

2025 Preliminary Results

Sphera Franchise Group S.A.



SPHERA

KFC



TACO BELL

cioccolato | italiani





SPHERA



TABLE OF CONTENTS

ISSUER INFORMATION _____	4
KEY FINANCIAL HIGHLIGHTS _____	5
2025 PRELIMINARY RESULTS ANALYSIS _____	6
MAIN FINANCIAL RATIOS _____	12
SIGNIFICANT EVENTS IN Q4 2025 & AFTER CLOSING OF THE REPORTING PERIOD _	14
DECLARATION FROM THE MANAGEMENT _____	16
PRELIMINARY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2025 (UNAUDITED)_____	18

The preliminary condensed consolidated financial statements presented on the following pages are prepared in accordance with International Financial Reporting Standards, as adopted by European Union (“IFRS”).

The preliminary condensed consolidated financial statements as of December 31st, 2025 **are unaudited.**

The financial figures presented in the descriptive part of the report that are expressed in million RON are rounded off to the nearest integer. This may result in small reconciliation differences.

NOTE: As of January 1st, 2019, Sphera Franchise Group applies IFRS 16 “Leases” standard that sets out the principles for the recognition, measurement, presentation, and disclosure of leases. When analyzing the performance of the Group, the management’s focus is on the financial results that exclude the impact of IFRS 16. Therefore, the basis for the financial analysis on the following pages are the results excluding IFRS 16. Nonetheless, for most of the tables included in this report are provided financial results both including, as well as excluding the impact of IFRS 16.

ISSUER INFORMATION

INFORMATION ABOUT THIS FINANCIAL REPORT

Type of report	Preliminary Financial Results
For financial period	01.01.2025 – 31.12.2025
Date of publishing	27.02.2026

ISSUER INFORMATION

Issuer's name	Sphera Franchise Group S.A.
Fiscal code	RO 37586457
Trade registry number	J2017007126404
Registered office	Calea Dorobanților nr. 239, 2nd floor, Bucharest sector 1

INFORMATION ABOUT FINANCIAL INSTRUMENTS

Subscribed and paid-up share capital	RON 580,101,930
Market on which the securities are traded	Bucharest Stock Exchange, Main Segment, Premium Category
Total number of shares	38,673,462
Symbol	SFG

CONTACT DETAILS FOR INVESTORS

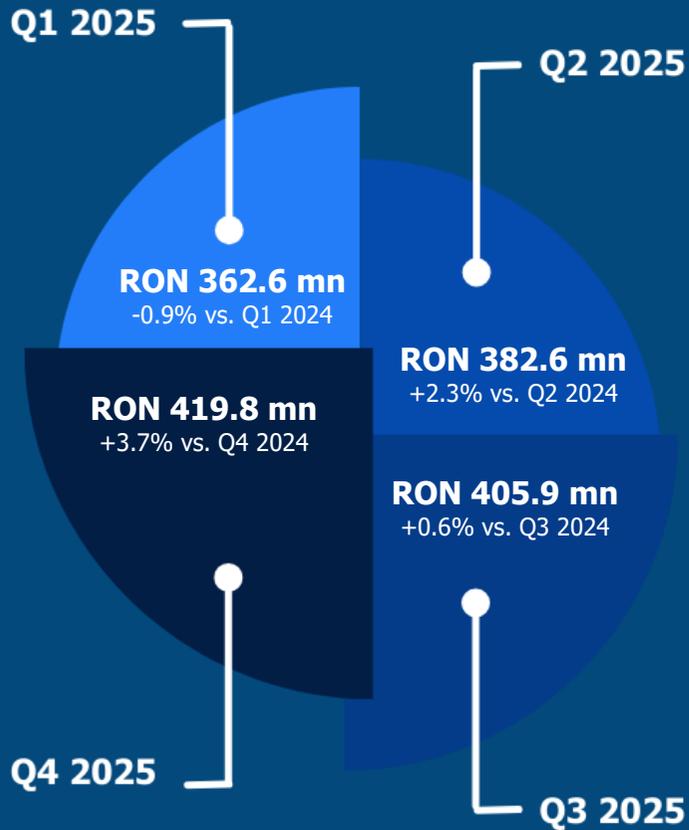
Phone / Fax	+40 21 201 17 57 / +40 21 201 17 59
E-mail	investor.relations@spheragroup.com
Website	www.spheragroup.com



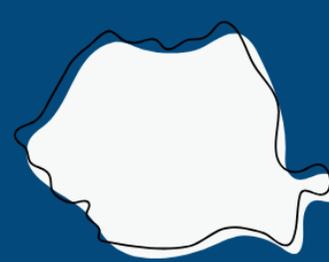
SPHERA

2025 Preliminary Consolidated Sales

RON 1,570.9 mn
+1.5% vs. 2024



KEY FINANCIAL HIGHLIGHTS



RON 1,346.2 mn
+1.0% vs. 2024



RON 196.4 mn
+2.4% vs. 2024



RON 28.3 mn
+19.7% vs. 2024



RON 1,356.6 mn
+0.6% vs. 2024



RON 106.8 mn
-1.5% vs. 2024



TACO BELL

RON 106.7 mn
+16.2% vs. 2024



RON 0.8 mn
n/a

179 Restaurants operated across Romania, Moldova and Italy	#1 Q4 2025 – the best quarter in history in terms of sales registered	RON 2.13 Total gross dividend per share paid to shareholders in 2025
31.3% Stable share of food and material costs in total sales in 2025, despite the external pressures	RON 147.8 mn Normalized EBITDA in 2025, down 16.4% YoY, reflecting a challenging H1 and stabilization in H2	0.52 12M net debt / EBITDA ratio

2025 PRELIMINARY RESULTS ANALYSIS

In Q4 2025, Sphera Franchise Group reported total sales of RON 419.8 million, up 3.7% YoY, representing the strongest quarterly YoY growth recorded in 2025. This evolution points to a gradual stabilization in consumer demand on the Group's core market, Romania, following an extended period of pressure on discretionary spending caused by fiscal measures introduced to reduce country's budget deficit. Although the cautious consumption trend observed since Q4 2024 continued into the final quarter of the year, Sphera's pricing strategy and value-focused positioning helped sustain stable traffic and volumes. Importantly, this performance provides a solid starting point for 2026, as 2025 was a more challenging year for consumption, and a more stable fiscal environment in Romania and improving macroeconomic conditions could support a rebound in demand, keeping the Group on a positive trajectory for the coming quarters.

Sales in Romania in Q4 2025 contributed to the total restaurant sales with RON 361 million, registering a 4.3% YoY increase, Italy with RON 51.1 million, a 0.9% YoY decrease, and the Republic of Moldova with RON 7.7 million, an 8.3% YoY increase. The regional revenue mix shifted slightly compared to the past quarters, with Romania recovering versus Italy. Consequently, in Q4 2025, Romania accounted for 86% of total sales, Italy for 12.2%, and the Republic of Moldova for 1.8%.

Data in RON '000	Q1-24	Q2-24	Q3-24	Q4-24	Q1-25	Q2-25	Q3-25	Q4-25	Δ Q4 2025 /2024	Δ FY 2025P /2024A
Romania	317,123	322,346	347,241	346,252	311,079	327,447	346,626	361,014	4.3%	1.0%
Italy	43,303	46,321	50,530	51,594	44,736	48,362	52,205	51,121	-0.9%	2.4%
Rep. Moldova	5,498	5,418	5,667	7,089	6,772	6,813	7,070	7,680	8.3%	19.7%
Total sales	365,924	374,085	403,438	404,935	362,587	382,622	405,901	419,816	3.7%	1.5%

By brand, KFC sales increased by 3.1% in Q4 2025 compared to Q4 2024, reaching RON 362 million. Growth recovered, especially in Romania, following a temporary slowdown in the previous quarters, which was caused by weaker discretionary spending driven by political instability and the fiscal measures introduced to address the budget deficit. Taco Bell registered a robust YoY increase of 15.5%, delivering RON 29.4 million in sales and surpassing Pizza Hut sales for the second consecutive quarter, which contributed RON 28.1 million in turnover, a 1% YoY decrease. Taco Bell continues to be the key growth driver of the Group, due to the continued appeal among younger, urban consumers that maintained their discretionary spending, paired with the balanced development plan targeting large urban centers across Romania. In line with geographical trends, there was a slight rebalancing in brand contributions to total turnover, with Taco Bell's share increasing. Consequently, in Q4 2025, KFC accounted for 86.2%, Taco Bell for 7% and Pizza Hut for 6.7% of total sales. Cioccolatitaliani, with Sphera's first and thus far only Italian store, generated sales of RON 250K within the quarter, representing 0.1% of total sales.

