



Reima Group
Half-year report 1 January - 30 June 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

April-June 2025

In the second quarter, which is typically Reima's smallest quarter, revenue increased by 4% to EUR 9.7 million. Revenue growth was driven especially by the DTC (direct-to-consumer) channel and focused on spring and summer products.

January-June 2025

The Group's revenue increased by 4% to EUR 26.2 million. Revenue growth was driven by the sales to wholesale customers with all geographical regions (Europe, North America and Asia) reporting growth. 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.

Profitability

April-June 2025

In the second quarter Reima's gross profit increased to EUR 3.6 million from EUR 3.1 million in 2024. Gross margin % increased to 37.3% from 33.4% in 2024. Increase was driven mainly by operational efficiency improvements and pricing actions. Adjusted EBITDA decreased to EUR -4.1 million (EUR -2.8 million), driven by a normalization of personnel expenses following a temporarily lower level in 2024.

January-June 2025

During January-June Reima's gross profit increased to EUR 9.7 million from EUR 8.6 million in 2024 and gross margin % increased to 37.1% from 34.1% in 2024. Increase was driven mainly by operational efficiency improvements and pricing actions. Adjusted EBITDA decreased somewhat to EUR -6.2 million (EUR -5.8 million), driven by a normalization of personnel expenses following a temporarily lower level in 2024.

Balance sheet

The consolidated balance sheet total was EUR 109.4 million (EUR 100.7 million) at the end of June 2025.

Cash and cash equivalents totaled EUR 5.8 million (EUR 1.2 million) at the end of June 2025. Inventory balance at the end of June was at EUR 26.8 million (EUR 26.2 million), up 2% and less than the revenue growth (4% in January-June), driven by continued improvement in inventory quality and inventory turnover. Additionally, in the second quarter of 2025 a major part of the winter products were received earlier than in 2024, which increased the inventory balance at the end of June 2025 compared to 2024. The majority of winter products are pre-orders that will be delivered to customers during the second half of 2025.

Cash flow and financing

Net cash flow from operating activities in January-June 2025 was EUR -12.7 million (EUR -7.9 million), of which changes in working capital accounted for EUR -9.8 million (EUR +0.2 million), driven by earlier arrival of inbound winter goods and related supplier payments 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 0.6 million in January-June 2025, down from EUR 1.4 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 June 2025, senior net debt (as defined in the bond terms) was EUR 22.4 million.

Significant events during the second quarter of 2025

In June 2025 Reima signed an updated financing agreement, issued a three-year 25 MEUR bond which will mature on 10 June 2028, and concurrently repaid credit limits and revolving credit facilities. 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.

The majority owner of the Reima Group changed in April 2025. The new ownership group consists of Reima's Chair of the Board Elina Björklund as well as Swedish fashion and activewear brand experts and investors Anders Ullstrand and Jonas Meerits. After the new ownership and new financing were confirmed, the previous main owner waived a management fee receivable which was EUR 5.3 million at the end of financial year 2024.

The increased US tariffs did not have a significant negative impact on the profitability of Reima's North American operations in the second quarter of 2025. Reima is following the situation closely and will implement operational and commercial actions, including selected price increases, to offset the increased tariff costs in the second half of 2025.

Additionally, 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 the second quarter 2025, Reima decided to close three own stores in the Nordics by the end of the year and review its store network in China. Three own stores in China were already closed during the second quarter.

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.

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 sales realized 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 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 Apr - 30 Jun 2025	1 Apr - 30 Jun 2024	1 Jan - 30 Jun 2025	1 Jan - 30 Jun 2024	1 Jan - 31 Dec 2024	Last twelve months
Revenue	9 734	9 399	26 207	25 298	84 127	85 036
Gross profit	3 630	3 135	9 724	8 630	35 052	36 146
Gross margin, %	37.3 %	33.4 %	37.1 %	34.1 %	41.7 %	42.5 %
EBITDA	-4 432	-3 230	-6 971	-6 461	1 860	1 351
Adj. EBITDA	-4 089	-2 834	-6 232	-5 752	4 569	4 089
Net debt to adj. EBITDA						5.5

