Q1 2025 REPORT

Sphera Franchise Group S.A.

SPHERA

KFC Pizza Hut TACO BELL

SPHERA

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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, 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	Quarterly Report for Q1
For financial period	01.01.2025 – 31.03.2025
Date of publishing	15.05.2025

ISSUER INFORMATION

Issuer's name	Sphera Franchise Group S.A.
Fiscal code	RO 37586457
Trade registry number	J40/7126/2017
Registered office	Calea Dorobanților nr. 239, 2nd floor, Bucharest sector 1

INFORMATION ABOUT FINANCIAL INSTRUMENTS

Subscribed and paid-up share capital	RON 581,990,100
Market on which the securities are traded	Bucharest Stock Exchange, Main Segment, Premium Category
Total number of shares	38,799,340
Symbol	SFG

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KEY FINANCIAL HIGHLIGHTS

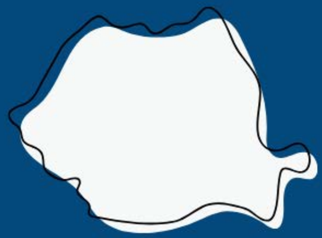
SPHERA

KFC · Pizza Hut · TACO BELL

Q1 2025 Consolidated Sales

Q1 2025

RON 362.6 mn
-0.9% vs. Q1 2024



RON 311.1 mn
-1.9% vs. Q1 2024

RON 44.7 mn
+3.3% vs. Q1 2024

RON 6.8 mn
+23.2% vs. Q1 2024

KFC

RON 311.3 mn
-2.0% vs. Q1 2024

Pizza Hut

RON 27.2 mn
-1.0% vs. Q1 2024

TACO BELL

RON 24.1 mn
+15.6% vs. Q1 2024

174 Restaurants operated across Romania, Moldova and Italy	**159%** YoY increase in value traded of SFG shares in Q1 2025	**4%** Increase for SFG shares in Q1 2024 in line with BET index, which grew 4.7%
31.8% Stable share of food and material costs in total sales, flat vs. Q1 2024	**RON 28.6 mn** Restaurant operating profit, down 36% due to payroll, inflationary pressure	**0.39** 12M trailing net debt / EBITDA ratio

Q1 2025 RESULTS ANALYSIS

Sphera Franchise Group recorded a soft start to the year, with restaurant sales declining slightly by 0.9% YoY, to RON 362.6 million. The subdued performance was driven by a combination of external pressures, including reduced discretionary spending amid ongoing political and economic uncertainty in Romania, and also globally. This extended the cautious consumer sentiment observed in Q4 2024. Unfavorable weather conditions and a strong base effect, with Q1 2024 marking a particularly strong start to that year, also weighed on performance.

In Romania, sales in Q1 2025 reached RON 311.1 million, a 1.9% YoY decrease. Italy contributed RON 44.7 million, reflecting a 3.3% YoY increase, while the Republic of Moldova generated RON 6.8 million within the quarter, marking a significant, 23.2% YoY increase, driven by the sales at the recently opened, 3rd KFC unit in Chisinau. The regional revenue mix shifted slightly compared to Q1 2024, with Italy and Moldova accounting for a larger share of total turnover, while Romania's contribution declined marginally. Consequently, in Q1 2025, Romania accounted for 85.8% of total sales, Italy for 12.3%, and the Republic of Moldova for 1.9%.

Data in RON '000	Q1-24	Q2-24	Q3-24	Q4-24	Q1-25	Δ 2025 /2024
Romania	317,123	322,346	347,241	346,252	311,079	*-1.9%*
Italy	43,303	46,321	50,530	51,594	44,736	*3.3%*
Rep. Moldova	5,498	5,418	5,667	7,089	6,772	*23.2%*
Total sales	**365,924**	**374,085**	**403,438**	**404,935**	**362,587**	***-0.9%***

By brand, KFC sales declined by 2% in Q1 2025 compared to Q1 2024, generating RON 311.3 million as a result of the discretionary spending in Romania linked to the political and economic situation. Pizza Hut contributed RON 27.2 million to the total Q1 turnover, reflecting a 1% YoY, decline still being the result of the streamlining of the restaurant network. Taco Bell reported a robust 15.6% YoY growth, reaching RON 24.1 million in revenues in Q1 2025, reflecting the continued appeal of the brand especially towards the young generation. In line with geographical trends, there was a slight rebalancing in brand contributions to total turnover, with Taco Bell's share increasing while KFC's decreased. Consequently, in Q1 2025, KFC accounted for 85.9%, Pizza Hut for 7.5%, and Taco Bell for 6.6% of total sales.

Other restaurant income increased 156.9% YoY, to RON 2 million, mainly driven by the write-off of lease liability related to a location for which the construction permit could not be obtained due to factors beyond the Group' s control.

Data in RON '000	Q1-24	Q2-24	Q3-24	Q4-24	Q1-25	Δ 2025 /2024
KFC	317,624	326,987	352,463	351,059	311,314	*-2.0%*
Pizza Hut	27,436	25,679	26,886	28,407	27,172	*-1.0%*
Taco Bell	20,865	21,427	24,093	25,490	24,110	*15.6%*

In Q1 2025, Restaurant expenses increased by 4.3% YoY, to RON 336 million. Food and material costs declined 0.7% YoY, to RON 115.4 million, in line with the decrease of sales and maintaining the weight in total sales of 31.8%.

