

Q1 2026 Report

Sphera Franchise Group S.A.



SPHERA

KFC



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The interim 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 interim condensed consolidated financial statements as of March 31st, 2026 **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	Quarterly Report for Q1
For financial period	01.01.2026 – 31.03.2026
Date of publishing	22.05.2026
According to	Annex 13 of ASF Regulation 5/2018

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

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KEY FINANCIAL HIGHLIGHTS



SPHERA

Q1 2026 Consolidated Sales

Q1 2026



RON 378.0 mn
+4.2% vs. Q1 2025



RON 326.1 mn
+4.8% vs. Q1 2025



RON 45.6 mn
+2.0% vs. Q1 2025



RON 6.2 mn
-8.0% vs. Q1 2025

KFC

RON 324.3mn
+4.2% vs. Q1 2025



RON 26.3 mn
-3.2% vs. Q1 2025



TACO BELL

RON 27.1 mn
+12.2% vs. Q1 2025

cioccolat | taliani

RON 0.3 mn
n/a

182

Restaurants operated across Romania, Moldova and Italy

#1

The best first quarter in history in terms of sales registered

RON 1.06

Gross dividend per share to be paid on 10.06.2026

31.4%

A 0.4pp decrease in the food costs in total sales, despite the external pressures

14.2%

A 0.4pp decrease in other operating expenses due to strict cost-control

0.69

12M trailing net debt / EBITDA ratio

Q1 2026 RESULTS ANALYSIS

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%.

Data in RON '000	Q1-25	Q2-25	Q3-25	Q4-25	Q1-26	Δ Q1'26/Q1'25
Romania	311,079	327,447	346,626	361,014	326,102	4.8%
Italy	44,736	48,362	52,205	51,121	45,619	2.0%
Rep. Moldova	6,772	6,813	7,070	7,680	6,230	-8.0%
Total sales	362,587	382,622	405,901	419,816	377,951	4.2%

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.

Data in RON '000	Q1-25	Q2-25	Q3-25	Q4-25	Q1-26	Δ Q1'26/Q1'25
KFC	311,314	330,430	352,853	362,035	324,306	4.2%
Pizza Hut	27,172	26,183	25,301	28,120	26,307	-3.2%
Taco Bell	24,110	25,959	27,229	29,446	27,060	12.2%
Cioccolatitaliani	-	52	494	250	279	n/a

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.

Summary of Interim Consolidated Financial Statements for Q1 (excluding IFRS 16 Impact)

Data in RON'000	Q1'26	Q1'25	Y/Y % 2026 / 2025	% of Sales		
				Q1'26	Q1'25	Δ pp
Restaurant sales	377,951	362,587	4.2%			
Other restaurant income	903	1,982	-54.4%			
Restaurant expenses	353,477	336,011	5.2%	93.5%	92.7%	0.9%
Food and material	118,864	115,355	3.0%	31.4%	31.8%	-0.4%
Payroll and employee benefits	96,957	92,716	4.6%	25.7%	25.6%	0.1%
Rent	28,012	25,875	8.3%	7.4%	7.1%	0.3%
Royalties	22,607	21,644	4.5%	6.0%	6.0%	0.0%
Advertising	20,594	16,143	27.6%	5.4%	4.5%	1.0%
Other operating expenses	53,709	52,800	1.7%	14.2%	14.6%	-0.4%
Depreciation and amortization	12,733	11,480	10.9%	3.4%	3.2%	0.2%
Restaurant operating profit	25,377	28,557	-11.1%	6.7%	7.9%	-1.2%
General & Admin expenses	14,691	16,037	-8.4%	3.9%	4.4%	-0.5%
Operating profit	10,686	12,520	-14.6%	2.8%	3.5%	-0.6%
Finance costs	2,231	1,605	39.0%	0.6%	0.4%	0.1%
Finance income	113	117	-3.2%	0.0%	0.0%	0.0%
Profit before tax	8,568	11,031	-22.3%	2.3%	3.0%	-0.8%
Income tax expense	3,146	3,217	-2.2%	0.8%	0.9%	-0.1%
Profit for the period	5,422	7,814	-30.6%	1.4%	2.2%	-0.7%
Normalized¹ profit for the period	5,536	7,814	-29.2%	1.5%	2.2%	-0.7%
EBITDA	23,981	24,849	-3.5%	6.3%	6.9%	-0.5%
Normalized EBITDA¹	24,095	24,849	-3.0%	6.4%	6.9%	-0.5%

¹ EBITDA and net profit were normalized for Q1 2026 to exclude one-off costs related to restaurant closures, recorded within other operating expenses at the level of ARS. Total normalization items in Q1 2026 amounted to RON 0.1m. There were no normalization items in Q1 2025.



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GELATO GENIO ITALIANO**Summary of Interim Consolidated Financial Statements for Q1 – with and without IFRS 16 impact**

Data in RON'000	Q1 2026		Q1 2025		Change (%)	
	1	2	1	2	2026/2025 (1)	2026/2025 (2)
Restaurant sales	377,951	377,951	362,587	362,587	4.2%	4.2%
Other restaurant income	903	903	1,982	1,982	-54.4%	-54.4%
Restaurant expenses	351,320	353,477	333,438	336,011	5.4%	5.2%
Food and material	118,864	118,864	115,355	115,355	3.0%	3.0%
Payroll and employee benefits	97,131	96,957	92,716	92,716	4.8%	4.6%
Rent	6,938	28,012	6,406	25,875	8.3%	8.3%
Royalties	22,607	22,607	21,644	21,644	4.5%	4.5%
Advertising	20,594	20,594	16,143	16,143	27.6%	27.6%
Other operating expenses	53,710	53,709	52,800	52,800	1.7%	1.7%
Depreciation and amortization	31,476	12,733	28,376	11,480	10.9%	10.9%
Restaurant operating profit	27,534	25,377	31,129	28,557	-11.6%	-11.1%
General & Admin expenses	14,248	14,691	15,847	16,037	-10.1%	-8.4%
Operating profit	13,285	10,686	15,282	12,520	-13.1%	-14.6%
Finance costs	6,012	2,231	5,779	1,605	4.0%	39.0%
Finance income	113	113	117	117	-3.2%	-3.2%
Profit before tax	7,386	8,568	9,620	11,031	-23.2%	-22.3%
Income tax expense	2,959	3,146	3,067	3,217	-3.5%	-2.2%
Profit for the period	4,427	5,422	6,553	7,814	-32.4%	-30.6%
Normalized³ profit for the period	4,541	5,536	6,553	7,814	-30.7%	-29.2%
EBITDA	46,086	23,981	45,306	24,849	1.7%	-3.5%
Normalized³ EBITDA	46,200	24,095	45,306	24,849	2.0%	-3.0%

