

H1 2025 REPORT

Sphera Franchise Group S.A.



SPHERA

KFC





S P H E R A

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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 June 30th, 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	Half-year Report for H1
For financial period	01.01.2025 – 30.06.2025
Date of publishing	29.08.2025
According to	Annex 14 of ASF Regulation 5/2018

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



KFC



H1 2025 Consolidated Sales

Q1 2025

RON 362.6 mn
-0.9% vs. Q1 2024

Q2 2025

RON 382.6 mn
+2.3% vs. Q2 2024



RON 638.5 mn
-0.1% vs. H1 2024



RON 93.1 mn
+3.9% vs. H1 2024



RON 13.6 mn
+24.5% vs. H1 2024

KFC

RON 641.7 mn
-0.4% vs. H1 2024



RON 53.4 mn
+0.5% vs. H1 2024



TACO BELL

RON 50.1 mn
+18.4% vs. H1 2024

177

Restaurants operated across Romania, Moldova and Italy

40%

YoY increase in value traded of SFG shares in H1 2025

RON 1.09

Gross dividend per share paid in H1 2025

31.9%

Stable share of food and material costs in total sales in H1 2025, despite the external pressures

RON 52.8 mn

Normalized EBITDA in H1 2025, down 33% YoY due to customer caution, margin pressure, cost inflation

0.66

12M trailing net debt / EBITDA ratio

H1 2025 RESULTS ANALYSIS

In Q2 2025, Sphera Franchise Group recorded total sales of RON 382.6 million, up 2.3% year-on-year. This modest growth was influenced by external pressures in the Group's main market, Romania, where the imminent fiscal measures to address the budget deficit reduced discretionary spending. The trend, first visible in Q4 2024 and which persisted in Q1 2025, is expected to continue throughout the year. The YoY pace of growth was further impacted by the Group's exceptional performance in 2024, which created a strong base effect. Despite the challenging environment, which has already led to the insolvency of two established local restaurant brands, Sphera continues to move forward, focusing on resilience and disciplined execution.

Sales in Romania in Q2 2025 contributed to the total revenues with RON 327.4 million, registering a 1.6% YoY increase, Italy with RON 48.4 million, a 4.4% YoY increase, and the Republic of Moldova with RON 6.8 million, a 25.8% YoY increase. The regional revenue mix shifted slightly compared to H1 2024, with Italy and Moldova accounting for a larger share of total turnover, while Romania's contribution declined marginally. Consequently, in Q2 2025, Romania accounted for 85.6% of total sales, Italy for 12.6%, and the Republic of Moldova for 1.8%.

Data in RON '000	Q1-24	Q2-24	Q3-24	Q4-24	Q1-25	Q2-25	Δ Q2 2025 / 2024	Δ H1 2025 / 2024
Romania	317,123	322,346	347,241	346,252	311,079	327,447	1.6%	-0.1%
Italy	43,303	46,321	50,530	51,594	44,736	48,362	4.4%	3.9%
Rep. Moldova	5,498	5,418	5,667	7,089	6,772	6,813	25.8%	24.5%
Total sales	365,924	374,085	403,438	404,935	362,587	382,622	2.3%	0.7%

By brand, KFC sales increased by 1.1% in Q2 2025 compared to Q2 2024, reaching RON 330.4 million. Growth was tempered by weaker discretionary spending in Romania, driven by political instability and the foreseen fiscal measures introduced to address the budget deficit. Pizza Hut contributed RON 26.2 million to the total Q2 turnover, reflecting a 2% YoY increase, while Taco Bell reported a robust, 21.2% YoY growth, reaching RON 26 million in revenues in Q2 2025, due to 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 Q2 2025, KFC accounted for 86.4%, Pizza Hut for 6.8%, and Taco Bell for 6.8% of total sales. Ciocolatitaliani, with Sphera's first Italian store opened on June 20, 2025, generated sales of RON 52K during short period it was operational in Q2 2025.

Data in RON '000	Q1-24	Q2-24	Q3-24	Q4-24	Q1-25	Q2-25	Δ Q2 2025 / 2024	Δ H1 2025 / 2024
KFC	317,624	326,987	352,463	351,059	311,314	330,430	1.1%	-0.4%
Pizza Hut	27,436	25,679	26,886	28,407	27,172	26,183	2.0%	0.5%
Taco Bell	20,865	21,427	24,093	25,490	24,110	25,959	21.2%	18.4%
Ciocolatitaliani	-	-	-	-	-	52	-	-

Other restaurant income increased 37% YoY, to RON 339K, mainly driven by representing sale of recycled oil, sub-franchise fees, and sundry income.

At the level of restaurant expenses, all categories rose in Q2 2025 at a faster pace than sales, increasing 7.5% YoY, with advertising decreasing due the seasonality of the marketing campaigns. After a period of stability, food and material costs increased by 4.7% YoY to RON 122.1 million, driven mainly by higher poultry prices. Payroll and employee benefits remained the largest contributor to expense growth, advancing 9.3% YoY to RON 94.7 million, reflecting industry-wide wage adjustments.

Rent expenses increased 3.2% YoY, to RON 27.7 million, due to variable rent structures tied to sales growth, paired with the new openings. Royalties, which are also linked to sales, increased 2.6% YoY, to RON 23.1 million, while advertising decreased 5.6%, down to RON 19 million. Depreciation and amortization increased 41.1%, up to RON 15.6 million; excluding the normalized effect of RON 3.5 million the increase in depreciation and amortization of RON 1.1 is reflecting the expanded store network. Other operating expenses grew 13.4%, to RON 53.7 million, driven by increases in third party expenses (including food aggregator commissions), utilities, maintenance and repairs and other miscellaneous expenses.

Despite stable top-line performance, pressure on margins and cost inflation, particularly on payroll and other operating expenses, continued to erode the margins, as previously reported in Q1 2025. With the return of the pressure on the food and material costs, the Group's ability to restrain operating costs in the context of lower sales was limited, especially in the inflationary context. Consequently, normalized EBITDA decreased 28.5%, to RON 28 million.

Summary of Interim Consolidated Financial Statements for Q2 (excluding IFRS 16 Impact):

Data in RON'000	Q2-25	Q2-24	Y/Y % 2025/ 2024	% of Sales		Δ pp
				Q2-25	Q2-24	
Restaurant sales	382,622	374,085	2.3%			
Other restaurant income	339	247	37.0%			
Restaurant expenses	355,862	331,173	7.5%	93.0%	88.5%	4.5%
Food and material	122,106	116,679	4.7%	31.9%	31.2%	0.7%
Payroll and employee benefits	94,709	86,627	9.3%	24.8%	23.2%	1.6%
Rent	27,729	26,868	3.2%	7.2%	7.2%	0.0%
Royalties	23,061	22,484	2.6%	6.0%	6.0%	0.0%
Advertising	18,961	20,092	-5.6%	5.0%	5.4%	-0.4%
Other operating expenses	53,740	47,399	13.4%	14.0%	12.7%	1.4%
Depreciation and amortization	15,556	11,023	41.1%	4.1%	2.9%	1.1%
Restaurant operating profit	27,099	43,159	-37.2%	7.1%	11.5%	-4.5%
General & Admin expenses	16,967	15,806	7.3%	4.4%	4.2%	0.2%
Operating profit	10,132	27,353	-63.0%	2.6%	7.3%	-4.7%
Finance costs	2,752	2,596	6.0%	0.7%	0.7%	0.0%
Finance income	242	118	104.8%	0.1%	0.0%	0.1%
Profit before tax	7,623	24,876	-69.4%	2.0%	6.6%	-4.7%
Income tax expense	2,853	5,674	-49.7%	0.7%	1.5%	-0.8%
Profit for the period	4,770	19,202	-75.2%	1.2%	5.1%	-3.9%
Normalized² profit for the period	9,849	19,202	-48.7%	2.6%	5.1%	-2.6%
EBITDA	26,364	39,127	-32.6%	6.9%	10.5%	-3.6%
Normalized² EBITDA	27,982	39,127	-28.5%	7.3%	10.5%	-3.1%

²EBITDA was normalized for Q2 2025 to exclude one-off items: redundancies and related costs linked to the closing of KFC Bari (RON 1.6m). There were no items of normalization in Q2 2024. Profit was normalized for Q2 2025 to exclude one-off items: redundancies and related costs linked to the closing of KFC Italy Bari (RON 1.6m), impairment of non-recoverable non-current assets related to the relocation of KFC IS Palas Drive to a new zone as a part of landlord redesign project of the commercial area (RON 1.2m), and impairment of non-recoverable assets linked to the closing of KFC Italy Bari (RON 2.3m). Total normalized items amounted to RON 5.1m. There were no items of normalization in Q2 2024.