The largest contributor to the restaurant expenses increase was payroll and employee benefits, which rose by 12.4% YoY to RON 92.7 million, reflecting industry-wide wage adjustments. Rent expenses declined 0.1% YoY due to variable rent structures tied to sales growth. Royalties, which are also linked to sales, decreased 1.6% to RON 21.6 million, while advertising decreased 8.7%, down to RON 16.1 million. Depreciation and amortization increased 13.1%, up to RON 11.6 million, reflecting the expanded store network, while other operating expenses grew 10.8%, to RON 52.8 million, driven by moderate increases in third party expenses (including food aggregator commissions), utilities, maintenance and repairs.

Despite stable top-line performance, pressure on margins and cost inflation, particularly on payroll and other operating expenses, eroded the margins. While food and material costs remained flat as a percentage of sales, the Group's ability to restrain operating costs in the context of lower sales was limited, mainly due to labor market pressures. Consequently, restaurant operating profit decreased 36%, to RON 28.5 million.

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

Data in RON'000	Q1-25	Q1-24	Y/Y % 2025/ 2024	% of Sales Q1-25	% of Sales Q1-24	Δ pp
Restaurant sales	**362,587**	**365,924**	**-0.9%**			
Other restaurant income	**1,982**	**771**	**156.9%**			
Restaurant expenses	**336,013**	**322,086**	**4.3%**	**92.7%**	**88.0%**	**4.7**
Food and material	115,355	116,199	-0.7%	31.8%	31.8%	0.0
Payroll and employee benefits	92,716	82,498	12.4%	25.6%	22.5%	3.1
Rent	25,875	25,902	-0.1%	7.1%	7.1%	0.1
Royalties	21,644	21,997	-1.6%	6.0%	6.0%	0.0
Advertising	16,143	17,685	-8.7%	4.5%	4.8%	-0.3
Other operating expenses	52,800	47,556	11.0%	14.6%	13.0%	1.6
Depreciation and amortization	11,480	10,248	12.0%	3.2%	2.8%	0.4
Restaurant operating profit	**28,557**	**44,610**	**-36.0%**	**7.9%**	**12.2%**	**-4.3**
General & Admin expenses	16,037	15,758	1.8%	4.4%	4.3%	0.1
Operating profit	**12,520**	**28,852**	**-56.6%**	**3.5%**	**7.9%**	**-4.4**
Finance costs	1,605	2,639	-39.2%	0.4%	0.7%	-0.3
Finance income	117	56	109.8%	0.0%	0.0%	0.0
Profit before tax	**11,031**	**26,268**	**-58.0%**	**3.0%**	**7.2%**	**-4.2**
Income tax expense	3,217	4,818	-33.2%	0.9%	1.3%	-0.4
Profit for the period	**7,814**	**21,450**	**-63.6%**	**2.2%**	**5.9%**	**-3.7**
EBITDA	**24,849**	**39,779**	**-37.5%**	**6.9%**	**10.9%**	**-4.0**
Normalized EBITDA	24,849	39,779	-37.5%	6.9%	10.9%	-4.0

Summary of Interim Consolidated Financial Statements for Q1 – with and without IFRS 16 impact

Data in RON'000	Q1-25	Q1-25	Q1-24	Q1-24	Change (%)	
	1	2	1	2	2025/2024 (1)	2025/2024 (2)
Restaurant sales	**362,587**	**362,587**	**365,924**	**365,924**	**-0.9%**	**-0.9%**
Other restaurant income	**1,982**	**1,982**	**771**	**771**	**156.9%**	**156.9%**
Restaurant expenses	**333,440**	**336,013**	**319,068**	**322,086**	**4.5%**	**4.3%**
Food and material	115,355	115,355	116,199	116,199	-0.7%	-0.7%
Payroll and employee benefits	92,716	92,716	82,498	82,498	12.4%	12.4%
Rent	6,406	25,875	7,677	25,902	-16.6%	-0.1%
Royalties	21,644	21,644	21,997	21,997	-1.6%	-1.6%
Advertising	16,143	16,143	17,685	17,685	-8.7%	-8.7%
Other operating expenses	52,800	52,800	47,556	47,556	11.0%	11.0%
Depreciation and amortization	28,376	11,480	25,456	10,248	11.5%	12.0%
Restaurant operating Profit	**31,129**	**28,557**	**47,627**	**44,610**	**-34.6%**	**-36.0%**
General & Admin expenses	15,847	16,037	15,512	15,758	2.2%	1.8%
Operating profit	**15,282**	**12,520**	**32,115**	**28,852**	**-52.4%**	**-56.6%**
Finance costs	5,779	1,605	5,998	2,639	-3.6%	-39.2%
Finance income	117	117	332	56	-64.9%	109.8%
Profit before tax	**9,620**	**11,031**	**26,449**	**26,268**	**-63.6%**	**-58.0%**
Income tax expense	3,067	3,217	3,811	4,818	-19.5%	-33.2%
Profit for the period	**6,553**	**7,814**	**22,638**	**21,450**	**-71.1%**	**-63.6%**
EBITDA	45,306	**24,849**	59,017	**39,779**	-23.2%	**-37.5%**
Normalized EBITDA	**45,306**	24,849	**59,017**	39,779	-23.2%	-37.5%

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

Restaurant operating profit reached RON 22.2 million in Q1 2025 (-42.1% YoY) at KFC Romania ("USFN Romania"), followed by KFC Moldova ("USFN Moldova"), which brought RON 1 million (-28.3% YoY) and KFC Italy ("USFN Italy"), which contributed RON 2.7 million (-18.3% YoY). A solid performance of Taco Bell ("CFF"), brought RON 2.1 million in restaurant operating profit (+24.8% YoY). Pizza Hut ("ARS") improved RON 0.6 million, turning positive to a restaurant operating profit of RON 0.5 million in Q1 2025 vs. restaurant operating loss of RON 0.1 million in Q1 2024, proving the efficiency of the network optimization measures implemented as of the end of 2023.

