Quarterly Report for Brödernas Group AB (publ)

Q3 2025

Corporate restructuring and liquidity update

Management comments

Corporate restructuring status:

- Since mid-October 2024, Brödernas has been implementing a strategic turnaround focusing on stabilizing liquidity, prioritizing core units, reducing IT costs, renogiating rental agreements and restructuring its legal framework. The corporate restructuring process is supported by court decisions (*Sw: Företagsrekonstruktion*).
- On September 17th, the district court approved 44 out of Brödernas' 46 restructuring plans.
- On October 8th, a party appealed all plans and was granted a hearing, which was held on December 3rd in The Swedish court of appeal. (*Sw: Hovrätten*). The verdict is still pending. As part of the hearing a forecast for 2026 was presented as announced in a press release dated December 3rd.
- Given the group's outcomes in the district court one additional legal entity (restaurant unit) was put in bankruptcy during the quarter as part of the process.

Liquidity and financial impact:

- The cash and cash equivalent position has hovered at around ~15m SEK throughout Q3, ending the quarter at SEK 14 million. Of this, around SEK 1.6 million is considered trapped cash (bank guarantees).
- Due to higher-than-expected legal and advisory costs from the extended company reorganisation process, as well as weaker trading, the group has utilized its SEK 35 million bridge loan facility, drawing SEK 30 million during and after the quarter.

Key actions undertaken:

- Rental negotiations: All negotiations closed, achieving a 13% reduction in rent levels for the next two years
- Lease evaluations: Long-term leases for restaurant equipment and IT services have been renegotiated to improve financial outcome
- General contracts overhaul: Comprehensive review and streamlining of contracts, including evaluations, renegotiations, and terminations
- Operational consolidation: During the reorganization process, 31 restaurants have been closed (30 through bankruptcy, 1 sold)
- *Q3 efforts have been centered on optimizing and operationalizing new system implementations*

Key highlights Q3 2025

Management comments

General business development and market overview:

- Market conditions have somewhat improved during Q3 2025, but Brödernas currently undergoing reorganization, continued to experience declining sales compared to last year. Swedish consumer sentiment is gradually recovering, supported by rising confidence levels, improved household finances, tax cuts, higher real wages, and lower mortgage rates. Although a strong rebound in consumption is not yet evident, indicators like increasing retail sales and household savings point to a gradual recovery in the coming quarters. Notably, October sales indicated an early shift towards growth.
- Following Q3, one additional entity (restaurant unit) filed for bankruptcy, leaving the group with 46 operational units, including 2 in Spain.
- In October, the district court approved the Brödernas' restructuring plans, which were subsequently appealed. In December, all 46 formal reorganization plans were presented to the Court of appeal *(Sw. Hovrätten)*, and a verdict is still pending.

Sales development:

- Sales during the third quarter amounted to SEK 92 million, a 7% decline compared to last year, which is worse than expected from a weak summer period where management's focus has been away from operations.
- Overall sales development hampered by the formal reorganisation process – where management's attention has been shifted away from daily operations.

Margin development:

- Gross margin II declined by 1 percentage point in Q3 vs same quarter last year, mainly due to continued high share of delivery sales, ongoing campaigns, and increased input prices on beef. The reorganisation process also limited access to supplier kickbacks, resulting in higher COGS.
- Direct restaurant expenses improved vs. previous year on a like-for-like basis, though still to some extent affected by cancelled costs and some reclassifications between direct restaurant expenses and overhead (e.g. bookkeeping agency). Early positive effects from the company reorganization are now visible.
- Personnel expenses have increased due to high staff turnover and some investments in restaurant service levels.
- As a result, adjusted EBITDA after leasing costs improved slightly vs. last year during the quarter, reaching SEK -1 million vs SEK -2 million last year.

Financial position:

- As of 30 September 2025, Brödernas' cash position amounted to SEK 17 million and net debt was in excess of 6x EBITDA (on a rolling 12-month basis)

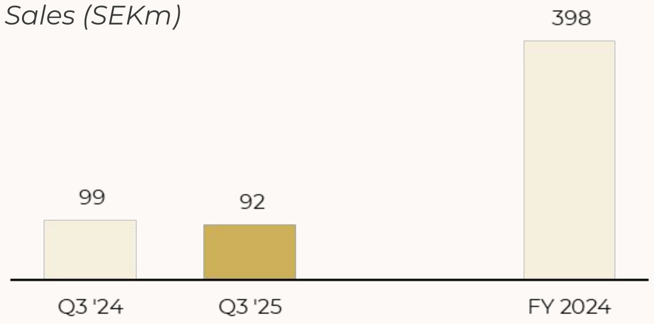
Stockholm 16 December 2025

Richard Forsshéll, CEO at Brödernas

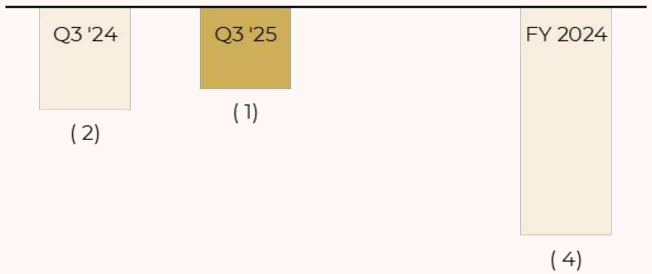
Note: Unaudited financials, adjusted for discontinued operations, divested subsidiaries, transaction costs and obvious non-recurring items.

Key financials

Sales (SEKm)



Adj. EBITDA after leasing (SEKm)



Key financials

Adjusted P&L[1]

SEKm	YTD '25	YTD '24	FY 2024
Net sales	**287**	**302**	**398**
COGS	(82)	(79)	(105)
Gross profit I	**205**	**224**	**294**
Platform fees	(25)	(24)	(32)
Gross profit II	**180**	**200**	**262**
Personnel expenses	(99)	(93)	(119)
Premises	(27)	(27)	(36)
Other direct operating expenses	(35)	(37)	(51)
Restaurant EBITDA	**19**	**43**	**56**
Overhead expenses	(25)	(30)	(44)
EBITDA	**(5)**	**13**	**12**
Leasing expenses	(5)	(12)	(17)
EBITDA after leasing	**(11)**	**1**	**(4)**
Selected key metrics:			
Gross margin I	72%	74%	74%
Gross margin II	63%	66%	66%
Restaurant EBITDA margin	7%	14%	14%
EBITDA margin	(4)%	0%	(1)%

Reconciliation of EBITDA

SEKm	YTD '25	YTD '24	FY 2024
EBITDA after leasing	**(11)**	**1**	**(4)**
(-) Extraordinary items and non-recurring items	(10)	(1)	(1)
(-) Historical Exceptional Items	(14)*	(3)	(3)
(-) Transaction Costs	(22)	(11)	(20)
(-) Divested Subsidiaries	(7)	(10)	(37)
Reported EBITDA	**(64)**	**(17)**	**(66)**

Net debt specification[2]

(+) Senior Secured Bond 24/27	214
(+) Bridge loan	20
(-) Own bond holdings	(11)
(-) Cash & cash equivalents	(14)
Net Interest-bearing Debt	**209**

(1) Note: Unaudited financials, adjusted for discontinued operations, divested subsidiaries, transaction costs and obvious non-recurring items; (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; Bridge loan in framework amount of 35m of which 20m was drawn by end of period September 2025. *14m negative effect from management fees not accounted for properly in 2024 in the groups consolidated numbers.
Note: Interim financials are unaudited financials and based on management accounts

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