Summary of Interim Consolidated Financial Statements for H1 (excluding IFRS 16 Impact):

Data in RON'000	H1-25	H1-24	Y/Y % 2025/ 2024	% of Sales		Δ pp
				H1-25	H1-24	
Restaurant sales	745,209	740,009	0.7%			
Other restaurant income	2,321	1,019	127.8%			
Restaurant expenses	691,873	653,259	5.9%	92.8%	88.3%	4.6%
Food and material	237,460	232,878	2.0%	31.9%	31.5%	0.4%
Payroll and employee benefits	187,425	169,126	10.8%	25.2%	22.9%	2.3%
Rent	53,604	52,769	1.6%	7.2%	7.1%	0.1%
Royalties	44,705	44,481	0.5%	6.0%	6.0%	0.0%
Advertising	35,104	37,777	-7.1%	4.7%	5.1%	-0.4%
Other operating expenses	106,540	94,955	12.2%	14.3%	12.8%	1.5%
Depreciation and amortization	27,036	21,272	27.1%	3.6%	2.9%	0.8%
Restaurant operating profit	55,656	87,769	-36.6%	7.5%	11.9%	-4.4%
General & Admin expenses	33,004	31,564	4.6%	4.4%	4.3%	0.2%
Operating profit	22,652	56,205	-59.7%	3.0%	7.6%	-4.6%
Finance costs	4,357	5,235	-16.8%	0.6%	0.7%	-0.1%
Finance income	359	174	106.4%	0.1%	0.0%	0.1%
Profit before tax	18,654	51,144	-63.5%	2.5%	6.9%	-4.4%
Income tax expense	6,070	10,492	-42.1%	0.8%	1.4%	-0.6%
Profit for the period	12,584	40,652	-69.0%	1.7%	5.5%	-3.8%
Normalized² profit for the period	17,664	40,652	-56.5%	2.4%	5.5%	-3.1%
EBITDA	51,213	78,907	-35.1%	6.9%	10.7%	-3.8%
Normalized² EBITDA	52,830	78,907	-33.0%	7.1%	10.7%	-3.6%

² Same normalization items as described in footnote above.

At the level of six months, the sales across the Group increased 0.7%, reaching RON 745.2 million in H1 2025, with other restaurant income amounting to RON 2.3 million, mainly driven by the write-off of lease liability in Q1 2025, related to a location for which the construction permit could not be obtained due to factors beyond the Group's control. Most of the revenues generated in H1 2025 were generated in Romania – RON 638.5 million (85.7% of the total sales; -0.1% YoY), followed by Italy – RON 93.1 million (12.5% of the total sales; +3.9% YoY) and the Republic of Moldova - RON 13.6 million (1.8% of the total sales; +24.5% YoY). Analyzing performance per brand, sales of KFC amounted to RON 641.7 million (86.1% of the total sales; -0.4% YoY), Pizza Hut – RON 53.4 million (7.2% of total sales; +0.5% YoY) and Taco Bell – RON 50.1 million (6.7% of total sales, +18.4% YoY).

The restaurant expenses amounted, in the first six months of 2025, to RON 691.9 million, a 5.9% increase, outpacing the growth in the restaurant sales. Consequently, the weight in the total sales of the restaurant expenses increased 4.6pp, from 88.3% to 92.8%. At the level of restaurant expenses, similar to evolution in Q2 2025, all categories saw an increase, except for advertising. Food and material costs grew moderate 2%, to RON 237.5 million, driven by the cost-pressures experienced in Q2 2025.

Company's continued efforts to motivate and secure its employee base are reflected in the 10.8% YoY increase in payroll and employee benefits in H1 2025, which reached RON 187.4 million, mirroring the labor market evolution. The rent increased 1.6% YoY, to RON 53.6 million, reflecting the rent contract variable structure in line with the sales increase and adding of the new locations. Royalties also increased in line with the sales, reaching RON 44.7 million, a 0.5% YoY increase, while advertising decreased by 7.1% to RON 35.1 million, due to the seasonality and timing of the marketing campaigns. Other operating expenses amounted to RON 106.5 million, a 12.2% increase due to third party expenses (including food aggregator commissions), utilities, maintenance and repairs and other miscellaneous expenses. Depreciation and amortization saw a 27.1% YoY increase, to RON 27 million, excluding the normalized effect of RON 3.5 million the increase in depreciation and amortization of RON 2.3 million is mainly driven by the new restaurant openings.

Summary of Interim Consolidated Financial Statements for H1 – with and without IFRS 16 impact

Data in RON'000	H1-25	H1-25	H1-24	H1-24	Change (%)	
	1	2	1	2	2025/2024 (1)	2025/2024 (2)
Restaurant sales	745,209	745,209	740,009	740,009	0.7%	0.7%
Other restaurant income	2,321	2,321	1,019	1,019	-100.0%	127.8%
Restaurant expenses	685,746	691,873	647,025	653,259	6.0%	5.9%
Food and material	237,460	237,460	232,878	232,878	2.0%	2.0%
Payroll and employee benefits	187,425	187,425	169,126	169,126	10.8%	10.8%
Rent	13,730	53,604	15,542	52,769	-11.7%	1.6%
Royalties	44,705	44,705	44,481	44,481	0.5%	0.5%
Advertising	35,104	35,104	37,777	37,777	-7.1%	-7.1%
Other operating expenses	106,462	106,540	94,955	94,955	12.1%	12.2%
Depreciation and amortization	60,861	27,036	52,265	21,272	16.4%	27.1%
Restaurant operating profit	61,783	55,656	94,003	87,769	-34.3%	-36.6%
General & Admin expenses	32,586	33,004	31,070	31,564	4.9%	4.6%
Operating profit	29,197	22,652	62,934	56,205	-53.6%	-59.7%
Finance costs	18,052	4,357	12,771	5,235	41.4%	-16.8%
Finance income	359	359	174	174	106.4%	106.4%
Profit before tax	11,504	18,654	50,337	51,144	-77.1%	-63.5%
Income tax expense	5,064	6,070	9,218	10,492	-45.1%	-42.1%
Profit for the period	6,440	12,584	41,118	40,652	-84.3%	-69.0%
Normalized³ profit for the period	11,520	17,664	41,118	40,652	-72.0%	-56.5%
EBITDA	93,155	51,213	118,162	78,907	-21.2%	-35.1%
Normalized³ EBITDA	94,773	52,830	118,162	78,907	-19.8%	-33.0%

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 the first table, presenting summary of Interim Consolidated Financial Statements for Q2.

Restaurant operating profit at KFC Romania ("USFN Romania") reached RON 46.9 million in H1 2025 (-38.2% YoY), followed by Taco Bell ("CFF"), which brought RON 4.7 million (+49.7% YoY) and KFC Italy ("USFN Italy"), which contributed RON 2.7 million (-63.9% YoY) and KFC Moldova ("USFN Moldova"), with

RON 1.9 million (-22.4% YoY). For KFC Italy, excluding the normalized items of RON 3.9 million, the decrease in restaurant operating profit is 12.1% YoY. Pizza Hut ("ARS") generated restaurant operating loss of RON 0.3 million, reducing the loss by 74% versus last year, proving the efficiency of the network optimization measures implemented as of the end of 2023. The Ciocolatitaliani ("CHOCO") inaugurated its first location in Italy as of June 20th, 2025, generating restaurant operating loss of RON 0.5 million for H1 2025.

Breakdown of Interim Consolidated Results by Group companies – H1 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	535,112	53,355	13,585	93,046	52	50,069	21,458	(21,468)	745,209
Dividends revenue	-	-	-	-	-	-	105,501	(105,501)	-
Other restaurant income	2,152	180	-	-	-	32	-	(42)	2,321
Restaurant expenses	490,408	53,872	11,651	90,349	503	45,446	-	(356)	691,873
Food and material	177,138	14,631	4,908	24,855	24	15,904	-	-	237,460
Payroll and employee benefits	133,448	15,784	2,409	24,103	209	11,471	-	-	187,425
Rent	36,128	4,941	757	8,178	20	3,581	-	-	53,604
Royalties	32,078	3,175	812	5,651	-	2,988	-	-	44,705
Advertising	23,599	2,968	662	5,605	4	2,508	-	(242)	35,104
Other operating expenses	71,341	10,909	1,766	15,280	246	7,041	-	(44)	106,540
Depreciation	16,676	1,464	336	6,677	-	1,953	-	(70)	27,036
Restaurant operating profit	46,856	(337)	1,935	2,697	(452)	4,655	126,958	(126,655)	55,656
G&A expenses	19,519	3,503	363	6,166	103	2,012	22,774	(21,436)	33,004
Operating profit/(loss)	27,337	(3,840)	1,572	(3,470)	(554)	2,642	104,184	(105,219)	22,652
Finance costs	4,131	381	169	1,143	59	328	731	(2,585)	4,357
Finance income	1,991	2	-	61	-	-	890	(2,585)	359
Profit/(Loss) before tax	25,198	(4,220)	1,403	(4,551)	(614)	2,315	104,343	(105,219)	18,654
Income tax expense	5,179	-	198	86	-	433	174	-	6,070
Profit/(Loss) for the period	20,018	(4,220)	1,205	(4,637)	(614)	1,882	104,168	(105,219)	12,584
Normalized² Profit/(Loss) for the period	21,233	(4,220)	1,205	(772)	(614)	1,882	104,168	(105,219)	17,664
EBITDA	44,999	(2,030)	1,944	3,251	(554)	4,692	104,519	(105,608)	51,213
Normalized² EBITDA	44,999	(2,030)	1,944	4,868	(554)	4,692	104,519	(105,608)	52,830

² Same normalization items as described in footnote in the first table, presenting summary of Interim Consolidated Financial Statements for Q2.