Data in RON '000	Q1-24	Q2-24	Q3-24	Q4-24	Q1-25	Q2-25	Q3-25	Q4-25	Δ Q4 2025 /2024	Δ FY 2025P /2024A
KFC	317,624	326,987	352,463	351,059	311,314	330,430	352,853	362,035	3.1%	0.6%
Pizza Hut	27,436	25,679	26,886	28,407	27,172	26,183	25,301	28,120	-1.0%	-1.5%
Taco Bell	20,865	21,427	24,093	25,490	24,110	25,959	27,229	29,446	15.5%	16.2%
Cioccolatitaliani	-	-	-	-	-	52	494	250	-	-

Other restaurant income increased 216% YoY, to RON 3.2 million, due to increase in the sale of recycled oil, sub-franchise fees, and other miscellaneous income.

At the level of restaurant expenses, all major categories increased in Q4 2025, with total restaurant expenses rising 5.7% YoY to RON 373.4 million, outpacing the 3.7% growth in restaurant sales. As a result, the restaurant expense ratio increased by 1.7pp YoY, to 88.9% of sales.

Food and material costs remained broadly stable, increasing by only 0.5% YoY to RON 125.8 million, while improving as a share of sales by 0.9pp to 30%, reflecting better cost management and pricing discipline. Payroll and employee benefits increased 3.5% YoY to RON 93.8 million, remaining broadly stable as a percentage of sales at 22.3%, indicating a more contained wage pressure compared to previous quarters.

Rent expenses rose 3.2% YoY to RON 29.3 million, in line with sales evolution and new unit openings, while royalties increased 3.5% YoY to RON 25.3 million, remaining stable at 6% of sales. Advertising expenses increased significantly by 35% YoY to RON 25.8 million, reflecting a planned intensification of marketing activity in Q4 aimed at stimulating demand. Other operating expenses increased 4.7% YoY to RON 56.7 million, remaining stable as a share of sales. Depreciation and amortization recorded a 47.9% YoY increase, reaching RON 16.6 million, reflecting the impact of network expansion, but also non-recurring asset write-offs associated with store relocations and closures (RON 3.8 million).

Despite continued cost pressures, Q4 marked a further stabilization compared to earlier quarters of the year. The return to stronger sales growth, combined with improved food cost ratios and contained payroll expenses as a percentage of sales, supported a more balanced cost structure. Restaurant operating profit decreased 6% YoY to RON 49.6 million, reflecting both a challenging consumption environment throughout 2025 and a strong comparable base in the prior-year period. Excluding the normalization effect of RON 6 million, restaurant operating profit registered an increase of 5.3%. Nonetheless, the pace of decline moderated significantly compared to previous quarters. EBITDA in Q4 2025 increased 3.3% YoY to RON 49.5 million, with a stable margin of 11.8%, while normalized EBITDA rose 7.9% YoY. Normalized net profit advanced 15.8% YoY, reflecting strengthening underlying profitability and improved operational momentum at year-end.

Summary of Interim Consolidated Financial Statements for Q4 (excluding IFRS 16 Impact):						
Data in RON'000	Q4-25	Q4-24	Y/Y % 2025 / 2024	% of Sales		Δ pp
				Q4-25	Q4-24	
Restaurant sales	419,816	404,935	3.7%			
Other restaurant income	3,162	1,001	216.0%			
Restaurant expenses	373,357	353,125	5.7%	88.9%	87.2%	1.7%
Food and material	125,843	125,220	0.5%	30.0%	30.9%	-0.9%
Payroll and employee benefits	93,788	90,579	3.5%	22.3%	22.4%	0.0%
Rent	29,321	28,420	3.2%	7.0%	7.0%	0.0%
Royalties	25,260	24,395	3.5%	6.0%	6.0%	0.0%
Advertising	25,790	19,110	35.0%	6.1%	4.7%	1.4%
Other operating expenses	56,709	54,143	4.7%	13.5%	13.4%	0.1%
Depreciation and amortization	16,646	11,258	47.9%	4.0%	2.8%	1.2%
Restaurant operating profit	49,621	52,811	-6.0%	11.8%	13.0%	-1.2%
General & Admin expenses	17,977	17,109	5.1%	4.3%	4.2%	0.1%
Operating profit	31,644	35,702	-11.4%	7.5%	8.8%	-1.3%
Finance costs	2,444	2,875	-15.0%	0.6%	0.7%	-0.1%
Finance income	124	231	-46.1%	0.0%	0.1%	0.0%
Profit before tax	29,324	33,059	-11.3%	7.0%	8.2%	-1.2%
Income tax expense	5,457	7,281	-25.1%	1.3%	1.8%	-0.5%
Profit for the period	23,867	25,777	-7.4%	5.7%	6.4%	-0.7%
Normalized¹ profit for the period	29,849	25,777	15.8%	7.1%	6.4%	0.7%
EBITDA	49,504	47,905	3.3%	11.8%	11.8%	0.0%
Normalized EBITDA¹	51,686	47,905	7.9%	12.3%	11.8%	0.5%

¹ EBITDA was normalized for Q4 2025 to exclude one-off items mainly related to restructuring and store closures, including costs linked to the closing of KFC Italy Verona Piazza Delle Erbe (RON 1.4m), and costs related to the closing of 7 Pizza Hut locations (RON 0.8m). Total normalized Q4 2025 EBITDA items amounted to RON 2.2m. There were no normalization items in Q4 2024.

Net profit was normalized for Q4 2025 to exclude the above-mentioned costs plus the impairment of non-recoverable non-current assets related to: the relocation of 1 Taco Bell location (RON 0.6m), as part of a landlord-led redesign project, closing of 7 Pizza Hut locations (RON 1.9m), and related to the closing of KFC Italy Verona Piazza Delle Erbe (RON 1.3m). Total normalized net profit items in Q4 2025 amounted to RON 6m. There were no normalization items in Q4 2024.

Summary of Interim Consolidated Financial Statements for FY (excluding IFRS 16 Impact):

Data in RON'000	2025P	2024A	Y/Y % 2025 / 2024	% of Sales		Δ pp
				2025	2024	
Restaurant sales	1,570,926	1,548,382	1.5%			
Other restaurant income	6,096	2,280	167.4%			
Restaurant expenses	1,425,304	1,355,965	5.1%	90.7%	87.6%	3.2%
Food and material	491,155	483,551	1.6%	31.3%	31.2%	0.0%
Payroll and employee benefits	373,035	344,065	8.4%	23.7%	22.2%	1.5%
Rent	111,907	109,605	2.1%	7.1%	7.1%	0.0%
Royalties	94,391	93,014	1.5%	6.0%	6.0%	0.0%
Advertising	81,645	79,750	2.4%	5.2%	5.2%	0.0%
Other operating expenses	216,752	202,633	7.0%	13.8%	13.1%	0.7%
Depreciation and amortization	56,419	43,346	30.2%	3.6%	2.8%	0.8%
Restaurant operating profit	151,718	194,698	-22.1%	9.7%	12.6%	-2.9%
General & Admin expenses	67,529	64,274	5.1%	4.3%	4.2%	0.1%
Operating profit	84,189	130,424	-35.5%	5.4%	8.4%	-3.1%
Finance costs	8,458	10,393	-18.6%	0.5%	0.7%	-0.1%
Finance income	598	564	6.1%	0.0%	0.0%	0.0%
Profit before tax	76,329	120,596	-36.7%	4.9%	7.8%	-2.9%
Income tax expense	14,432	23,410	-38.4%	0.9%	1.5%	-0.6%
Profit for the period	61,897	97,185	-36.3%	3.9%	6.3%	-2.3%
Normalized² profit for the period	72,653	97,185	-25.2%	4.6%	6.3%	-1.7%
EBITDA	144,344	176,892	-18.4%	9.2%	11.4%	-2.2%
Normalized² EBITDA	147,840	176,892	-16.4%	9.4%	11.4%	-2.0%

² EBITDA was normalized for 2025 to exclude one-off items mainly related to restructuring and store closures, including costs linked to the closing of KFC Italy Bari (RON 1.6m), costs associated with the closure of KFC Italy Verona Piazza Delle Erbe (RON 1.4m), and costs related to the closing of 7 Pizza Hut locations (RON 0.8m). Additionally, normalization includes the reversal of a provision related to a litigation with a former non-executive director (RON -0.3m), initially booked in Q3 2023. Total normalized EBITDA items amounted to RON 3.5m. There were no normalization items in FY 2024.

