

To:

**BURSA DE VALORI BUCUREŞTI S.A.
AUTORITATEA DE SUPRAVEGHERE FINANCIARĂ**

CURRENT REPORT 22/2022

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

Date of report	02.05.2022
Name of the Company	Sphera Franchise Group SA
Registered Office	Bucharest, Romania
Address	Calea Dorobanților nr. 239, 2nd floor, Bucharest sector 1
Phone / Fax	+40 21 201 17 57 / +40 21 201 17 59
Email	investor.relations@spheragroup.com
Registration nr. with Trade Registry	J40/7126/2017
Fiscal Code	RO 37586457
Subscribed and paid share capital	581,990,100 RON
Total number of shares	38,799,340
Symbol	SFG
Market where securities are traded	Bucharest Stock Exchange, Main Segment, Premium Category

Important events to be reported: Publication of the Voluntary Report on Transactions with Related Parties carried out by companies from the Group during the year ended 31 December 2021.

In the spirit of transparency, the management of Sphera Franchise Group SA (hereinafter referred to as the "Group") informs all the interested parties about the publishing of the voluntary report on the transactions with related parties carried out by the companies from the Group during the year ended 31 December 2021. The report is supplementary to the current reporting of legal acts concluded by Sphera Franchise Group SA according to the provisions of Law no. 24/2007 and Law no. 158/2020 on issuers of financial instruments and market operations and pursuant to the Financial Supervisory Authority Regulation no. 5/2018 on issuers and operations with securities.

The transactions with related parties are made at terms equivalent to those that prevail in arm's length transactions. The details can be consulted on the following pages that are integral part of this current report.

CHIEF EXECUTIVE OFFICER

Calin Ionescu

CHIEF FINANCIAL OFFICER

Valentin Budes

Voluntary Related Parties Transactions Financial Report

For the year ended 31 December 2021

Report date:	2 May 2022
Name of the issuing entity:	Sphera Franchise Group SA
Statutory seat:	Bucharest, Romania
Visiting address:	Bucharest, 239 Dorobanti Ave., 2 nd Floor, 1 st District, Romania
Phone no/Fax no:	0040 21 201 1757 / 0040 21 201 1759
Sole Registration Code:	RO 37586457
Order number with the Trade Registry:	J40/7126/2017
Subscribed and paid-in share capital:	RON 581,990,100
Number of shares in issue:	38,799,340
Regulated market on which the issued securities are traded:	Bucharest Stock Exchange, Main Segment, Category Premium (Shares)
Symbol:	SFG

Note: The Voluntary Related Parties Transactions Financial Report is concluded in compliance with the International Financial Reporting Standards, as adopted by EU ("IFRS") for the year ended 31 December 2021.

Contact details:

Investor Relations
E-mail: investor.relations@spheragroup.com



DETAILED RELATED PARTIES REPORT

This voluntary reporting is supplementary to the current reporting of legal acts concluded by Sphera Franchise Group SA according to the provisions of Law no. 24/2007 and Law no. 158/2020 on issuers of financial instruments and market operations and pursuant to the Financial Supervisory Authority Regulation no.5/2018 on issuers and operations with securities.

The transactions with related parties are made at terms equivalent to those that prevail in arm's length transactions.

The table in Annex 1 provides the total amount of transactions that have been entered into with related parties, the amount of transactions that have been entered into between the Sphera group entities (the "Group") for the relevant period, as well as the value of the trade and other receivables and payables balances at the reporting period date. No threshold has been used for the reporting; all transactions are included.

The transactions are summarized based on the nature of the costs/ revenues incurred between the parties and they are based on the fiscal documents (invoices, receipts), accruals booked by the Sphera group entities in the relevant period as per the signed agreements or the decisions of the general shareholders' meetings for the dividend income.

The detailed related parties report is released quarterly on the BVB website.