G&A expenses increased by 4.6% YoY in H1 2025 and remained stable as a percentage of sales at 4.4%, a 0.1pp increase. As a result, normalized EBITDA stood at RON 52.8 million, reflecting a 33% 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			
	H1-25	H1-25	H1-24	H1-24			H1-25	H1-25	H1-24	H1-24
	(1)	(2)	(1)	(2)	2025/2024 (1)	2025/2024 (2)	(1)	(2)	(1)	(1)
General and administration (G&A) expenses	32,586	33,004	31,070	31,564	4.9%	4.6%	4.4%	4.4%	4.2%	4.3%
Payroll and employee benefits	22,785	22,785	22,485	22,485	1.3%	1.3%				
Third-party services	4,831	4,831	3,740	3,740	29.2%	29.2%				
Depreciation and amortization	3,096	1,525	2,964	1,430	4.5%	6.7%				
Rent	126	2,115	99	2,127	27.1%	-0.6%				
Banking charges	297	297	339	339	-12.5%	-12.5%				
Transport	847	847	640	640	32.4%	32.4%				
Other*	603	603	802	802	-24.8%	-24.8%				

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 21% YoY, from RON 5.1 million in H1 2024 to RON 4 million in H1 2025, primarily due to optimization of financing conditions, resulting in a gross profit of RON 18.7 million, a 63.5% YoY decrease. Income tax expense decreased by 42.1% YoY, to RON 6.1 million.

The decline of 69% in net profit, to RON 12.6 million, was driven by a combination of elevated operating expenses, especially payroll and other operating costs, stagnant sales due on the key market of activity of Sphera – Romania, a margin compression, and a 35.1% drop in EBITDA, which reached RON 51.2 million.

These challenges were further compounded by a strong base effect from H1 2024, a continued consumer caution trend amid political and economic uncertainty and a more competitive QSR market.

Net profit and EBITDA for H1 2025 were also influenced by one-off normalization items from Q2 2025, amounting to RON 5.1 million at profit level and RON 1.6 million at EBITDA level, primarily related to redundancies and costs linked to the closing of KFC unit in Bari, Italy, starting with September 1st, 2026, as well as impairment of non-current assets non recoverable associated with the compulsory relocation of KFC Iasi Palas Drive to a new zone as a part of landlord redesign project of the commercial area. Consequently, the normalized EBITDA saw a 33% decline, to RON 52.8 million, while normalized profit decreased 56.5%, to RON 17.7 million.

In Q2 2025, same store sales across Sphera brands decreased 1.2% YoY, a slight decrease on the back of a strong comparison base from Q2 2024 and consumer prudence fueled by uncertainty in the context of fiscal changes and broader inflationary pressures happening in Romania. The decrease in the same store sales was 3.5% YoY for USFN Romania and 0.5% for USFN Moldova, with the rest of the brands registering increases – CFF: +12.8%, USFN IT: +4.3% and ARS: +2%.

Between H2 2024 and H1 2025, Sphera opened eight new restaurants – six KFC locations, of which five new stores were inaugurated in Romania and one in the Republic of Moldova, one Taco Bell store in Romania and one Cioccolatoitaliani in Italy. The addition of new locations improved the Group's overall performance resulting in an increase of 2.3% YoY in all stores sales in Q2 2025, with biggest increases being registered by USFN Moldova, +25.8% YoY and CFF, which grew 21.2% YoY. USFN Italy, where all sales equal same store sales, increased 4.3%, ARS 2%, while USFN Romania all store remained flat year-on-year.

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

In Q2 2025, delivery sales increased by 2 percentage point compared to Q2 2024 and remained at the same level as the previous quarter of 2025, accounting for 20% of total Group sales. The total value of delivery sales in Q2 2025 grew by 11.9% YoY, reaching RON 76.4 million. In Q2 2025, the Group's own delivery sales channel contributed 7.9% of total delivery sales, up from 7.7% in Q2 2024.

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

MAIN FINANCIAL RATIOS

The main financial ratios of Sphera Franchise Group (interim consolidated result) as of June 30th, 2025, are presented below, together with the result as of June 30th, 2024. All the ratios include IFRS 16 impact.

<i>Financial data in RON '000</i>	6M Period ended 30.06.2025	6M Period ended 30.06.2024
Current ratio		
<u>Current assets</u>	<u>103,741</u>	<u>111,228</u>
<u>Current liabilities</u>	<u>257,759</u>	<u>232,597</u>
	= 0.40	= 0.48
Debt to Equity ratio		
<u>Interest-bearing debt (long term)</u>	<u>359,025</u>	<u>325,437</u>
<u>Equity</u>	<u>117,468</u>	<u>141,146</u>
	= 306%	= 231%
<u>Interest-bearing debt (long term)</u>	<u>359,025</u>	<u>325,437</u>
<u>Capital employed</u>	<u>476,492</u>	<u>466,583</u>
	= 75%	= 70%
Trade receivables turnover (days)		
<u>Average receivables</u>	<u>12,594</u>	<u>9,770</u>
<u>Sales</u>	<u>745,209</u>	<u>740,009</u>
	= 3.04	= 2.38
Fixed asset turnover		
<u>Sales</u>	<u>745,209</u>	<u>740,009</u>
<u>Net fixed assets</u>	<u>606,690</u>	<u>561,728</u>
	= 2.46	= 2.63

Notes: Annualized values, based on the ASF methodology.

H1 2025 Results Call

29.08.2025

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

On August 29th, Sphera Franchise Group will organize conference calls with the management to discuss the H1 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 H1 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, located at 1A Stadionului Street. In Q2 2025, Sphera opened 3 new restaurants – two KFCs in Romania, both being a food-court locations, one in Mall Moldova in Iasi, and another in Pitesti NEPI Retail Park. Moreover, in Q2 2025, the Group opened its first Cioccolatitaliani location in Italy, in Riccione, within the Rimini tourist area.

As of June 30th, 2025, Sphera Franchise Group operated 177 restaurants: 110 KFC restaurants in Romania, 3 in Moldova and 18 in Italy, as well as 28 Pizza Hut restaurants in Romania, 16 Taco Bell restaurants in Romania, 1 Cioccolatitaliani restaurant in Italy and one Pizza Hut Delivery sub-franchise.

STAFF

As of June 30th, 2025, the Group had 4,969 employees, of which 4,456 were in Romania, 401 in Italy and 112 in the Republic of Moldova. In H1 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. Furthermore, on May 14th, 2025, the Company informed the market about the assignment of 1,928 free shares to a member of the management of the affiliated company, representing the SOP for activity carried out in 2023.

ANNUAL GENERAL MEETING OF THE SHAREHOLDERS

On April 29th, 2025, the Board of Directors of Sphera Franchise Group held the Ordinary and Extraordinary General Meeting of the Shareholders. During the OGSM, the shareholders approved the 2024 financial statements, the 2024 remuneration report and the 2025 budget. 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 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 CONSOLIDATED RESULTS GUIDANCE REVISION

Following the meeting of the Board of Directors of Sphera Franchise Group S.A. (the "Group") on August 28th, 2025, the management of the Group informs shareholders and investors about the updated guidance of the 2025 consolidated results.

The initial budget, approved in the Ordinary General Meeting of the Shareholders on April 29th, 2025, assumed a more resilient consumer demand, gradual normalization of inflationary pressures, and a stable fiscal framework. However, the Romanian government adopted a set of measures highly unfavorable for the business environment, such as the VAT increase, and similar changes are further expected. These directly affect consumer purchasing power. Combined with cost inflation (payroll, utilities, poultry prices), the outlook for the second part of the year has deteriorated.

