

# Reborn Coffee Provides Full Year 2025 Corporate Update and Financial Results

*Full Year 2025 Revenue Grew 37% to \$8.1 Million, Driven by the Launch of Reborn Logistics and New License Revenue Streams*

*Appointed Jung Jae Lim as Co-Chief Executive Officer and Regained Nasdaq Listing Compliance Subsequent to Year-End*

BREA, Calif., April 23, 2026 (GLOBE NEWSWIRE) -- Reborn Coffee Inc. (Nasdaq: REBN), a leader in the specialty coffee market, has reported its financial and operational results for the full year ended December 31, 2025.

## Key Financial and Operational Highlights

- Full year 2025 total revenue grew 37% to \$8.1 million, compared to \$5.9 million for full year 2024, driven by the launch of new service income and license income revenue streams.
- Full year 2025 store revenue grew 7% to \$6.0 million, compared to \$5.6 million for full year 2024.
- Store, wholesale and online gross margins for the year ended December 31, 2025, decreased to 61% compared to 63% for the same period in 2024.
- Introduced two new revenue streams in 2025: service income of \$0.9 million from the newly formed Reborn Logistics subsidiary, and license income of \$1.1 million related to licensing of the Reborn Coffee brand and system.
- Operated 10 company-owned retail locations (nine in California and one in Malaysia) and one California franchisee as of December 31, 2025.
- Cash and cash equivalents increased to \$2.6 million at December 31, 2025, up from \$0.2 million at December 31, 2024, reflecting proceeds from equity issuances and convertible debt financings during the year. Subsequent to year-end, completed a Securities Subscription Agreement with an accredited investor, generating \$6.5 million in gross proceeds.
- Total stockholders' equity increased to \$4.6 million at December 31, 2025, up from \$2.6 million at December 31, 2024.

## 2025 and Subsequent Events

- Appointed Jung Jae Lim as Co-Chief Executive Officer alongside founder Jay Kim. Mr. Lim brings more than 20 years of leadership experience in logistics and supply chain management, including large-scale distribution networks and enterprise partnerships.
- Announced the successful grand opening of its flagship location in Shenzhen, China located within Tencent's new headquarters campus, reflecting the Company's broader strategy to build a scalable presence across multiple provinces in China.
- Regained compliance with the minimum stockholders' equity requirement under Nasdaq Listing Rule 5550(b).
- Completed a Securities Subscription Agreement with an accredited investor for the purchase of 1,192,661 shares of common stock at a purchase price of \$5.45 per share, generating \$6.5 million in gross proceeds.
- Completed a warrant exchange and termination transaction with prior investors, resulting in the cancelation of outstanding warrants and the elimination of approximately \$1.3 million in derivative liabilities.
- Announced the formation of its new advisory board to drive innovation and growth within the company and appointed Hisham Elkoustaf as its chair. The advisory board will help to shape the strategic direction of Reborn Coffee and ensure that it remains committed to its values of sustainability and quality.
- Established Reborn Logistics, Inc., a 51%-owned subsidiary providing freight forwarding, transportation and logistics services. Reborn Logistics contributed \$0.9 million of service income and approximately \$0.3 million of

income from operations in its partial first year.

- Signed a \$1 million exclusive licensing agreement with Reborn Korea Co., Ltd. to develop and operate Reborn Coffee retail locations throughout South Korea.
- Signed a \$1.3 million exclusive master licensing agreement with Reborn Health Goods (Shenzhen) Co., Ltd., a China-based corporation, granting it full rights to develop and sublicense Reborn Coffee locations throughout mainland China.
- Executed a strategic licensing agreement with The Arjomand Group and IG International, marking Reborn's expansion into the Republics of Georgia and Armenia.
- Entered into a master licensing agreement valued at \$1.7 million with the Arjomand Group to lead the development of Reborn Coffee-branded retail locations and product lines throughout high-growth markets across the Middle East, Europe, and MENA regions.
- Established a Central China Supply Chain Headquarters in Dawu County. Reborn China will oversee the sourcing and distribution of all matcha-based products throughout Asia and the UAE, in partnership with an agricultural group that operates matcha farms and manufacturing facilities through a China-Japan joint venture.
- Announced that Bosco Bakery, a well-established bakery in Los Angeles, California, officially joined Reborn Coffee as a franchise.
- Partnered with Eachome Shopping, a major retail platform under Shenzhen Media Group, to expand its retail footprint across China, enabling Reborn Coffee to scale its retail presence by integrating with Eachome Shopping's extensive online and offline platforms.
- Entered into a securities purchase agreement and a common stock purchase agreement for up to a total of \$60 million in financing commitments with Arena Investors, LP and Arena Business Solutions Global SPC II, Ltd.
- Approved as U.S. Franchisor, setting the stage for expansive growth across U.S. markets.