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 table with Summary of Interim Consolidated Financial Statements for Q1.

Restaurant operating profit was primarily generated by KFC Romania ("USFN Romania"), which recorded RON 24.7 million in Q1 2026, marking an 11.5% YoY increase, supported by the recovery in the Romanian market and the return to sales growth. KFC Moldova ("USFN Moldova") contributed RON 0.9 million, reflecting a 2.1% YoY decrease, while KFC Italy ("USFN Italy") generated RON 0.6 million, down 79.1% YoY, amid cost pressures on operating margins in the Italian market. Taco Bell ("CFF") recorded a restaurant operating profit of RON 0.5 million in Q1 2026, compared to RON 2.1 million in Q1 2025, reflecting the impact of the accelerated expansion phase and the ramp-up of newly opened restaurants. Pizza Hut ("ARS") reported a restaurant operating loss of RON 0.7 million in Q1 2026, compared to a restaurant operating profit of RON 0.5 million in Q1 2025, in the context of the ongoing operational efficiency and network reorganization process. Cioccolatitaliani ("CHOCO Italy"), launched during 2025, recorded a restaurant operating loss of RON 0.8 million in Q1 2026, remaining in the early-stage development phase.

Breakdown of Interim Consolidated Results by Group companies – Q1 2026 (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	272,736	26,307	6,230	45,341	279	27,060	-	9,396	(9,396)	377,951
Other restaurant income	1,226	83	-	-	-	23	-	-	(428)	903
Restaurant expenses	249,232	27,050	5,286	44,783	1,102	26,581	-	-	(558)	353,477
Food and material	87,822	7,065	2,089	12,944	97	8,847	-	-	-	118,864
Payroll and employee benefits	68,018	8,214	1,272	11,978	382	7,093	-	-	-	96,957
Rent	18,752	2,621	347	4,056	135	2,101	-	-	-	28,012
Royalties	16,315	1,574	376	2,716	4	1,622	-	-	-	22,607
Advertising	14,612	1,265	288	2,784	36	1,742	-	-	(132)	20,594
Other operating expenses	35,591	5,587	792	7,727	358	4,050	-	-	(395)	53,709
Depreciation	8,124	725	123	2,579	89	1,126	-	-	(31)	12,733
Restaurant operating profit	24,729	(661)	944	558	(824)	502	-	9,396	(9,267)	25,377
G&A expenses	8,248	1,506	213	3,249	168	1,082	58	9,464	(9,298)	14,691
Operating profit/(loss)	16,482	(2,166)	730	(2,691)	(992)	(580)	(58)	(69)	31	10,686
Finance costs	1,719	274	243	476	73	140	-	375	(1,069)	2,231
Finance income	791	1	-	31	-	0	0	359	(1,069)	113
Profit/(Loss) before tax	15,554	(2,439)	487	(3,137)	(1,065)	(720)	(58)	(85)	31	8,568
Income tax expense	2,843	-	66	46	(1)	(21)	-	213	-	3,146
Profit/(Loss) for the period	12,710	(2,439)	421	(3,182)	(1,064)	(699)	(58)	(298)	31	5,422
Normalized¹ Profit/(Loss) for the year	12,710	(2,325)	421	(3,182)	(1,064)	(699)	(58)	(298)	31	5,536
EBITDA	24,954	(1,370)	878	(88)	(902)	573	(58)	72	(80)	23,981
Normalized¹ EBITDA	24,954	(1,256)	878	(88)	(902)	573	(58)	72	(80)	24,095

¹ Same normalization items as described in footnote in table with Summary of Interim Consolidated Financial Statements for Q1.

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.

	Data in RON '000				Change (%)		Percentage of sales			
	Q1 2026	Q1 2026	Q1 2025	Q1 2025			Q1'26	Q1'26	Q1'25	Q1'25
	(1)	(2)	(1)	(2)	2026/ 2025 (1)	2026/ 2025 (2)	(1)	(2)	(1)	(1)
General and administration (G&A) expenses	14,248	14,691	15,847	16,037	-10.1%	-8.4%	0.9%	0.9%	1.0%	1.0%
Payroll and employee benefits	9,853	10,027	11,201	11,201	-12.0%	-10.5%				
Third-party services	2,175	2,175	2,101	2,101	3.5%	3.5%				
Depreciation and amortization	1,324	561	1,647	849	-19.6%	-33.9%				
Rent	41	1,073	64	1,053	-35.9%	1.9%				
Banking charges	145	145	145	145	0.1%	0.1%				
Transport	404	404	368	368	9.9%	9.9%				
Other*	305	305	321	321	-5.0%	-5.0%				

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 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.

In Q1 2026, Sphera opened four new restaurants – one KFC location in Romania, one KFC in Italy, one KFC in Moldova, and one Cioccolatitaliani in Italy. The addition of new locations improved the Group's



overall performance resulting in an increase of 4.2% YoY in all stores sales in Q1 2026, with the largest increases recorded by CFF, +12.2% YoY and USFN Romania, which grew 5.0% YoY, followed by USFN Italy, which grew 1.4% YoY. USFN Moldova declined 8.0% following the mandatory relocation of KFC Chisinau MallDova in March 2026, while ARS decreased 3.2% YoY.