To provide the market with a more accurate view of the business outlook, the management communicates the updated guidance for the consolidated 2025 results (excluding IFRS 16 impact):

Indicator	2025 Updated Guidance			2025 Approved Budget		2025 Updated Guidance vs 2025 Approved Budget	
	RON millions		% Sales	RON millions	% Sales	%	
	← [Range] →		[Range Average]			← [Range] →	
Total Sales (*)	1600.0	1650.0	100.0%	1738.2	100.0%	-7.9%	-5.1%
EBITDA normalized (excluding IFRS 16 impact) (*)	140.0	150.0	8.9%	194.3	11.2%	-27.9%	-22.8%
Profit for the year normalized (*)	63.0	70.0	4.1%	105.2	6.1%	-40.1%	-33.5%
Free Cash Flow ^{1) (*)}	62.0	72.0		95.6			

(*) financial indicators included in Sphera Franchise Group SA Remuneration Policy relevant for variable remuneration calculation.

¹⁾ Free Cash Flow = EBITDA - Δ Net Working Capital - CAPEX

The management highlights that while the Group continues expanding its restaurant network and diversifying its portfolio, short-term headwinds from fiscal tightening and inflationary cost pressures are unavoidable. The Group will continue to maintain a robust financial profile and liquidity control. As of June 30, 2025, the Group's cash and cash equivalents stood at RON 69.6 million, while the net debt / EBITDA ratio remained at a sustainable level of 0.66.

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 later in 2025.

DIVIDEND PAYMENT

On June 6th, 2025, Sphera Franchise Group paid shareholders dividends from the undistributed net profit of financial years 2023-2024, fixing a gross dividend per share at RON 1.09. The ex-date for the dividend payment was May 15th, 2025, and the registration date was May 16th, 2025.

STOCK EXCHANGE EVOLUTION

After multiple quarters of consecutive growth, SFG shares registered a negative evolution in Q2 2025, recording a 9% decrease, as the share closing price on June 30th, 2025, was RON 38.15, vs. closing price of RON 41.9 from March 31st, 2025. Including the dividend paid on June 6th, the total-return evolution of SFG share in Q2 2025 was a 6% decrease. In Q2 2025, investors traded 1,832,315 SFG shares (-3% vs. Q2 2024), with a total value of RON 74.6 million (+10% vs. Q2 2024). The share price evolution in Q2 2025 underperformed the BVB reference index BET, which increased 7% in the period as well as the BET-TR index, which grew 12%.

In total, in H1 2025, investors traded 2,894,676 SFG shares (+16% vs. H1 2024) with a total value of RON 117.5 million (+40% vs. H1 2024). In H1 2025, SFG shares decreased 5%, while the BET index grew 12%. The Total Return on SFG shares in H1 2025, including the dividend paid on June 6th, 2025, was -3%, versus 17% increase for the BET-TR index registered in the same period.

ABOUT SPHERA FRANCHISE GROUP

The Group's franchised foodservice business was launched in 1994 with the opening of the first Pizza Hut location, which was followed by the opening in 1997 of the first KFC location, both in Bucharest. As of June 30th, 2025, the Group operates 177 restaurants in Romania, Italy, and the Republic of Moldova.

Sphera Franchise Group's business is conducted through the following three segments:

- Quick-service restaurants - through KFC restaurants (in Romania, the Republic of Moldova and Italy), Taco Bell restaurants (in Romania) and Pizza Hut Express restaurants (in Romania);
- Full-service restaurants - through Pizza Hut restaurants in Romania;
- Specialty food & beverage – through Cioccolatitaliani, an artisanal dessert and café concept in Italy.

All restaurants operated by the Group except Cioccolatitaliani provide delivery, either via own channel or in partnership with aggregating platforms.

KFC, Pizza Hut, Taco Bell and Cioccolatitaliani are all operated in a master franchise system, by companies owned by Sphera Franchise Group, the largest restaurant group in the full-service restaurant sector in Romania. A master franchise is a franchising contract in which the master franchisor hands over the control of the franchising activities in a specified territory to a person or entity, called the "master franchisee". Yum! is the master franchisor of Sphera Franchise Group for brands KFC, Pizza Hut and Taco Bell, while Gioia Group is the master franchisor for Cioccolatitaliani.

The visual representation of the Group's holding structure as of June 30th, 2025 is presented below:



ABOUT THE BRANDS



KFC is a global chicken restaurant chain with more than 75 years old history of success and innovation. It all started with Colonel Harland Sanders, the cook, who created the famous recipe of 11 secret herbs and spices. Even today, all KFC restaurants follow it around the world, with real cooks breading and freshly preparing the delicious chicken by hand in more than 27,000 restaurants in over 145 countries and territories around the world.

In Romania, the first KFC restaurant was opened in Bucharest, back in 1997 by the Group. In 2008, the Group opened the first KFC restaurant in the Republic of Moldova and in 2017 the Group entered the Italian market. In 2018, KFC Romania launched a delivery activity, which is now carried out in collaboration with the food aggregator platforms. Today, KFC is the leading chicken restaurant chain in Romania in terms of both total sales and number of restaurants.

In all KFC restaurants, the Group sells food and beverage products either individually or as part of a price-attractive bundle labeled "menu or box". Generally, the menus include three main components: a portion of a chicken-based product (burgers, wrappers or pieces of chicken meat), a medium-sized portion of French fries and a medium-sized non-alcoholic drink. For an additional price, our customers can choose to opt for the "Go Large" version of the menu, which consists of large portions of French fries and non-alcoholic drinks. A dipping sauce is also offered in some menu offers. Besides the menu and the box which are normally sized for one person, we also offer products, called Buckets, targeted for group consumption (up to four people). Buckets generally consist of a higher number of chicken meat pieces, and some include portions of French fries and non-alcoholic drinks.



PIZZA HUT is a global casual dine-in restaurant, founded more than 60 years ago in Wichita, Kansas, by the Carney brothers. Since then, it has grown to become the largest pizza company in the world with more than 19,000 restaurants in over 100 countries. Restaurants serve a diverse menu which includes pizza and pasta, salads as well as side dishes and desserts.

Pizza Hut was the first brand of the Group, to enter the Romanian market 30 years ago, this year, with the opening of its first location on Calea Dorobantilor in Bucharest and today is the largest casual dine-in restaurant chain in Romania in terms of both total sales and number of restaurants.

Pizza Hut restaurants primarily sell pizza (a wide range of classic and iconic recipes for the brand, on a variety of dough types, such as Pan, Classic, Cheesy Bites and Stuffed Crust) and other main-course products (such as burgers and pasta, or salads) as well as beverages (primarily non-alcoholic) and desserts.



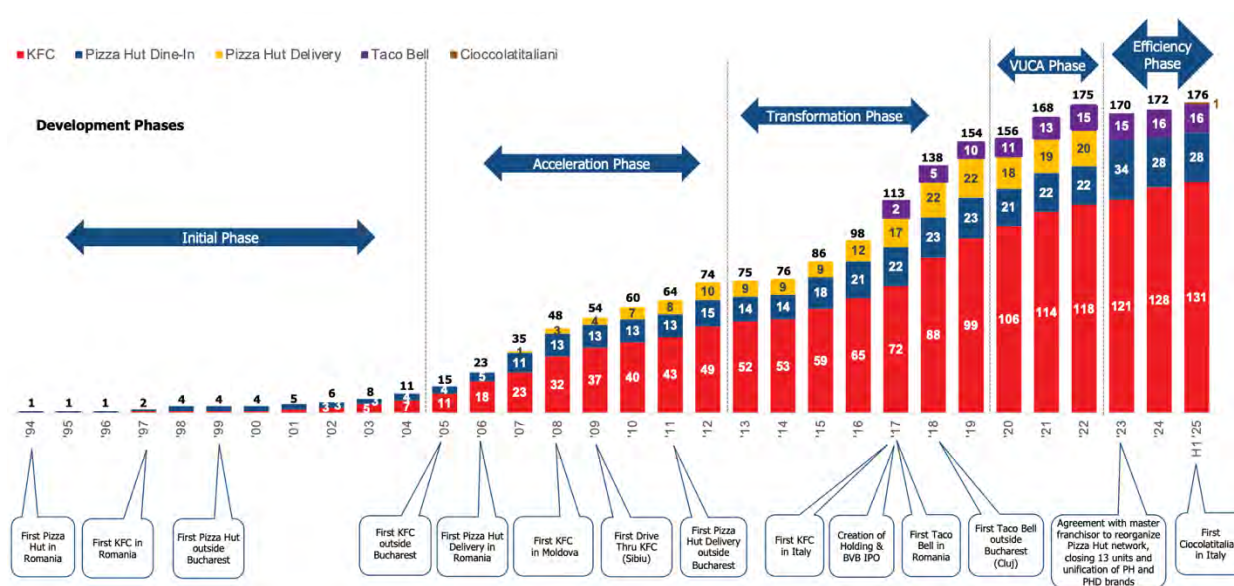
TACO BELL is the world's leading Mexican-inspired quick service restaurant (QSR), founded in California in 1962. Today, it has over 7,200 locations in more than 30 countries worldwide. The restaurants serve a variety of Mexican-inspired foods that include tacos, burritos, quesadillas, nachos, novelty and specialty items and a range of 'value menu' products. Sphera Group opened the first Taco Bell store in Bucharest, Romania, in October 2017.



