Quarterly Report for Brödernas Group AB (publ)

Q1 2025

Key highlights Q1 2025

Management comments

General business development and market overview:

- Market conditions have continued to be challenging during Q1 2025, with a negative impact on sales and profitability vs last year
- However, the business is hitting its planned targets, meaning that our work with our action plan (1,700 initiatives) starts to bear fruit (e.g. tactical menu adjustments, widened offering, more activities planned in our venues etc.) and trading is roughly in line with the business plan
- During the period, an additional two (2) entities have filed for bankruptcy, which leaves the group with 56 operational units (of which two in Spain).
- In early May, the Stockholm District Court approved the continuation of Brödernas Group AB (publ)'s company restructuring together with most of the group companies for another 3-month period

Sales development:

- Sales during the quarter amounted to SEK 107 million, corresponding to a change of -5% vs last year, which is in line with the groups overall business plan (where ticket volume is up, but average ticket size is down), save for one closed entity, and Spain
- Continued execution of our sales initiatives, with tactical pricing and more menu adjustments planned for rest of the year.

Margin development:

- Gross margin II decreased by 1.9 %-points in the quarter vs same quarter last year, mainly due to continued high share of delivery sales and ongoing campaigns, as well increased input prices on beef. However, the effect from several implemented margin improvement initiatives not yet seen in the numbers
- Cost analysis ongoing, several cancelled costs still remain in our books as part of the reorganization (especially true for longer IT contracts, which negatively pressures our result)
- Analysis on non-recurring items also ongoing. Some adjustments on group level have been made in the Q1 2025 figures, but non-recurring costs in the subsidiaries are still being assessed and will be included in coming reports
- Direct restaurant expenses, in line with previous year on like-for-like basis but still burdened by all cancelled costs during Q1. Effect should start to take effect over next quarter and as part of the finalization and approval of restructuring plans.
- Personnel expenses have hiked as investment in service levels has been made to protect revenues. Work ongoing to counter this increase.
- EBITDA during the quarter amounted to SEK -5 million vs SEK 6 million last year

Financial position:

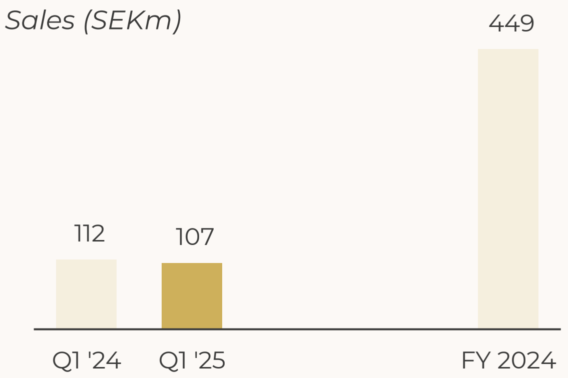
- As of 31 March 2025, Brödernas' cash position amounted to SEK 45 million and net debt was in excess of 6.0x EBITDA (on a rolling 12-month basis)

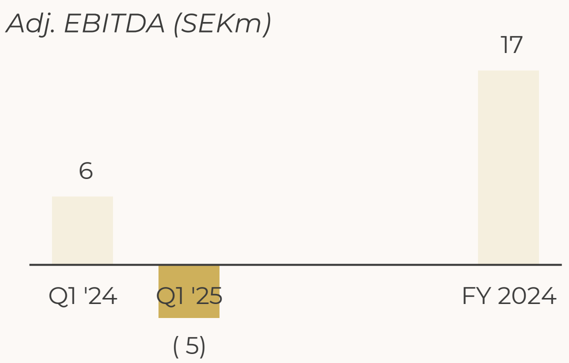
Stockholm, 30 May 2025

Richard Forsshéll, CEO at Brödernas

Note: Unaudited financials, adjusted for discontinued operations, divested subsidiaries and lease expenses

Key financials





BRÖDERNAS

Corporate restructuring and liquidity update

Management comments

Corporate restructuring status:

- Since mid-October 2024, the company is executing a strategic turnaround involving liquidity stabilization, unit prioritization, IT cost reductions, rental renegotiations and legal restructuring. The corporate restructuring process is legally supported by court decisions (Sw. Företagsrekonstruktion). In April and May, the process was extended by another three months to at least mid-July 2025.
- Restructuring decisions (including additional bankruptcies of specific group companies) are being taken carefully to minimize damage to the group's overall financial integrity.