Net profit was normalized for 2025 to exclude the above-mentioned costs plus the impairment of non-recoverable non-current assets related to: the relocation of KFC IS Palas Drive (RON 1.2m) and 1 Taco Bell location (RON 0.6m), as part of a landlord-led redesign project, related to the closing of 7 Pizza Hut locations (RON 1.9) and to the closing of KFC Italy Bari and KFC Verona Piazza Delle Erbe (RON 3.5 m). Total normalized net profit items amounted to RON 10.8m. There were no normalization items in FY 2024.

At the level of the full year, sales across the Group increased 1.5%, reaching RON 1,570.9 million in 2025, with other restaurant income amounting to RON 6.1 million, compared to RON 2.3 million in 2024. Most of the revenues were generated in Romania – RON 1,346.2 million (85.7% of total sales; +1.0% YoY), followed by Italy – RON 196.4 million (12.5% of total sales; +2.4% YoY) and the Republic of Moldova – RON 28.3 million (1.8% of total sales; +19.7% YoY). Analyzing performance per brand, sales of KFC amounted to RON 1,356.6 million (86.4% of total sales; +0.6% YoY), Pizza Hut generated RON 106.8 million (6.8% of total sales; -1.5% YoY), while Taco Bell recorded sales of RON 106.7 million (6.8% of total sales; +16.2% YoY). Additionally, Cioccolatitaliani, the Group's 2025 portfolio addition, contributed RON 0.8 million in sales during the year.

Restaurant expenses amounted to RON 1,425.3 million in 2025, representing a 5.1% increase year-on-year, outpacing the growth in restaurant sales. Consequently, the weight of restaurant expenses in total sales increased by 3.2pp, from 87.6% in 2024 to 90.7% in 2025. It is important to note that the majority of the cost pressure was recorded in the first half of the year, while the second half, particularly Q4 2025, showed signs of stabilization and rebound.

At the level of restaurant expenses, most categories recorded increases during the year. Food and material costs grew by 1.6% YoY to RON 491.2 million, remaining broadly stable as a share of sales at 31.3%. Payroll and employee benefits increased 8.4% YoY to RON 373 million, mirroring labor market pressures particularly visible in H1 2025, with their weight in sales increasing by 1.5pp to 23.7% for the full year.

Rent expenses increased 2.1% YoY to RON 111.9 million, reflecting the variable rent structure linked to sales evolution and the contribution of new openings. Royalties grew in line with sales, increasing 1.5% YoY to RON 94.4 million, while advertising expenses rose 2.4% YoY to RON 81.6 million, remaining stable as a percentage of sales. Other operating expenses increased 7.0% YoY to RON 216.8 million, mainly driven by higher third-party and operational costs.

Depreciation and amortization recorded a 30.2% YoY increase, reaching RON 56.4 million. Excluding the normalized effect of RON 7.3 million related to asset write-offs associated with store relocations and closures, the increase was primarily driven by the new restaurant openings.

Summary of Interim Consolidated Financial Statements for FY – with and without IFRS 16 impact

Data in RON'000	2025P		2024A		Change (%)	
	1	2	1	2	2025/2024 (1)	2025/2024 (2)
Restaurant sales	1,570,926	1,570,926	1,548,382	1,548,382	1.5%	1.5%
Other restaurant income	8,989	6,096	3,286	2,280	173.6%	167.4%
Restaurant expenses	1,411,304	1,425,304	1,344,150	1,355,965	5.0%	5.1%
Food and material	491,155	491,155	483,551	483,551	1.6%	1.6%
Payroll and employee benefits	373,035	373,035	344,065	344,065	8.4%	8.4%
Rent	30,666	111,907	33,863	109,605	-9.4%	2.1%
Royalties	94,391	94,391	93,014	93,014	1.5%	1.5%
Advertising	81,645	81,645	79,750	79,750	2.4%	2.4%
Other operating expenses	216,752	216,752	202,633	202,633	7.0%	7.0%
Depreciation and amortization	123,660	56,419	107,273	43,346	15.3%	30.2%
Restaurant operating profit	168,611	151,718	207,519	194,698	-18.7%	-22.1%
General & Admin expenses	67,117	67,529	63,338	64,274	6.0%	5.1%
Operating profit	101,494	84,189	144,181	130,424	-29.6%	-35.5%
Finance costs	31,017	8,458	25,499	10,393	21.6%	-18.6%
Finance income	598	598	564	564	6.1%	6.1%
Profit before tax	71,075	76,329	119,246	120,596	-40.4%	-36.7%
Income tax expense	13,445	14,432	21,859	23,410	-38.5%	-38.4%
Profit for the period	57,630	61,897	97,387	97,185	-40.8%	-36.3%
Normalized³ profit for the period	66,170	72,653	97,387	97,185	-32.1%	-25.2%
EBITDA	232,554	144,344	257,717	176,892	-9.8%	-18.4%
Normalized³ EBITDA	233,832	147,840	257,717	176,892	-9.3%	-16.4%

Notes: (1) Including the impact of the adoption of IFRS 16; (2) Excluding the impact of the adoption of IFRS 16.

³ Same normalization items as described in footnote in the second table, presenting summary of Interim Consolidated Financial Statements for FY.

Restaurant operating profit at KFC Romania ("USFN Romania") reached RON 131.4 million in 2025 (-18.6% YoY), followed by KFC Italy ("USFN Italy"), which contributed RON 9.4 million (-48.0% YoY), Taco Bell ("CFF"), which generated RON 9.3 million (-2.5% YoY) and KFC Moldova ("USFN Moldova"), with RON 4.4 million (+1.1% YoY). Pizza Hut ("ARS") generated a restaurant operating loss of RON 2.1 million. Excluding normalized items of RON 2.7m, restaurant operating profit was RON 0.6 million, compared to a profit of RON 1 million registered in the prior year, which supported management's decision to further streamline the network with the objective of restoring profitability. Ciocolatitaliani ("CHOCO"), which inaugurated its first and only location during 2025, recorded a restaurant operating loss of RON 1.5 million for the full year.

Breakdown of Interim Consolidated Results by Group companies – 2025P (excluding IFRS 16 impact):

Data in RON'000	USFN (RO)	ARS	USFN (MD)	USFN (IT)	CHOCO (IT)	CFF	HRC	SFG	Cons. Adj.	SFG Cons
Restaurant sales	1,132,667	106,777	28,336	195,629	795	106,744	-	42,384	(42,406)	1,570,926
Dividends revenue	-	-	-	-	-	-	-	106,756	(106,756)	-
Other restaurant income	4,404	1,319	-	-	-	168	-	305	(100)	6,096
Restaurant expenses	1,005,689	110,222	23,946	186,244	2,307	97,607	-	-	(713)	1,425,304
Food and material	365,044	28,659	10,553	52,695	284	33,920	-	-	-	491,155
Payroll and employee benefits	263,654	31,642	4,874	47,464	933	24,468	-	-	-	373,035
Rent	75,611	10,134	1,596	16,682	220	7,663	-	-	-	111,907
Royalties	67,938	6,380	1,700	11,981	-	6,392	-	-	-	94,391
Advertising	57,285	5,817	1,107	12,057	217	5,646	-	-	(484)	81,645
Other operating expenses	142,556	22,591	3,449	32,810	479	14,973	-	-	(106)	216,752
Depreciation	33,602	4,999	667	12,555	175	4,545	-	-	(123)	56,419
Restaurant operating profit	131,382	(2,127)	4,390	9,385	(1,512)	9,305	0	149,445	(148,549)	151,718
G&A expenses	45,572	6,564	732	12,458	430	4,106	16	48,228	(50,577)	67,529
Operating profit/(loss)	85,810	(8,691)	3,658	(4,961)	(1,943)	5,198	(16)	101,218	(97,972)	84,189
Finance costs	7,823	802	294	2,062	233	603	-	1,445	(4,804)	8,458
Finance income	3,526	4	-	174	-	0	-	1,699	(4,804)	598
Profit/(Loss) before tax	81,513	(9,489)	3,363	(4,961)	(2,175)	4,595	(16)	101,472	(97,972)	76,329
Income tax expense	13,690	-	458	(571)	(3)	790	-	68	-	14,432
Profit/(Loss) for the period	67,824	(9,489)	2,905	(4,391)	(2,172)	3,805	(16)	101,403	(97,972)	61,897
Normalized¹ Profit/(Loss) for the year	75,027	(6,781)	2,905	2,143	(2,172)	4,410	(16)	103,811	(106,673)	72,653
EBITDA	121,417	(3,069)	4,399	9,569	(1,766)	9,891	(16)	102,183	(98,263)	144,344
Normalized¹ EBITDA	127,406	(2,260)	4,399	12,560	(1,766)	9,891	(16)	104,590	(106,964)	147,840

¹ Same normalization items as described in footnote in the second table, presenting summary of Interim Consolidated Financial Statements for FY. Additionally, at individual level, normalized EBITDA for 2025 excludes the impairment loss for the investment of SFG in ARS (2,712) and the impairment loss on intercompany loan granted by USFN to ARS (5,989).

