

reima

Reima Group
Interim report 1 January - 31 March 2026

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.

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 2025. The full-year 2025 figures are based on the audited financial statements for 2025 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.

Comparability of figures

The year-end 2025 figures have been updated from the 2025 unaudited interim result report that was published on Reima's website on 25 February 2026. The 2025 figures in this report are consistent with the audited financial statements for 2025. This update was driven by a change in the accounting treatment of a subordinated PIK loan, which is measured under IFRS 9, following a reassessment of the renegotiated loan terms agreed in summer 2025. The fair value of the loan at the end of 2025 was EUR 66.8 million. The company recorded the effect of the change in loan terms in the 2025 income statement in the item Other financial income, totaling EUR 27.7 million and in Other financial cost, totaling EUR 4.4 million in the 2025 financial period, deferred taxes related to the bookings were EUR 4.6 million at the end of 2025.

Group financial performance

Revenue

January-March 2026

In the first quarter, revenue was at previous year's level at EUR 16.5 million. Growth in Europe and North America was offset by decline in Asia, as Reima has closed own retail stores in China. The strong performance in North American DTC sales continued, Reima's own digital channel in the region grew 13%, compared to 2025, or 27% in local currency. European DTC sales, especially in the Nordic countries, were positively impacted by the cold weather in the first quarter.

Profitability

January-March 2026

In the first quarter Reima's gross profit declined slightly to EUR 5.9 million from EUR 6.1 million in 2025. Gross margin decreased to 35.6% from 37.0% in 2025. Decrease was driven mainly by channel mix and slightly higher logistics costs in early part of the first quarter. Adjusted EBITDA amounted to EUR -2.3 million (EUR -2.1 million).

Balance sheet

The consolidated balance sheet total was EUR 100.8 million (EUR 96.3 million) at the end of March 2026.

Cash and cash equivalents totaled EUR 7.3 million (EUR 2.7 million) at the end of March 2026. Inventory balance at the end of March was at EUR 15.4 million (EUR 16.8 million), down 8%, due to revenue growth in Europe and North America, and good inventory management.

Cash flow and financing

Cash flow before change in net working capital was EUR -2.2 million (EUR -2.1 million), driven by Reima's typical business seasonality. After change in net working capital and finance items, the cash flow from operating activities was EUR -7.0 million (EUR 0 million), due to earlier payment of supplier invoices compared to 2025. Reima's business is highly seasonal and working capital typically is lowest at the end of first quarter, increases in the second quarter and decreases in the second half when winter products are delivered from inventory to customers.

At the end of March 2026, senior net debt (as defined in the bond terms) was EUR 21.8 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.

Investments

Gross investments in intangible and tangible assets were EUR 0.4 million in January-March 2026, slightly up from EUR 0.3 million in 2025.

Significant events during the reporting period

Reima is 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 January-March 2026, Reima closed one store in China. In total Reima had 28 own retail stores at the end of March 2026 (38 stores at the end of first quarter 2025) and 34 franchise partner stores (34 stores).

Personnel

In January-March 2026 the number of personnel, expressed as full-time equivalents, averaged 256 (303 in first quarter of 2025) and at the end of the reporting period Reima had 256 employees (300). Change in the number of personnel was driven by closed stores in China and Europe.

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 supply chain and logistics as well as unfavorable weather conditions, especially in the last quarter of the year when majority of Reima's outerwear sales take place in DTC channels. In addition, the Group actively monitors other geopolitical risks, including the situation in the Middle East, and takes geopolitical risks into account in its operational planning.

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 and company mitigates the risk with export guarantee to unstable markets.

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'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.

Key financial data

	1 Jan - 31 Mar 2026	1 Jan - 31 Mar 2025	1 Jan - 31 Dec 2025	Last twelve months
EUR thousands				
Revenue	16 532	16 473	86 011	86 070
Gross profit	5 885	6 094	37 523	37 314
Gross margin, %	35.6 %	37.0 %	43.6 %	43.4 %
EBITDA	-2 678	-2 539	3 454	3 315
Adj. EBITDA	-2 313	-2 143	5 997	5 827
Net debt to adj. EBITDA ¹				3.7

Calculation of net debt¹ 31 Mar 2026

EUR thousands	
Senior secured bond	24 442
Factoring credit	60
Other senior debt	0
Leasing debt	4 594
Cash and cash equivalents	-7 344
Net interest bearing debt	21 752

¹As defined in the bond terms

Reconciliation of alternative performance measures to IFRS

EBITDA and adjusted EBITDA	1 Jan - 31 Mar 2026	1 Jan - 31 Mar 2025	1 Jan - 31 Dec 2025
EUR thousands			
Operating result	-4 061	-4 220	2 842
Depreciation & amortization	1 383	1 488	5 832
Other non-cash adjustment	0	193	-5 220
EBITDA	-2 678	-2 539	3 454
One-off items	364	397	2 544
Adjusted EBITDA	-2 313	-2 143	5 997

Disaggregation of revenue

	1 Jan - 31 Mar 2026		1 Jan - 31 Mar 2025		1 Jan - 31 Dec 2025	
EUR thousands						
Wholesale	7 728	47 %	7 616	46 %	42 925	50 %
Direct-to-consumer	8 804	53 %	8 857	54 %	43 085	50 %
Total	16 532	100 %	16 473	100 %	86 011	100 %

Quarterly information

EUR thousands	1 Jan - 31 Mar 2026	1 Oct - 31 Dec 2025	1 Jul - 30 Sep 2025	1 Apr - 30 Jun 2025	1 Jan - 31 Mar 2025
Revenue	16 532	30 645	29 159	9 734	16 473
Gross profit	5 885	14 652	13 147	3 630	6 094
Gross margin, %	35.6 %	47.8 %	45.1 %	37.3 %	37.0 %
EBITDA	-2 678	4 853	5 572	-4 432	-2 539
Adj. EBITDA	-2 313	6 555	5 674	-4 089	-2 143

