Reima Group

Half-year report 1 January - 30 June 2026

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. This half-year report has been prepared in accordance with IFRS standards (IAS 34 Interim Financial Reporting) and should be read in conjunction with the Group's last consolidated financial statements as at and for the year ended 31 December 2025. Reima has applied the same accounting principles in this report as were applied in its financial statements for 2025, however with the addition of the standards and interpretations published by the International Accounting Standards Board (IASB) that are mandatory as of 1 January 2026. These standards did not have a significant impact on the Group in the current reporting period. Reima is currently assessing the impact the adoption of IFRS18 will have on its consolidated financial statements. This half-year report does not include all the information and notes presented in the financial statements.

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. Similarly the Q2 2025 interim financials have been updated. 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 liabilities related to the bookings were EUR 4.6 million at the end of 2025.

CEO's comments

Reima's first half of 2026 showed positive development in revenue, gross profit and adjusted EBITDA, supported by growth in Europe and North America. Revenue for January to June increased by 6% year-on-year to EUR 27.7 million. Growth in Europe and North America was partly offset by lower sales in Asia, where we continued to adjust our own retail store network in China in line with our digital-first omnichannel strategy. This supports our focus on scalable channels, disciplined resource allocation, and long-term profitable growth.

The second quarter developed particularly well, with revenue increasing by 14% year-on-year to EUR 11.1 million. Growth was supported by continued good development in direct-to-consumer sales in North America and partly due to timing of wholesale deliveries in Europe. Reima's own digital channel in North America grew by 52% compared to the previous year, or 46% in local currency.

Gross profit and adjusted EBITDA improved compared with the previous year, although gross margin was impacted by channel mix and somewhat higher logistics costs in the early part of the year. In January to June, gross profit increased to EUR 10.0 million from EUR 9.7 million, and adjusted EBITDA improved to EUR -5.2 million from EUR -6.2 million, which was in line with expectations and seasonality of the business.

For the remainder of the year, our focus remains on executing the business activities for the coming Autumn & Winter season, managing working capital carefully, and strengthening Reima brand's position in its key markets.

Group financial performance

Revenue

April-June 2026

In the second quarter, which is typically Reima's smallest quarter, revenue was at EUR 11.1 million, up 14% compared to previous year. Growth was driven by earlier wholesale deliveries in Europe and strong DTC performance in North America and partially offset by decline in Asia, as Reima continued to streamline its own retail network in China. The strong performance in North American DTC sales continued, Reima's own digital channel in the region grew 52%, compared to 2025, or 46% in local currency.

January-June 2026

Revenue increased 6% compared to previous year and was at EUR 27.7 million. Reima's revenue during the first half of the year is typically clearly smaller than in the second half of the year. Growth in Europe and North America was partially 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 26%, compared to 2025, or 34% in local currency. European DTC sales, especially in the Nordic countries, were positively impacted by, among other things, the cold weather in the first quarter.

Profitability

April-June 2026

In the second quarter Reima's gross profit increased slightly to EUR 3.9 million from EUR 3.6 million in 2025. Gross margin decreased to 35.5% from 37.3% in 2025. Decrease was driven mainly by channel mix. Adjusted EBITDA improved due to higher gross profit as well as cost savings initiatives and amounted to EUR -3.0 million (EUR -4.1 million).

January-June 2026
In January-June Reima's gross profit increased slightly to EUR 10.0 million from EUR 9.7 million in 2025. Gross margin decreased to 35.9% from 37.1% in 2025. Decrease was driven mainly by channel mix and slightly higher logistics costs in early part of the first quarter. Adjusted EBITDA improved due to higher gross profit as well as cost savings initiatives and amounted to EUR -5.2 million (EUR -6.2 million). Reima's business is seasonal and adjusted EBITDA is typically clearly smaller in the first half of the year than in the second half of the year.

Balance sheet

The consolidated balance sheet total was EUR 108.7 million (EUR 109.4 million) at the end of June 2026.