During the nine-month financial period ended 31 December 2021, the Group companies have carried out transactions with the following related parties:

Group companies	Nature of the relationship	Country of incorporation	Nature of transactions
Sphera Franchise Group SA	Parent company	Romania	Services, loans, dividends
US Food Network SRL	Subsidiary	Romania	Dividends, loans, goods and services
American Restaurant System SA	Subsidiary	Romania	Services, loans, VAT- tax group
California Fresh Flavors SRL	Subsidiary	Romania	Services, loans
US Food Network SRL	Subsidiary	Republic of Moldova	Dividends, loans
US Food Network SRL	Subsidiary	Italy	Goods and services, loans
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 with common members of key management personnel	Romania	Services
Grand Plaza Hotel SA	Entity affiliated to a shareholder of the parent	Romania	Rent and utilities store PH Dorobanti
Arggo Software Development and Consulting SRL	Entity affiliated to a shareholder of the parent	Romania	Implementation services, IT services
Lunic Franchising and Consulting LTD	Shareholder	Cyprus	Payment of dividends



S P H E R A



Related party	Nature of the relationship	Country of incorporation	Nature of transactions
Wellkept Group SA	Shareholder	Romania	Rent training center, payment of dividends
Tatika Investments Ltd.	Shareholder	Cyprus	Payment of dividends
Computerland Romania SRL	Shareholder	Romania	Payment of dividends, sale of goods, acquisition of IT equipment
Cinnamon Bake&Roll SRL	Entity with common members of key management personnel	Romania	Goods and services, loans provided
Lucian Vlad	Beneficial owner of Lunic Franchising and Consulting Ltd.	Romania	Rent store KFC Mosilor
Radu Dimofte	Beneficial owner of Wellkept Group SA and Tatika Investments Ltd	Romania	Rent store KFC Mosilor
Elicom SRL	Entity affiliated to a shareholder of the parent	Romania	Call-centre services
Elicom Connect SRL	Entity affiliated to a shareholder of the parent	Romania	Marketing 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
Fundatia Advance	Entity with common members of key management personnel	Romania	Sale of goods

Definition as per IAS 24 - Related party and related party transaction

Related party – A related party is a person or entity that is related to the entity that is preparing its financial statements, the “reporting entity” (referred to in IAS 24, Related Party Disclosures”).

- a) A person or a close member of that person’s family is related to a reporting entity if that person:
 - i) has control or joint control over the reporting entity;
 - ii) has significant influence over the reporting entity; or
 - iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b) An entity is related to a reporting entity if any of the following conditions applies:
 - i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - iii) Both entities are joint ventures of the same third party.
 - iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

- v) *The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.*
- vi) *The entity is controlled, or jointly controlled by a person identified in (a).*
- vii) *A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).*
- viii) *The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.*

A reporting entity is exempt from the disclosure requirements of IAS 24.18 in relation to related party transactions and outstanding balances, including commitments, with:

- a) *a government that has control, or joint control of, or significant influence over the reporting entity; and*
- b) *another entity that is a related party because the same government has control or joint control of, or significant influence over, both the reporting entity and the other entity.*

Related party transaction – *A transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged (IAS 24.9).*

Annex 1 - Related parties and intercompany balances and transactions for the year ended 31 December 2021
Related parties and intercompany transactions for the year ended 31 December 2021