Breakdown of Interim Consolidated Results by Group companies – Q1 2025 (excluding IFRS 16 impact):

Data in RON'000	USFN (RO)	ARS	USFN (MD)	USFN (IT)	CHOCO (IT)	CFF	SFG	Cons. Adj.	SFG Cons
Restaurant sales	**259,806**	**27,172**	**6,772**	**44,736**	**-**	**24,110**	**10,660**	**(10,669)**	**362,587**
Other restaurant income	**1,888**	**97**	**-**	**-**	**-**	**13**	**-**	**(16)**	**1,982**
Restaurant expenses	**239,514**	**26,776**	**5,808**	**42,064**	**-**	**22,019**	**-**	**(170)**	**336,013**
Food and material	86,017	7,443	2,503	11,770	-	7,621	-	-	115,355
Payroll and employee benefits	66,907	7,839	1,163	11,177	-	5,629	-	-	92,716
Rent	17,372	2,451	370	3,959	-	1,722	-	-	25,875
Royalties	15,483	1,623	407	2,685	-	1,445	-	-	21,644
Advertising	10,758	1,302	351	2,715	-	1,139	-	(122)	16,143
Other operating expenses	35,437	5,464	853	7,580	-	3,484	-	(17)	52,800
Depreciation	7,539	653	161	2,178	-	979	-	(31)	11,480
Restaurant operating profit	**22,179**	**493**	**964**	**2,672**	**-**	**2,104**	**10,660**	**(10,515)**	**28,557**
G&A expenses	9,432	1,733	220	3,120	3	1,013	11,090	(10,573)	16,037
Operating profit/(loss)	**12,748**	**(1,241)**	**744**	**(448)**	**(3)**	**1,091**	**(429)**	**58**	**12,520**
Finance costs	1,389	217	78	696	24	158	570	(1,527)	1,605
Finance income	1,074	1	-	27	-	-	541	(1,527)	117
Profit/(Loss) before tax	**12,433**	**(1,457)**	**666**	**(1,116)**	**(27)**	**933**	**(458)**	**58**	**11,031**
Income tax expense	2,520	-	100	223	-	174	199	-	3,217
Profit/(Loss) for the period	**9,912**	**(1,457)**	**566**	**(1,340)**	**(27)**	**759**	**(658)**	**58**	**7,814**
EBITDA	**20,768**	**(415)**	**922**	**1,751**	**(3)**	**2,144**	**(264)**	**(54)**	**24,849**
Normalized EBITDA	20,768	(415)	922	1,751	(3)	2,144	(264)	(54)	24,849

G&A expenses increased by 1.8% YoY in Q1 2025 and remained stable as a percentage of sales at 4.4%, a 0.1pp increase. As a result, operating profit stood at RON 12.5 million, reflecting a 56.6% YoY decrease, primarily due to higher restaurant operating costs and the inelasticity of the G&A expenses.

	Data in RON '000				Change (%)		Percentage of sales			
	Q1-25 (1)	Q1-25 (2)	Q1-24 (1)	Q1-24 (2)	2025/ 2024 (1)	2025/ 2024 (2)	Q1-25 (1)	Q1-25 (2)	Q1-24 (1)	Q1-24 (1)
General and administration (G&A) expenses	**15,847**	**16,037**	**15,512**	**15,758**	**2.2%**	**1.8%**	**4.4%**	**4.4%**	**4.2%**	**4.3%**
Payroll and employee benefits	11,201	11,201	11,292	11,292	-0.8%	-0.8%				
Third-party services	2,101	2,101	1,703	1,703	23.4%	23.4%				
Depreciation and amortization	1,647	849	1,446	679	13.9%	25.0%				
Rent	64	1,053	48	1,061	32.6%	-0.8%				
Banking charges	145	145	192	192	-24.8%	-24.8%				
Transport	368	368	297	297	24.1%	24.1%				
Other*	321	321	534	534	-39.9%	-39.9%				

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 42% YoY, from RON 2.6 million in Q1 2024 to RON 1.5 million in Q1 2025, primarily due to optimization of financing conditions, resulting in a gross profit of RON 11 million, a 58.1% YoY decrease. Income tax expense decreased by 33.2% YoY, to RON 3.2 million.

The decline of 63.6% in net profit, to RON 7.8 million, was driven by a combination of elevated operating expenses, especially payroll and other operating costs, stagnant sales, margin compression, and a 37.5% drop in EBITDA, which reached RON 24.8 million. These challenges were further compounded by a strong base effect from Q1 2024, a continued consumer caution trend amid political and economic uncertainty and a more competitive QSR market.

In Q1 2025, same store sales across Sphera brands decreased 3.9% YoY, a slight decrease on the back of a strong comparison base from Q1 2024 and consumer prudence fueled by uncertainty in the electoral context in Romania and broader inflationary pressures. The decrease in the same store sales was 6.4% YoY for USFN Romania, 1.8% for USFN Moldova, and 1% YoY decline for ARS. On the other hand, same store sales at CFF saw an 8.1% boost YoY in Q1 2025, with USFN Italy grew 3.3%.