G&A expenses increased by 5.1% YoY in 2025 and remained stable as a percentage of sales at 4.3%, a 0.1pp increase. As a result, normalized EBITDA at the level of the Group stood at RON 147.8 million, reflecting a 16.4% YoY decrease, primarily due to higher restaurant operating costs especially in the first half of 2025, and the inelasticity of the G&A expenses.

	Data in RON '000					Percentage of sales				
	2025P	2025P	2024A	2024A	Change (%)		2025	2025	2024	2024
	(1)	(2)	(1)	(2)	2025/ 2024 (1)	2025/ 2024 (2)	(1)	(2)	(1)	(1)
General and administration (G&A) expenses	67,117	67,529	63,338	64,274	6.0%	5.1%	4.3%	4.3%	4.1%	4.2%
Payroll and employee benefits	46,138	46,138	44,997	44,997	2.5%	2.5%				
Third-party services	9,350	9,350	8,278	8,278	13.0%	13.0%				
Depreciation and amortization	7,400	3,737	6,263	3,122	18.2%	19.7%				
Rent	230	4,306	226	4,303	1.8%	0.1%				
Banking charges	612	612	637	637	-3.9%	-3.9%				
Transport	1,820	1,820	1,474	1,474	23.4%	23.4%				
Other*	1,567	1,567	1,463	1,463	7.1%	7.1%				

Note: (1) Including the impact of the adoption of IFRS 16; (2) Excluding the impact of the adoption of IFRS 16.

*Other expenses include maintenance & repairs, smallware, insurance, phone & postage, miscellaneous expenses.

Net finance costs decreased by 20% YoY, from RON 9.8 million in 2024 to RON 7.9 million in 2025, primarily reflecting improved financing conditions and lower interest expenses. Profit before tax amounted to RON 76.3 million, representing a 36.7% YoY decrease, while income tax expense declined by 38.4% YoY to RON 14.4 million.

The 36.3% YoY decline in net profit for 2025, to RON 61.9 million, was mainly driven by elevated operating expenses and weak consumption trends in Romania during the first half of the year, particularly payroll and other operating costs, which led to margin compression at restaurant level. While the second half of the year showed gradual improvement and Q4 delivered a notably stronger performance, this recovery was not sufficient to offset the weaker results recorded in H1 2025.

Net profit and EBITDA for 2025 were also influenced by one-off normalization items recorded throughout the year, amounting to RON 10.8 million at profit level and RON 3.5 million at EBITDA level, mainly related to restructuring measures and store closures in Italy and the planned closing of the unprofitable stores from the Pizza Hut network, as well as asset write-offs associated with relocations. Consequently, excluding the impact of these one-off measures, the normalized EBITDA decreased by 16.4% YoY to RON 147.8 million, while normalized net profit declined by 25.2% YoY to RON 72.7 million.

In Q4 2025, same-store sales across Sphera's brands increased by 1.1% YoY, reversing the negative trend seen over the previous four quarters and signaling an improvement in consumer sentiment after a more cautious period driven by fiscal uncertainty and inflationary pressures in Romania. The biggest increases across the same store portfolio were registered in Q4 2025 for USFN Moldova, +8.1% YoY, followed by CFF, +4.3% YoY and USFN Romania, +1.8% YoY. The decreases were only registered for USFN Italy, -3.6% YoY, and ARS, -1% YoY.

In 2025, Sphera opened seven new restaurants – three KFC locations in Romania, two Taco Bell stores in Romania, one KFC in Italy and one Cioccolatitaliani in Italy. The addition of new locations improved the Group's overall performance resulting in an increase of 3.7% YoY in all stores sales in Q4 2025, with the largest increases recorded by CFF, +15.5% YoY and USFN Moldova, which grew 8.3% YoY, followed by USFN Romania, which grew 3.8% YoY. ARS declined 1.0% YoY, while USFN Italy saw a 1.4% YoY decrease in all stores performance.

		Y/Y Q1-24	Y/Y Q2-24	Y/Y Q3-24	Y/Y Q4-24	Y/Y Q1-25	Y/Y Q2-25	Y/Y Q3-25	Y/Y Q4-25
USFN RO	All Stores	12.8%	4.8%	7.6%	1.2%	-3.4%	0.0%	-0.7%	3.8%
	o/w Same Stores	12.3%	2.8%	3.3%	-2.5%	-6.4%	-3.5%	-2.6%	1.8%
ARS	All Stores	-12.0%	-7.6%	-2.9%	-0.5%	-1.0%	2.0%	-5.9%	-1.0%
	o/w Same Stores	-12.0%	-7.6%	-2.9%	-0.5%	-1.0%	2.0%	-5.9%	-1.0%
CFF	All Stores	5.4%	2.6%	13.1%	12.9%	15.6%	21.2%	13.0%	15.5%
	o/w Same Stores	5.4%	2.6%	13.1%	8.7%	8.1%	12.8%	5.8%	4.3%
USFN IT	All Stores	5.7%	4.4%	1.7%	5.7%	3.3%	4.3%	2.3%	-1.4%
	o/w Same Stores	5.7%	4.4%	1.7%	5.7%	3.3%	4.3%	2.3%	-3.6%
USFN MD	All Stores	12.4%	10.8%	9.4%	25.9%	23.2%	25.8%	24.8%	8.3%
	o/w Same Stores	12.4%	10.8%	7.5%	-2.4%	-1.8%	-0.5%	-1.2%	8.1%
TOTAL	All Stores	9.2%	3.8%	6.4%	2.7%	-0.9%	2.3%	0.6%	3.7%
	o/w Same Stores	8.8%	2.3%	3.3%	-0.7%	-3.9%	-1.2%	-1.7%	1.1%

In Q4 2025, delivery sales increased by 1pp compared to Q4 2024 in line with the trend visible also in previous years. The total value of delivery sales in Q4 2025 grew by 7% YoY, reaching RON 78.7 million. In Q4 2025, the Group's own delivery sales channel contributed 8.2% of total delivery sales, down from 9.9% in Q4 2024.

Sales by entity, by Country		Q1-24	Q2-24	Q3-24	Q4-24	Q1-25	Q2-25	Q3-25	Q4-25
USFN RO	delivery	18%	17%	16%	17%	19%	19%	18%	18%
	non-delivery	82%	83%	84%	83%	81%	81%	82%	82%
ARS	delivery	36%	38%	35%	36%	35%	37%	32%	32%
	non-delivery	64%	62%	65%	64%	65%	63%	68%	68%
CFF	delivery	27%	26%	25%	23%	28%	27%	26%	23%
	non-delivery	73%	74%	75%	77%	72%	73%	74%	77%
USFN IT	delivery	9%	8%	8%	12%	12%	11%	10%	12%
	non-delivery	91%	92%	92%	88%	88%	89%	90%	88%
USFN MD	delivery	32%	33%	34%	30%	35%	31%	28%	26%
	non-delivery	68%	67%	66%	70%	65%	69%	72%	74%
All	delivery	19%	18%	17%	18%	20%	20%	18%	19%
	non-delivery	81%	82%	83%	82%	80%	80%	82%	81%

MAIN FINANCIAL RATIOS

The main financial ratios of Sphera Franchise Group (interim consolidated result) as of December 31st, 2025, are presented below, together with the result as of December 31st, 2024. All the ratios include IFRS 16 impact.