*Amounts in RON			Sales/Interest revenues/Dividends revenues							
Beneficiary	Seller/ Lender	Nature of the relationship	Nature of transactions	Sphera Franchise Group SA (SFG)	US Food Network SA (USFN)	American Restaurant System SA (ARS)	California Fresh Flavors SRL (CFF)	US Food Network Srl - Italia (USFN_ITA)	US Food Network Srl - Moldova (USFN_MD)	Total
Sphera Franchise Group SA (SFG)	Parent Company	Maintenance & spare parts			-	-	-	-	-	-
		Recharge of costs			4,448	4,972	-	-	-	9,419
		Interest			1,195,817	-	-	-	-	1,195,817
		Rent, utilities & other services (events)			2,955	5,520	-	-	-	8,475
US Food Network SA (USFN)	Subsidiary	Dividends revenues	36,300,372		-	-	-	-	-	36,300,372
		Support services (service level agreement)	21,769,137		-	-	-	-	-	21,769,137
		Recharge of costs - marketing & other	-		108,679	-	-	-	-	108,679
American Restaurant System SA (ARS)	Subsidiary	Support services (service level agreement)	4,245,345	-		-	-	-	-	4,245,345
		Maintenance & spare parts	-	21,388		-	-	-	-	21,388
		Interest	371,687	561,579		-	-	-	-	933,267
California Fresh Flavors SRL (CFF)	Subsidiary	Support services (service level agreement)	1,737,383	-	-			-	-	1,737,383
		Maintenance & spare parts	-	31,294	-			-	-	31,294
		Interest	360,941	414,611	-			-	-	775,553
US Food Network Srl -Italia (USFN_ITA)	Subsidiary	Support services (service level agreement)	1,215,563	-	-	-	-		-	1,215,563
	Subsidiary	Interest	862,277	1,891,231	-	-	-		-	2,753,509
US Food Network Srl - Moldova (USFN_MD)	Subsidiary	Dividends revenues	1,224,897	-	-	-	-		-	1,224,897
	Subsidiary	Interest	-	19,914	-	-	-		-	19,914
Cinnamon Bake&Roll SRL	Related party	Maintenance & spare parts	-	-	-	-	-	-	-	-
		Interest	-	-	-	-	-	-	-	-
Moulin D'Or SRL	Related party	Support services (service level agreement)	-	-	-	-	-	-	-	-
		Maintenance & spare parts	-	-	-	-	-	-	-	-
Wellkept Group SA	Related party	Sale of goods	-	143	121	-	-	-	-	264
Midi Development SRL	Related party	Maintenance & spare parts	398	873	-	-	-	-	-	1,271
Computerland Romania SRL	Related party	Sale of goods	-	-	993	-	-	-	-	993
Fundatia Advance	Related party	Sale of goods	-	19,266	31,593	22,500	-	-	-	73,359
Total			68,088,002	4,163,519	151,878	22,500				72,425,900

*Amounts in RON										
Beneficiary		Nature of the relationship	Nature of transactions	Sphera Franchise Group SA (SFG)	Purchases/Interest costs					
Seller/Lender					US Food Network SA (USFN)	American Restaurant System SA (ARS)	California Fresh Flavors SRL (CFF)	US Food Network Srl - Italia (USFN_ITA)	US Food Network Srl - Moldova (USFN_MD)	
Sphera Franchise Group SA (SFG)	Parent Company	Interest		21,769,137	-	371,687	360,941	862,277	-	1,594,906
		Support services (service level agreement)			4,245,345	1,737,383	1,215,563	-	-	28,967,429
US Food Network SA (USFN)	Subsidiary	Maintenance & spare parts		1,195,817	-	21,388	31,294	-	-	52,682
		Interest			561,579	414,611	1,891,231	19,914	-	4,083,153
		Rent, utilities & other services (events)			-	-	-	-	-	2,955
		Recharge of costs			4,448	-	-	-	-	4,448
American Restaurant System SA (ARS)	Subsidiary	Maintenance & spare parts		4,972	-	-	-	-	-	-
		Recharge of costs			108,679	-	-	-	-	113,650
		Recharge of costs - marketing & other			-	-	-	-	-	-
		Rent, utilities & other services (events)			5,520	-	-	-	-	5,520
Arggo Software Development and Consulting SRL	Related party	IT services		209,217	562,953	322,049	155,464	66,178	-	1,315,861
		ERP implementation services			13,997	112,978	95,255	10,371	-	232,602
Baneasa Developments SRL	Related party	Rent, utilities		-	2,573,031	465,200	639,019	-	-	3,677,250
Baneasa Investments SA	Related party	Rent, utilities		-	-	489,488	-	-	-	489,488
Cinnamon Bake&Roll SRL	Related party	Merchandises & protocol		-	2,232	-	-	-	-	2,232
Dorobanti 239 Imobiliare SRL	Related party	Rent, utilities		-	3,073,935	-	-	-	-	3,073,935
Elicom Connect SRL	Related party	Marketing services		-	8,863	2,363	-	-	-	11,226
Elicom SRL	Related party	Call center services		-	418,683	320,908	24,262	-	-	763,854
Grand Plaza Hotel SA	Related party	Rent, utilities & other services (events)		8,632	-	877,395	-	-	-	886,027
Lucian Vlad	Related party	Rent		-	222,482	-	-	-	-	222,482
Moulin D'Or SRL	Related party	Acquisition of goods		1,728	-	-	62,680	-	-	64,408
Radu Dimofte	Related party	Rent		-	92,199	-	-	-	-	92,199
Wellkept Group SA	Related party	Rent, utilities		474,694	-	-	-	-	-	474,694
Midi Development SRL	Related party	Acquisition of goods		-	1,821	544	-	-	-	2,366
Computerland Romania SRL	Related party	Rent		-	13,981	8,042	1,485	-	-	23,507
Total				1,921,979	28,960,973	7,781,244	3,437,512	4,035,250	19,914	46,156,872