In 2024, Sphera opened seven new restaurants – six KFC locations, of which five new stores were inaugurated in Romania and one in the Republic of Moldova, and one Taco Bell store in Romania. The addition of new locations improved the Group's overall performance resulting in only 0.9% decrease in all stores sales in Q1 2025, with CFF sales increasing 15.6% YoY and USFN Moldova growing by 23.2% YoY, while USFN Romania decreased 3.4% YoY in all stores sales.

		Y/Y Q1-24	Y/Y Q2-24	Y/Y Q3-24	Y/Y Q4-24	Y/Y Q1-25
USFN RO	**All Stores**	**12.8%**	**4.8%**	**7.6%**	**1.2%**	**-3.4%**
	o/w Same Stores	12.3%	2.8%	3.3%	-2.5%	-6.4%
ARS	**All Stores**	**-12.0%**	**-7.6%**	**-2.9%**	**-0.5%**	**-1.0%**
	o/w Same Stores	-12.0%	-7.6%	-2.9%	-0.5%	-1.0%
CFF	**All Stores**	**5.4%**	**2.6%**	**13.1%**	**12.9%**	**15.6%**
	o/w Same Stores	5.4%	2.6%	13.1%	8.7%	8.1%
USFN IT	**All Stores**	**5.7%**	**4.4%**	**1.7%**	**5.7%**	**3.3%**
	o/w Same Stores	5.7%	4.4%	1.7%	5.7%	3.3%
USFN MD	**All Stores**	**12.4%**	**10.8%**	**9.4%**	**25.9%**	**23.2%**
	o/w Same Stores	12.4%	10.8%	7.5%	-2.4%	-1.8%
TOTAL	**All Stores**	**9.2%**	**3.8%**	**6.4%**	**2.7%**	**-0.9%**
	o/w Same Stores	8.8%	2.3%	3.3%	-0.7%	-3.9%

In Q1 2025, delivery sales increased by 2 percentage point compared to Q4 2024 and 1pp compared to Q1 2024, accounting for 20% of total Group sales. The total value of delivery sales in Q1 2025 grew by 5.5% YoY, reaching RON 73.5 million in Q1 2025 compared to RON 69.7 million in Q1 2024. In Q1 2025, the Group's own delivery sales channel contributed 9.5% of total delivery sales, up from 7.9% in Q1 2024.

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

MAIN FINANCIAL RATIOS

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

Financial data in RON '000	3M Period ended 31.03.2025		3M Period ended 31.03.2024	
Current ratio				
Current assets	120,331	= 0.50	118,874	= 0.53
Current liabilities	243,019		224,147	
Debt to Equity ratio				
Interest-bearing debt (long term)	332,313	= 208%	303,438	= 183%
Equity	160,027		165,446	
Interest-bearing debt (long term)	332,313	= 67%	303,438	= 65%
Capital employed	492,340		468,885	
Trade receivables turnover (days)				
Average receivables	12,740	= 3.16	9,949	= 2.45
Sales	362,587		365,924	
Fixed asset turnover				
Sales	362,587	= 2.45	365,924	= 2.68
Net fixed assets	592,331		546,660	

Notes: Annualized values, based on the ASF methodology.

Q1 2025 Results Call

15.05.2025

13:00 EET (12:00 CET | 11:00 UK)

On May 15th, Sphera Franchise Group will organize a conference call with the management to discuss the Q1 2025 results and hold a Q&A session with investors and analysts. The call will be led by:

Calin Ionescu

CEO

Valentin Budes

CFO

Zuzanna Kurek

Moderator | IR Officer

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

SIGNIFICANT EVENTS IN Q1 2025 & AFTER CLOSING OF THE REPORTING PERIOD

BUSINESS UPDATES

DEVELOPMENT OF THE NETWORK

In Q1 2025, Sphera opened 1 new restaurant – a KFC drive-thru unit in Galati, Romania. The restaurant is located at 1A Stadionului Street and is the 2nd KFC location in Galati. As of March 31st, 2025, Sphera Franchise Group operated 174 restaurants: 108 KFC restaurants in Romania, 3 in Moldova and 18 in Italy, as well as 28 Pizza Hut restaurants, 16 Taco Bell restaurants, and one Pizza Hut Delivery sub-franchise.

In April 2025, Sphera opened 1 new food-court restaurant in Mall Moldova in Iasi, the 3rd KFC location in the city.

STAFF

As of March 31st, 2025, the Group had 5,141 employees, of which 4,642 were in Romania, 391 in Italy and 108 in the Republic of Moldova. In Q1 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.

GOVERNANCE UPDATES

ORDINARY GENERAL MEETING OF THE SHAREHOLDERS

On January 28th, 2025, Sphera Franchise Group held the Ordinary General Meeting of Shareholders. During the meeting, the shareholders appointed ERNST & YOUNG ASSURANCE SERVICES S.R.L. as the financial auditor of the Company for a period of 2 years related to the financial years of 2025 and 2026, as well as the auditor of the Company for the reporting of the corporate sustainability statement for the financial years 2024, 2025 and 2026.

ASSIGNMENT OF SHARES TO THE COMPANY DIRECTORS

On March 25th, 2025, the Company informed the market about the assignment of 31,960 free shares to the Company's Directors, representing the SOP for activity carried out in 2023.The shares have been transferred to the Company's Directors in April 2025.