## Management Commentary

"Fiscal 2025 was a transformational year for Reborn Coffee, defined by the diversification of our revenue base, the formation of a new operating subsidiary, and a meaningful strengthening of our balance sheet," said Jay Kim, Co-Chief Executive Officer of Reborn Coffee. "We grew total revenue 37% year-over-year to \$8.1 million, with contributions from our core retail business joined by two entirely new revenue streams: service income from the September 2025 launch of Reborn Logistics, and license income associated with the licensing of our brand and operating system. Together, these new streams contributed approximately \$2.0 million of revenue in 2025 and mark an important step in the evolution of Reborn Coffee from a single-channel specialty coffee operator into a multi-channel platform company.

"Our decision to establish Reborn Logistics reflects a broader strategic view that supply chain capabilities are a differentiator in both the specialty coffee and broader consumer sectors. Under the leadership of our newly appointed Co-Chief Executive Officer, Jung Jae Lim, who brings more than two decades of logistics and supply chain expertise, we expect Reborn Logistics to continue to scale in 2026 and play an increasingly important role in both our own distribution network and in serving third-party customers. Having two Co-CEOs - one focused on brand, retail and franchise growth, and one focused on logistics, transportation and operating infrastructure - positions us to pursue both opportunities with the focus and depth each deserves.

"From a capital perspective, during 2025 and in the subsequent period we completed equity and convertible debt financings totaling more than \$18 million in aggregate commitments, including the Arena convertible debenture program, the \$50 million Equity Line of Credit with Arena, and the \$6.5 million Securities Subscription Agreement with Charles Jeong. These transactions materially improved our cash position, which grew to \$2.6 million at year-end from \$0.2 million a year earlier, and allowed us to enter 2026 with a structured repayment plan with our convertible debenture holders and a regained Nasdaq listing compliance position. While our 2025 results include several non-recurring charges - most notably a \$1.6 million asset impairment loss tied to our Korea and Malaysia subsidiaries and

approximately \$1.8 million of combined debt discount amortization and loss on debt extinguishment - these items reflect actions taken to strategize our international footprint and re-structure our capital position for the next phase of growth.

"Looking to 2026, our priorities are clear: commence franchise sales and target the opening of up to ten franchise locations, further scale Reborn Logistics, complete the structured repayment of the Arena debentures, and continue to build out the supporting infrastructure - including our planned barista training program - that will underpin the next stage of growth. We believe the foundation we built in 2025 puts us in a strong strategic position for the remainder of 2026," concluded Kim.

### **Anticipated Milestones**

- Commence franchise sales activities in 2026 and target the opening of up to ten franchise locations across the United States.
- Scale Reborn Logistics operations to further expand freight forwarding, transportation and supply chain services to both affiliated and third-party customers.
- Complete the structured repayment of the outstanding convertible debentures pursuant to the Amended and Restated Forbearance Agreement with Arena Investors, targeting full repayment or conversion by September 30, 2026.
- Launch a dedicated barista training program designed to support quality and consistency across company-operated and future franchised locations.
- Expand domestic roasting capacity and paper goods supply infrastructure to support anticipated franchisee-driven demand, with an emphasis on eco-friendly products.
- Evaluate opportunities to refresh and selectively expand the company-operated retail footprint in core Southern California markets.
- Continue to pursue additional strategic financings, as needed, to fund ongoing operations and growth initiatives.

### **Full Year 2025 Financial Results**

Total net revenues for the year ended December 31, 2025 were approximately \$8.1 million, compared to \$5.9 million for the year ended December 31, 2024, representing an increase of approximately \$2.2 million, or 36.5%. The increase was primarily driven by the addition of two new revenue streams in 2025 - service income of approximately \$0.9 million from the newly formed Reborn Logistics subsidiary, and license income of approximately \$1.1 million - together with a 6.8% increase in company-operated store revenue. Wholesale and online revenue declined to \$0.1 million from \$0.4 million, reflecting a strategic shift in marketing focus toward retail and service-based revenue streams.

Store, wholesale and online gross profit was approximately \$3.7 million for the three-month period ended March 31, 2025, compared to gross profit of approximately \$3.7 million for the comparable period in 2024. Store, wholesale and online gross margins for the year ended December 31, 2025, decreased to 61% compared to 63% for the same period in 2024.

Total operating costs and expenses for the year ended December 31, 2025 were approximately \$13.9 million, compared to \$10.5 million for the year ended December 31, 2024, representing an increase of approximately \$3.3 million, or 31.7%.