Cash and cash equivalents totaled EUR 3.4 million (EUR 5.8 million) at the end of June 2026. Inventory balance at the end of June was at EUR 30.9 million (EUR 26.8 million), increase was due to planned earlier inbound of autumn and winter goods.

Cash flow and financing

Cash flow before change in net working capital was EUR -5.6 million (EUR -2.2 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 -9.7 million (EUR -12.7 million). 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 June 2026, senior net debt (as defined in the bond terms) was EUR 25.3 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 1.1 million in January-June 2026, focusing on digital growth projects and up from EUR 0.6 million in 2025, mainly due to timing differences.

Personnel

In January-June 2026 the number of personnel, expressed as full-time equivalents, averaged 265 (296 in January-June of 2025) and at the end of the reporting period Reima had 265 employees as full-time equivalents (283). Change in the number of personnel was driven by closed stores in China and Europe, in-line with digital first omnichannel strategy.

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 guarantees 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.

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-June 2026, Reima closed one store in China and one store in Finland. In total Reima had 27 own retail stores at the end of June 2026 (37 stores at the end of second quarter 2025) and 32 franchise partner stores (32 stores).

Reima had change negotiations considering all office employees in Finland during the second quarter. The aim of these negotiations was to achieve cost savings and improve operational efficiency. The changes led to a permanent reduction of 13 positions.

Reima Group's parent company, Reima Group Holding Oy, issued senior secured callable floating rate bonds of 25 MEUR on 10 June 2025. Pursuant to the terms and conditions for the Bonds, Reima Group Holding Oy prepared a listing prospectus, which was approved by the Swedish Financial Supervisory Authority (Sw.

Finansinspektionen) on 15 May 2026 and the company applied for admission to trading of the bonds on the corporate bond list of Nasdaq Stockholm. First day of trading of the bonds was 19 May 2026.

Significant events after the reporting period

Reima has closed a dormant subsidiary Bindley Ltd in China (Hong Kong) after the reporting period. Closure did not have significant impact on Reima's financials.

The parent company, Reima Group Holding Oy, has capital loans in amount of 0.9 MEUR, of which 0.3 MEUR have matured after the reporting period. Under the terms of the company's bond, the repayment of capital loans is not permitted during the bond period, and the company is currently renegotiating the terms of the capital loan agreements with the lenders. At the report's publication date, capital loan agreements amounting to 0.3 MEUR remain subject to renegotiation. The Company expects that all capital loan agreements will be successfully renegotiated and, accordingly, the capital loans are presented as non-current liabilities.

Related party disclosures

There were no significant related party transactions during the reporting period. The Group has transactions between the group companies in the ordinary course of business.

Key financial data

EUR thousands	1 Apr - 30 Jun 2026	1 Apr - 30 Jun 2025	1 Jan - 30 Jun 2026	1 Jan - 30 Jun 2025	1 Jan - 31 Dec 2025	Last twelve months
Revenue	11 101	9 734	27 726	26 207	86 011	87 530
Gross profit	3 942	3 630	9 951	9 724	37 523	37 751
Gross margin %	35.5 %	37.3 %	35.9 %	37.1 %	43.6 %	43.1 %
EBITDA	-3 411	-4 432	-5 968	-6 971	3 454	4 457
Adj. EBITDA	-2 977	-4 089	-5 170	-6 232	5 997	7 059
Net debt to adj. EBITDA[1]					3.2	3.6

[1] Measured for full year and last twelve months

Calculation of net debt[1]	**30 Jun 2026**
EUR thousands	
Senior secured bond	24 509
Factoring credit	47
Other senior debt	0
Leasing debt	4 212
Cash and cash equivalents	-3 431
Net interest bearing debt	**25 337**