In Q1 2026, same store sales across Sphera's brands increased by 0.9% YoY, with strongest increase being recorded by USFN Romania, which over the course of first three quarters of 2025 saw a negative trend, signaling an improvement in consumer sentiment after a more cautious period driven by fiscal uncertainty and inflationary pressures in Romania. The rest of the brands saw a varying degree of same store decrease, varying from 2.4% same store decline for CFF, 3.2% decrease for ARS, 5.4% decrease for USFN Italy and 9.8% decline for USFN Moldova.

		Y/Y Q1-25	Y/Y Q2-25	Y/Y Q3-25	Y/Y Q4-25	Y/Y Q1-26
USFN RO	All Stores	-3.4%	0.0%	-0.7%	3.8%	5.0%
	o/w Same Stores	-3.4%	-1.7%	-2.5%	2.1%	3.0%
ARS	All Stores	-1.0%	2.0%	-5.9%	-1.0%	-3.2%
	o/w Same Stores	-1.0%	2.0%	-5.9%	-1.0%	-3.2%
CFF	All Stores	15.6%	21.2%	13.0%	15.5%	12.2%
	o/w Same Stores	15.6%	21.2%	13.0%	7.6%	-2.4%
USFN IT	All Stores	3.3%	4.3%	2.3%	-1.4%	1.4%
	o/w Same Stores	3.3%	4.3%	2.3%	-3.6%	-5.4%
USFN MD	All Stores	23.2%	25.8%	24.8%	8.3%	-8.0%
	o/w Same Stores	23.2%	25.8%	24.8%	8.3%	-9.8%
TOTAL	All Stores	-0.9%	2.3%	0.6%	3.7%	4.2%
	o/w Same Stores	-1.0%	1.0%	-0.8%	1.6%	0.9%

In Q1 2026, delivery sales increased by 1pp compared to Q4 2025 in line with the trend visible also in previous years and aligned with seasonal sales patterns, thus maintaining the same share as recorded in Q1 2025. The total value of delivery sales in Q1 2026 grew by 2.6% YoY, reaching RON 75.4 million. In Q1 2026, the Group's own delivery sales channel contributed 8.6% of total delivery sales, down from 9.4% in Q1 2025.

Sales by entity, by Country		Q1-25	Q2-25	Q3-25	Q4-25	Q1-26
USFN RO	delivery	19%	19%	18%	18%	19%
	non-delivery	81%	81%	82%	82%	81%
ARS	delivery	35%	37%	32%	32%	33%
	non-delivery	65%	63%	68%	68%	67%
CFF	delivery	28%	27%	26%	23%	26%
	non-delivery	72%	73%	74%	77%	74%
USFN IT	delivery	12%	11%	10%	12%	12%
	non-delivery	88%	89%	90%	88%	88%
USFN MD	delivery	35%	31%	28%	26%	30%
	non-delivery	65%	69%	72%	74%	70%
All	delivery	20%	20%	18%	19%	20%
	non-delivery	80%	80%	82%	81%	80%



MAIN FINANCIAL RATIOS

The main financial ratios of Sphera Franchise Group (interim consolidated result) as of March 31st, 2026, are presented below, together with the result as of March 31st, 2025. All the ratios include IFRS 16 impact.

<i>Financial data in RON '000</i>	3M Period ended 31.03.2026		3M Period ended 31.03.2025	
Current ratio				
Current assets	111,368	= 0.43	120,331	= 0.50
Current liabilities	258,344		243,019	
Debt to Equity ratio				
Interest-bearing debt (long term)	360,679	= 275%	332,313	= 208%
Equity	131,299		160,027	
Interest-bearing debt (long term)	360,679	= 73%	332,313	= 67%
Capital employed	491,977		492,340	
Trade receivables turnover (days)				
Average receivables	13,294	= 3.17	12,740	= 3.16
Sales	377,951		362,587	
Fixed asset turnover				
Sales	377,951	= 2.46	362,587	= 2.45
Net fixed assets	613,325		592,331	

Notes: Based on the ASF methodology.

Q1 2026 Earnings Call

22.05.2026

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

On May 22nd, Sphera Franchise Group will organize a conference call with the management to discuss the Q1 2026 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 Q1 2026 & AFTER CLOSING OF THE REPORTING PERIOD

BUSINESS UPDATES

DEVELOPMENT OF THE NETWORK

The Group continued the development of its restaurant network since the beginning of 2026. In Q1 2026, Sphera inaugurated four new restaurants – a KFC in Centro Piave Shopping Center in San Donà di Piave in Province of Venice in Italy, and a KFC in M Park Titan in Bucharest, Romania, and another KFC in Balti, Moldova. The Group moreover opened a Cioccolatitaliani store in Genova, Italy.

As of March 31st, 2026, Sphera Franchise Group operated 182 restaurants: 111 KFC restaurants in Romania, 4 in Moldova and 19 in Italy, as well as 27 Pizza Hut restaurants in Romania, 18 Taco Bell restaurants in Romania, two Cioccolatitaliani restaurants in Italy and one Pizza Hut Delivery sub-franchise. So far in Q2 2026, the Group inaugurated a Taco Bell unit in Chisinau, Moldova.

PIZZA HUT NETWORK OPTIMIZATION

On February 19th, 2026, the Group announced additional operational efficiency measures and the continuation of the restaurant network consolidation process at the level of American Restaurant System S.A. ("ARS"), the Group's subsidiary operating the Pizza Hut® and Pizza Hut Delivery® brands in Romania.

As part of this process, the Group decided to close 7 Pizza Hut restaurants that recorded below-expected operational performance and had a significant negative contribution at EBITDA level. The decision followed the changes in the economic and consumer environment starting with the second half of 2025, including the liberalization and increase of energy market prices, new fiscal measures, the increase in the VAT rate, as well as a slowdown in private consumption amid more cautious consumer behavior.