Calculation of net debt¹ 30 Jun 2025

EUR thousands

Senior secured bond	24 620
Factoring credit	7
Other senior debt	0
Leasing debt	3 554
Cash and cash equivalents	-5 755
Net interest bearing debt	22 425

¹As defined in the bond terms

Reconciliation of alternative performance measures to IFRS

EBITDA and adjusted EBITDA

EUR thousands	1 Apr - 30 Jun 2025	1 Apr - 30 Jun 2024	1 Jan - 30 Jun 2025	1 Jan - 30 Jun 2024	1 Jan - 31 Dec 2024
Operating result	-448	-4 557	-4 667	-9 240	-3 716
Depreciation & amortisation	1 429	1 145	2 917	2 403	4 841
Other non-cash adjustment	-5 413	181	-5 220	376	735
EBITDA	-4 432	-3 230	-6 971	-6 461	1 860
One-off items	343	397	739	710	2 708
Adjusted EBITDA	-4 089	-2 834	-6 232	-5 752	4 569

Disaggregation of revenue

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

EUR thousands	1 Apr - 30 Jun 2025		1 Apr - 30 Jun 2024		1 Jan - 30 Jun 2025		1 Jan - 30 Jun 2024		1 Jan - 31 Dec 2024	
Wholesale	4 269	44 %	4 250	45 %	11 886	45 %	10 761	43 %	41 466	49 %
Direct-to-consumer	5 465	56 %	5 149	55 %	14 321	55 %	14 537	57 %	42 661	51 %
Total	9 734	100 %	9 399	100 %	26 207	100 %	25 298	100 %	84 127	100 %

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

Quarterly information

	1 Apr - 30 Jun	1 Jan - 31 Mar	1 Oct - 31 Dec	1 Jul - 30 Sep	1 Apr - 30 Jun	1 Jan - 31 Mar
EUR thousands	2025	2025	2024	2024	2024	2024
Revenue	9 734	16 473	28 581	30 248	9 399	15 899
Gross profit	3 630	6 094	13 331	13 091	3 135	5 495
Gross margin, %	37.3 %	37.0 %	46.6 %	43.3 %	33.4 %	34.6 %
EBITDA	-4 432	-2 539	3 128	5 194	-3 230	-3 231
Adj. EBITDA	-4 089	-2 143	4 995	5 325	-2 834	-2 918

CONSOLIDATED INCOME STATEMENT

EUR thousands	1 Apr - 30 Jun 2025	1 Apr - 30 Jun 2024	1 Jan - 30 Jun 2025	1 Jan - 30 Jun 2024	1 Jan - 31 Dec 2024
Revenue	9 734	9 399	26 207	25 298	84 127
Materials and services	(6 104)	(6 264)	(16 483)	(16 668)	(49 075)
Gross profit	3 630	3 135	9 724	8 630	35 052
Other operating income	6	119	33	150	177
Personnel expenses	(4 009)	(2 605)	(8 392)	(6 805)	(14 068)
Other operating expenses	1 354	(4 060)	(3 115)	(8 813)	(20 035)
Depreciation, amortisation and impairment losses	(1 429)	(1 145)	(2 917)	(2 403)	(4 841)
Operating result	(448)	(4 557)	(4 667)	(9 240)	(3 716)
Finance income	(251)	741	(577)	1 174	1 617
Finance expenses	(3 920)	(3 510)	(7 542)	(6 180)	(13 395)
Net finance expenses	(4 171)	(2 769)	(8 119)	(5 006)	(11 777)
Profit (Loss) before tax	(4 619)	(7 326)	(12 786)	(14 246)	(15 493)
Tax expense	(49)	(7)	(70)	31	(123)
Profit (Loss) for the financial year	(4 667)	(7 333)	(12 856)	(14 215)	(15 616)
Profit (Loss) for the financial year attributable to					
Owners of the parent company	(4 667)	(7 333)	(12 856)	(14 215)	(15 616)