ANNUAL GENERAL MEETING OF THE SHAREHOLDERS

On March 25th, 2025, the Board of Directors of Sphera Franchise Group convened the Ordinary and Extraordinary General Meeting of the Shareholders for April 29th, 2025. During the OGSM, the shareholders approved the 2024 financial statements, the 2024 remuneration report and the 2025 budget, as detailed below. The shareholders also voted in favor of a payment of the gross dividend amounting to RON 1.09 per share, from the undistributed net profit of financial years 2023-2024. The ex-date for dividend payment is May 15th, 2025, and the payment date is June 6th. The shareholders also approved in the OGSM the monthly remuneration granted to the Board Members as well as the Share Option Plan (SOP) for Directors for the activity in 2024.

In EGSM, the shareholders approved the share buyback of SFG shares for the implementation of SOP in the amount of maximum 42,238 shares as well as reduction of share capital RON 581,990,100 to RON 580,101,930, respectively with the amount of RON 1,888,170, as a result of the cancellation of 125,878 own shares acquired by the Company, in accordance with and motivated by the EGMS Resolution no. 3/26.04.2024.

2025 BUDGET

Ahead of the Annual General Meeting of the Shareholders, Sphera Franchise Group published the 2025 budget. The 2025 budget of Sphera Franchise Group reflects a positive growth outlook, with restaurant sales expected to increase by 12.1% YoY to RON 1,738.2 million. This growth is expected to be driven by both same-store sales growth and new store openings. The split of revenue between the traditional and delivery channels will be comparable to that from 2024, with delivery channel representing estimated 18.5% of sales. Cost management remains a key focus area. The food and material expenses are budgeted to grow by 9.6%, a slower pace than sales, leading to the optimization of the restaurant gross margin. The costs of labor will reflect the increase in minimum wage level, and they will further be calibrated to match the ramp-up of the sales throughout of year. Energy cost is assumed to be predictable and in line with the in-place last year regulations.

The weight of the G&A expenses in total sales in 2025 shall be slightly lower than in 2024, due to the inelasticity of these costs in relation to activity volume increase.

EBITDA (excluding IFRS 16 impact) is estimated at RON 194.3 million, reflecting a 9.8% increase YoY, while net profit for the year is expected to grow by 8.2% to RON 105.2 million.

In terms of the network, the Group plans to accelerate the pace of network development in 2025, by opening 4 KFC restaurants and 1 Taco Bell in Romania, 1 KFC in Moldova, 3 KFC and 4 Cioccolatitaliani in Italia. The company will focus also on store remodeling and on the implementation of digital solutions. The total estimated CAPEX for 2025 is around RON 100 million.

The Group estimates the cash position available at the end of 2025 to be around RON 122 million, while the bank debt is estimated to be around RON 192 million with a net bank debt of RON 70 million.

The budget is based on presumption of a normal course of business and considering that the yearly average inflation to be around 5% in 2025. The budget also takes into consideration the increase of the minimum wage starting with January 2025.

Indicator	**Budgeted 2025**		**Delivered 2024**		**Budgeted 2025 vs 2024**
	RON millions	% Sales	RON millions	% Sales	%
Total Sales (*)	**1,738.2**	**100.0%**	**1,550.7**	**100.0%**	**12.1%**
Food and Material	529.8	30.5%	483.6	31.2%	9.6%
Restaurant Gross Margin	**1,208.4**	**69.5%**	**1,067.1**	**68.8%**	**13.2%**
Restaurant Operational Expenses	947.4	54.5%	829.1	53.5%	14.3%
Restaurant Operating Profit	**261.0**	**15.0%**	**238.0**	**15.4%**	**9.6%**
G&A expenses	66.7	3.8%	61.2	3.9%	9.1%
EBITDA (excl. IFRS 16 impact) (*)	**194.3**	**11.2%**	**176.9**	**11.4%**	**9.8%**
Net Profit for the year (*)	**105.2**	**6.1%**	**97.2**	**6.3%**	**8.2%**
Free Cash Flow [1] (*)	**95.6**		**129.4**		**-26.1%**

(*) 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

CAPITAL MARKET UPDATES

SHARE BUY-BACK PROGRAM

On November 21st, 2024, the Company initiated the share buyback program, which was subsequently completed on January 17th, 2025. The buyback was carried out in accordance with EGMS Resolution no. 3 from April 26th, 2024. In the buyback, Sphera Franchise Group acquired 125,878 shares at an average buyback price of RON 39.5340 per share, resulting in the total buyback value amounting to RON 4,976,465.20. The buyback was carried out with the purpose of share cancellation. The process of cancelling the shares is estimated to be completed in 2025.

STOCK EXCHANGE EVOLUTION

SFG shares continued the positive evolution in Q1 2025, registering a 4% increase in the first three months of 2025, as the share closing price on March 31st, 2025, was RON 41.9, vs. closing price of RON 40.3 from December 31st, 2024. The share price in Q1 2025 performed in line with the BVB reference index BET, which increased 4.7% in the period. In Q1 2025, investors traded in the market 1,028,361 SFG shares (excluding a DEAL trade; +72% vs. Q1 2024), with a total value of RON 41.6 million (+159% vs. Q1 2024).

DECLARATION FROM THE MANAGEMENT

Bucharest, May 15th, 2025

We confirm to the best of our knowledge that the unaudited interim condensed consolidated financial statements for the three months period ended March 31st, 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 first three months of the 2025 financial year and their impact on the interim condensed consolidated financial statements.

Chief Executive Officer	Chief Financial Officer
Calin Ionescu	Valentin Budes

SPHERA

investor.relations@spheragroup.com

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025 (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.