The optimization process aims to improve the long-term profitability profile of the Pizza Hut business through the elimination of structurally underperforming units and the optimization of the cost structure. The Group expects that customer demand generated by the closed locations will continue to be covered by the remaining operational restaurants within the network, without a significant impact on customer access to Pizza Hut products and services. At the same time, the Group aims to minimize the impact on employees by offering relocation opportunities within the broader Sphera Franchise Group restaurant network.

BRANDS PORTFOLIO EXPANSION – TACO BELL

On February 23rd, 2026, the Group announced the expansion of the Taco Bell franchise rights to the Republic of Moldova and the scheduled opening of the first Taco Bell restaurant in Chişinău. The franchise rights in the Republic of Moldova, as well as the development and operation of Taco Bell restaurants, are carried out through US Food Network S.R.L., the Group's subsidiary in the Republic of Moldova.

The first Taco Bell restaurant in the Republic of Moldova was inaugurated on April 30th, 2026, in the food court area of Shopping MallDova, one of the major retail destinations in Chişinău. The unit represents the first Taco Bell operated by the Group outside Romania.

BRANDS PORTFOLIO EXPANSION - WAGAMAMA

On May 11th, 2026, the Group expanded its portfolio by adding the wagamama franchise, an internationally recognized pan-Asian dining brand. The franchise rights for Romania were acquired by the Group and will be implemented through a newly established entity, Pan Asian Food SRL, fully owned by Sphera Franchise Group. The Group plans to open the first wagamama restaurant in Bucharest towards the end of 2026 or early 2027, marking its entry into the fast-casual Asian dining segment. This development supports the Group's strategy to diversify its portfolio and expand into high-growth potential market segments, further strengthening its position in the Romanian foodservice market.

Founded in London in 1992, wagamama operates an international network of restaurants and is recognized for its Asian-inspired menu, efficient operating model, and contemporary design concept. The brand is built around the “kaizen” philosophy of continuous improvement, which underpins both product development and customer experience, with a focus on fresh food served in a dynamic and modern setting.

The wagamama menu includes dishes inspired by modern Asian cuisine, such as ramen, rice-based dishes, and teppan, prepared using fresh ingredients and adapted seasonally. The concept is known for its bold flavors, high-quality ingredients, and community-oriented dining experience.

STAFF

As of March 31st, 2026, the Group had 5,116 employees, of which 4,554 were in Romania, 435 in Italy and 127 in the Republic of Moldova. During Q1 2026, 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.

GOVERNANCE UPDATES

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.

ANNUAL GENERAL MEETING OF THE SHAREHOLDERS

On March 25th, 2026, the Board of Directors of Sphera Franchise Group convened the Ordinary and Extraordinary General Meeting of the Shareholders for April 29th, 2026. During the OGSM, the shareholders approved the 2025 financial statements together with sustainability statement, the 2025 remuneration report and the 2026 budget, as detailed below. The shareholders also voted in favor of a payment of the gross dividend amounting to RON 1.06 per share, from the undistributed net profit of financial years 2024-2025. The ex-date for dividend payment is May 18th, and the payment date is June 10th 2026. The shareholders also approved in the OGSM the monthly remuneration granted to the Board Members, the Share Option Plan (SOP) for Directors for the activity in 2025, as well as several financing agreements.

In EGSM, the shareholders approved the share buyback of SFG shares for the implementation of SOP for 2023 activity in the amount of maximum 20,729 shares, and in the amount of 27,025 for SOP covering the activity in 2025.

2026 BUDGET

Ahead of the Annual General Meeting of the Shareholders, Sphera Franchise Group published the 2026 budget. The 2026 budget of Sphera Franchise Group reflects a moderate growth outlook, with total sales expected to increase by 7.6% YoY to RON 1,696.4 million. This evolution is anticipated to be supported by both same-store sales growth and the contribution of new store openings. The structure of revenues is expected to remain broadly consistent with the previous year, with the delivery channel accounting for approximately 19% of total sales. The budget proposal is based on the information available at the time of its initial release, and assumes a normal course of business, with an estimated average annual inflation rate of around 6% in 2026.

Cost management continues to be a priority. Food and material expenses are budgeted to grow in line with sales, maintaining a stable weight of 31.2% in total sales, reflecting the Group’s focus on cost discipline in a persistently elevated input cost environment. Labor costs will continue to be adjusted in line with sales dynamics, thus matching the ramp-up of sales throughout the year, while energy costs are assumed to remain predictable, in line with the regulatory framework in place during the previous year. Restaurant operational expenses are expected to remain broadly stable as a percentage of sales.

The weight of G&A expenses in total sales is expected to remain broadly in line with 2025, supported by the Group's fixed cost structure and continued disciplined approach to administrative spending.

EBITDA (excluding IFRS 16 impact) is estimated at RON 160.0 million, reflecting an increase of 8.2% YoY, while net profit is projected to reach RON 72.7 million, up 1.1% compared to the previous year. Free cash flow is estimated at RON 32.8 million, reflecting a decrease compared to 2025, mainly driven by the planned increase in investments.

Revenue and Expense Budget for 2026					
Indicator	Budgeted 2026		Delivered 2025		2026 vs 2025
	RON millions	% Sales	RON millions	% Sales	%
Total Sales (*)	1,696.4	100.0%	1,576.7	100.0%	7.6%
Food and Material	529.1	31.2%	491.2	31.2%	7.7%
Restaurant Gross Margin	1,167.3	68.8%	1,085.6	68.8%	7.5%
Restaurant Operational Expenses	938.1	55.3%	873.9	55.4%	7.3%
Restaurant Operating Profit	229.1	13.5%	211.6	13.4%	8.3%
G&A expenses	69.2	4.1%	63.8	4.0%	8.4%
EBITDA (excl. IFRS 16 impact) (*)	160.0	9.4%	147.8	9.4%	8.2%
Net Profit for the year (*)	72.7	4.3%	71.9	4.6%	1.1%
Free Cash Flow ¹⁾ (*)	32.8		83.8		-60.9%

(*) Financial indicators included in Sphera Franchise Group S.A. Remuneration Policy relevant for variable remuneration calculation.