Net loss attributable to Reborn Coffee shareholders for the year ended December 31, 2025 was approximately \$9.1 million, or \$(1.73) per basic and diluted share, compared to a net loss of approximately \$4.8 million, or \$(1.66) per basic and diluted share, for the year ended December 31, 2024.

Net cash used in operating activities for the year ended December 31, 2025 was approximately \$6.5 million, compared to \$3.5 million for the year ended December 31, 2024.

Cash and cash equivalents totaled approximately \$2.6 million as of December 31, 2025, compared to \$0.2 million as of December 31, 2024. Subsequent to year-end, completed a Securities Subscription Agreement with an accredited investor, generating \$6.5 million in gross proceeds.

## **About Reborn Coffee**

Reborn Coffee, Inc. (NASDAQ: REBN) is a California-based specialty coffee retailer focused on delivering high-quality, handcrafted coffee experiences. With a growing global footprint and a dedication to innovation, Reborn is redefining the coffeehouse model through its premium products and technology-forward initiatives. For more information, visit [reborncoffee.com](http://reborncoffee.com).

## **Forward-Looking Statements**

All statements in this release that are not based on historical fact are "forward-looking statements." While management has based any forward-looking statements included in this release on its current expectations, the information on which such expectations were based may change. Forward-looking statements involve inherent risks and uncertainties which could cause actual results to differ materially from those in the forward-looking statements, as a result of various factors including those risks and uncertainties described in the Risk Factors and Management's Discussion and Analysis of Financial Condition and Results of Operations sections of our recent filings with the Securities and Exchange Commission ("SEC") including our Form 10-K for the year ended December 31, 2025, which can be found on the SEC's website at [www.sec.gov](http://www.sec.gov). Such risks, uncertainties, and other factors include, but are not limited to, the Company's ability to continue as a going concern as indicated in an explanatory paragraph in the Company's independent registered public accounting firm's audit report as a result of recurring net losses, among other things, the Company's ability to successfully open the additional locations described herein as planned or at all, the Company's ability to expand its business both within and outside of California (including as it relates to increasing sales and growing Average Unit Volumes at our existing stores), the degree of customer loyalty to our stores and products, the fluctuation of economic conditions, competition and inflation. We urge you to consider those risks and uncertainties in evaluating our forward-looking statements. We caution readers not to place undue reliance upon any such forward-looking statements, which speak only as of the date made. The Company undertakes no obligation to update these statements for revisions or changes after the date of this release, except as required by law.

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**REBORN COFFEE, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**

<i>December 31,</i>	<i>2025</i>	<i>2024</i>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 2,594,716	\$ 158,215
Accounts receivable, net of allowance for doubtful accounts of \$75,689 and \$0, respectively	946,996	67,309
Accounts receivable from related party	728,990	-
Inventories, net	58,435	169,615
Prepaid expense and other current assets	550,000	467,613
Loan receivable from related party	2,000,000	-
<b>Total current assets</b>	<b>6,879,137</b>	<b>862,752</b>
Property and equipment, net	2,894,893	4,080,004
Operating lease right-of-use asset	2,160,871	2,653,179
Long-term prepayment	1,000,000	-
Other assets	246,189	193,188
<b>Total assets</b>	<b>\$ 13,181,090</b>	<b>\$ 7,789,123</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 561,457	\$ 558,444
Accrued expenses and current liabilities	815,245	774,826
Loan payable to shareholder	70,000	-
Loans payable to financial institutions, current	109,247	111,300
Loans payable to others	279,026	427,073
Loan payable to related party	153,605	-
Convertible debt, net of debt discount of \$900,198	3,266,467	-
Derivative liability	503,384	-
Loan payable, emergency injury disaster loan, current	22,452	30,060
Loan payable, payroll protection program, current	26,307	37,494
Operating lease liabilities, current	879,416	844,177
<b>Total current liabilities</b>	<b>6,686,606</b>	<b>2,783,374</b>
Loan payable, emergency injury disaster loan, net of current	469,940	469,940
Loan payable, payroll protection program, net of current	25,718	26,307
Operating lease liabilities, net of current	1,352,961	1,906,760
<b>Total liabilities</b>	<b>8,535,225</b>	<b>5,186,381</b>
<b>Commitments and Contingencies (Note 13)</b>		
<b>Shareholders' equity</b>		
Common Stock, \$0.0001 par value, 40,000,000 shares authorized; 7,850,601 and 4,274,508 shares issued and outstanding, respectively	785	428
Common stock issuable, \$0.0001 par value, 170,000 and 294,000 shares issuable, respectively	850,000	1,470,000
Preferred Stock, \$0.0001 par value, 1,000,000 shares authorized; no shares issued and outstanding	-	-
Additional paid-in capital	34,365,043	22,674,095
Accumulated deficit	(30,704,112)	(21,562,872)
Accumulated other comprehensive income	-	21,091
Non-controlling interest in subsidiary	134,149	-
<b>Total shareholders' equity</b>	<b>4,645,865</b>	<b>2,602,742</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 13,181,090</b>	<b>\$ 7,789,123</b>