All amounts in RON thousand, unless specified otherwise

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025 (UNAUDITED)

	Note	Three-month period ended 31 March 2025	31 March 2024
Restaurant sales		362,587	365,924
Other restaurant income	12	1,982	771
Restaurant expenses			
Food and material expenses		115,355	116,199
Payroll and employee benefits	4	92,716	82,498
Rental expenses		6,406	7,677
Royalties expenses		21,644	21,997
Advertising expenses		16,143	17,685
Other operating expenses	5	52,800	47,556
Depreciation, amortization and impairment	7	28,376	25,456
Restaurant operating profit		**31,129**	**47,627**
General and administrative expenses	6	15,847	15,512
Profit from operating activities		**15,282**	**32,115**
Finance costs	8	5,779	5,998
Finance income		117	332
Profit before tax		**9,620**	**26,449**
Income tax		3,067	3,811
Profit		**6,553**	**22,638**
Attributable to:			
Owners of the parent		6,443	22,427
Non-controlling interests		110	211
Other comprehensive income			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods			
Exchange differences on translation of foreign operations		(18)	58
Total comprehensive income		**6,535**	**22,696**
Attributable to:			
Owners of the parent		5,904	22,472
Non-controlling interests		631	224

All amounts in RON thousand, unless specified otherwise

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025 (UNAUDITED)

	31 March 2025	31 December 2024
Assets		
Non-current assets	**622,351**	**632,258**
Property, plant and equipment	248,691	249,618
Right-of-use assets	284,427	293,279
Intangible assets and goodwill	59,214	59,304
Financial assets (cash collateral)	7,088	7,152
Deferred tax assets	22,931	22,905
Current assets	**120,330**	**151,286**
Inventories	13,508	16,396
Trade and other current receivables	12,819	12,661
Prepayments	7,719	6,465
Cash and short-term deposits	86,284	115,764
Total assets	**742,681**	**783,544**
Equity and liabilities		
Equity		
Issued capital (Note 9.1)	581,990	581,990
Share premium	(519,998)	(519,998)
Treasury shares (Note 9.2)	(6,284)	(4,789)
Reserves for share-based remuneration	3,685	3,685
Other reserves	(1,352)	(1,352)
Retained earnings	101,601	95,158
Reserve of exchange differences on translation	(280)	(263)
Equity attributable to owners of the parent	**159,362**	**154,431**
Non-controlling interests	665	556
Total equity	**160,027**	**154,987**
Non-current liabilities	**339,635**	**357,781**
Long-term borrowings	81,928	92,192
Non-current lease liabilities	250,385	258,430
Net employee defined benefit liabilities	5,741	5,485
Trade and other payables	330	330
Deferred income	447	490
Deferred tax liabilities	804	854
Current liabilities	**243,019**	**270,776**
Trade and other current payables	124,912	155,773
Contract liabilities	646	615
Short-term borrowings	43,515	43,633
Current lease liabilities	65,206	64,851
Income tax payable	8,435	5,599
Provisions	305	305
Total liabilities	**582,654**	**628,557**
Total equity and liabilities	**742,681**	**783,544**

All amounts in RON thousand, unless specified otherwise

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 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						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**
As at 1 January 2024	**581,990**	**(519,998)**	**(2,037)**	**3,894**	**(1,283)**	**79,825**	**(261)**	**142,130**	**486**	**142,616**
Profit	-	-	-	-		22,427	-	22,427	211	**22,638**
Other comprehensive income										
Exchange differences on translation	-	-	-	-	-	-	45	45	13	**58**
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**22,427**	**45**	**22,472**	**224**	**22,696**
Shares allocated to employees	-	-	769	(769)	-	-	-	-	-	-
Share based remuneration	-	-	-	134	-	-	-	134	-	134
At 31 March 2024	**581,990**	**(519,998)**	**(1,268)**	**3,259**	**(1,283)**	**102,253**	**(215)**	**164,736**	**710**	**165,446**

All amounts in RON thousand, unless specified otherwise

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025 (UNAUDITED)

	Three-month period ended	
	31 March 2025	**31 March 2024**
Operating activities		
Profit before tax	9,620	26,449
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of right-of-use assets	17,695	15,975
Depreciation and impairment of property, plant and equipment	10,758	9,814
Amortisation and impairment of intangible assets and goodwill	1,570	1,114
Other income	1,624	-
Share based remuneration	-	134
Adjustments for unrealised foreign exchange losses/(gains)	6	(723)
Adjustments for (gain)/loss on disposal of property, plant and equipment and right-of-use assets	27	(101)
Adjustments for finance income	(117)	(56)
Adjustments for finance costs (interest)	5,674	5,998
Working capital adjustments:		
Adjustments to decrease/(increase) in trade and other receivables and prepayments	(1,344)	1,461
Adjustments for decrease/(increase) in inventories	2,887	2,172
Adjustments for (decrease)/increase in trade and other payables	(32,174)	(24,862)
Interest received classified as operating activities	117	27
Interest paid classified as operating activities	(5,624)	(5,833)
Income tax paid	(228)	(3,080)
Cash flows from in operating activities	**10,491**	**28,489**
Investing activities		
Proceeds from sale of property, plant and equipment	5	77
Purchase of intangible assets	(1,480)	(1,597)
Purchase of property, plant and equipment	(9,866)	(9,180)
Cash flows used in investing activities	**(11,341)**	**(10,700)**
Financing activities		
Acquisition of treasury shares	(1,495)	-
Repayment of borrowings	(10,370)	(10,749)
Payment of lease liabilities	(16,748)	(15,793)
Cash flows used in financing activities	**(28,613)**	**(26,542)**
Net (decrease)/increase in cash and cash equivalents	**(29,463)**	**(8,753)**
Net foreign exchange differences	(17)	107
Cash and cash equivalents at 1 January	**115,764**	**98,147**
Cash and cash equivalents at 31 March	**86,284**	**89,501**

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025 (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 (a chain of 129 restaurants) 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 pizza restaurants (28 restaurants and one subfrachise as at 31 March 2025) under the "Pizza Hut" brand and a chain of restaurants under the "Taco Bell" brand (16 restaurants as at 31 March 2025).