CIOCCOLATITALIANI was founded in 2009 by the Ferrieri family and the brand found its definition in the word "Chocology," the art of mixing the best chocolate in the world with ice cream, pastry, and coffee. The Cioccolatitaliani product range includes a variety of items, such as artisanal ice cream prepared with different flavors and high-quality ingredients, chocolate lingos, pralines, and alternatives made from the renowned Cacao Fino de Aroma, as well as gourmet coffee, freshly baked Italian pastries, crepes, and waffles served with ice cream and various toppings.

Cioccolatitaliani currently operates a network of 43 units, most of them located in Italy, and several in the Balkans, Middle East and in North Africa. Sphera Franchise Group opened the first Cioccolatitaliani store in Italy in June 2025.

The historical evolution of the network (excluding one PH sub franchise) rollout is presented below:



RISKS REGARDING H2 2025

The Group's results of operations have been and are expected to continue to be affected by several factors:

Fiscal unpredictability risk: Sphera is exposed to risks stemming from sudden and unexpected changes in fiscal codes and regulations. Unpredictable alterations in tax laws or enforcement practices across the markets it operates: Romania, Italy and the Republic of Moldova, could negatively affect operational costs and profitability. Such shifts can increase the Group's tax burden, disrupt business planning, and reduce the predictability of future earnings. More specifically, in 2025, the Romanian Government adopted a series of fiscal changes, including higher VAT and higher dividend tax, aimed at increasing budget revenues and addressing the public deficit. In the second half of 2025, there is published draft legislation on other proposed tax changes with significant impact on the business community. The unpredictability of these changes directly affects the Group's ability to plan and forecast, increases operational costs, and reduces financial predictability. For Sphera Franchise Group, Romania being the largest market, the impact is significant across profitability, budgeting, and traffic in restaurants. Furthermore, higher taxation reduces consumers' disposable income, creating additional pressure on customer spending and potentially lowering sales volumes across the Group's brands.

Economic slowdown risk: The risk of economic slowdowns remains significant, with an additional layer of concern stemming from recent fiscal tightening in Romania. The Government's deficit-reduction measures, including tax hikes and increased social contributions, are expected to have a direct impact on consumer purchasing power and confidence. In key markets such as Romania, Italy, and the Republic of Moldova, reduced disposable income and heightened economic uncertainty may lead to lower consumer spending, particularly on discretionary categories such as dining out. For Sphera Franchise Group, this could translate into reduced restaurant visits, pressure on average ticket size, and increased sensitivity to price adjustments. Combined with existing macroeconomic risks, these measures further heighten the Group's exposure to consumption-driven volatility.

Inflation: A sustained increase in inflation in countries where the Group operates, Romania, Italy, and the Republic of Moldova, can severely affect its business. Rising costs of raw materials, operational expenses, and wages, amidst inflationary pressures, can strain Sphera's profit margins. The Group's strategy to maintain competitive pricing can be affected if it fails to negotiate favorable rates with its suppliers or if it is unable to pass on the cost increase to its customers due to competitive pressures.

Supplier price fluctuations: The Group's gross margin can be influenced by changes in the costs of raw materials, energy, and other inputs. While the Group has multiple suppliers, market conditions can still affect pricing, and transferring these costs to the end consumer might be challenging and delayed, or even impossible. The impact is further amplified in 2025 by fiscal measures in Romania, such as higher VAT and other deficit-reduction initiatives, which reduce consumer purchasing power and make it harder to adjust menu prices without affecting restaurant traffic and sales volumes.

Supply chain disruptions: The global disruptions due to events like the COVID-19 pandemic, extreme weather events, or local or regional conflicts such as the war in Ukraine can make procurement of essential ingredients challenging. As Sphera depends on timely delivery of fresh products, any extended disruption can affect the regular operations of the Group's restaurants and can potentially harm Sphera's reputation if the Group fails to meet customer expectations.

Labor shortages: The HoReCa sector heavily relies on manpower. Labor shortages can hinder the Group's ability to maintain service quality, potentially leading to customer dissatisfaction and reduced footfall. Furthermore, the need to offer higher wages to attract and retain staff could exert pressure on operational costs, potentially affecting profitability. The ongoing project of hiring employees from abroad, such as from Sri Lanka, might be a mitigation measure, but it also comes with its challenges and costs.

Labor costs: Labor is a significant expense. Factors like minimum wage legislation, social contributions, inflation, and the impact of the pandemic on the labor pool can increase costs, which might be challenging or even impossible to be transferred onto the clients.

Regulatory oversight and consumer protection risks: Sphera Franchise Group operates in a highly regulated industry, subject to regular inspections on food safety, hygiene, and consumer protection. While the Group enforces strict internal controls, isolated irregularities may still occur, and their disclosure, especially through media or social channels, can disproportionately harm reputation and customer trust. Even minor or quickly resolved issues risk being perceived as systemic, potentially reducing traffic and triggering further scrutiny. To mitigate this, the Group applies robust quality controls, staff training, and independent audits to ensure compliance.

Changes in consumer behavior: The post-pandemic world has seen a considerable shift in how consumers approach dining. The rise in online orders, takeaways, and preference for health and safety can affect dine-in traffic. While Sphera adapted in 2020–2021 by focusing on delivery and take-out services, continuous assessment of changing consumer preferences remains vital. Moreover, the Group's results are strongly influenced by broader economic factors, such as employment, inflation, taxation, disposable income, and consumer willingness to spend. In 2025, recently adopted fiscal measures in Romania, including higher VAT and increased dividend taxation, are expected to reduce household purchasing power. Combined with inflationary pressures and higher energy costs, these developments may further alter consumer behavior, leading to reduced frequency of dining out, smaller average tickets, and higher price sensitivity.

Product safety and public perception: Potential food-borne illnesses, product liability claims, and health pandemics can harm consumer trust. The Group's reliance on third-party suppliers and media reports can also influence public perception, even if the Group is not directly involved.

Poultry disease outbreak risk: The outbreak of poultry diseases, such as, but not limited to, avian influenza or Newcastle disease, can severely disrupt the supply chain of businesses reliant on poultry products. Such outbreaks can lead to mass culling of birds, increased scrutiny and regulations, and reduced consumer confidence in poultry-based products. An outbreak in a region from which the Group sources its poultry can result in supply shortages, increased costs due to the necessity to source from alternative providers, and potential reputational damage if consumers associate the brand with tainted products. Moreover, even in regions not directly affected by an outbreak, there can be heightened public fear and reduced consumption of poultry products. This risk is especially significant for brands that heavily feature poultry in their product lineup, such as KFC.

Expansion risks: Venturing into new markets or the introduction of new brands, products, or concepts into the market by Sphera Franchise Group carries inherent risks that could impact the Group's financial performance. Entering new markets, market segments or launching innovative products requires substantial investment in marketing, research, and development, with no guaranteed success. Consumer acceptance of new offerings can be unpredictable, and failure to resonate with the target audience may lead to lower-than-expected sales and potential brand dilution. Additionally, the resources and focus dedicated to launching new brands or concepts might divert attention from the Group's core businesses, potentially affecting the performance of established brands. The risk of not achieving a successful market entry or encountering unexpected challenges in supply chain, regulatory compliance, or operational execution could strain the Group's resources and negatively impact profitability.

Competitive landscape: The restaurant industry's competitive nature means that the Group constantly faces the challenge of new entrants with innovative offerings. The Group faces competition in terms of food quality, price, service, convenience, and concept. This competition can influence product demand, prices, wages, and rental costs, potentially reducing profitability. Maintaining service quality, introducing new menu items, and staying abreast of industry trends are essential to retain and grow the customer base, but might not be sufficient when facing a strong competitor.

Compliance risks: New regulations, related to, but not limited to, health and safety or concerning sustainability, might increase operational costs or impose restrictions on the Group's operations.

Sustainability concerns: With an increasing global focus on sustainability, restaurants that fail to adapt to more sustainable practices might face backlash from consumers and stakeholders alike. Sphera assesses on a continuous basis its supply chain, operational practices, and waste management to ensure these align with the increasing demand for sustainable business practices, however it might not be sufficient effort as considered by stakeholders.

Geopolitical instability: The ongoing conflict in Ukraine might continue to affect the general economic sentiment in the European region. The conflict, or any other similar event in the region or globally, including in the markets where the Group operates, can lead to disruptions in trade, increased energy prices, currency fluctuations, and general economic downturn, which can indirectly affect consumer spending habits.

