

To:

BURSA DE VALORI BUCUREȘTI S.A.
AUTORITATEA DE SUPRAVEGHERE FINANCIARĂ

CURRENT REPORT 61/2025

According to Law no. 24/2017 regarding issuers of financial instruments and market operations, ASF Regulation no. 5/2018 regarding the issuers of financial instruments and market operations and/or Rulebook of the Bucharest Stock Exchange Market Operator.

Date of report	17.11.2025
Name of the Company	Sphera Franchise Group SA
Registered Office	Bucharest, Romania
Address	Calea Dorobanților nr. 239, 2nd floor, Bucharest, District 1
Phone / Fax	+40 21 201 17 57 / +40 21 201 17 59
Email	investor.relations@spheragroup.com
Registration nr. with Trade Registry	J2017007126404
Fiscal Code	RO 37586457
Subscribed and paid share capital	581,990,100 RON
Total number of shares	38,799,340
Symbol	SFG
Market where securities are traded	Bucharest Stock Exchange, Main Segment, Premium Category

Important events to be reported: Q3 2025 Results

In Q3 2025, Sphera Franchise Group recorded total sales of RON 405.9 million, up 0.6% year-on-year. This modest growth reflected continued external pressures in the Group's main market, Romania, where the fiscal measures introduced to address the budget deficit reduced discretionary spending. The trend, first visible in Q4 2024 and which persisted well into Q1 and Q2 2025, is expected to continue also in the last quarter of the year. The YoY pace of growth was further impacted by the Group's exceptional performance in 2024, which created a strong base effect.

Sales in Romania in Q3 2025 contributed to the total revenues with RON 346.6 million, registering a 0.2% YoY decrease, Italy with RON 52.2 million, a 3.3% YoY increase, and the Republic of Moldova with RON 7.1 million, a 24.8% YoY increase. The regional revenue mix shifted slightly compared to the prior year, with Italy and Moldova accounting for a larger share of total turnover, while Romania's contribution declined marginally. Consequently, in Q3 2025, Romania accounted for 85.4% of total sales, Italy for 12.9%, and the Republic of Moldova for 1.7%.

By brand, KFC sales increased by 0.1% in Q3 2025 compared to Q3 2024, reaching RON 352.9 million. Growth was tempered by weaker discretionary spending in Romania, driven by political instability and the fiscal measures introduced to address the budget deficit. Taco Bell registered a robust YoY increase of 13%, delivering RON 27.2 million in sales and overpassing for the first time in history the sales generated within the quarter by Pizza Hut, which contributed RON 25.3 million in turnover, a 5.9% decrease. Taco Bell continues to be the key growth driver of the Group, due to the continued appeal of the brand especially towards the young consumers from urban areas that maintained their discretionary spending. In line with geographical trends, there was a slight rebalancing in brand contributions to total turnover, with Taco Bell's share increasing. Consequently, in Q3 2025, KFC accounted for 86.9%, Taco Bell for 6.7% and Pizza Hut for 6.2% of total sales. Ciocolatitaliani, with Sphera's first and thus far only Italian store, generated sales of RON 494K within the quarter, bringing 0.1% contribution to total sales.

Despite stable top-line performance, pressure on margins and cost inflation, particularly on payroll, continued to erode the margins, as previously reported in Q1 and Q2 2025. Amid renewed cost increases for food and material cost category and continued pressures on payroll expenses, the Group's ability to restrain operating costs in the context of relatively

stable sales was limited, especially in the inflationary context. Nonetheless, the evolution in Q3 significantly improved versus the previous two quarters as the Group continued to implement tight cost-controlled measures to protect the margin. Consequently, the restaurant operating profit decreased 14.2% YoY, to 46.4 million for Q3 2025 (while the increase vs previous quarter was 71.4%). EBITDA amounted to RON 43.6 million, down 12.9% (while the increase vs previous quarter was 65.5%).

