

To:

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

CURRENT REPORT 28/2026

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	22.05.2026
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	580,101,930 RON
Total number of shares	38,673,462
Symbol	SFG
Market where securities are traded	Bucharest Stock Exchange, Main Segment, Premium Category

Important events to be reported: Q1 2026 Financial Results

Sphera Franchise Group recorded a solid start to 2026, with restaurant sales increasing by 4.2% YoY, to RON 378.0 million in Q1 2026. The performance was supported by the return to growth of the Group's core business in Romania, represented by KFC, as well as continued strong momentum from Taco Bell, reflecting the contribution of restaurants opened during 2025 and the brand's sustained popularity among younger consumers.

At the same time, the Group's performance continued to reflect the typical seasonality of the foodservice industry, with Q1 traditionally representing the softest quarter of the year in terms of sales, followed by a gradual ramp-up throughout the remaining quarters, usually culminating in the strongest performance in Q4. Against this backdrop, the positive start to 2026 highlights the resilience of the Group's brands and the improving sales dynamics compared to the softer start recorded in Q1 2025.

In Romania, sales in Q1 2026 reached RON 326.1 million, marking a 4.8% YoY increase and confirming the recovery of the Group's largest and most important market. Italy contributed RON 45.6 million, reflecting a 2.0% YoY increase, supported by the stable performance of the restaurant network. The Republic of Moldova generated RON 6.2 million within the quarter, reflecting an 8.0% YoY decrease, following mandatory relocation of KFC Chisinau MallDova in March 2026. Consequently, in Q1 2026, Romania accounted for 86.3% of total sales, Italy for 12.1%, and the Republic of Moldova for 1.6%.

By brand, KFC sales increased by 4.2% in Q1 2026 compared to Q1 2025, generating RON 324.3 million, supported by the positive evolution of the Romanian market, which remains the key driver of the Group's performance due to the scale of the brand within the portfolio. Pizza Hut contributed RON 26.3 million to the total Q1 turnover, reflecting a 3.2% YoY decrease, in line with the Group's continued focus on network reorganization. Taco Bell reported a strong 12.2% YoY growth, reaching RON 27.1 million in revenues in Q1 2026, reflecting the contribution from restaurants

opened during 2025, as well as the continued appeal of the brand among younger consumers. Cioccolatitaliani contributed RON 0.3 million in Q1 2026, following the launch of the first location in Italy during 2025.

In line with brand performance trends, Taco Bell slightly increased its contribution to total turnover, while KFC remained the dominant growth engine of the Group. Consequently, in Q1 2026, KFC accounted for 85.8% of total sales, Pizza Hut for 7.0%, Taco Bell for 7.2%, while Cioccolatitaliani had a limited contribution during the quarter reflecting the early stage of network development.

In Q1 2026, restaurant expenses increased by 5.2% YoY, to RON 353.5 million, slightly above the pace of sales growth, reflecting continued inflationary pressures across several cost categories, as well as increased investments in brand visibility and operational development. Food and material costs increased by 3.0% YoY, to RON 118.9 million, while improving as a share of sales by 0.4 percentage points, to 31.4%, supported by continued focus on procurement efficiency.

Payroll and employee benefits increased by 4.6% YoY, reaching RON 97.0 million, broadly in line with the pace of sales growth, reflecting the persistent impact of wage inflation and the expansion of the restaurant network, partially offset by ongoing efficiency measures implemented across operations. Rent expenses increased by 8.3% YoY, to RON 28.0 million, mainly reflecting the contribution of restaurants opened during 2025, as well as the contractual indexation of lease agreements. Royalties increased by 4.5% YoY, to RON 22.6 million, remaining stable as a share of sales at 6.0%, in line with the evolution of revenues.

Advertising expenses recorded the highest increase among operating cost categories, rising by 27.6% YoY, to RON 20.6 million, as the Group intensified marketing campaigns and brand-building initiatives across the portfolio, particularly to support traffic generation and newly opened restaurants. Other operating expenses increased moderately by 1.7% YoY, to RON 53.7 million, while improving as a percentage of sales by 0.4 percentage points. Depreciation and amortization increased by 10.9% YoY, to RON 12.7 million, mainly reflecting the impact of the expanded restaurant network.

As a result of the higher operating cost base, restaurant operating profit declined by 11.1% YoY, to RON 25.4 million, while the corresponding margin decreased by 1.2 percentage points, to 6.7%. Nevertheless, the Group continued to maintain a solid profitability profile despite the extended inflationary environment.

G&A expenses decreased by 8.4% YoY in Q1 2026, to RON 14.7 million, reflecting the Group's continued focus on overhead cost optimization. As a percentage of sales, G&A expenses improved by 0.5 percentage points YoY, reaching 3.9% in Q1 2026 compared to 4.4% in Q1 2025. As a result, EBITDA at the level of the Group stood at RON 24.0 million in Q1 2026, reflecting a 3.5% YoY decrease, while normalized EBITDA, excluding one-off costs related to ARS closures, amounted to RON 24.1 million, down 3.0% YoY, primarily reflecting the higher operating cost base at restaurant level.

Net finance costs increased by 50.6% YoY, from RON 1.5 million in Q1 2025 to RON 2.1 million in Q1 2026, primarily mainly due to FX losses generated by unfavorable evolution of the exchange rates. Consequently, profit before tax decreased by 22.3% YoY, to RON 8.6 million. Income tax expense decreased slightly by 2.2% YoY, to RON 3.1 million.

Net profit declined by 30.6% YoY, to RON 5.4 million in Q1 2026, while normalized net profit amounted to RON 5.5 million. The evolution was mainly driven by the higher operating cost base, as well as temporary pressure generated by the accelerated expansion phase.

Data presented above is excluding the impact of IRFS 16 adoption.

Investor Call

The conference call for presenting the financial results as of March 31st, 2026, will take place on May 22nd, 2026. 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 Q1 2026 Results Call in English

22.05.2026, 12:00 local time | [Click here to join the meeting](#)

Meeting ID: 380 317 847 855 850 | Passcode: zS7W2r2W|

[Add to Outlook \(Live\)](#) | [Add to Outlook \(Office365\)](#) | [Add to Gmail Calendar](#) | [Add to Yahoo Calendar](#)

Report Availability

The Group's interim condensed consolidated financial statements for the three-month period ended March 31st, 2026 (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

Călin Ionescu

CHIEF FINANCIAL OFFICER

Valentin Budeş