[1]As defined in the bond terms

Reconciliation of alternative performance measures to IFRS

EUR thousands	1 Apr - 30 Jun 2026	1 Apr - 30 Jun 2025	1 Jan - 30 Jun 2026	1 Jan - 30 Jun 2025	1 Jan - 31 Dec 2025
Operating result	**-4 746**	**-448**	**-8 686**	**-4 667**	**2 842**
Depreciation & amortisation	1 335	1 429	2 718	2 917	5 832
Other non-cash adjustment[1]	0	-5 413	0	-5 220	-5 220
EBITDA	**-3 411**	**-4 432**	**-5 968**	**-6 971**	**3 454**
One-off items	434	343	798	739	2 544
Adj. EBITDA	**-2 977**	**-4 089**	**-5 170**	**-6 232**	**5 997**

[1] After the change in Reima's ownership structure in 2025, the previous main owner waived a management fee receivable. The management fee expense and waived receivable are excluded from EBITDA and adjusted EBITDA

Disaggregation of revenue

EUR thousands	1 Apr - 30 Jun 2026		1 Apr - 30 Jun 2025		1 Jan - 30 Jun 2026		1 Jan - 30 Jun 2025		1 Jan - 31 Dec 2025	
Wholesale	6 126	55 %	4 269	44 %	13 851	50 %	11 886	45 %	42 925	50 %
Direct-to-consumer	4 976	45 %	5 465	56 %	13 876	50 %	14 321	55 %	43 085	50 %
Total	**11 101**	**100 %**	**9 734**	**100 %**	**27 726**	**100 %**	**26 207**	**100 %**	**86 011**	**100 %**

Quarterly information

EUR thousands	1 Apr - 30 Jun 2026	1 Jan - 31 Mar 2026	1 Oct - 31 Dec 2025	1 Jul - 30 Sep 2025	1 Apr - 30 Jun 2025	Last twelve months
Revenue	11 101	16 625	29 556	30 248	9 734	87 530
Gross profit	3 942	6 010	14 709	13 091	3 630	37 751
Gross margin %	35.5 %	36.1 %	49.8 %	43.3 %	37.3 %	43.1 %
EBITDA	-3 411	-2 557	5 231	5 194	-4 432	4 457
Adj. EBITDA	-2 977	-2 192	6 903	5 325	-4 089	7 059

Interest bearing liabilities

EUR thousands	30 Jun 2026	30 Jun 2025	31 Dec 2025
Bond (senior)	24 509	24 620	24 381
PIK loan	73 226	64 723	68 915
Lease liabilities	3 270	3 135	3 505
Shareholder loan	1 893	1 683	1 787
Long -term interest bearing liabilities	**102 898**	**94 161**	**98 588**
Factoring credit	47	0	130
Lease liabilities	943	419	1 527
Short-term interest bearing liabilities	**989**	**418**	**1 657**
Interest bearing liabilities total	**103 887**	**94 579**	**100 246**

Derivatives

30 June 2026

EUR thousands	Notional amount	Positive fair value	Negative fair value	Fair value, net
Derivatives in hedge accounting				
FX forward and option contracts	15 808	505	-5	499
Total	**15 808**	**505**	**-5**	**499**

30 June 2025

EUR thousands	Notional amount	Positive fair value	Negative fair value	Fair value, net
Derivatives in hedge accounting				
FX forward and option contracts	24 920	98	-1 179	-1 081
Total	**24 920**	**98**	**-1 179**	**-1 081**

Hierarchy levels of fair values of financial instruments

30 June 2026	**Fair value**			
EUR thousands	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Foreign currency derivatives in hedge accounting	-	505	-	505
Total	**-**	**505**	**-**	**505**
Financial liabilities measured at fair value				
Foreign currency derivatives in hedge accounting	-	5	-	5
Total	-	**5**	-	**5**

30 June 2025	**Fair value**			
EUR thousands	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Foreign currency derivatives in hedge accounting	-	98	-	98
Total	**-**	**98**	**-**	**98**
Financial liabilities measured at fair value				
Foreign currency derivatives in hedge accounting	-	1 179	-	1 179
Total	-	**1 179**	-	**1 179**