¹⁾ Free Cash Flow = EBITDA - Δ Working Capital - Investments

The Group estimates a cash position of approximately RON 56 million at the end of 2026, with bank debt expected to reach around RON 220 million, resulting in a net bank debt of approximately RON 164 million.

In terms of network development, the Group plans to significantly accelerate expansion by opening 21 new units, including 8 KFC restaurants, 2 Taco Bell units and 1 Hard Rock Cafe in Romania, 1 KFC and 1 Taco Bell in Moldova, as well as 3 KFC and 5 Cioccolatitaliani units in Italy. The Group will continue to invest in store remodeling and the implementation of digital solutions. The total estimated CAPEX for 2026 amounts to approximately RON 130 million.

CAPITAL MARKET UPDATES

STOCK EXCHANGE EVOLUTION

SFG shares registered a 5.7% decrease in Q1 2026, as the share closing price on March 31st, 2026, was RON 35.6, vs. closing price of RON 37.75 from December 31st, 2025. The share price in Q1 2026 underperformed the BVB reference index BET, which increased 13.7% in the period. In Q1 2026, investors traded in the market 873,192 SFG shares (excluding a DEAL trade; -15.1% vs. Q1 2025), with a total value of RON 34.3 million (-17.6% vs. Q1 2025).

DECLARATION FROM THE MANAGEMENT

Bucharest, May 22nd, 2026

We confirm to the best of our knowledge that the unaudited interim condensed consolidated financial statements for the three-month period ended March 31st, 2026 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 first three months of the 2026 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

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SPHERA FRANCHISE GROUP SA
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE THREE-
MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED)
All amounts in RON thousand, unless specified otherwise

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT AND
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED)

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

The interim condensed consolidated financial statements are unaudited.

SPHERA FRANCHISE GROUP SA
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE THREE-
MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED)

All amounts in RON thousand, unless specified otherwise

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED)

	Note	Three-month period ended 31 March 2026	31 March 2025
Restaurant sales		377,951	362,587
Other restaurant income	11	903	1,982
Restaurant expenses			
Food and material expenses		118,864	115,355
Payroll and employee benefits	3	97,131	92,716
Rental expenses		6,938	6,406
Royalties expenses		22,607	21,644
Advertising expenses		20,594	16,143
Other operating expenses	4	53,710	52,800
Depreciation, amortization and impairment	6	31,476	28,376
Restaurant operating profit		27,534	31,129
General and administrative expenses	5	14,248	15,847
Profit from operating activities		13,285	15,282
Finance costs	7	6,012	5,779
Finance income		113	117
Profit before tax		7,386	9,620
Income tax		2,959	3,067
Profit		4,427	6,553
Attributable to:			
Owners of the parent		4,371	6,443
Non-controlling interests		56	110
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		(52)	(18)
Total comprehensive income		4,375	6,535
Attributable to:			
Owners of the parent		4,335	5,904
Non-controlling interests		40	631

SPHERA FRANCHISE GROUP SA
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE THREE-
MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED)
All amounts in RON thousand, unless specified otherwise

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2026 (UNAUDITED)

	31 March 2026	31 December 2025
Assets		
Non-current assets	645,897	636,852
Property, plant and equipment	261,849	256,776
Right-of-use assets	290,302	285,821
Intangible assets and goodwill	61,174	61,430
Financial assets (cash collateral)	6,483	6,916
Deferred tax assets	26,089	25,909
Current assets	111,368	141,191
Inventories	14,077	17,104
Trade and other current receivables	13,594	12,993
Prepayments	8,260	8,539
Cash and cash equivalents	75,437	102,555
Total assets	757,265	778,043
Equity and liabilities		
Equity		
Issued capital (Note 8.1)	580,102	581,990
Share premium	(519,998)	(519,998)
Treasury shares (Note 8.2)	(1,385)	(6,381)
Reserves for share-based remuneration	3,808	3,808
Other reserves	(1,512)	(1,512)
Retained earnings	70,029	68,766
Reserve of exchange differences on translation	(257)	(221)
Equity attributable to owners of the parent	130,787	126,452
Non-controlling interests	512	472
Total equity	131,299	126,924
Non-current liabilities	367,622	365,466
Long-term borrowings	101,339	106,197
Non-current lease liabilities	259,341	251,844
Net employee defined benefit liabilities	5,779	6,172
Trade and other payables	330	330
Deferred income	327	375
Deferred tax liabilities	506	548
Current liabilities	258,344	285,653
Trade and other current payables	135,584	163,563
Contract liabilities	710	652
Short-term borrowings	43,194	42,492
Current lease liabilities	68,372	71,267
Income tax payable	8,108	5,243
Provisions	2,376	2,436
Total liabilities	625,966	651,119
Total equity and liabilities	757,265	778,043

SPHERA FRANCHISE GROUP SA
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026
(UNAUDITED)

All amounts in RON thousand, unless specified otherwise

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026
(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 2026	581,990	(519,998)	(6,381)	3,808	(1,512)	68,766	(221)	126,452	472	126,924
Profit						4,371		4,371	56	4,427
Other comprehensive income										
Exchange differences on translation							(36)	(36)	(16)	(52)
Total comprehensive income						4,371	(36)	4,335	40	4,375
Reduction of share capital	(1,888)		4,996			(3,108)				
At 31 March 2026	580,102	(519,998)	(1,385)	3,808	(1,512)	70,029	(257)	130,787	512	131,299
As at 1 January 2025	581,990	(519,998)	(4,789)	3,685	(1,352)	95,158	(263)	154,431	556	154,987
Profit						6,443		6,443	110	6,553
Other comprehensive income										
Exchange differences on translation							(17)	(17)	(1)	(18)
Total comprehensive income						6,443	(17)	6,426	109	6,535
Acquisition of own shares			(1,495)					(1,495)		(1,495)
At 31 March 2025	581,990	(519,998)	(6,284)	3,685	(1,352)	101,601	(280)	159,362	665	160,027