<i>Financial data in RON '000</i>	12M Period ended 31.12.2025		12M Period ended 31.12.2024	
Current ratio				
Current assets	140,754	= 0.49	151,286	= 0.56
Current liabilities	284,437		270,776	
Debt to Equity ratio				
Interest-bearing debt (long term)	358,040	= 280%	350,622	= 226%
Equity	127,680		154,987	
Interest-bearing debt (long term)	358,040	= 74%	350,622	= 69%
Capital employed	485,721		505,609	
Trade receivables turnover (days)				
Average receivables	12,827	= 2.94	11,412	= 2.65
Sales	1,570,926		1,548,382	
Fixed asset turnover				
Sales	1,570,926	= 2.60	1,548,382	= 2.57
Net fixed assets	604,003		602,201	

Notes: Annualized values, based on the ASF methodology.

2025 Preliminary Earnings Call

27.02.2026

12:00 PM EET (11:00 AM CET | 10:00 AM UK)

On February 27th, Sphera Franchise Group will organize conference call with the management to discuss the preliminary 2025 results and hold a Q&A session with investors and analysts.

The call will be led by:



Calin Ionescu
CEO



Valentin Budes
CFO



Monica Eftimie
CMO



Marian Gogu
GM KFC Romania



Costica Misaca
GM Pizza Hut &
Taco Bell Romania



Zuzanna Kurek
Moderator | IRO

To receive the log-in details, please email
investor.relations@spheragroup.com

SIGNIFICANT EVENTS IN Q4 2025 & AFTER CLOSING OF THE REPORTING PERIOD

BUSINESS UPDATES

DEVELOPMENT OF THE NETWORK

The Group continued the development of its restaurant network throughout 2025.

In Q1 2025, Sphera opened a KFC drive-thru unit in Galati, Romania, located at 1A Stadionului Street. In Q2 2025, Sphera opened three new restaurants – two KFCs in Romania, both being a food-court locations, one in Mall Moldova in Iasi, and another in Pitesti NEPI Retail Park, and the first Cioccolatitaliani location in Italy, in Riccione, within the Rimini tourist area. In Q3 2025, the Group closed 1 KFC restaurant in Bari, Italy. In Q4 2025, the Group opened three new restaurants: two Taco Bells in Bucharest, one in Promenada Mall and another one in Sun Plaza Mall and one KFC drive-thru unit in Udine, Italy.

As of December 31st, 2025, Sphera Franchise Group operated 179 restaurants: 110 KFC restaurants in Romania, 3 in Moldova and 18 in Italy, as well as 28 Pizza Hut restaurants in Romania, 18 Taco Bell restaurants in Romania, one Cioccolatitaliani restaurant in Italy and one Pizza Hut Delivery sub-franchise.

So far in Q1 2026, the Group inaugurated two new restaurants – one KFC in Centro Piave Shopping Center in San Donà di Piave in Province of Venice in Italy, and one KFC in M Park Titan in Bucharest, Romania.

STAFF

As of December 31st, 2025, the Group had 4,996 employees, of which 4,468 were in Romania, 420 in Italy and 108 in the Republic of Moldova. Throughout 2025, the Group continued the process of digitalizing its network through further deployment of digital kiosks to simplify the selling process, as well as carried on with the project of hiring employees from abroad.

BRANDS PORTFOLIO

On October 15th, 2025, the Group expanded its portfolio by adding the Hard Rock Cafe franchise, part of Hard Rock International. The franchising rights are held by HRC Restaurants SRL, a newly established entity in Romania, fully owned by the Group. The Group plans to open five Hard Rock Cafe restaurants in Braşov, Timișoara, Iași, Cluj (Romania) and Chişinău (Republic of Moldova), over the course of five years, starting in 2026. This development strengthens the Group's position in the foodservice market by expanding its portfolio into the global lifestyle brand segment. Through the newly established subsidiary, the Group will oversee the roll-out of Hard Rock Cafe restaurants in five major urban centers, addressing the growing demand for international experiential dining concepts in Romania and the Republic of Moldova.

Hard Rock Cafe is an internationally renowned brand, known for its mix of American dining and music memorabilia experiences. The brand has been present in Romania since 2008, with a flagship location in Bucharest's Herăstrău Park, unit which is not included in the franchise rights that were the subject of the transaction.

STREAMLINING OF THE PIZZA HUT NETWORK

On February 19th, 2026, Sphera Franchise Group S.A. announced that, further to the operational efficiency and restaurant network consolidation process carried out during 2023-2024, the Group's management, together with the management of American Restaurant System S.A., has decided to close 7 Pizza Hut restaurants, units that recorded below-expected operational performance and a significant negative impact on financial results. The decision is based on the evolution of the economic and consumer environment, impacted, starting July 2025, by the liberalization and increase of energy market prices, the adoption of new fiscal measures, the increase in the VAT rate, as well as a slowdown in private consumption driven by more cautious consumer behavior under the new economic conditions. Although the financial results for the first six months of 2025 followed a favorable trajectory, the new economic context has generated additional pressure on costs and operating margins.

The restaurants which are going to be closed had a significant cumulative negative contribution at EBITDA level. The Group estimates that existing demand will be covered by operational units within the network, without a significant impact on customers' access to Pizza Hut products and services. The Group aims to ensure that the optimization of the restaurant network has an impact as limited as possible on employees, for whom relocation options within the Sphera Franchise Group network will be offered. Management estimates that the closure of these underperforming units will have a positive impact on operating profitability by eliminating recurring losses and optimizing the cost structure.

GOVERNANCE UPDATES

GENERAL MEETING OF THE SHAREHOLDERS AND DIVIDEND DISTRIBUTION

On November 5th, 2025, Sphera Franchise Group held the Ordinary General Meeting of the Shareholders, during which the shareholders approved a payment of the gross dividend amounting to RON 1.04 per share, from the undistributed net profit of financial year 2024. The dividend was paid on December 15th, 2025, to shareholders who held SFG shares on the registration date of November 25th, 2025.

SHARE CAPITAL DECREASE

On February 5th, 2026, Sphera Franchise Group informed the market about the registration of the share capital decrease of the Company within the Romanian Trade Register, as approved by the Extraordinary General Meeting of Shareholders through Decision no. 2 dated April 29th, 2025. Following this operation, the Company's share capital amounts to RON 580,101,930, divided into 38,673,462 registered shares, each with a nominal value of RON 15 per share. Subsequently, on February 13th, 2026, the Group received the Financial Instruments Registration Certificate from the Financial Supervisory Authority, and on February 17th, 2026, the new share capital was registered with the Central Depository.

CAPITAL MARKET UPDATES

SHARE BUY-BACK PROGRAM

On September 29th, 2025, Sphera Franchise Group initiated the share buyback program, which was completed on October 6th, 2025. The buyback was carried out in accordance with EGMS Resolution no. 1 from April 26th, 2025. During the buyback, the Group acquired 16,896 shares at an average buyback price of RON 37.5391 per share, resulting in the total buyback value amounting to RON 634,260.60. The buyback had as purpose implementation of the Stock Option Plan for Directors, as well as for members of the management of certain subsidiaries of the Group.

STOCK EXCHANGE EVOLUTION

After multiple quarters of consecutive growth, SFG share price remained stable in Q4 2025, recording a 0.4% increase, as the share closing price on December 31st, 2025, was RON 37.75 vs. closing price of RON 37.6 from September 30th, 2025. In Q4 2025, investors traded 412,868 SFG shares (-65% vs. Q4 2024), with a total value of RON 15.9 million (-66% vs. Q4 2024); calculations are excluding DEAL trades since there were none in the period. The share price evolution in Q4 2025 underperformed the BVB reference index BET, which increased 14.5% in the period. Considering the dividend paid on December 15th, 2025, the total return on SFG shares in Q4 2025 was 3.2% versus 15.6% evolution for BET-TR index.

In total, in 2025, including DEAL trades, investors traded 3,805,374 SFG shares (-21% vs. 2024) with a total value of RON 152 million (-13% vs. 2024). In 2025, SFG shares recorded a decrease of -6.3% from 40.3 at 31.12.2024 to 37.75 at 31.12.2025, while the BET index grew 46% within the same period. The Total Return on SFG shares in 2025, including the dividends paid on June 6th and December 15th, 2025, was -1%, versus 55% increase registered for the BET-TR index in the same period.

DECLARATION FROM THE MANAGEMENT

Bucharest, February 27th, 2026

We confirm to the best of our knowledge that the unaudited preliminary condensed consolidated financial statements for the twelve months period ended 31 December 2025 give a true and fair view of Sphera Franchise Group's assets, liabilities, financial position and profit and loss, as required by the applicable accounting standards, and that the Directors' Report gives a true and fair view of important events that have occurred during the course of the 2025 financial year and their impact on the interim condensed consolidated financial statements.