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CONSOLIDATED INCOME STATEMENT

EUR thousands	1 Apr - 30 Jun 2026	1 Apr - 30 Jun 2025	1 Jan - 30 Jun 2026	1 Jan - 30 Jun 2025	1 Jan - 31 Dec 2025
Revenue	11 101	9 734	27 726	26 207	86 011
Materials and services	-7 160	-6 104	-17 775	-16 483	-48 487
Gross profit	**3 942**	**3 630**	**9 951**	**9 724**	**37 523**
Other operating income	3	6	31	33	5 293
Personnel expenses	-3 850	-4 009	-7 824	-8 392	-15 145
Other operating expenses	-3 505	1 354	-8 126	-3 115	-18 998
Depreciation, amortisation and impairment losses	-1 335	-1 429	-2 718	-2 917	-5 832
Operating result	**-4 746**	**-448**	**-8 686**	**-4 667**	**2 842**
Finance income	490	27 491	827	27 166	28 357
Finance expenses	-3 324	-4 313	-6 187	-7 935	-15 667
Net finance expenses	**-2 834**	**23 179**	**-5 360**	**19 231**	**12 689**
Profit (Loss) before tax	**-7 580**	**22 731**	**-14 046**	**14 564**	**15 532**
Tax expense	150	-4 570	589	-4 591	-5 162
Profit (Loss) for the financial year	**-7 430**	**18 161**	**-13 457**	**9 973**	**10 370**
Profit (Loss) for the financial year attributable to					
Owners of the parent company	-7 430	18 161	-13 457	9 973	10 370

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

Profit (Loss) for the financial year	**-7 430**	**18 161**	**-13 457**	**9 973**	**10 370**
Other comprehensive income					
Items that may be subsequently reclassified to profit or loss					
Foreign currency translation difference	1 362	2 361	-549	1 430	1 333
Cash flow hedging	349	-1 325	1 129	-1 093	-341
Total other comprehensive income for the financial year	**1 710**	**1 036**	**580**	**337**	**992**
Total comprehensive income for the financial year	**-5 719**	**19 198**	**-12 877**	**10 310**	**11 362**
Total comprehensive income attributable to					
Owners of the parent company	-5 719	19 198	-12 877	10 310	11 362

CONSOLIDATED BALANCE SHEET

EUR thousands	30 Jun 2026	30 Jun 2025	31 Dec 2025
ASSETS			
Non-current assets			
Intangible assets	4 595	5 255	5 060
Goodwill	50 900	50 900	50 900
Intangible assets and goodwill	55 495	56 155	55 960
Tangible assets	602	662	759
Right-of-use assets	4 126	3 745	4 952
Deferred tax assets	2 267	0	2 137
Total non-current assets	**62 490**	**60 561**	**63 808**
Current assets			
Inventories	30 905	26 664	19 320
Trade and other receivables	11 913	13 740	16 839
Deferred tax assets	0	2 112	0
Cash and cash equivalents	3 431	5 755	15 414
Total current assets	**46 249**	**48 271**	**51 573**
Total assets	**108 739**	**108 832**	**115 381**
EQUITY			
Share capital	5	5	5
Reserve for invested non-restricted equity	101 346	101 346	101 346
Translation differences	558	1 203	1 107
Cash flow hedge reserve	765	-1 116	-364
Retained earnings	-131 372	-118 312	-117 915
Total equity	**-28 697**	**-16 874**	**-15 820**
LIABILITIES			
Non-current liabilities			
Capital loan	911	911	911
Bond	24 509	24 620	24 381
Subordinated loans	73 226	64 723	68 915
Lease liabilities	3 270	3 135	3 505
Other financial and other non-current liabilities	3 482	3 272	3 376
Deferred tax liabilities	6 269	6 897	7 195
Total non-current liabilities	**111 667**	**103 558**	**108 283**
Current liabilities			
Borrowings from financial institutions	47	0	130
Lease liabilities	943	419	1 527
Trade and other payables	24 780	21 730	21 260
Total current liabilities	**25 769**	**22 149**	**22 917**
Total liabilities	**137 436**	**125 707**	**131 201**
Total equity and liabilities	**108 739**	**108 832**	**115 381**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR thousands	Share capital	Reserve for invested non-restricted equity	Translation differences	Cash flow hedge reserve	Retained earnings	Total
	Equity attributable to owners of the parent company					
Balance at 1 January 2026	**5**	**101 346**	**1 107**	**-363**	**-117 915**	**-15 820**
Comprehensive income						
Profit (Loss) for the financial year	0	0	0	0	-13 457	-13 457
Other comprehensive income	0	0	-549	1 129	0	580
Total comprehensive income for the financial year	**0**	**0**	**-549**	**1 129**	**-13 457**	**-12 877**
Balance at 30 June 2026	**5**	**101 346**	**558**	**765**	**-131 372**	**-28 697**