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 Ciccolatitaliani 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.

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 2025 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 2024.

The interim condensed consolidated financial statements for the three-month period ended 31 March 2025 included in this report are unaudited.

All amounts in RON thousand, unless specified otherwise

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 2024. The amendments effective since 1 January 2025 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 2025 and 31 December 2024 and the average exchange rates for the three-month period ended 31 March 2025 and 31 March 2024 were:

	Closing exchange rates		**Average exchange rates**	
	31 March 2025	**31 December 2024**	**Three-month period ended 31 March 2025**	**Three-month period ended 31 March 2024**
RON – EUR	4.9771	4.9741	4.9763	4.9735
RON – USD	4.6005	4.7768	4.7312	4.5916
RON – MDL	0.2559	0.2576	0.2562	0.2581

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.

All amounts in RON thousand, unless specified otherwise

3 GROUP INFORMATION

There was no change in the group structure during the three-month period ended 31 March 2025. Details of the Group consolidated subsidiaries at 31 March 2025 and 31 December 2024 are as follows:

Company name	Country of incorporation	Field of activity	Control 31 March 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%

4 PAYROLL AND EMPLOYEE BENEFITS

	Three-month period ended 31 March 2025	Three-month period ended 31 March 2024
Payroll and employee benefits recognized in restaurant expenses	92,716	82,498
Payroll and employee benefits recognized in "General and administrative expenses "	11,201	11,292
Total Payroll and employee benefits	**103,917**	**93,790**

Payroll costs of RON 543 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 2025 (2024: RON 430 thousand) for the construction or refurbishment of restaurants were capitalized in the cost of construction of the non-current assets.

5 OTHER OPERATING EXPENSES

	Three-month period ended 31 March 2025	Three-month period ended 31 March 2024
Third-party services	27,402	25,223
Utilities	11,430	9,504
Maintenance and repairs	5,173	4,150
Cleaning supplies	2,545	2,526
Transport	1,642	2,060
Smallwares	1,163	996
Bank charges	1,571	1,562
Telephone and postage	339	287
Insurance	170	115
Net (gain)/loss on disposal of property, plant and equipment and right-of-use assets	27	(101)
Excise duty	319	371
Miscellaneous expenses and income	1,019	863
Total	**52,800**	**47,556**

All amounts in RON thousand, unless specified otherwise

6 GENERAL AND ADMINISTRATIVE EXPENSES

	Three-month period ended	
	31 March 2025	**31 March 2024**
Payroll and employee benefits	11,201	11,292
Third-party services	2,101	1,703
Depreciation, amortization and impairment of non-current assets	1,647	1,446
Rent	64	48
Banking charges	145	192
Transport	368	297
Maintenance and repairs	64	78
Smallwares	20	37
Insurance	41	106
Telephone and postage	93	97
Miscellaneous expenses and income	103	215
Total	**15,847**	**15,512**

7 DEPRECIATION, AMORTIZATION AND IMPAIRMENT

	Three-month period ended	
	31 March 2025	**31 March 2024**
Depreciation of right-of-use assets recognized in "Restaurant expenses"	16,896	15,207
Depreciation, amortization and impairment of other non-current assets recognized in "Restaurant expenses"	11,480	10,249
Depreciation, amortization and impairment recognized in "Restaurant expenses"	**28,376**	**25,456**
Depreciation of non-operating right-of-use assets recognized in "General and administrative expenses"	799	767
Depreciation, amortization and impairment of non-current assets recognized in "General and administrative expenses"	848	679
Depreciation, amortization and impairment recognized in "General and administrative expenses"	**1,647**	**1,446**
Total depreciation, amortization and impairment	**30,023**	**26,902**

8 FINANCE COSTS

	Three-month period ended	
	31 March 2025	**31 March 2024**
Interest on loans and borrowings	1,637	2,405
Interest expense on lease liabilities	4,004	3,562
Interest cost on benefit obligation	33	31
Foreign exchange loss	105	-
Total finance costs	**5,779**	**5,998**

9 EQUITY

9.1 Issued capital

	31 March 2025	31 December 2024
Authorised shares		
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 March 2025 are: Shaletia Ventures Ltd. (29.5466%), Computerland Romania SRL (20.5327%), Wellkept Group SA (17.0739%) and free float own shares included (32.8468%).
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 – own shares included (32.8468%).

As at 31 March 2025, Sphera Group held 159,766 own treasury shares, representing 0.412% of the parent company's share capital (31 December 2024: 122,902 own treasury shares, representing 0.317%).

9.2 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. As of March 31, 2025, the Group held 159,766 own treasury shares for these purposes (December 31, 2024: 122,902 own shares). The average buyback price was RON 39.3350 per share, with the full price paid for the buyback shares repurchased amounting to RON 6,284 thousand.
The buyback program for reduction of the share capital was ongoing as of 31 December 2024 and was completed in January 2025.