SPHERA FRANCHISE GROUP SA
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE THREE-
MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED)

All amounts in RON thousand, unless specified otherwise

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THREE-MONTH
PERIOD ENDED 31 MARCH 2026 (UNAUDITED)

	Three-month period ended	
	31 March	31 March
	2026	2025
Operating activities		
Profit before tax	7,386	9,620
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation of right-of-use assets	19,605	17,695
Depreciation and impairment of property, plant and equipment	11,811	10,758
Amortisation and impairment of intangible assets and goodwill	1,386	1,570
Other income	-	1,624
Adjustments for unrealised foreign exchange losses/(gains)	(51)	6
Adjustments for (gain)/loss on disposal of property, plant and equipment and right-of-use assets	14	27
Adjustments for finance income	(113)	(117)
Adjustments for finance costs (interest)	5,405	5,674
Movement in provisions, net	(60)	-
Working capital adjustments:		
Adjustments to decrease/(increase) in trade and other receivables and prepayments	(1,010)	(1,344)
Adjustments for decrease/(increase) in inventories	3,027	2,887
Adjustments for (decrease)/increase in trade and other payables	(28,744)	(32,174)
Interest received classified as operating activities	113	117
Interest paid classified as operating activities	(5,419)	(5,624)
Income tax paid	(113)	(228)
Cash flows from in operating activities	13,237	10,491
Investing activities		
Proceeds from sale of property, plant and equipment	13	5
Purchase of intangible assets	(1,118)	(1,480)
Purchase of property, plant and equipment	(16,828)	(9,866)
Cash flows used in investing activities	(17,933)	(11,341)
Financing activities		
Acquisition of treasury shares	-	(1,495)
Proceeds from borrowings	6,930	-
Repayment of borrowings	(11,058)	(10,370)
Payment of lease liabilities	(18,226)	(16,748)
Cash flows used in financing activities	(22,354)	(28,613)
Net (decrease)/increase in cash and cash equivalents	(27,050)	(29,463)
Net foreign exchange differences	(68)	(17)
Cash and cash equivalents at 1 January	102,555	115,764
Cash and cash equivalents at 31 March	75,437	86,284

**SPHERA FRANCHISE GROUP SA
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE THREE-
MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED)**

All amounts in RON thousand, unless specified otherwise

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT AND
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED)**

1 CORPORATE INFORMATION

These interim condensed 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 Dorobantilor, Bucharest, Romania.

The Group operates quick service and takeaway restaurant concepts under the Kentucky Fried Chicken (“KFC”) brand (134 restaurants as at 31 March 2026 and 131 restaurants as at 31 December 2025, spread across Romania, as well as in the Republic of Moldova and in Italy), a chain of pizza restaurants (27 restaurants and one sub-franchise as at 31 March 2026 and 28 restaurants and one sub-franchise as at December 2025) under the Pizza Hut (“PH”) brand, a chain of 18 restaurants under the “Taco Bell” brand as at 31 March 2026 in Romania (18 restaurants at 31 December 2025 in Romania) and 2 Cioccolatitaliani locations in Italy as at 31 March 2026 (1 location at 31 December 2025 in Italy).

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 Pizza Hut franchise 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 on 19 June 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 Dorobantilor, Bucharest, Romania.

Choco Franchise Srl (CHOCO), operating the Cicolatitaliani franchise in Italy was incorporated in 2024 as a limited liability company and it was 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 Parent company owns 100% of the company’s shares.

Pan Asian Food SRL (PAF), operating Wagamama franchise in Romania was incorporated in March 2026 as a limited liability company and it is registered at No. 239 Calea Dorobantilor, Bucharest, Romania. The Parent company owns 100% of the company’s shares.

SPHERA FRANCHISE GROUP SA
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE THREE-
MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED)

All amounts in RON thousand, unless specified otherwise

2 BASIS OF PREPARATION OF THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The unaudited interim condensed financial statements of the Group as of and for the three-month period ended 31 March 2026 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The financial statements have been prepared on a historical cost basis. The 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 interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2025.

The interim condensed consolidated financial statements for the three-month period ended 31 March 2026 included in this report are unaudited.

General accounting policies

The accounting policies and valuation methods adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025. The amendments effective from 1 January 2026 do not have a material impact on the Group's interim condensed consolidated financial statements. The Group has not adopted any other standards, interpretations or amendments that have been issued but are not yet effective.

Foreign currencies

The Group's interim condensed financial statements are presented in Romanian 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 March 2026 and 31 December 2025 and the average exchange rates for the three-month period ended 31 March 2026 and 31 March 2025 were:

	Closing exchange rates		Average exchange rates	
	31 March 2026	31 December 2025	Three-month period ended 31 March 2026	Three-month period ended 31 March 2025
RON – EUR	5.0988	5.0985	5.0943	4.9763
RON – USD	4.4463	4.3417	4.3515	4.7312
RON – MDL	0.2514	0.2580	0.2540	0.2562

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.

Differences arising on settlement or translation of monetary items are recognised in profit or loss.

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.

SPHERA FRANCHISE GROUP SA
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE THREE-
MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED)

All amounts in RON thousand, unless specified otherwise

GROUP INFORMATION

The group structure was changed during the three-month period ended 31 March 2026, including a new subsidiary, Pan Asian Food SRL. Details of the Group consolidated subsidiaries at 31 March 2026 and 31 December 2025 are as follows:

Company name	Country of incorporation	Field of activity	Control 31 March 2026	Control 31 December 2025
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%	100.0000%
Pan Asian Food SRL	Romania	Restaurants	100.0000%	-

3 PAYROLL AND EMPLOYEE BENEFITS

	Three-month period ended	
	31 March 2026	31 March 2025
Payroll and employee benefits recognized in restaurant expenses	118,864	92,716
Payroll and employee benefits recognized in "General and administrative expenses "	9,853	11,201
Total Payroll and employee benefits	128,717	103,917

Payroll costs of RON 507 thousand representing the value of project management and other technical activities performed by the Group's employees during the three-month period ended 31 March 2026 (2025: RON 543 thousand) for the construction or refurbishment of restaurants were capitalized in the cost of construction of the non-current assets.