EUR thousands	Share capital	Reserve for invested non-restricted equity	Translation differences	Cash flow hedge reserve	Retained earnings	Total
	Equity attributable to owners of the parent company					
Balance at 1 January 2025	**5**	**101 346**	**-227**	**-23**	**-128 285**	**-27 184**
Comprehensive income						
Profit (Loss) for the financial year	0	0	0	0	9 973	9 973
Other comprehensive income	0	0	1 430	-1 093	0	337
Total comprehensive income for the financial year	**0**	**0**	**1 430**	**-1 093**	**9 973**	**10 310**
Balance at 30 June 2025	**5**	**101 346**	**1 203**	**-1 116**	**-118 312**	**-16 874**

CONSOLIDATED CASH FLOW STATEMENT

EUR thousands	1 Jan - 30 Jun 2026	1 Jan - 30 Jun 2025	1 Jan - 31 Dec 2025
Cash flows from operating activities			
Profit (Loss) before tax for the financial year	-14 046	14 564	15 532
Adjustments:			
Depreciation, amortization and impairment losses	2 718	2 917	5 832
Finance income and finance expenses	5 360	-19 231	-12 689
Other adjustments[1]	399	-420	595
Cash flows before change in net working capital	-5 568	-2 171	9 269
Change in net working capital:			
Change in trade and other receivables (increase (-) / decrease (+))	4 709	2 711	-45
Change in inventories (increase (-) / decrease (+))	-10 983	-7 668	-369
Change in trade and other payables (increase (+) / decrease (-))	4 445	-4 860	-5 405
Cash flows before finance items	-7 397	-11 988	3 450
Interest paid and other financial items	-1 998	-334	-2 525
Interest received	6	0	3
Income taxes paid	-324	-394	-363
Net cash from operating activities (A)	**-9 714**	**-12 716**	**565**
Cash flows from investing activities			
Acquisition of intangible and tangible assets	-1 111	-617	-2 325
Net cash used in investing activities (B)	**-1 111**	**-617**	**-2 325**
Cash flows from financing activities[2]			
Proceeds from current loans and borrowings	0	-	0
Repayment of current loans and borrowings	-83	-9 236	-10 041
Proceeds from non-current loans and borrowings	0	27 000	27 000
Repayment of lease liabilities	-1 067	-1 399	-2 507
Net cash from financing activities (C)	**-1 151**	**16 365**	**14 452**
Net cash from (used in) operating, investing and financing activities (A+B+C)	**-11 976**	**3 032**	**12 692**
Net increase (decrease) in cash and cash equivalents	**-11 976**	**3 032**	**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	**3 431**	**5 755**	**15 414**

[1] Includes exchange rate differences and non-cash items, among others.
[2] Financing activities include recourse factoring credit liabilities