Lockdowns: Potential lockdowns related to COVID-19 or other pandemics outbreak in Europe or across the world can impact restaurant operations. The Group's emphasis on delivery and take-out helps mitigate the impact, but it might not be sufficient to mitigate the negative impact on the business operations and overall profitability.

Fake news: Given its industry, notoriety of its brands as well as international presence, Sphera may face defamation or misinformation claims, including 'fake news'. Misleading information, even from inauthentic sources, can harm the Group's reputation and the brands it operates. Such events can reduce customer trust, sales, and the value of the Group's share price.

New technologies: Integrated technology solutions can redefine the dining experience and improve operational efficiencies. However, failing to adapt or late adoption can render the Group less competitive in the market. There's also the risk of potential job displacements with increased automation, which could lead to labor unrest.

Cybersecurity threats: As the Group expands and possibly integrates more digital solutions into its operations, the potential risk of cyber threats also increases. Cyberattacks, data breaches or technological failures can have serious reputational consequences and lead to loss of consumer trust. The Group might fail to adopt sufficient cybersecurity measures, resulting in cyberthreats.

Franchisor dependency: Operating KFC, Pizza Hut, Taco Bell and Cioccolatitaliani brands, many of the Group's decisions are influenced by the master franchisor. There can be uncertainty about the renewal of franchising agreements after their expiration, or about the terms of such agreements.

DISCLAIMER

Investors should consider that the factors briefly presented above are the most significant risks that Sphera Franchise Group is aware of at the time of redacting this report. However, the risks presented in this section do not include all the risks associated with the issuer's activity, and the Group cannot guarantee that it includes all the relevant risks for H2 2025. There may be other risk factors and uncertainties of which the Group or the companies within the Group are not aware at the time of preparing this report and which may in future modify the actual results, financial conditions, performances, and achievements of the issuer and may lead to a decrease in the price of the Group's shares.

Investors should undertake pre-requisite checks to prepare their investment opportunity assessment. The management recommends investors to read a more elaborated list of risks that Sphera Franchise Group is subject to, that was included in the Listing Prospectus, available [HERE](#), as well as the list of risks as included in the 2024 Annual Report, available [HERE](#). Nonetheless, it is important to underline that even with the additional sources, neither the list of risks, nor the description of the risks, can be treated as exhaustive.

DECLARATION FROM THE MANAGEMENT

Bucharest, August 29th, 2025

We confirm to the best of our knowledge that the unaudited interim condensed consolidated financial statements for the six months period ended June 30th, 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 six months of the 2025 financial year and their impact on the interim condensed consolidated financial statements.

Chief Executive Officer

Calin Ionescu

Chief Financial Officer

Valentin Budes



S P H E R A

investor.relations@spheragroup.com

SPHERA FRANCHISE GROUP SA
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE SIX-
MONTH PERIOD ENDED 30 JUNE 2025 (UNAUDITED)
All amounts in RON thousand, unless specified otherwise

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT AND
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 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.

SPHERA FRANCHISE GROUP SA
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE SIX-
MONTH PERIOD ENDED 30 JUNE 2025 (UNAUDITED)
All amounts in RON thousand, unless specified otherwise

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025 (UNAUDITED)

	Note	Six-month period ended 30 June 2025	30 June 2024
Restaurant sales	13	745,209	740,009
Other restaurant income	13	2,321	1,019
Restaurant expenses			
Food and material expenses		237,460	232,878
Payroll and employee benefits	4	187,425	169,126
Rental expenses		13,730	15,542
Royalties expenses		44,705	44,481
Advertising expenses		35,104	37,777
Other operating expenses	5	106,462	94,955
Depreciation, amortization and impairment	7	60,861	52,265
Restaurant operating profit		61,783	94,003
General and administrative expenses	6	32,586	31,070
Profit from operating activities		29,197	62,934
Finance costs	8	18,052	12,771
Finance income		359	174
Profit before tax		11,504	50,337
Income tax from continuing operations		5,064	9,218
Profit		6,440	41,118
Attributable to:			
Owners of the parent		6,216	40,729
Non-controlling interests		224	389
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		2	(134)
Total comprehensive income		6,442	40,984
Attributable to:			
Owners of the parent		6,217	40,680
Non-controlling interests		225	304

SPHERA FRANCHISE GROUP SA
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE SIX-
MONTH PERIOD ENDED 30 JUNE 2025 (UNAUDITED)

All amounts in RON thousand, unless specified otherwise

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025 (UNAUDITED)

	30 June 2025	31 December 2024
Assets		
Non-current assets	638,145	632,258
Property, plant and equipment	249,233	249,618
Right-of-use assets	296,704	293,279
Intangible assets and goodwill	60,753	59,304
Financial assets (cash collateral)	6,940	7,152
Deferred tax assets	24,515	22,905
Current assets	103,741	151,286
Inventories	14,536	16,396
Trade and other current receivables	12,528	12,661
Prepayments	7,124	6,465
Cash and short-term deposits	69,553	115,764
Total assets	741,886	783,544
Equity and liabilities		
Equity		
Issued capital (Note 10) Error! Reference source not found.	581,990	581,990
Share premium	(519,998)	(519,998)
Treasury shares (Note 10)	(4,995)	(4,789)
Reserves for share-based remuneration	2,788	3,685
Other reserves	(1,352)	(1,352)
Retained earnings	58,829	95,158
Reserve of exchange differences on translation	(263)	(263)
Equity attributable to owners of the parent	116,999	154,431
Non-controlling interests	469	556
Total equity	117,468	154,987
Non-current liabilities	366,659	357,781
Long-term borrowings (Note 9)	97,778	92,192
Non-current lease liabilities	261,247	258,430
Net employee defined benefit liabilities	6,158	5,485
Long-term trade and other payables	330	330
Deferred revenue	457	490
Deferred tax liabilities	689	854
Current liabilities	257,759	270,776
Trade and other current payables	134,787	155,773
Contract liabilities	667	615
Short-term borrowings (Note 9)	44,755	43,633
Current lease liabilities	72,664	64,851
Income tax payable	2,939	5,599
Provisions (Note 11)	1,947	305
Total liabilities	624,418	628,557
Total equity and liabilities	741,886	783,544

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(UNAUDITED)

All amounts in RON thousand, unless specified otherwise

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 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	-	-	-	-	-	6,216	-	6,216	224	6,440
Other comprehensive income										
Exchange differences on translation	-	-	-	-	-	-	-	-	2	2
Total comprehensive income	-	-	-	-	-	6,216	-	6,216	226	6,442
Acquisition of own shares (Note 10.2)	-	-	(1,495)	-	-	-	-	(1,495)	-	(1,495)
Shares granted (Note 10.2)	-	-	1,289	-	-	-	-	1,289	-	1,289
Share-based remuneration	-	-	-	(897)	-	-	-	(897)	-	(897)
Loss related to acquisition of treasury shares	-	-	-	-	-	(391)	-	(391)	-	(391)
Dividends declared	-	-	-	-	-	(42,154)	-	(42,154)	(313)	(42,467)
At 30 June 2025	581,990	(519,998)	(4,995)	2,788	(1,352)	58,829	(263)	116,999	469	117,468

SPHERA FRANCHISE GROUP SA
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
(UNAUDITED)

All amounts in RON thousand, unless specified otherwise

	Issued capital	Share premium	Treasury shares	Reserves for share-based remuneration	Other reserves	Retained earnings	Foreign currency translation reserve	Equity attributable to owners of the parent	Non-controlling interest	Total equity
As at 1 January 2024	581,990	(519,998)	(2,037)	3,894	(1,283)	79,825	(261)	142,130	486	142,616
Profit	-	-	-	-	-	40,729	-	40,729	389	41,118
Other comprehensive income										
Exchange differences on translation	-	-	-	-	-	-	(124)	(124)	(10)	(134)
Total comprehensive income	-	-	-	-	-	40,729	(124)	40,605	379	40,984
Acquisition of own shares	-	-	(1,289)	-	-	-	-	(1,289)	-	(1,289)
Share based remuneration - exercised shares options	-	-	2,037	(2,037)	-	-	-	-	-	-
Share based remuneration	-	-	-	533	-	-	-	533	-	533
Loss related to acquisition of treasury shares	-	-	-	-	-	(398)	-	(398)	-	(398)
Dividends declared	-	-	-	-	-	(40,739)	-	(40,739)	(561)	(41,300)
At 30 June 2024	581,990	(519,998)	(1,289)	2,390	(1,283)	79,417	(385)	140,842	304	141,146

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025 (UNAUDITED)

