 898	3 508
Other financial and other non-current liabilities	3 326	2 877	3 164
Deferred tax liabilities	2 558	2 292	2 369
Total non-current liabilities	126 630	9 978	9 953
Current liabilities			
Borrowings from financial institutions	955	92 558	92 550
Lease liabilities	422	429	1 415
Trade and other payables	24 787	37 045	26 462
Liabilities related to assets held for sale	0	0	0
Total current liabilities	26 164	130 032	120 426
Total liabilities	152 794	140 010	130 379
Total equity and liabilities	116 489	115 872	103 709

¹The presentation of retained earnings and translation difference has been corrected to agree with opening IFRS balance.

CONSOLIDATED CASH FLOW STATEMENT

EUR thousands	1 Jan - 30 Sep 2025	1 Jan - 30 Sep 2024	1 Jan - 31 Dec 2024
Cash flows from operating activities			
Profit (Loss) before tax for the financial year	(9 745)	(14 136)	(15 493)
Adjustments:			
Depreciation, amortisation and impairment losses	4 220	3 552	4 841
Finance income and finance expenses	9 368	8 789	11 777
Other adjustments ¹	(1 478)	758	(2 355)
Cash flows before change in net working capital	2 365	(1 063)	(1 230)
Change in net working capital:			
Change in trade and other receivables (increase (-) / decrease (+))	(7 894)	(11 578)	(2 896)
Change in inventories (increase (-) / decrease (+))	(5 197)	(428)	5 841
Change in trade and other payables (increase (+) / decrease (-))	(1 899)	8 462	(1 017)
Cash flows before finance items	(12 625)	(4 606)	699
Interest paid and other financial items	(860)	(838)	(1 483)
Income taxes paid	(264)	232	212
Net cash from operating activities (A)	(12 716)	(5 213)	(573)
Cash flows from investing activities			
Acquisition of intangible and tangible assets	(1 031)	(2 267)	(4 907)
Proceeds from sale of property, plant and equipment	-	14	14
Net cash used in investing activities (B)	(1 031)	(2 253)	(4 893)
Cash flows from financing activities²			
Proceeds from current loans and borrowings	-	11 003	12 774
Repayment of current loans and borrowings	(9 109)	(2 436)	(5 079)
Proceeds from non-current loans and borrowings	27 816	1 143	1 143
Repayment of lease liabilities	(1 982)	(1 920)	(2 617)
Net cash from financing activities (C)	16 725	7 970	6 222
Net cash from (used in) operating, investing and financing activities (A+B+C)	1 945	324	756
Net increase (decrease) in cash and cash equivalents	1 945	324	756
Cash and cash equivalents at 1 January	2 718	1 942	1 942
Effect of fluctuations in exchange rate on cash held	5	20	20
Cash and cash equivalents at reporting end	4 668	2 286	2 718

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

² Financing activities include recourse factoring credit liabilities