To our shareholders and investors:

The last 12 months has reshaped Koykan. We have moved from a company preparing for expansion to a company actively executing it. Over the past six months alone, we opened six new locations across Croatia, Czechia and Slovakia, bringing us to a total of eight operating Koykan stores in three countries. At the same time, we have secured a pipeline of four additional locations, including our first store in Munich — a landmark opening scheduled for Q1 2026 that marks our formal entry into the German market.

This expansion represents more than footprint growth; it reflects a deeper transformation in how we build, structure and scale our company. Over the past period, we established our Operational Company, a dedicated expansion arm designed to deliver, manage and standardize all future openings. With fully defined processes, opening frameworks and cross-functional workflows, our team is now capable of delivering between 12 and 15 new locations per year. This operational readiness is one of the most important strategic steps we have taken to secure our long-term growth.

A stronger and more scalable company

The last six months brought significant progress across all parts of the business:

- We opened six new locations, validating our updated concept, strengthening brand visibility and improving our cross-border operational experience.
- We expanded into three countries and prepared the groundwork for entry into Germany, Austria and Slovenia.
- We secured four new locations in our pipeline, including upcoming stores in Munich, Brno, Ljubljana and Rijeka, with active negotiations underway in Vienna.
- We formalized our Operational Company, enabling predictable, standardized and repeatable openings at scale.
- We renegotiated and signed new long-term contracts with key suppliers, reducing food costs significantly — in some cases by more than 50% — thanks to our rapidly growing scale and purchasing volume.

These developments are already reshaping our economics. Lower food costs, standardized build-ups and maturing management processes are preparing us for a phase of accelerated, more financially efficient expansion.

We're entering a phase where our growth ambitions demand a stronger, more experienced leadership backbone. While 2025 allowed us to set the initial structure and clarify senior responsibilities, our management team is still early in its journey. The entire year ahead will be dedicated to bringing in senior leaders who can elevate our execution. Our most urgent priorities are hiring a CRO who will drive revenue, strengthen marketing and build our sales channels, as well as reinforcing our finance division with senior expertise that will shape the foundations of a future CFO organisation. These hires will be essential as we scale across multiple countries and shift from operational readiness to operational excellence.

At the same time, we recognize that not all of our stores are yet performing at the level we want. There is meaningful work ahead in local store marketing, customer loyalty and community-level engagement to ensure that every location reaches healthy revenue and profitability. And although we are now receiving a steady flow of franchise inquiries — often one lead per day — this part of the business is still very early in development. It will take substantial effort, refinement and dedicated support to transform initial interest into a predictable, scalable franchise engine. The momentum is real, but the work ahead is significant. With patience, focus and the right leadership additions, we believe we can turn this early traction into a powerful driver of long-term expansion.

Last 6 Months

Over the past six months, our business has moved from early operational readiness toward true multi-country execution. We now operate eight fully functional stores, each delivering from €500k to €1M in annual revenue with an average EBITDA contribution of more than €90k per store. These results validate our unit economics and give us confidence that our concept, pricing and product architecture travel well across geographies. At the same time, the scale of our operations has revealed where further improvements are needed — particularly in local store marketing, customer loyalty initiatives and city-level brand activation. Several locations still have meaningful room to grow and we are investing in the systems, talent and processes needed to elevate revenues across the entire network.

A major milestone of this period has been the successful launch of our operations in Czechia and Slovakia, including the full deployment of our technological stack. For the first time, our POS system — developed together with our POS partner and adapted to each market — runs seamlessly across all countries, giving us unified operational control, consistent reporting and, importantly, the auditability required for scaling our franchise ecosystem. This is a foundational achievement: controlling one POS layer across all markets ensures long-term transparency, predictable franchise oversight and efficient multi-market expansion.

As our geographic footprint grows, so does our access to strategic real estate. By securing locations across several key developments, we have established a strong presence within four of Europe's largest retail ecosystems — ECE, URW, NEPI Rockcastle and Supernova. These partnerships are more than a real estate pipeline; they form the basis of a future-looking expansion framework. Throughout 2026 we will work closely with these groups to standardize a site-selection and negotiation process that will allow us to reliably source prime locations across multiple countries. This framework will be fully activated in 2027 and beyond, supporting our target of opening 20+ locations annually and ensuring a predictable, scalable expansion path.

Operationally, we have made significant progress in building the systems that will support this accelerated rollout. Our PMO team has not only defined but executed a standardized opening framework, now used across all new stores. This has shifted PMO from a planning unit into a real operating engine, coordinating architecture, construction, procurement, logistics, HR, training and compliance into one aligned workflow. Every store opened in this period has been delivered through this standardized process — demonstrating that the system works in practice, not just on paper.