At the level of nine months, the sales across the Group increased 0.7%, reaching RON 1,151.1 million in 9M 2025, with other restaurant income amounting to RON 2.9 million, mainly driven by the write-off of lease liability in Q1 2025, related to a location for which the construction permit could not be obtained due to factors beyond the Group's control. Most of the revenues generated in 9M 2025 were generated in Romania – RON 985.1 million (85.6% of the total sales; -0.2% YoY), followed by Italy – RON 145.3 million (12.6% of the total sales; +3.7% YoY) and the Republic of Moldova – RON 20.7 million (1.8% of the total sales; +24.6% YoY). Analyzing performance per brand, sales of KFC amounted to RON 994.6 million (86.4% of the total sales; -0.2% YoY), Pizza Hut – RON 78.7 million (6.8% of total sales; -1.7% YoY) and Taco Bell – RON 77.3 million (6.7% of total sales, +16.4% YoY).

The restaurant expenses amounted, in the first nine months of 2025, to RON 1,051.9 million, a 4.9% increase, outpacing the growth in the restaurant sales. Consequently, the weight in the total sales of the restaurant expenses increased 3.7pp, from 87.7% to 91.4%. At the level of restaurant expenses, similar to evolution in Q3 2025, all categories saw an increase, except for advertising. Food and material costs grew 1.9%, to RON 365.3 million, driven by the cost-pressures experienced especially in Q2 2025.

Company's continued efforts to motivate and secure its employee base are reflected in the 10.2% YoY increase in payroll and employee benefits in 9M 2025, which reached RON 279.2 million, mirroring the labor market evolution. The rent increased 1.7% YoY, to RON 82.6 million, reflecting the rent contract variable structure in line with the sales increase and adding of the new locations. Royalties also increased in line with the sales, reaching RON 69.1 million, a 0.7% YoY increase, while advertising decreased by 7.9% to RON 55.9 million, due to the seasonality and timing of the marketing campaigns. Other operating expenses amounted to RON 160 million, a 7.8% increase due to third party expenses, utilities, maintenance and repairs and other miscellaneous expenses. Depreciation and amortization saw a 23.9% YoY increase, to RON 39.8 million. Excluding the normalized effect of RON 3.5 million, the increase in this category is mainly driven by the new restaurant openings.

G&A expenses increased by 5.1% YoY in 9M 2025 and remained stable as a percentage of sales at 4.3%, a 0.2pp increase. As a result, normalized EBITDA stood at RON 96.2 million, reflecting a 25.5% YoY decrease, primarily due to higher restaurant operating costs and the inelasticity of the G&A expenses.

The 46.7% YoY decline in net profit for 9M 2025, to RON 38 million, was driven by a combination of elevated operating expenses, especially payroll and other operating costs, stagnant sales due on the key market of activity of Sphera – Romania, a margin compression, and a 26.5% YoY drop in EBITDA, which reached RON 94.8 million. These challenges were further compounded by a strong base effect from 9M 2024, a continued consumer caution trend amid political and economic uncertainty and a more competitive QSR market.

Net profit and EBITDA for 9M 2025 were also influenced by one-off normalization items from Q2 2025, amounting to RON 5.1 million at profit level and RON 1.6 million at EBITDA level, primarily related to redundancies and costs linked to the closing of KFC unit in Bari, Italy, starting with September 1st, 2025, as well as impairment of non-current assets non recoverable associated with the compulsory relocation of KFC Iasi Palas Drive to a new zone as a part of landlord redesign project of the commercial area. Q3 2025 included a one-off positive impact from the reversal of a provision related to a litigation with a former non-executive director, amounting to RON 0.3 million. Consequently, the normalized EBITDA saw a 25.5% decline, to RON 96.2 million, while normalized profit decreased 40.1%, to RON 42.8 million.

Investor Call

The conference call for presenting the financial results as of September 30th, 2025, will take place on November 17th, 2025. The call will be held in English and is open to all the stakeholders. The conference call will take place on [Microsoft Teams](#), and the call log-in details are provided below:

SFG Q3 2025 Results Call in English

17.11.2025, 13:00 local time | [Click here to join the meeting](#)

Meeting ID: 318 206 419 944 75 | Passcode: cL2Hj9AK | [Add to Google Calendar](#) | [Add to Outlook Calendar](#)

Report Availability

The Group's interim condensed consolidated financial statements for the nine-month period ended September 30th, 2025 (unaudited), accompanied by the Director's Report, are available on the company's website, www.spheragroup.com, in the Investor Relations section, on the website of the Bucharest Stock Exchange, www.bvb.ro, as well as are attached to this Report.

CHIEF EXECUTIVE OFFICER

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Valentin Budeş