	Six-month period ended	
	30 June 2025	30 June 2024
Operating activities		
Profit before tax	11,504	50,337
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation of right-of-use assets	35,396	32,527
Depreciation and impairment of property, plant and equipment	25,262	20,321
Amortisation and impairment of intangible assets and goodwill	3,298	2,380
Other income	1,624	-
Adjustments for share-based remuneration	-	134
Adjustments for unrealised foreign exchange losses/(gains)	7,679	172
Adjustments for (gain)/loss on disposal of property, plant and equipment and right-of-use assets	(178)	(88)
Adjustments for finance income	(359)	(174)
Adjustments for finance costs (interest)	11,301	12,388
Movements in provisions, net (Note 11)	1,641	-
Working capital adjustments:		
Adjustments to decrease/(increase) in trade and other receivables and prepayments	(309)	(742)
Adjustments for decrease/(increase) in inventories	1,716	1,246
Adjustments for (decrease)/increase in trade and other payables	(25,328)	(20,667)
Interest received classified as operating activities	357	145
Interest paid classified as operating activities	(11,079)	(12,050)
Income tax paid	(8,962)	(8,961)
Cash flows from in operating activities	53,563	76,969
Investing activities		
Proceeds from sale of property, plant and equipment	139	106
Purchase of intangible assets	(7,890)	(2,091)
Purchase of property, plant and equipment	(21,004)	(23,718)
Cash flows used in investing activities	(28,755)	(25,704)
Financing activities		
Acquisition of treasury shares	(1,495)	(1,289)
Proceeds from borrowings	25,078	24,122
Repayment of borrowings	(20,843)	(21,124)
Payment of lease liabilities	(33,690)	(32,132)
Dividends paid to equity holders of the parent	(39,790)	(39,906)
Dividends paid to non-controlling interests	-	(280)
Cash flows used in financing activities	(70,740)	(70,608)
Net (decrease)/increase in cash and cash equivalents	(45,932)	(19,342)
Net foreign exchange differences	(279)	(56)
Cash and cash equivalents at 1 January	115,764	98,147
Cash and cash equivalents at 30 June	69,553	78,749

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT AND
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 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 131 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 sub-franchise as at 30 June 2025) under the ‘Pizza Hut’ brand and one chain of restaurants under the ‘Taco Bell’ brand (16 restaurants as at 30 June 2025). The first Ciccolatitaliani store was opened in June 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 and Pizza Hut Delivery franchises 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 INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated unaudited financial statements of the Group as of and for the six-month period ended 30 June 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 six-month period ended 30 June 2025 included in this report are unaudited.

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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 from 1 January 2025 do not have a material impact on the Group's interim condensed consolidated financial statements. The Group has not early adopted any other standards, interpretations or amendments that have been issued, but are not yet effective.

Foreign currencies

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

The exchange rates as at 30 June 2025 and 31 December 2024 and the average exchange rates for the six-month period ended 30 June 2025 and 30 June 2024 were:

	Closing exchange rates		Average exchange rates	
	30 June 2025	31 December 2024	Six-month period ended 30 June 2025	Six-month period ended 30 June 2024
RON – EUR	5.0777	4.9741	5.0037	4.9743
RON – USD	4.3329	4.7768	4.5844	4.6008
RON – MDL	0.2573	0.2576	0.2566	0.2590

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.

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All amounts in RON thousand, unless specified otherwise

3 GROUP INFORMATION

There was no change in the group structure during the six-month period ended 30 June 2025. Details of the Group consolidated subsidiaries at 30 June 2025 and 31 December 2024 are as follows:

Company name	Country of incorporation	Field of activity	Control 30 June 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 Flavours SRL	Romania	Restaurants	99.9900%	99.9900%
US Foods 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

	Six-month period ended	
	30 June 2025	30 June 2024
Payroll and employee benefits recognized in "Restaurant expenses"	187,425	169,126
Payroll and employee benefits recognized in "General and administrative expenses "	22,785	22,485
Total Payroll and employee benefits	210,210	191,611

Payroll costs of RON 1,070 thousand representing the value of project management and other technical activities performed by the Group's employees during the six-month period ended 30 June 2025 (2024: RON 878 thousand) for the construction or refurbishment of restaurants were capitalized in the cost of construction of the non-current assets.

For the six-month period ended 30 June 2025, "Restaurant expenses" include payroll cost amounting to RON 1,289 thousand representing a provision for termination benefits to be granted to the employees of a KFC restaurant located in Bari, Italy, scheduled for closure in September 2025. (Note 11)

5 OTHER OPERATING EXPENSES

	Six-month period ended	
	30 June 2025	30 June 2024
Third-party services	55,489	50,571
Utilities	21,515	18,336
Maintenance and repairs	10,345	8,444
Cleaning supplies	5,195	5,084
Transport	3,619	4,084
Smallwares	2,299	2,121
Bank charges	3,160	3,115
Excise duty	624	675
Telephone and postage	671	585
Insurance	341	269
Net (gain)/loss on disposal of property, plant and equipment and right-of-use assets	(178)	(88)
Miscellaneous expenses and revenues	3,382	1,761
Total	106,462	94,955

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6 GENERAL AND ADMINISTRATIVE EXPENSES

	Six-month period ended	
	30 June 2025	30 June 2024
Payroll and employee benefits	22,785	22,485
Third-party services	4,832	3,740
Depreciation, amortization and impairment of non-current assets	3,096	2,964
Rent	126	99
Banking charges	297	339
Transport	847	640
Maintenance and repairs	104	160
Smallwares	41	59
Insurance	77	159
Telephone and postage	184	185
Miscellaneous expenses and revenues	197	240
Total	32,586	31,070

7 DEPRECIATION AND AMORTIZATION

	Six-month period ended	
	30 June 2025	30 June 2024
Depreciation of right-of-use assets recognized in "Restaurant expenses"	33,825	30,993
Depreciation, amortization and impairment of other non-current assets recognized in "Restaurant expenses"	27,036	21,272
Depreciation, amortization and impairment recognized in "Restaurant expenses"	60,861	52,265
Depreciation of non-operating right-of-use assets recognized in "General and administrative expenses"	1,571	1,534
Depreciation, amortization and impairment of non-current assets recognized in "General and administrative expenses"	1,525	1,430
Depreciation, amortization and impairment recognized in "General and administrative expenses"	3,096	2,964
Total depreciation, amortization and impairment	63,957	55,229

For the six month-period ended 30 June 2025, depreciation and impairment expenses include an impairment charge of a total amount of RON 3,462 thousand, comprising: an amount of RON 1,215 thousand related to the leasehold improvements and other non-recoverable non-current assets, following the relocation of KFC IS Palas Drive to a new area, as a part of the landlord's initiative to redesign the commercial park; and RON 2,247 thousand related to the non-current assets associated with the closure of a KFC restaurant located in Bari, Italy.

8 FINANCE COSTS

	Six-month period ended	
	30 June 2025	30 June 2024
Interest on loans and borrowings	3,157	4,774
Interest expense on lease liabilities	8,078	7,552
Interest cost on benefit obligation	67	61
Foreign exchange loss	6,750	383
Total finance costs	18,052	12,771

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All amounts in RON thousand, unless specified otherwise

9 BORROWINGS

	Interest rate, %	30 June 2025	31 December 2024
Current borrowings			
Current portion of bank loans	EURIBOR 3M + relevant spread	44,755	43,633
Total current borrowings		44,755	43,633
Non-current borrowings			
Non-current portion of bank loans	EURIBOR 3M + relevant spread	97,778	92,192
Total non-current borrowings		97,778	92,192
Total borrowings		142,533	135,825

The Group's financing facilities consist of:

- Financing facilities with Alpha Bank as follows: an uncommitted long term credit facility in maximum amount of EUR 42,167,000 for the development of new locations and financing of the foreign subsidiaries, with a maturity of 6 years from each withdrawal, a credit facility for issuance of bank guarantee letters of EUR 3,500,000, entirely used as at 30 June 2025, as well as a multi-optional short-term facility in a maximum amount of RON 20,297,612 for financing of working capital and guarantee letters, out of which is used the amount of RON 773 thousand (for guarantee letters) as at 30 June 2025. The loan facilities are secured with property, plant and equipment of restaurant locations for which the credit limited has been utilised, pledge on business goodwill, pledge on current accounts opened with the bank, promissory notes issued, pledge on receivables from shares owned by the Group in its subsidiaries from Moldova and Italy. In July 2025, the Group signed the extension of the maturity/validity of the short-term facility and the facility for issuance of letters of guarantees with maintaining all guarantees previously constituted in the guarantee of the facilities and the extension of the availability of the long-term facility. The short-term facility limit was reduced to RON 11,677,762.

Starting November 4, 2024, Alpha Bank Romania became part of the UniCredit Group, the merger between the two banks being completed on August 15, 2025.