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

Profit (Loss) for the financial year	(4 667)	(7 333)	(12 856)	(14 215)	(15 616)
Other comprehensive income					
Items that may be subsequently reclassified to profit or loss					
Foreign currency translation difference	660	(327)	1 430	(301)	(631)
Cash flow hedging	(495)	(252)	1 093	(183)	(158)
Total other comprehensive income for the financial year	164	(579)	2 523	(485)	(789)
Total comprehensive income for the financial year	(4 503)	(7 912)	(10 333)	(14 699)	(16 405)
Total comprehensive income attributable to					
Owners of the parent company	(4 503)	(7 912)	(10 333)	(14 699)	(16 405)

CONSOLIDATED BALANCE SHEET

EUR thousands	30 Jun 2025	30 Jun 2024	31 Dec 2024
ASSETS			
Non-current assets			
Intangible assets	5 255	4 527	6 119
Goodwill	50 900	50 900	50 900
Intangible assets and goodwill	56 155	55 427	57 019
Tangible assets	662	396	915
Right-of-use assets	3 745	4 196	5 068
Total non-current assets	60 561	60 019	63 002
Current assets			
Inventories	26 784	26 155	19 094
Trade and other receivables	14 229	11 209	16 876
Deferred tax assets	2 112	2 110	2 113
Cash and cash equivalents	5 755	1 193	2 718
Total current assets	48 880	40 668	40 802
Total assets	109 442	100 686	103 804
EQUITY			
Share capital	5	5	5
Reserve for invested non-restricted equity	101 346	101 346	101 346
Translation differences	2 729	1 629	1 299
Cash flow hedge reserve	(1 116)	3	(23)
Retained earnings	(142 058)	(127 801)	(129 202)
Total equity	(39 094)	(24 819)	(26 575)
LIABILITIES			
Non-current liabilities			
Bond	24 620	-	0
Subordinated loans	92 984	911	911
Lease liabilities	3 135	3 393	3 508
Other financial and other non-current liabilities	3 272	2 868	3 164
Deferred tax liabilities	2 376	2 290	2 369
Total non-current liabilities	126 387	9 462	9 953
Current liabilities			
Borrowings from financial institutions	(0)	87 434	92 550
Lease liabilities	419	733	1 415
Trade and other payables	21 730	27 875	26 462
Total current liabilities	22 149	116 043	120 426
Total liabilities	148 536	125 505	130 379
Total equity and liabilities	109 442	100 686	103 804

CONSOLIDATED CASH FLOW STATEMENT

EUR thousands	1 Jan - 30 Jun 2025	1 Jan - 30 Jun 2024	1 Jan - 31 Dec 2024
Cash flows from operating activities			
Profit (Loss) before tax for the financial year	(12 786)	(14 246)	(15 493)
Adjustments:			
Depreciation, amortisation and impairment losses	2 917	2 403	4 841
Finance income and finance expenses	8 119	5 006	11 777
Other adjustments ¹	(420)	459	(2 355)
Cash flows before change in net working capital	(2 171)	(6 378)	(1 230)
Change in net working capital:			
Change in trade and other receivables (increase (-) / decrease (+))	2 711	2 830	(2 896)
Change in inventories (increase (-) / decrease (+))	(7 668)	(1 219)	5 841
Change in trade and other payables (increase (+) / decrease (-))	(4 860)	(1 394)	(1 017)
Cash flows before finance items	(11 988)	(6 161)	699
Interest paid and other financial items	(334)	(1 790)	(1 483)
Income taxes paid	(394)	49	212
Net cash from operating activities (A)	(12 716)	(7 902)	(573)
Cash flows from investing activities			
Acquisition of intangible and tangible assets	(617)	(1 355)	(4 907)
Proceeds from sale of property, plant and equipment	-	14	14
Net cash used in investing activities (B)	(617)	(1 341)	(4 893)
Cash flows from financing activities²			
Proceeds from current loans and borrowings	-	10 148	12 774
Repayment of current loans and borrowings	(9 236)	(1 500)	(5 079)
Proceeds from non-current loans and borrowings	27 000	1 143	1 143
Repayment of lease liabilities	(1 399)	(1 317)	(2 617)
Net cash from financing activities (C)	16 365	8 474	6 222
Net cash from (used in) operating, investing and financing activities (A+B+C)	3 032	(769)	756
Net increase (decrease) in cash and cash equivalents	3 032	(769)	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	5 755	1 193	2 718

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

² Financing activities include recourse factoring credit liabilities