Chief Executive Officer

Calin Ionescu

Chief Financial Officer

Valentin Budes



S P H E R A

investor.relations@spheragroup.com

SPHERA FRANCHISE GROUP SA
PRELIMINARY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE
YEAR ENDED 31 DECEMBER 2025 (UNAUDITED)

All amounts in RON thousand, unless specified otherwise

Preliminary Condensed Consolidated Financial Statements for the year ended 31 December 2025 (unaudited)

The preliminary condensed consolidated financial statements presented below are prepared in accordance with International Financial Reporting Standards, as adopted by European Union (“IFRS”).

The preliminary condensed consolidated financial statements are unaudited.

SPHERA FRANCHISE GROUP SA
PRELIMINARY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR
ENDED 31 DECEMBER 2025 (UNAUDITED)

All amounts in RON thousand, unless specified otherwise

PRELIMINARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED
31 DECEMBER 2025 (UNAUDITED)

	Note	2025	2024
Restaurant sales	9	1,570,926	1,548,382
Other restaurant income		8,989	3,286
Restaurant expenses			
Food and material expenses		491,155	483,551
Payroll and employee benefits	4	373,035	344,065
Rental expenses		30,666	33,863
Royalties expenses		94,391	93,014
Advertising expenses		81,645	79,750
Other operating expenses	5	216,752	202,633
Depreciation, amortization and impairment		123,660	107,273
Restaurant operating profit		168,611	207,519
General and administrative expense	6	67,117	63,338
Profit from operating activities		101,494	144,181
Finance costs		31,017	25,499
Finance income		598	564
Profit before tax		71,075	119,246
Income tax		13,445	21,859
Profit		57,630	97,387
Attributable to:			
Owners of the parent		57,514	96,776
Non-controlling interests		116	611
Other comprehensive income			
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods</i>			
Exchange differences on translation of foreign operations		46	18
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods</i>			
Remeasurement (loss)/gain on defined benefit plan		(160)	(69)
Total comprehensive income		57,516	97,336
Attributable to:			
Owners of the parent		57,289	96,705
Non-controlling interests		227	631

SPHERA FRANCHISE GROUP SA
PRELIMINARY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR
ENDED 31 DECEMBER 2025 (UNAUDITED)

All amounts in RON thousand, unless specified otherwise

PRELIMINARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025
(UNAUDITED)

	Note	31 December 2025	31 December 2024
Assets			
Non-current assets			
Property and equipment		256,753	249,618
Right-of-use assets		285,821	293,279
Intangible assets and goodwill		61,430	59,304
Financial assets (cash collateral)		6,916	7,152
Deferred tax assets		25,909	22,905
Current assets		140,753	151,286
Inventories		17,104	16,396
Trade and other current receivables		12,993	12,661
Prepayments		8,101	6,465
Cash and short-term deposits		102,555	115,764
Total assets		777,582	783,544
Equity and liabilities			
Equity			
Issued capital	8	581,990	581,990
Share premium		(519,998)	(519,998)
Treasury shares	8	(6,381)	(4,789)
Reserves for share-based remuneration	8	3,808	3,685
Other reserves		(1,512)	(1,352)
Retained earnings		69,523	95,158
Reserve of exchange differences on translation		(221)	(263)
Equity attributable to owners of the parent		127,209	154,431
Non-controlling interests		472	556
Total equity		127,681	154,987
Non-current liabilities			
Long-term borrowings		106,197	92,192
Non-current lease liabilities		251,844	258,430
Net employee defined benefit liabilities		6,172	5,485
Trade and other payables		330	330
Deferred income		375	490
Deferred tax liabilities		548	854
Current liabilities		284,435	270,776
Trade and other current payables		163,102	155,773
Contract liabilities		652	615
Short-term borrowings		42,492	43,633
Current lease liabilities		71,267	64,851
Income tax payable		4,486	5,599
Provisions (Note 9)		2,436	305
Total liabilities		649,901	628,557
Total equity and liabilities		777,582	783,544

SPHERA FRANCHISE GROUP SA

PRELIMINARY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025 (UNAUDITED)

All amounts in RON thousand, unless specified otherwise

PRELIMINARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025 (UNAUDITED)

	Issued capital	Share premium	Treasury shares	Reserves for share-based remuneration	Other reserves	Retained earnings	Foreign currency translation reserve	Equity attributable to owners of the parent	Non-controlling interest	Total equity
As at 1 January 2025	581,990	(519,998)	(4,789)	3,685	(1,352)	95,158	(263)	154,431	556	154,987
Profit	-	-	-	-	-	57,092	-	57,092	538	57,630
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Losses on remeasurements of defined benefit plan	-	-	-	-	(160)	-	-	(160)	-	(160)
Translation differences	-	-	-	-	-	-	42	42	4	46
Total comprehensive income	-	-	-	-	(160)	57,092	42	56,974	542	57,516
Acquisition of own shares	-	-	(2,881)	-	-	-	-	(2,881)	-	(2,881)
Shares granted	-	-	1,289	-	-	-	-	1,289	-	1,289
Share based remuneration	-	-	-	123	-	-	-	123	-	123
Gain/(Loss) related to acquisition of treasury shares	-	-	-	-	-	(392)	-	(392)	-	(392)
Dividends declared	-	-	-	-	-	(82,335)	-	(82,335)	(626)	(82,961)
At 31 December 2025	581,990	(519,998)	(6,381)	3,808	(1,512)	69,523	(221)	127,209	472	127,681

SPHERA FRANCHISE GROUP SA
PRELIMINARY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025 (UNAUDITED)
All amounts in RON thousand, unless specified otherwise

	Issued capital	Share premium	Treasury shares	Reserves for share-based remuneration	Other reserves	Retained earnings	Foreign currency translation reserve	Equity attributable to owners of the parent	Non-controlling interest	Total equity
As at 1 January 2024	581,990	(519,998)	(2,037)	3,894	(1,283)	79,825	(261)	142,130	486	142,616
Profit	-	-	-	-	-	96,776	-	96,776	611	97,387
Other comprehensive income										
Losses on remeasurements of defined benefit plan	-	-	-	-	(69)	-	-	(69)	-	(69)
Translation differences	-	-	-	-	-	-	(2)	(2)	20	18
Total comprehensive income	-	-	-	-	(69)	96,776	(2)	96,705	631	97,336
Acquisition of own shares	-	-	(4,789)	-	-	-	-	(4,789)	-	(4,789)
Shares granted	-	-	2,037	(2,037)	-	-	-	-	-	-
Share based remuneration	-	-	-	1,828	-	-	-	1,828	-	1,828
Dividends declared	-	-	-	-	-	(81,443)	-	(81,443)	(561)	(82,004)
At 31 December 2024	581,990	(519,998)	(4,789)	3,685	(1,352)	95,158	(263)	154,431	556	154,987

SPHERA FRANCHISE GROUP SA
PRELIMINARY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE
YEAR ENDED 31 DECEMBER 2025 (UNAUDITED)

All amounts in RON thousand, unless specified otherwise

PRELIMINARY CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31
DECEMBER 2025 (UNAUDITED)

	2025	2024
Operating activities		
Profit before tax	71,075	119,246
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation of right-of-use assets	70,351	67,068
Depreciation and impairment of property, plant and equipment	53,679	41,154
Amortisation and impairment of intangible assets and goodwill	7,030	5,314
Adjustments for share-based remuneration	1,020	1,829
Adjustments for revenue from liability written off	(4,151)	(1,299)
Adjustments for unrealized foreign exchange losses/(gains)	9,808	(397)
Adjustments for (gain)/loss on disposals of property, plant and equipment and right-of-use assets	(2,988)	(1,024)
Adjustments for finance income	(599)	(564)
Adjustments for finance costs (interest and bank charges)	22,279	24,933
Movements in provisions, net	2,131	-
Working capital adjustments:		
Adjustments for decrease/(increase) in trade and other receivables and prepayments	(977)	1,010
Adjustments for decrease/(increase) in inventories	(709)	(1,442)
Adjustments for (decrease)/increase in trade and other payables	10,378	11,100
Interest received	596	533
Interest paid	(21,953)	(24,178)
Income tax paid	(18,059)	(20,068)
Cash flows from operating activities	198,911	223,215
Investing activities		
Proceeds from sale of property, plant and equipment	134	350
Purchase of intangible assets	(9,156)	(6,482)
Purchase of property, plant and equipment	(60,854)	(51,691)
Cash flows used in investing activities	(69,876)	(57,823)
Financing activities		
Acquisition of treasury shares (Note 8)	(2,881)	(4,789)
Proceeds from borrowings	54,205	44,079
Repayment of borrowings	(44,536)	(42,051)
Payment of lease liabilities	(69,418)	(64,801)
Net dividends paid to owners of the parent	(78,835)	(79,784)
Net dividends paid to non-controlling interests	(626)	(561)
Cash flows used in financing activities	(142,091)	(147,907)
Net (decrease) / increase in cash and cash equivalents	(13,056)	17,485
Net foreign exchange differences	(153)	132
Net increase / (decrease) of cash and cash equivalents, including net foreign exchange differences	(13,209)	17,617
Cash and cash equivalents at 1 January	115,764	98,147
Cash and cash equivalents at 31 December	102,555	115,764