4 OTHER OPERATING EXPENSES

	Three-month period ended	
	31 March 2026	31 March 2025
Third-party services	26,187	27,402
Utilities	12,877	11,430
Maintenance and repairs	5,156	5,173
Cleaning supplies	2,711	2,545
Transport	1,966	1,642
Smallwares	1,147	1,163
Bank charges	1,551	1,571
Telephone and postage	379	339
Insurance	180	170
Net (gain)/loss on disposal of property, plant and equipment and right-of-use assets	14	27
Excise duty	299	319
Miscellaneous expenses	1,243	1,019
Total	53,710	52,800

SPHERA FRANCHISE GROUP SA
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE THREE-
MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED)

All amounts in RON thousand, unless specified otherwise

5 GENERAL AND ADMINISTRATIVE EXPENSES

	Three-month period ended	
	31 March 2026	31 March 2025
Payroll and employee benefits	9,853	11,201
Third-party services	2,175	2,101
Depreciation, amortization and impairment of non-current assets	1,324	1,647
Rent	41	64
Banking charges	145	145
Transport	404	368
Maintenance and repairs	48	64
Smallwares	21	20
Insurance	41	41
Telephone and postage	82	93
Miscellaneous expenses	114	103
Total	14,248	15,847

6 DEPRECIATION, AMORTIZATION AND IMPAIRMENT

	Three-month period ended	
	31 March 2026	31 March 2025
Depreciation of right-of-use assets recognized in "Restaurant expenses"	18,841	16,896
Depreciation, amortization and impairment of other non-current assets recognized in "Restaurant expenses"	12,635	11,480
Depreciation, amortization and impairment recognized in "Restaurant expenses"	31,476	28,376
Depreciation of non-operating right-of-use assets recognized in "General and administrative expenses"	561	799
Depreciation, amortization and impairment of non-current assets recognized in "General and administrative expenses"	763	848
Depreciation, amortization and impairment recognized in "General and administrative expenses"	1,324	1,647
Total depreciation, amortization and impairment	32,800	30,023

7 FINANCE COSTS

	Three-month period ended	
	31 March 2026	31 March 2025
Interest on loans and borrowings	1,482	1,637
Interest expense on lease liabilities	3,882	4,004
Interest cost on benefit obligation	41	33
Foreign exchange loss	607	105
Total finance costs	6,012	5,779

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8 EQUITY

8.1 Issued capital

	31 March 2026	31 December 2025
Authorised shares		
Ordinary shares of 15 RON each	38,673,462	38,799,340
Share capital (RON thousand)	580,102	581,990

The shareholders of Sphera Franchise Group SA as at 31 March 2026 are: Shaletia Ventures Ltd. (29.6428%), Computerland Romania SRL (20.5994%), Wellkept Group SA (17.1295%) and free float (32.6283%).

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%).

As at 31 March 2026, Sphera Group held 37,625 own treasury shares, representing 0.097% of the parent company's share capital (31 December 2025: 163,503 own treasury shares, representing 0.421%).

Following the shareholders' decision dated April 29, 2025, Sphera Franchise Group SA registered in February 2026 a share capital decrease of RON 1,888 thousand through the annulment of 125,878 own ordinary shares. As a result, the value of the share capital decreased from RON 581,990 thousand to RON 580,102 thousand.

8.2 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 was focused on reducing the share capital by canceling the redeemed shares. Following the completion of the share capital reduction procedures, as of March 31, 2026, the Group held 37,625 own treasury shares for the share option plan. As of December 31, 2025, the Group held 163,503 own treasury shares for the two buyback programs.

9 EBITDA

	Three-month period ended	
	31 March 2026	31 March 2025
Operating profit	13,285	15,282
Adjustments to bridge operating profit to EBITDA:		
Depreciation, amortization and impairment of non-current assets included in restaurant expenses	31,476	28,376
Depreciation, amortization and impairment of non-current assets included in general and administrative expenses	1,324	1,647
EBITDA	46,086	45,305
Non-recurring expenses	114	-
Normalized EBITDA	46,200	45,305

For the three-month period ended 31 March 2026 EBITDA was normalized to exclude the one-off operating costs in amount of 114 related to the restaurant closure. For the three-month period ended 31 March 2025, no EBITDA normalization adjustment was required.

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10 RELATED PARTY DISCLOSURES

During the three-month period ended 31 March 2026 and 31 March 2025 respectively, the Group has carried out transactions with the following related parties:

Related party	Nature of the relationship	Country of incorporation	Nature of transactions
Moulin D'Or SRL	Entity affiliated to a shareholder of the parent	Romania	Goods and services
Grand Plaza Hotel SA	Entity affiliated to a shareholder of the parent	Romania	Rent and utilities store PH Dorobanti, services
Arggo Software Development and Consulting SRL	Entity affiliated to a shareholder of the parent	Romania	IT services
Wellkept Group SA	Shareholder and entity under common control of Radu Dimofte, ultimate controlling party of the Group	Romania	Rent training center (2025) and payment of dividends
Shaletia Ventures Ltd.	Shareholder and entity under common control of Radu Dimofte, ultimate controlling party of the Group	Cyprus	Payment of dividends
Radu Dimofte	Beneficial owner of Wellkept Group SA, Tatika Investments Ltd, Shaletia Ventures Ltd and ultimate controlling party of the parent	Romania	Rent store KFC Mosilor
Computerland Romania SRL	Shareholder with significant influence	Romania	Payment of dividends, acquisition of IT equipment, licenses
Elicom SRL	Entity affiliated to a shareholder of the parent	Romania	Call-centre services
Dorobanti 239 Imobiliare SRL	Entity affiliated to a shareholder of the parent	Romania	Rent and utilities for restaurant and administrative area
Baneasa Developments SRL	Entity affiliated to a shareholder of the parent	Romania	Restaurant rent
Baneasa Investments SA	Entity affiliated to a shareholder of the parent	Romania	Restaurant rent