To support workforce mobility across the EU and address the increasingly complex regulatory landscape, we have established our own staffing and recruitment agency. This gives us the ability to navigate country-specific labor rules, optimize cross-border hiring and deploy staff efficiently as we scale. Importantly, this capability will also become a core service for our future franchise partners, many of whom lack the expertise to recruit, onboard and manage teams in a compliant and cost-efficient way. By centralizing this know-how, we are removing one of the biggest barriers to successful franchise adoption.

Together, these achievements reflect a company that is not only expanding but learning how to scale — structurally, operationally and technologically.

Digital-First as Our Operating Standard

Over the past year, we have taken a decisive step toward becoming a fully digital restaurant chain. Together with our internal technology team, we have begun building an integrated digital backbone that connects our operations across all markets — from inventory and procurement to staffing, production, pricing, financial reporting and guest experience. What used to be fragmented processes are now turning into unified digital workflows, allowing us to run the company with far greater accuracy, speed and transparency. Several of these systems are already live across all stores, while others are being deployed over the next months as we continue building the infrastructure required for multi-country expansion.

Our digital-first approach ensures that every new Koykan store — whether corporate or franchise — operates on the same standards, the same processes and the same source of truth. Menu updates, operational routines, ordering flows, kitchen coordination, performance analytics and financial controls are increasingly automated and centrally managed, removing guesswork and significantly reducing operational risk. This shift is already visible in the day-to-day execution of our teams: onboarding is faster, decision-making is data-driven and our ability to spot inefficiencies in real time has improved substantially.

As we scale further across Europe, a fully digital operating model becomes not only an advantage but a necessity. It ensures consistency across countries, protects margins, strengthens quality control and enables us to support franchise partners with a level of structure they would rarely be able to build on their own. Our digital-first policy is therefore not a project but an operating commitment — one that will define how we grow, how we maintain standards and how we build a modern, scalable restaurant chain ready for the next decade.

Next 6 Months

As we enter the next stage of our growth, the coming six months will be defined by focused execution and disciplined preparation for the scale that lies ahead. With our foundations now in place — operational, digital and organizational — our priorities are shifting toward activities that directly accelerate revenue, strengthen our core systems and prepare the company for a period of significantly faster expansion across Europe. The key areas of focus in the months ahead include:

(1) B2C marketing & community building

In the next six months, one of our primary focuses will be the full execution of our B2C marketing model and the beginning of structured community building around the Koykan brand. After months spent defining messaging, funnels and loyalty mechanics, we are now shifting into a cycle of consistent, high-frequency execution. This includes daily digital activation, stronger presence on social platforms, user-generated content, influencer partnerships, refined store-level marketing and a loyalty engine designed to turn occasional visitors into repeat customers. Our objective is to create predictable revenue uplift through disciplined marketing execution and to build a community that connects with our brand emotionally, not just transactionally.

(2) Supply chain, logistics and distributed production

A major focus of the upcoming period will be strengthening our supply chain and transitioning from a centralized culinary model to a distributed system of procurement, production and logistics across all markets. This shift is critical for enabling fast expansion across Europe. We will continue building real-time inventory visibility, automated procurement through our B2B ecommerce platform and tighter integration with key suppliers. By decentralizing production and optimizing the logistics network, we will reduce risk, increase operational speed and ensure that every new store can be opened and supplied without dependency on a single central facility.

(3) Digitalization and IT deployment

We will continue investing significant resources into the digitalization of our entire operating system. Over the next six months, we will roll out additional IT modules across all stores and countries, enabling automated stock management, predictive ordering, operational checklists, workforce scheduling, performance dashboards and digital SOPs. This phase will transform what are today partially manual processes into standardized digital routines. As we scale across multiple markets, this digital backbone will be essential for maintaining consistency, controlling margins and ensuring high-quality execution in every location.

(4) Sales acceleration and hiring the CRO

One of the most important priorities ahead is strengthening our sales function. We are entering a stage where revenue growth must accelerate in parallel with our expansion efforts. To support this, hiring a senior Chief Revenue Officer will be one of my key personal focuses in the months ahead. This role will lead the entire revenue ecosystem — marketing, B2C sales, B2B initiatives, franchising, digital channels and new market entries. The CRO will be responsible for building a structured revenue organization, defining the sales engines of the company and ensuring that our commercial performance scales in alignment with our geographic expansion.

(5) Framework for franchise sales and partner onboarding

During the next six months we will establish the full framework for franchise sales, including structured lead management, qualification processes, partner evaluation, commercial presentations and onboarding playbooks. Although we are already seeing a steady flow of interest from prospective franchisees, our next step is to build a formalized, high-quality franchise sales engine that can support the signing and onboarding of multiple partners per quarter. This will be one of the most important building blocks of our long-term expansion strategy.

(6) Framework for site acquisition and expansion

In parallel, we will build the foundation for a structured site-acquisition process that will support accelerated expansion in 2027 and beyond. This includes defining how we source locations, how we evaluate foot traffic and commercial potential, how we negotiate with major retail groups and how we prioritize expansion across markets. By creating a repeatable model for acquiring top-tier locations, we will ensure that we can support a long-term pipeline of 20+ new openings per year once the financial mechanisms for mass expansion are in place.