**REBORN COFFEE, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

	<i>Years Ended</i>	
	<i>December 31,</i>	
	<u>2025</u>	<u>2024</u>
<b>Net revenues:</b>		
Stores	\$ 5,952,061	\$ 5,573,247
Wholesale and online	113,577	355,286
Service income - related party	928,990	-
License income	1,100,000	-
Total net revenues	<u>8,094,628</u>	<u>5,928,533</u>
<b>Operating costs and expenses:</b>		
Product, food and drink costs - stores, wholesale and online	2,376,017	2,204,574
Cost of service income - subcontractors, related party	650,293	-
General and administrative	7,751,594	6,862,729
Professional fees	1,626,238	693,563
Stock compensation expense	1,484,333	787,213
Total operating costs and expenses	<u>13,888,475</u>	<u>10,548,079</u>
Loss from operations	<u>(5,793,847)</u>	<u>(4,619,546)</u>
<b>Other income (expenses):</b>		
Other income	146,508	55,140
Interest expense	(156,093)	(215,140)
Interest expense - debt discount	(1,067,028)	-
Gain on sale of property	45,673	-
Loss on debt extinguishment	(722,972)	-
Derivative expense	297,176	-
Asset impairment loss	(1,647,229)	(25,602)
Total other expenses, net	<u>(3,103,965)</u>	<u>(185,602)</u>
Loss before income taxes	(8,897,812)	(4,805,148)
Provision for income taxes	109,279	800
Net loss	(9,007,091)	(4,805,948)
Net income attributable to non-controlling interest	134,149	-
Net loss attributable to Reborn Coffee shareholders	<u>\$ (9,141,240)</u>	<u>\$ (4,805,948)</u>
<b>Per common share basic and diluted:</b>		
Net loss per common share attributable to Reborn Coffee shareholders, basic and diluted	<u>\$ (1.73)</u>	<u>\$ (1.66)</u>
Number of weighted average shares - basic and diluted	<u>5,294,587</u>	<u>2,896,960</u>

**REBORN COFFEE, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

<i>Years Ended December 31,</i>	<i>2025</i>	<i>2024</i>
Cash flows from operating activities:		
Net loss	\$ (9,141,240)	\$ (4,805,948)
Non-controlling interest net income	134,149	-
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Stock compensation expense	1,484,333	787,213
Loss on settlement of debt	722,972	-
Interest expense - amortization of debt discount	1,067,028	-
Operating lease	(26,252)	(64,180)
Asset impairment loss	1,647,229	25,602
Loss on disposal of assets	(45,673)	-
Depreciation	449,585	391,263
Derivative expense	(297,176)	-
Changes in operating assets and liabilities:		
Decrease in accounts receivable	(1,608,677)	(10,371)
Increase in inventories	111,180	15,446
Decrease in prepaid expense and other assets	(135,388)	98,433
Decrease in accounts payable	(907,915)	(53,218)
Increase in accrued expenses and liabilities	40,419	163,536
Net cash used in operating activities	<u>(6,505,426)</u>	<u>(3,452,224)</u>
Cash flows from investing activities:		
Acquisition of property and equipment	(51,195)	(1,109,374)
Proceeds from sale of assets	75,000	132,157
Long-term prepayment	(1,000,000)	-
Loan receivables from related party	(2,000,000)	-
Net cash used in investing activities	<u>(2,976,195)</u>	<u>(977,217)</u>
Cash flows from financing activities:		
Net proceeds from loan payable to others	(148,045)	(181,954)
Net borrowings from related party	637,605	-
Proceeds from issuances of common stock	8,380,000	4,283,980
Proceeds from common stock issuable	-	1,470,000
Proceeds from loan payable to shareholder	70,000	(100,000)
Borrowings from convertible debt	2,999,999	-
Repayments from loan payable to financial institutions	(2,053)	(1,015,199)
Repayments on loan payable to PPP	(19,384)	(33,472)
Net cash provided by financing activities	<u>11,918,122</u>	<u>4,423,355</u>
Net increase (decrease) in cash	2,436,501	(6,086)
Cash at beginning of year	158,215	164,301
Cash at end of year	<u>\$ 2,594,716</u>	<u>\$ 158,215</u>
<b>Supplemental disclosure of cash flow information:</b>		
Cash paid during the period for:		
Interest	<u>\$ 75,215</u>	<u>\$ 134,781</u>
Income taxes	<u>\$ 109,279</u>	<u>\$ 1,600</u>