Related parties and intercompany balances as of 31 December 2021

*Amounts in RON, nominal values											
Seller/ Lender		Nature of the relationship		Description		Trade and other receivables/Loans and interest receivables					
Beneficiary				Sphera Franchise Group SA (SFG)	US Food Network SA (USFN)	American Restaurant System SA (ARS)	California Fresh Flavors SRL (CFF)	US Food Network Srl - Italia (USFN_ITA)	US Food Network Srl - Moldova (USFN_MD)	Total	
Sphera Franchise Group SA (SFG)	Parent Company	Trade and other receivables			386	952,266	-	-	-	952,651	
		Loan receivable			28,677,650	-	-	-	-	28,677,650	
		Interest receivable			3,794,596	-	-	-	-	3,794,596	
US Food Network SA (USFN)	Subsidiary	Trade and other receivables			4,977,499	38,486	-	-	-	5,015,985	
		Dividends receivables			41,184,374	-	-	-	-	41,184,374	
American Restaurant System SA (ARS)	Subsidiary	Trade and other receivables			1,407,873	1,748	-	-	-	1,409,622	
		Loan receivable			16,333,219	16,700,000	-	-	-	33,033,219	
		Interest receivable			2,441,101	372,366	-	-	-	2,813,466	
California Fresh Flavors SRL (CFF)	Subsidiary	Trade and other receivables			762,111	4,339	-	-	-	766,450	
		Loan receivable			12,381,507	14,938,621	-	-	-	27,320,128	
		Interest receivable			1,109,231	522,933	-	-	-	1,632,164	
US Food Network Srl -Italia (USFN_ITA)	Subsidiary	Trade and other receivables			216,885	-	-	-	-	216,885	
		Loan receivable			32,047,948	37,110,750	-	-	-	69,158,698	
		Interest receivable			3,155,470	4,431,928	-	-	-	7,587,398	
US Food Network Srl - Moldova (USFN_MD)	Subsidiary	Trade and other receivables			-	29,011	-	-	-	29,011	
		Loan receivable			-	-	-	-	-	-	
		Interest receivable			-	-	-	-	-	-	
		Dividends receivables			-	-	-	-	-	-	
Cinnamon Bake&Roll SRL	Related party	Trade and other receivables			-	-	-	-	-	-	
		Loan receivable			-	528,630	-	-	-	528,630	
		Interest receivable			-	70,544	-	-	-	70,544	
Midi Development SRL	Related party	Trade and other receivables			-	-	-	-	-	-	
Moulin D'Or SRL	Related party	Trade and other receivables			-	-	-	-	-	-	
Wellkept Group SA	Related party	Trade and other receivables			-	156	-	-	-	156	
Grand Plaza Hotel SA	Related party	Trade and other receivables			-	-	65,625	-	-	65,625	
Baneasa Investments SA	Related party	Trade and other receivables			-	-	128,264	-	-	128,264	
Dorobanti 239 Imobiliare SRL	Related party	Trade and other receivables			-	-	-	-	-	-	
Computerland Romania SRL	Related party	Restaurant sales			-	-	-	-	-	-	
Fundatia Advance	Related party	Trade and other receivables			-	-	-	-	-	-	
Total					116,017,219	107,183,656	1,184,641	-	-	224,385,516	