The following table provides the total amount of transactions that have been entered into with related parties for the relevant period:

	Transactions during the three-month period ended 31 March 2026		Balances as at 31 March 2026	
	Sales (without VAT) to related parties	Purchases (without VAT) from related parties	Amounts owed by related parties	Amounts owed to related parties
Grand Plaza Hotel SA	-	347	66	8
Arggo Software Development and Consulting SRL	-	253	-	337
Dorobanti 239 Imobiliare SRL	-	1,016	-	-
Baneasa Developments SRL	-	1,247	-	65
Baneasa Investments SA	-	178	172	-
Computerland Romania SRL	4	275	4	-
Elicom SRL	-	148	-	59
Radu Dimofte	-	22	-	-
	4	3,486	242	469

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	Transactions during the three-month period ended 31 March 2025		Balances as at 31 December 2025	
	Sales (without VAT) to related parties	Purchases (without VAT) from related parties	Amounts owed by related parties	Amounts owed to related parties
Wellkept Group SA	-	132	-	-
Grand Plaza Hotel SA	-	330	66	9
Arggo Software Development and Consulting SRL	-	330	28	46
Dorobanti 239 Immobiliare SRL	-	930	-	140
Baneasa Developments SRL	-	1,238	-	151
Baneasa Investments SA	-	176	172	5
Computerland Romania SRL	5	47	503	606
Elicom SRL	-	152	-	49
Radu Dimofte	-	29	-	-
Moulin D'Or SRL	-	1	-	-
Parc Hotels SA	-	-	-	5
	5	3,365	769	1,011

Compensation of key management personnel of the Group:

	Three-months ended	
	31 March 2026	31 March 2025
Short-term employee benefits	2,771	1,874
Total compensation of the key management personnel	2,771	1,874

The amounts disclosed in the table are the amounts recognized as an expense during each reporting period.

11 SEGMENT INFORMATION

For management purposes, the Group is organised 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 the brand, Cioccolatitaliani, into its portfolio. CHOCO inaugurated its first location, in Italy, on June 20, 2025.

In September 2025, the Group added Hard Rock Café ("HRC") to its portfolio and, in March 2026, Wagamama ("PAF"), an Asian cuisine brand. The development of these new brands is planned to start at the end of 2026 - the beginning of 2027. Until they commence operations, these two brands will be presented under the "Other" segment.

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.

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Three-month period ended 31 March 2026	KFC	Pizza Hut	Taco Bell	Choco	Other	Eliminations	Consolidated
Revenues from external customers	324,306	26,307	27,060	279	(1)	-	377,951
Inter-segment revenues	-	-	-	-	9,396	(9,396)	-
Other income	1,226	83	23	-	-	(428)	903
Operating expenses	308,907	28,284	27,437	1,318	9,478	(9,856)	365,568
Segment operating profit/(loss)	16,625	(1,894)	(354)	(1,039)	(83)	31	13,285
Finance costs	5,619	418	491	149	404	(1,069)	6,012
Finance income	822	1	0	-	359	(1,069)	113
Income tax expense	2,818	-	(41)	(31)	213	-	2,959
Net profit/(loss)	9,010	(2,312)	(803)	(1,158)	(341)	31	4,427
Total assets 31 March 2026	640,108	40,948	55,688	18,302	92,745	(90,527)	757,265
Total liabilities 31 March 2026	582,780	78,195	52,410	19,395	47,468	(154,281)	625,967
Total assets 31 December 2025	681,638	40,238	56,624	12,390	754,507	(767,354)	778,043
Total liabilities 31 December 2025	633,209	75,173	52,544	12,325	45,019	(167,151)	651,119
Three-month period ended 31 March 2025	KFC	Pizza Hut	Taco Bell	Other	Eliminations	Consolidated	
Revenues from external customers	311,312	27,172	24,110	(7)	-	362,587	
Inter-segment revenues	-	-	-	10,667	(10,667)	-	
Other income	1,888	97	13	-	(16)	1,982	
Operating expenses	297,392	28,653	22,949	11,036	(10,743)	349,287	
Segment operating profit/(loss)	15,808	(1,384)	1,174	(376)	60	15,282	
Finance costs	5,418	530	446	643	(1,258)	5,779	
Finance income	833	1	-	541	(1,258)	117	
Income tax expense	2,726	-	141	200	-	3,067	
Net profit/(loss)	8,497	(1,913)	587	(678)	60	6,553	
Total assets 31 March 2025	640,502	43,504	43,474	78,080	(62,879)	742,681	
Total liabilities 31 March 2025	537,881	71,464	41,658	52,181	(120,530)	582,654	

For the three-month period ended 31 March 2026, other income includes revenues from recycled oil sales, sub-franchise fees, and other miscellaneous income. For the three-month period ended 31 March 2025, other income includes a write-off of lease liability (1,624 thousand RON) related to a location where the construction permit could not be obtained due to factors beyond the Group's control, as well as revenues from recycled oil sales, sub-franchise fees, and other miscellaneous income.

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Geographic information:

Revenue from external customers	Three-month period ended	
	31 March 2026	31 March 2025
Romania	326,102	311,079
Italy	45,619	44,736
Republic of Moldova	6,230	6,772
Total restaurant revenue	377,951	362,587

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

Bucharest, May 22, 2026

Chief Executive Officer

Calin Ionescu

Chief Financial Officer

Valentin Budes