- An uncommitted short-term facility agreement signed in June 2024 with Citibank Europe PLC Dublin – Romania Branch by Sphera Franchise Group SA and USFN Romania, as Borrowers, in total amount of EUR 3,500,000 to be used by the borrowers for issuance of letters of guarantee for borrowers' use or on behalf of other Group entities. The facility is secured with a movable mortgage on the bank accounts of the borrowers opened at the Bank. As of 30 June 2025, it was used for issuance of guarantee letters the amount of RON 6,501 thousand, equivalent of EUR 1,280 thousand.

- In June 2025, Choco Franchise SRL signed an uncommitted long-term facility agreement with Banca Popolare di Milano (BPM) for an amount of EUR 460,000, repayable in 60 monthly instalments. The credit facility is intended to support the development activities of the Cioccolatitaliani brand. The loan is unsecured, carries no financial covenants, and is backed by a binding letter of confort issued by Sphera Franchise Group SA.

Covenants:

The Group's borrowing arrangement with Alpha Bank and Citi Bank contains several covenants, mainly of quantitative nature, out of which the most important relates to the ratio bank net debt, including non-cash loan utilized for letter of guarantee / EBITDA at a consolidated level, excluding the impact of IFRS 16, which should not exceed at any point in time 2.5.

Breaches in meeting the financial covenant at Group consolidated level would permit the banks to call the loan amounts needed to meet the financial covenant. There have been no breaches of the consolidated financial covenant for the years ended 31 December 2024 and 31 December 2023.

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10 EQUITY

10.1 Issued capital

	30 June 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

As at 30 June 2025, Sphera Group held 125,878 own treasury shares, representing 0.324% of the parent company's share capital (31 December 2024: 122,902 own treasury shares, representing 0.317%).

The shareholders of Sphera Franchise Group SA as of 30 June 2025 and 31 December 2024, respectively, are: Shaletia Ventures Ltd. (29.5466%), Computerland Romania SRL (20.5327%), Wellkept Group SA (17.0739%) and free float – own shares included (32.8468%).

10.2 Treasury shares

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

In 2024, 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.

The buyback program for reduction of the share capital was ongoing as of 31 December 2024 and was completed in January 2025. Therefore, in January 2025, the Group acquired 36,864 shares at an average buyback price of RON 40,5540, with the full price paid of RON 1,495 thousand.

As part of the Group's share option plan, during the six-month period ended 30 June 2025, SFG assigned 33,888 free shares with a total value of RON 1,289 thousand to the executive directors of the Group, representing the SOP for activity carried out in 2023.

As of June 30, 2025, the Group held 125,878 own treasury shares for the two buyback programs (December 31, 2024: 122,902 own shares).

11 EBITDA

	Six-month period ended	
	30 June 2025	30 June 2024
Operating profit	29,198	62,934
Adjustments to bridge operating profit to EBITDA:		
Depreciation, amortization and impairment of non-current assets included in restaurant expenses	60,861	52,265
Depreciation, amortization and impairment of non-current assets included in general and administrative expenses	3,096	2,964
EBITDA	93,155	118,162
Normalization adjustments	1,617	-
Normalized EBITDA	94,772	118,162

For the six-month period ended 30 June 2025, EBITDA was normalized by excluding non-recurring expenses amounting to RON 1,617 thousand. These include redundancy costs of RON 1,289 thousand (Note 4) and other operating expenses of RON 328 thousand, both related to the closing of the KFC restaurant located in Bari, Italy. No normalization adjustments were necessary for the six-month period ended 30 June 2024.

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12 RELATED PARTY DISCLOSURES

During the six-month period ended 30 June 2025 and 30 June 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 shareholders of the parent	Romania	Goods and services
Midi Development SRL	Entity affiliated to shareholders 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
Shaletia Ventures Ltd.	Shareholder (from December 2024) and entity under common control of Radu Dimofte, ultimate controlling party of the Group	Cyprus	Payment of dividends in 2025
Radu Dimofte	Beneficial owner of Wellkept Group SA, Tatika Investments Ltd, 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
Parc Hotels SA	Entity affiliated to a shareholder of the parent	Romania	Accommodation services

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

	Transactions during the six-month period ended 30 June 2025		Balances as at 30 June 2025	
	Sales to related parties (without VAT)	Purchases from related parties (without VAT)	Amounts owed by related parties	Amounts owed to related parties
Wellkept Group SA	-	252	-	11
Grand Plaza Hotel SA	-	647	66	18
Arggo Software Development and Consulting SRL	-	667	-	39
Dorobanti 239 Imobiliare SRL	-	1,982	-	14
Baneasa Developments SRL	-	2,402	-	169
Baneasa Investments SA	-	353	172	-
Computerland Romania SRL	14	107	4	-
Elicom SRL	-	283	-	58
Radu Dimofte	-	50	-	-
Moulin D'Or SRL	-	1	-	-
	14	6,744	242	309

	Transactions during the six-month period ended 30 June 2024		Balances as at 31 December 2024	
	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Wellkept Group SA	-	247	-	17
Midi Development SRL	-	-	-	128
Grand Plaza Hotel SA	-	634	66	22
Arggo Software Development and Consulting SRL	-	603	-	61
Dorobanti 239 Imobiliare SRL	-	1,816	-	114
Baneasa Developments SRL	-	2,335	-	196
Baneasa Investments SA	-	345	172	2
Computerland Romania SRL	29	214	4	1
Elicom SRL	-	296	-	49
Radu Dimofte	-	49	-	-
Moulin D'Or SRL	-	4	-	-
Parc Hotels SA	-	67	-	-
	29	6,608	242	590

SPHERA FRANCHISE GROUP SA
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE SIX-
MONTH PERIOD ENDED 30 JUNE 2025 (UNAUDITED)

All amounts in RON thousand, unless specified otherwise

Compensation of key management personnel of the Group:

	Six-months ended	
	30 June 2025	30 June 2024
Short-term employee benefits	4,467	4,920
Total compensation of the key management personnel	4,467	4,920

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

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

At the end of the year 2024, the Group incorporated a new brand, Cioccolatitaliani ("CHOCO"), into its portfolio. CHOCO inaugurated its first location in Italy on 20 June 2025, contributing RON 52 thousand in restaurant operating revenues during H1 2025. Although the financial impact is not material for the reporting period, the brand is currently 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.

Six-month period ended 30 June 2025	KFC	Pizza Hut	Taco Bell	Other	Eliminations	Consolidated
Revenues from external customers	641,740	53,355	50,069	45	-	745,209
Inter-segment revenues	-	-	-	21,465	(21,465)	-
Other income	2,152	180	32	-	(43)	2,321
Dividend revenues	-	-	-	105,501	(105,501)	-
Operating expenses	612,372	57,196	47,287	23,270	(21,792)	718,333
Segment operating profit/(loss)	31,520	(3,661)	2,814	103,741	(105,217)	29,197
Finance costs	16,395	1,444	1,389	968	(2,144)	18,052
Finance income	1,611	2	-	890	(2,144)	359
Income tax expense	4,600	-	290	174	-	5,064
Net profit/(loss)	12,136	(5,103)	1,135	103,489	(105,217)	6,440
Total assets	629,655	47,303	45,864	150,426	(131,362)	741,886
Total liabilities	629,177	78,453	43,500	62,526	(189,238)	624,418

SPHERA FRANCHISE GROUP SA
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE SIX-
MONTH PERIOD ENDED 30 JUNE 2025 (UNAUDITED)

All amounts in RON thousand, unless specified otherwise

Six-month period ended 30 June 2024	KFC	Pizza Hut	Taco Bell	Other	Eliminations	Consolidated
Revenues from external customers	644,609	53,116	42,291	(7)	-	740,009
Inter-segment revenues	-	-	-	20,818	(20,818)	-
Other income	673	364	19	-	(37)	1,019
Dividend revenues	-	-	-	94,025	(94,025)	-
Operating expenses	579,203	57,586	40,557	21,565	(20,818)	678,093
Segment operating profit/(loss)	66,079	(4,106)	1,753	93,271	(94,062)	62,934
Finance costs	11,321	1,376	1,139	1,921	(2,987)	12,771
Finance income	2,052	2	-	1,106	(2,987)	174
Income tax expense	9,068	-	127	23	-	9,218
Net profit/(loss)	47,742	(5,480)	486	92,432	(94,061)	41,118
Total assets	612,860	42,481	36,413	126,715	(112,279)	706,191
Total liabilities	575,636	67,221	37,962	54,276	(170,050)	565,045
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 six-month period ended 30 June 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:

	Six-month period ended	
Revenue from external customers	30 June 2025	30 June 2024
Romania	638,526	639,470
Italy	93,098	89,624
Republic of Moldova	13,585	10,916
Total restaurant revenue	745,209	740,009

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

Bucharest, 29 August 2025

Chief Executive Officer

Calin Ionescu

Chief Financial Officer

Valentin Budes