Outlook for 2026

We are preparing for our strongest year yet. For 2026, we forecast:

- €6.5M in revenue (representing approximately 230% growth)
- €1.2M EBITDA, driven by scale, maturing stores and improved cost efficiencies

- €1.5M business development budget, financing our pipeline, expansion infrastructure and digital transformation

Equally important, we have made a strategic decision that will define how Koykan scales over the next decade: We will not take on new debt to open corporate stores. Our expansion will be driven through Alternative Investment Funds (AIFs) and franchise partners, ensuring capital-efficient growth, healthier balance sheets and stronger long-term returns.

This shift allows us to grow significantly faster without burdening the company with additional leverage while still maintaining control over brand quality, store standards and operational excellence.

Challenges

Although we've made meaningful progress in building the operational and expansion foundations of the company, the road ahead remains demanding. Our brand is still in its early stage, especially outside Croatia, where limited marketing budgets and a small number of operating locations naturally limit recognition and consumer awareness. At the same time, our leadership structure is still developing. To reach the level of operational excellence required for a multi-country QSR chain, we need to strengthen the team with additional senior roles and continue refining the systems, routines and standards that support consistent execution across all markets.

In parallel, maintaining strict financial discipline will be one of the defining challenges of the coming period. As we accelerate our rollout plans and enter new geographies, the pressure on efficient capital allocation, cost control and healthy unit economics will only grow. We are also fully aware that the business requires further development capital to support the scale we are targeting, making capital planning and fundraising one of the core priorities for our finance team. The months ahead will test our focus and resilience, and we are approaching them with clarity, responsibility and a deep understanding of the work required to earn the next chapter of growth.

Next days, weeks, months… capital deployment

Over the past year, we executed the largest financing effort in our history — raising our corporate bond and convertible bond program and using those funds exactly as intended: to open new locations, expand into new countries and build the operational and technological foundations required for a true European rollout. This has allowed us to prove our unit economics across markets, strengthen our operational capabilities and establish the structures needed for scalable growth. In many ways, the bond issuance was our bridge from a local brand to a multi-country operator.

As we enter the next stage of expansion, our capital strategy is evolving with the needs of the business. We are now preparing to deploy capital through a series of Alternative Investment Funds (AIFs) — a vehicle designed to finance the opening of new stores at scale while avoiding additional corporate leverage. These AIF structures will allow us to fund growth store by store, align investor returns directly with store performance and accelerate our geographic expansion without placing debt on the core company. Over the coming year, our focus will be on launching the first AIF, validating the model with the next wave of store openings and laying the groundwork for a multi-year rollout mechanism capable of supporting 20+ new locations annually.

At the same time, we are very aware of the broader financial requirements that come with this next chapter. Beyond AIF-driven store development, the business will also require development capital — capital that fuels the system behind the expansion. This includes stronger marketing budgets, increased investment in customer acquisition, the build-out of our sales channels, and the senior talent needed to lead them. As our footprint expands, the importance of brand awareness, consistent revenue engines and strong country-level performance will only grow, and this will require disciplined yet meaningful investment.

Our approach to capital deployment remains grounded in the same principles as before: transparency, responsibility and long-term value creation. We are committed to maintaining financial discipline as we scale and to ensuring that every euro invested — whether through AIFs, development capital or future equity rounds — contributes directly to building a stronger, more resilient and more valuable company. The next phase will demand focus and precision, but it also presents the clearest path to unlocking the scale we have been building toward from the beginning.

Earning the Next Chapter

We know the next stage won't unfold in a straight line. There will be hard days, difficult calls and times when we'll need to rebuild parts of the plan while still moving forward. But we also know what we are building — and what it demands from us. Every month, every opening and every decision brings us closer to the company we set out to create. If we stay disciplined, keep raising our standards and push ourselves to execute with clarity and conviction, we'll move toward that vision step by step. Not through shortcuts, but through steady, deliberate progress — the kind that compounds over time and earns real, lasting success.

It's all about focusing on short-term execution while keeping our long-term vision of building a restaurant chain that serves millions of customers, leaving them hungry for more. We trust that Koykan remains the type of company you want to be invested in.

Boro
Koykan CEO

PS - A personal note

Over the past months I’ve also started writing more openly about the journey behind building this company — not the polished version, but the honest one. At 365weeks.com I document what the numbers don’t show: the doubts, the breakthroughs, the mistakes that teach us something, the tough calls and the rare moments of clarity that keep us moving forward. It’s my way of keeping myself accountable, but also of offering a transparent view into what it really means to scale Koykan across multiple countries. If you’re interested in following the story week by week — the thinking, the pressure, the progress and the lessons that shape every decision we make — you’re welcome to that inner circle. It’s the closest perspective to the real work behind the scenes.