**SPHERA FRANCHISE GROUP SA
PRELIMINARY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE
YEAR ENDED 31 DECEMBER 2025 (UNAUDITED)**

All amounts in RON thousand, unless specified otherwise

**NOTES TO THE PRELIMINARY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2025 (UNAUDITED)**

1 CORPORATE INFORMATION

These preliminary consolidated financial statements are prepared by Sphera Franchise Group SA and comprise its activities and those of its subsidiaries, together referred hereinafter as “SFG” or “the Group”. Sphera Franchise Group SA is listed on Bucharest Stock Exchange under the symbol “SFG”. Sphera Franchise Group SA (“the legal Parent”, or “Sphera”) was incorporated on 16 May 2017 as a joint stock company and is registered at No. 239 Calea Dorobanti, Bucharest, Romania.

The Group operates quick service and takeaway restaurant concepts (a chain of 131 restaurants as at 31 December 2025) under the Kentucky Fried Chicken (“KFC”), spread across Romania as well as in the Republic of Moldova and in Italy. The Group also operates in Romania a chain of 28 pizza restaurants under the Pizza Hut (“PH”) brand, a chain of restaurants under the “Taco Bell” brand (18 restaurants) and one Pizza Hut Delivery sub-franchise.

US Food Network SA (USFN), the subsidiary which operates the KFC franchise in Romania was incorporated in 1994 as a joint stock company and is registered at No. 239 Calea Dorobantilor Street, Bucharest, Romania.

American Restaurant System SA (ARS) operating the franchise Pizza Hut was incorporated in 1994 as a joint stock company and is registered at No. 239 Calea Dorobantilor Street, Bucharest, Romania.

The Moldavian subsidiary, US Food Network SRL which operates the KFC franchise in Moldova, was incorporated in 2008 as a limited liability company and is registered at no. 45 Banulescu Bodoni Street, Chisinau, Republic of Moldova. The Group owns 80% of the company’s shares.

The Italian subsidiary, US Food Network Srl operating the KFC franchise in Italy was incorporated in 2016 as a limited liability company and is registered at No. 5 Viale Francesco Restelli Street, Milano, Italy. The Group owns 100% of the company’s shares.

California Fresh Flavors SRL (CFF) was set up in 2017 and operates Taco Bell franchise in Romania. Sphera owns 99.99% of the company’s shares. The company operates as a limited liability company and is registered at No. 239 Calea Dorobanti, Bucharest, Romania.

Choco Franchise Srl (CHOCO), operating the Cioccolatitaliani franchise in Italy was incorporated in 2024 as a limited liability company and it is registered at No. 5 Viale Francesco Restelli Street, Milano, Italy. The Group owns 100% of the company’s shares.

HRC Restaurants SRL (HRC), operating Hard Rock franchise in Romania was incorporated in September 2025 as a limited liability company and it is registered at No. 239 Calea Dorobantilor, Bucharest, Romania. The Group owns 100% of the company’s shares.

2 BASIS OF PREPARATION OF THE PRELIMINARY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The unaudited preliminary condensed consolidated financial statements of the Group have been prepared in line with the accounting policies that will be used in preparing the 2025 annual consolidated financial statements. The final, audited, annual consolidated financial statements will be published in March 2026.

The Group’s preliminary condensed consolidated financial statements are presented in Romanian Lei (“RON”) and all values are rounded to the nearest thousand RON, except when otherwise indicated. Accordingly, there may be rounding differences.

The preliminary condensed consolidated financial statements for the year ended 31 December 2025 included in this report are unaudited.

SPHERA FRANCHISE GROUP SA
PRELIMINARY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE
YEAR ENDED 31 DECEMBER 2025 (UNAUDITED)

All amounts in RON thousand, unless specified otherwise

General accounting policies

The accounting policies and valuation methods adopted in the preparation of the preliminary condensed consolidated financial statements are largely consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024. The amendments effective since 1 January 2025 do not have a material impact on the Group's preliminary condensed consolidated financial statements. The Group has not early adopted any other standards, interpretations or amendments that have been issued but are not yet effective.

Foreign currencies

The Group's preliminary condensed financial statements are presented in Romanian New Lei ("RON"), which is also the legal parent Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency (namely Moldavian Leu "MDL" for the Moldavian subsidiary and the Euro "EUR" for the Italian subsidiaries).

The exchange rates as at 31 December 2025 and 31 December 2024 and the average exchange rates for the period ended 31 December 2025 and 31 December 2024 were:

	Closing exchange rates		Average exchange rates	
	31 December 2025	31 December 2024	2025	2024
RON – EUR	5.0985	4.9741	5.0415	4.9746
RON – USD	4.3417	4.7768	4.4705	4.5984
RON – MDL	0.2580	0.2576	0.2573	0.2584

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency spot rate at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into RON at the rate of exchange prevailing at the reporting date and their revenues and expenses are translated using the average exchange rates of daily exchange rates published by National Bank of Romania (NBR) as detailed above. Equity items are translated into RON at the historical exchange rate. The exchange differences arising on the translation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that foreign operation is recognised in the profit or loss.

3 GROUP INFORMATION

Details of the Group consolidated subsidiaries at 31 December 2025 and 31 December 2024 are as follows:

Company name	Country of incorporation	Field of activity	Control 31 December 2025	Control 31 December 2024
US Food Network SA	Romania	Restaurants	99.9997%	99.9997%
American Restaurant System SA	Romania	Restaurants	99.9997%	99.9997%
California Fresh Flavors SRL	Romania	Restaurants	99.9900%	99.9900%
US Food Network SRL	Moldova	Restaurants	80.0000%	80.0000%
US Food Network SRL	Italy	Restaurants	100.0000%	100.0000%
Choco Franchise SRL	Italy	Restaurants	100.0000%	100.0000%
HRC Restaurants SRL	Romania	Restaurants	100.0000%	-

SPHERA FRANCHISE GROUP SA
PRELIMINARY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE
YEAR ENDED 31 DECEMBER 2025 (UNAUDITED)

All amounts in RON thousand, unless specified otherwise

4 PAYROLL AND EMPLOYEE BENEFITS

	<u>2025</u>	<u>2024</u>
Payroll and employee benefits recognized in "Restaurant expenses"	373,035	344,065
Payroll and employee benefits recognized in "General and administrative expenses "	46,138	44,997
Total Payroll and employee benefits	<u>419,173</u>	<u>389,062</u>

5 OTHER OPERATING EXPENSES

	<u>2025</u>	<u>2024</u>
Third-party services	110,403	106,734
Utilities	45,959	40,624
Maintenance and repairs	22,014	17,984
Cleaning supplies	10,813	10,401
Transport	8,046	8,454
Small-wares	4,291	4,529
Bank charges	6,516	6,645
Telephone and postage	1,398	1,258
Insurance	721	603
Excise duty	1,229	1,333
Miscellaneous expenses and income, net	5,362	4,068
Total	<u>216,752</u>	<u>202,633</u>

6 GENERAL AND ADMINISTRATION EXPENSES

	<u>2025</u>	<u>2024</u>
Payroll and employee benefits	46,138	44,997
Third-party services	9,350	8,278
Depreciation, amortization and impairment of non-current assets	7,400	6,263
Rent	230	227
Banking charges	612	637
Transport	1,820	1,474
Maintenance and repairs	243	293
Small-wares	110	79
Insurance	155	243
Telephone and postage	354	382
Miscellaneous expenses and income, net	705	465
Total	<u>67,117</u>	<u>63,338</u>