Liquidity and financial impact:

- The cash and cash equivalent position has hovered at around ~45m SEK over Q1 of which ~3m SEK are considered trapped cash (bank guarantees), which has been a result of withheld payments and intra-week fluctuations over month end. Some acceleration of payments planned for Q2 as negotiations with e.g. leasing providers are expected to be finalized.

Key actions undertaken:

- Rental negotiations: All landlords have been approached and are progressing in a solution-oriented manner, aiming for improved terms or, where necessary, termination
- Lease evaluations: Long-term leases for restaurant equipment and IT services are being renegotiated to optimize financial outcomes, where payments has been held back over Q1.
- General contracts overhaul: Contracts are evaluated, negotiated, and terminated, but as mentioned on previous page not yet isolated in PnL effect
- Operational consolidation: Some locations are being closed where sustainable operations cannot be achieved in the medium-term. The process for closures includes bankruptcies, successful restructurings, and other more favourable solutions, with a focus on economic sustainability. The number of locations/restaurants that could potentially be closed-down may be substantial compared with the number of restaurants the group operates today
- Broader reorganization: The group's restaurant network and overall structure are under review to align with long-term profitability goals

Key financials

Adjusted P&L[1]

SEKm	YTD Q1'25	YTD Q1'24	FY 2024
Net sales	**107**	**112**	**449**
COGS	(30)	(29)	(117)
Gross profit I	**76**	**84**	**332**
Platform fees	(10)	(10)	(37)
Gross profit II	**66**	**73**	**296**
Personnel expenses	(37)	(33)	(136)
Premises	(11)	(11)	(43)
Other direct operating expenses	(13)	(13)	(58)
Restaurant EBITDA	**5**	**16**	**59**
Overhead expenses	(9)	(10)	(42)
EBITDA	**(5)**	**6**	**17**
Lease expenses [2]	(2)	(3)	(15)
EBITDA after leasing expenses	**(6)**	**3**	**2**
Selected key metrics:			
Gross margin I	72%	74%	74%
Gross margin II	62%	65%	66%
Restaurant EBITDA margin	4%	14%	13%
EBITDA after leasing margin	(6)%	2%	1%

Reconciliation of EBITDA

SEKm	YTD Q1'25	YTD Q1'24	FY 2024
EBITDA after leasing	**(6)**	**3**	**17**
(-) Lease expense	--	--	(15)
(-) Extraordinary items and non-recurring items	(3)	(1)	(11)
(-) Historical Exceptional Items	--	(4)	(10)
(-) Transaction Costs	(7)	(1)	(20)
(-) Divested Subsidiaries	--	(0)	(1)
Reported EBITDA	**(16)**	**(4)**	**(38)**

Net debt specification[2]

SEKm	Q1 '25
(+) Senior Secured Bond 24/27	198
(-) Own bond holdings	(10)
(-) Cash & cash equivalents	(45)
Net Interest-bearing Debt	**143**

(1) Adjusted for discontinued operations, divested subsidiaries and non-recurring items (for Q1 2025 only some adjustments for non-recurring items on group level, no such adjustments in subsidiaries); (2) Due to ongoing corporate restructuring and leasing negotiations, Brödernas has chosen to include lease expenses in the Adjusted Profit & Loss statement instead of including the corresponding leasing debt in the Net Interest-bearing Debt calculation

Note: Interim financials are unaudited financials and based on management accounts