*Amounts in RON, nominal values

Trade and other payables/Loans and interest payables										
Seller/Lender	Beneficiary	Nature of the relationship	Description	Sphera Franchise Group SA (SFG)	US Food Network SA (USFN)	American Restaurant System SA (ARS)	California Fresh Flavors SRL (CFF)	US Food Network Srl - Italia (USFN_ITA)	US Food Network Srl - Moldova (USFN_MD)	Total
Sphera Franchise Group SA (SFG)	Parent Company	Trade and other payables		4,977,499	1,407,873	762,111	216,885	-	7,364,368	
		Dividends payable		41,184,374	-	-	-	-	41,184,374	
		Loan payable		-	16,333,219	12,381,507	32,047,948	-	60,762,675	
		Interest payable		-	2,441,101	1,109,231	3,155,470	-	6,705,802	
US Food Network SA (USFN)	Subsidiary	Trade and other payables	386		1,748	4,339	-	29,011	35,483	
		Loan payable	28,677,650		16,700,000	14,938,621	37,110,750	-	97,427,021	
		Interest payable	3,794,596		372,366	522,933	4,431,928	-	9,121,822	
American Restaurant System SA (ARS)	Subsidiary	Trade and other payables	952,266	38,486	-	-	-	-	990,752	
US Food Network Srl - Italia (USFN_ITA)	Subsidiary	Trade and other payables	-	-	-	-	-	-	-	
Argo Software Development and Consulting SRL	Related party	Trade and other payables	46,685	13,621	6,726	4,240	-	-	71,272	
Baneasa Developments SRL	Related party	Trade and other payables	-	304,874	24,355	78,613	-	-	407,842	
Baneasa Investments SA	Related party	Trade and other payables	-	-	-	-	-	-	-	
Cinnamon Bake&Roll SRL	Related party	Trade and other payables	-	-	-	-	-	-	-	
Dorobanti 239 Imobiliare SRL	Related party	Trade and other payables	-	1,558	-	-	-	-	1,558	
Elicom Connect SRL	Related party	Trade and other payables	-	1,757	236	-	-	-	1,992	
Elicom SRL	Related party	Trade and other payables	-	51,566	42,804	1,132	-	-	95,502	
Grand Plaza Hotel SA	Related party	Trade and other payables	-	831	20,933	-	-	-	21,764	
Lucian Vlad	Related party	Trade and other payables	-	-	-	-	-	-	-	
Midi Development SRL	Related party	Trade and other payables	288	897	577	-	-	-	1,762	
Moulin D'Or SRL	Related party	Trade and other payables	-	-	-	-	-	-	-	
Radu Dimofte	Related party	Trade and other payables	-	-	-	-	-	-	-	
Wellkept Group SA	Related party	Trade and other payables	3,719	-	-	-	-	-	3,719	
Computerland Romania SRL	Related party	Trade and other payables	167	-	-	-	-	-	167	
Total			33,475,755	46,575,463	37,351,937	29,802,728	76,962,982	29,011	224,197,875	

Chief Executive Officer
Calin Ionescu

Chief Financial Officer
Valentin Budes