CONSOLIDATED INCOME STATEMENT

EUR thousands	1 Jan - 31 Mar 2026	1 Jan - 31 Mar 2025	1 Jan - 31 Dec 2025
Revenue	16 532	16 473	86 011
Materials and services	-10 646	-10 378	-48 487
Gross profit	5 885	6 094	37 523
Other operating income	28	-167	5 293
Personnel expenses	-3 974	-4 383	-15 145
Other operating expenses	-4 616	-4 277	-18 998
Depreciation, amortisation and impairment losses	-1 383	-1 488	-5 832
Operating result	-4 061	-4 220	2 842
Finance income	414	-319	28 357
Finance expenses	-2 821	-3 622	-15 667
Net finance expenses	-2 407	-3 942	12 689
Profit (Loss) before tax	-6 468	-8 161	15 532
Tax expense	438	-21	-5 162
Profit (Loss) for the financial year	-6 030	-8 182	10 370
Profit (Loss) for the financial year attributable to			
Owners of the parent company	-6 030	-8 182	10 370

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

Profit (Loss) for the financial year	-6 030	-8 182	10 370
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss			
Foreign currency translation difference	-1 911	-44	1 333
Cash flow hedging	780	-1 062	-341
Total other comprehensive income for the financial year	-1 131	-1 106	992
Total comprehensive income for the financial year	-7 161	-9 289	11 362
Total comprehensive income attributable to			
Owners of the parent company	-7 161	-9 289	11 362

CONSOLIDATED BALANCE SHEET

EUR thousands	31 Mar 2026	31 Mar 2025	31 Dec 2025
ASSETS			
Non-current assets			
Intangible assets	4 693	5 669	5 060
Goodwill	50 900	50 900	50 900
Intangible assets and goodwill	55 593	56 569	55 960
Tangible assets	669	795	759
Right-of-use assets	4 529	4 596	4 952
Deferred tax assets	2 168	2 133	2 137
Total non-current assets	62 959	64 093	63 808
Current assets			
Inventories	15 427	16 751	19 320
Trade and other receivables	15 043	12 765	16 839
Cash and cash equivalents	7 344	2 669	15 414
Total current assets	37 815	32 185	51 573
Total assets	100 773	96 278	115 381
EQUITY			
Share capital	5	5	5
Reserve for invested non-restricted equity	101 346	101 346	101 346
Translation differences	0	272	1 107
Cash flow hedge reserve	417	-264	-364
Retained earnings	-123 945	-136 476	-117 915
Total equity	-21 374	-35 117	-15 820
LIABILITIES			
Non-current liabilities			
Capital loan	911	911	911
Bond	24 442	0	24 381
Borrowings from financial institutions, PIK-loan	70 978	0	68 915
Lease liabilities	3 450	3 344	3 505
Other financial and other non-current liabilities	3 384	3 220	3 376
Deferred tax liabilities	6 716	2 381	7 195
Total non-current liabilities	109 881	9 856	108 283
Current liabilities			
Borrowings from financial institutions	60	95 767	130
Lease liabilities	1 144	1 073	1 527
Trade and other payables	11 062	24 698	21 260
Liabilities related to assets held for sale	0	0	0
Total current liabilities	12 266	121 538	22 917
Total liabilities	122 147	131 395	131 201
Total equity and liabilities	100 773	96 278	115 381

CONSOLIDATED CASH FLOW STATEMENT

EUR thousands	1 Jan - 31 Mar 2026	1 Jan - 31 Mar 2025	1 Jan - 31 Dec 2025
Cash flows from operating activities			
Profit (Loss) before tax for the financial year	-6 468	-8 161	15 532
Adjustments:			
Depreciation, amortization and impairment losses	1 383	1 488	5 832
Finance income and finance expenses	2 407	3 953	-12 689
Other adjustments ¹	454	672	595
Cash flows before change in net working capital	-2 224	-2 049	9 269
Change in net working capital:			
Change in trade and other receivables (increase (-) / decrease (+))	2 152	3 772	-45
Change in inventories (increase (-) / decrease (+))	3 916	2 244	-369
Change in trade and other payables (increase (+) / decrease (-))	-10 029	-3 309	-5 405
Cash flows before finance items	-6 185	657	3 450
Interest paid and other financial items	-821	-303	-2 525
Interest received	1	0	3
Income taxes paid	0	-366	-363
Net cash from operating activities (A)	-7 004	-12	565
Cash flows from investing activities			
Acquisition of intangible and tangible assets	-438	-314	-2 325
Proceeds from sale of property, plant and equipment	0	0	0
Net cash used in investing activities (B)	-438	-314	-2 325
Cash flows from financing activities²			
Proceeds from current loans and borrowings	0	1 005	0
Repayment of current loans and borrowings	-70	0	-10 041
Proceeds from non-current loans and borrowings	0	0	27 000
Repayment of lease liabilities	-550	-734	-2 507
Net cash from financing activities (C)	-620	271	14 452
Net cash from (used in) operating, investing and financing activities (A+B+C)	-8 062	-54	12 692
Net increase (decrease) in cash and cash equivalents	-8 062	-54	12 692
Cash and cash equivalents at 1 January	15 414	2 718	2 718
Effect of fluctuations in exchange rate on cash held	-7	5	5
Cash and cash equivalents at reporting end	7 344	2 669	15 414

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

² Financing activities include recourse factoring credit liabilities