10 EBITDA

	Three-month period ended	
	31 March 2025	31 March 2024
Operating profit	**15,282**	**32,115**
Adjustments to bridge operating profit to EBITDA:		
Depreciation, amortization and impairment of non-current assets included in restaurant expenses	28,376	25,456
Depreciation, amortization and impairment of non-current assets included in general and administrative expenses	1,647	1,446
EBITDA	**45,305**	**59,017**
Non-recurring expenses	-	-
Normalized EBITDA	**45,305**	**59,017**

For the three-month period ended 31 March 2025 and 31 March 2024, no EBITDA normalization adjustment was required.

All amounts in RON thousand, unless specified otherwise

11 RELATED PARTY DISCLOSURES

During the three-month period ended 31 March 2025 and 31 March 2024 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
Midi Development SRL	Entity affiliated to a shareholder of the parent	Romania	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 and payment of dividends
Tatika Investments Ltd.	Shareholder (until December 2024) and entity under common control of Radu Dimofte, ultimate controlling party of the Group	Cyprus	Payment of dividends
Shaletia Ventures Ltd.	Shareholder (from December 2024) and entity under common control of Radu Dimofte, ultimate controlling party of the Group	Cyprus	No transactions in 2024 and 2025
Radu Dimofte	Beneficial owner of Wellkept Group SA, Tatika Investments Ltd. and Shaletia Ventures Ltd. and ultimate controlling party of the Group	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

All amounts in RON thousand, unless specified otherwise

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 2025		Balances as at 31 March 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	-	20
Grand Plaza Hotel SA	-	330	66	29
Arggo Software Development and Consulting SRL	-	330	-	10
Dorobanti 239 Imobiliare SRL	-	930	-	9
Baneasa Developments SRL	-	1,238	-	180
Baneasa Investments SA	-	176	172	-
Computerland Romania SRL	5	47	5	9
Elicom SRL	-	152	-	53
Radu Dimofte	-	29	-	-
Moulin D'Or SRL	-	1	-	-
	5	**3,365**	**243**	**310**

	Transactions during the three-month period ended 31 March 2024		Balances as at 31 December 2024	
	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	-	17
Grand Plaza Hotel SA	-	321	66	22
Arggo Software Development and Consulting SRL	-	288	-	61
Dorobanti 239 Imobiliare SRL	-	902	-	114
Baneasa Developments SRL	-	1,182	-	196
Baneasa Investments SA	-	172	172	2
Computerland Romania SRL	6	176	4	1
Elicom SRL	-	174	-	49
Radu Dimofte	-	23	-	-
Midi Development SRL	-	-	-	128
Moulin D'Or SRL	-	3	-	-
	6	**3,373**	**242**	**590**

Compensation of key management personnel of the Group:

	Three-months ended 31 March 2025	Three-months ended 31 March 2024
Short-term employee benefits	1,874	2,527
Total compensation of the key management personnel	**1,874**	**2,527**

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

All amounts in RON thousand, unless specified otherwise

12 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

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, into its portfolio. This brand will be presented under the "Other" category, until it commences its operations.

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.

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	**640,502**	**43,504**	**43,474**	**78,080**	**(62,879)**	**742,681**
Total liabilities	**537,881**	**71,464**	**41,658**	**52,181**	**(120,530)**	**582,654**

Three-month period ended 31 March 2024	**KFC**	**Pizza Hut**	**Taco Bell**	**Other**	**Eliminations**	**Consolidated**
Revenues from external customers	317,624	27,436	20,865	(1)	-	**365,924**
Inter-segment revenues	-	-	-	10,395	(10,395)	**-**
Other income	509	270	10	-	(18)	**771**
Operating expenses	**285,263**	**29,183**	**19,820**	**10,699**	**(10,385)**	**334,580**
Segment operating profit/(loss)	**32,870**	**(1,477)**	**1,055**	**(305)**	**(28)**	**32,115**

All amounts in RON thousand, unless specified otherwise

Three-month period ended 31 March 2024	**KFC**	**Pizza Hut**	**Taco Bell**	**Other**	**Eliminations**	**Consolidated**
Finance costs	5,291	670	568	987	(1,519)	**5,998**
Finance income	1,291	22	19	519	(1,519)	**332**
Income tax expense	3,695	-	93	23	-	**3,811**
Net profit/(loss)	**25,175**	**(2,125)**	**413**	**(796)**	**(28)**	**22,638**
Total assets 31 March 2024	**599,403**	**44,745**	**37,051**	**78,048**	**(59,355)**	**699,892**
Total liabilities 31 March 2024	**489,970**	**66,130**	**38,673**	**56,810**	**(117,137)**	**534,446**
Total assets 31 December 2024	**666,569**	**46,369**	**47,065**	**81,261**	**(57,720)**	**783,544**
Total liabilities 31 December 2024	**572,427**	**72,415**	**45,836**	**53,192**	**(115,313)**	**628,557**

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.

Geographic information:

	Three-month period ended	
Revenue from external customers	**31 March 2025**	**31 March 2024**
Romania	311,079	317,123
Italy	44,736	43,303
Republic of Moldova	6,772	5,498
Total restaurant revenue	**362,587**	**365,924**

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

Bucharest, 15 May 2025

Chief Executive Officer

Calin Ionescu

Chief Financial Officer

Valentin Budes