SPHERA FRANCHISE GROUP SA
PRELIMINARY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE
YEAR ENDED 31 DECEMBER 2025 (UNAUDITED)

All amounts in RON thousand, unless specified otherwise

7 DEPRECIATION, AMORTIZATION AND IMPAIRMENT

	<u>2025</u>	<u>2024</u>
Depreciation of right-of-use assets recognized in "Restaurant expenses"	67,241	63,927
Depreciation, amortization and impairment of other non-current assets recognized in "Restaurant expenses"	56,419	43,346
Depreciation, amortization and impairment recognized in "Restaurant expenses"	123,660	107,273
Depreciation of non-operating right-of-use assets recognized in "General and administrative expenses"	3,110	3,141
Depreciation, amortization and impairment of non-current assets recognized in "General and administrative expenses"	4,290	3,122
Depreciation, amortization and impairment recognized in "General and administrative expenses"	7,400	6,263
Total depreciation, amortization and impairment	<u>131,060</u>	<u>113,536</u>

In 2025, depreciation and impairment expenses include an impairment charge of a total amount of RON 7,261 thousand, comprising: an amount of RON 1,820 thousand related to the leasehold improvements and other non-recoverable non-current assets, following the relocation of KFC IS Palas Drive and Taco Bell Palas IS to new areas, as a part of the landlord's initiative to redesign the commercial park; RON 3,543 thousand related to the non-current assets associated with the closure of two KFC restaurant located in Bari and Verona, Italy; and RON 1,898 thousand related to the closing of seven Pizza Hut restaurants in 2026.

8 EQUITY

Issued capital	31 December	31 December
	2025	2024
Authorised shares (Sphera)		
Ordinary shares of 15 RON each	38,799,340	38,799,340
Share capital (RON thousand)	581,990	581,990

The shareholders of Sphera Franchise Group SA as at 31 December 2025 are: Shaletia Ventures LTD (29.5466%), Computerland Romania SRL (20.5326%), Wellkept Group SA (17.0739%) and free float (32.8469%).

The shareholders of Sphera Franchise Group SA as at 31 December 2024 are: Shaletia Ventures LTD (29.5466%), Computerland Romania SRL (20.5327%), Wellkept Group SA (17.0739%) and free float (32.8468%).

As at 31 December 2025, Sphera Group held 163,503 own treasury shares, representing 0.421% of the parent company's share capital (31 December 2024: 122,902 own treasury shares, representing 0.317%).

Treasury shares

Buyback programs (one program for the reduction of the share capital and one program for share option plan)

In accordance with the decisions of the General Meetings of Shareholders, the Group executed two buyback programs through market operations: one program was aimed at implementing the share option plan for top management, while the other (started in 2024 and ended in January 2025) was focused on reducing the share capital by canceling the redeemed shares.

SPHERA FRANCHISE GROUP SA
PRELIMINARY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE
YEAR ENDED 31 DECEMBER 2025 (UNAUDITED)

All amounts in RON thousand, unless specified otherwise

As of December 31, 2025, the Group held 163,503 own treasury shares for the two buyback programs (December 31, 2024: 122,902 own shares). During the year ended December 31, 2025, the Group acquired 74,489 shares at an average buyback price of RON 38.6695, with the full price paid of RON 2,881 thousand.

As part of the Group's share option plan, during the year ended December 31, 2025, SFG assigned 33,888 free shares with a total value of RON 1,289 thousand to the executive directors of the Group, representing the SOP for activity carried out in 2023.

9 EBITDA

	<u>2025</u>	<u>2024</u>
Operating profit	101,494	144,181
Adjustments to bridge operating profit to EBITDA:		
Depreciation, amortization and impairment of non-current assets included in restaurant expenses	123,660	107,273
Depreciation, amortization and impairment of non-current assets included in general and administration expenses	7,400	6,263
EBITDA	232,554	257,717
Normalization adjustments, net	1,279	-
Normalised EBITDA	233,833	257,717

For the year ended 31 December 2025, EBITDA was normalized to exclude one-off items mainly related to restructuring and store closures, including costs linked to the closing of KFC Italy Bari in 2025 (RON 1,630 thousand) and KFC IT Verona Piazza dele ERBE in 2026 (RON 1,361 thousand), and estimated costs related to the closing of seven Pizza Hut locations (RON 810 thousand) in 2026. Additionally, normalization includes the reversal of a provision following the favorable resolution of a litigation with a former non-executive director (RON 305 thousand) and revenues from the lease liabilities written off due to the early termination of the leases for the closing restaurants locations (RON 2,217). Total normalized EBITDA items amounted to RON 1,279 thousand.

For the year ended 31 December 2024, no normalization items were required.

10 SEGMENT INFORMATION

For management purposes, the Group is organized into business units based on the restaurants' brands, as follows:

- KFC restaurants
- Pizza Hut restaurants.
- Taco Bell restaurants
- Choco restaurants (Cioccolatitaliani)

Inter-segment revenues for services are presented in the "Inter-segment revenues" line and eliminated during consolidation.

At the end of the year 2024, the Group has incorporated a new brand, Cioccolatitaliani ("CHOCO"), into its portfolio. CHOCO inaugurated its first location in Italy on 20 June 2025, contributing RON 795 thousand in restaurant operating revenues during this reporting period.

In September 2025, the Group added a new brand Hard Rock Café ("HRC") to its portfolio. The development of the new brand is planned to start in 2026.

The Board of Directors monitors the operating results of the operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on segment operating profit and is measured consistently with "Restaurant operating profit" in the statement of comprehensive income in the consolidated financial statements.

SPHERA FRANCHISE GROUP SA
PRELIMINARY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE
YEAR ENDED 31 DECEMBER 2025 (UNAUDITED)

All amounts in RON thousand, unless specified otherwise

2025	KFC	Pizza Hut	Taco Bell	Choco	Other	Eliminations	Consolidated
Revenues from external customers	1,356,627	106,776	106,744	795	(16)	-	1,570,926
Inter-segment revenues	-	-	-	-	42,401	(42,401)	-
Other income	6,023	1,916	168	-	982	(100)	8,989
Dividend revenues	-	-	-	-	106,756	(106,756)	-
Operating expenses	1,262,180	115,151	101,076	2,724	48,579	(51,289)	1,478,421
Segment operating profit	100,470	(6,459)	5,836	(1,929)	101,544	(97,968)	101,494
Finance costs	28,209	2,434	2,377	328	1,678	(4,009)	31,017
Finance income	2,904	4	0	-	1,699	(4,009)	598
Income taxes	12,791	-	609	(23)	68	-	13,445
Net profit/(loss)	62,374	(8,889)	2,850	(2,234)	101,497	(97,968)	57,630

2024	KFC	Pizza Hut	Taco Bell	Other	Eliminations	Consolidated
Revenues from external customers	1,348,129	108,409	91,875	(31)	-	1,548,382
Inter-segment revenues	-	1	-	42,510	(42,511)	-
Other income	2,501	779	106	11	(111)	3,286
Dividend revenues	-	-	-	94,025	(94,025)	-
Operating expenses	1,206,530	113,360	85,825	46,346	(44,574)	1,407,487
Segment operating profit	144,100	(4,171)	6,156	90,169	(92,073)	144,181
Finance costs	22,751	2,736	2,186	3,632	(5,806)	25,499
Finance income	4,039	4	-	2,327	(5,806)	564
Income taxes	20,987	-	706	166	-	21,859
Net profit/(loss)	104,401	(6,903)	3,264	88,698	(92,073)	97,387

Other income include net gain from right-of-use assets disposed of for the closed locations, revenues from the sale of the recycled oil, sub-franchise fees, lease and other liabilities written off, and other miscellaneous income.

SPHERA FRANCHISE GROUP SA
PRELIMINARY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE
YEAR ENDED 31 DECEMBER 2025 (UNAUDITED)

All amounts in RON thousand, unless specified otherwise

Geographic information:

Revenue from external customers	Year ended	
	2025	2024
Romania	1,346,166	1,332,962
Italy	196,424	191,748
Republic of Moldova	28,336	23,672
Total restaurant revenue	1,570,926	1,548,382

The revenue information above is based on the location of the customers.

Bucharest, February 27, 2026

Chief Executive Officer

Calin Ionescu

Chief Financial Officer

Valentin Budes