

To:

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

CURRENT REPORT 41/2022

According to Law no. 24/2007 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	31.08.2022
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 in H1 2022

In the spirit of transparency, the management of Sphera Franchise Group S.A. (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 six-month period ended 30 June 2022. The report is supplementary to the current reporting of legal acts concluded by Sphera Franchise Group S.A. 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 six-month period ended 30 June 2022

Report date:	31 August 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 581,990,000
Number of shares in issue:	38,799,340
Number of listed shares:	9,831,753
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 six-month period ended 30 June 2022.

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 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 six-month financial period ended 30 June 2022, 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	Sale of services, loans, dividends
US Food Network SA	Subsidiary	Romania	Dividends, loans, goods and services
American Restaurant System SA	Subsidiary	Romania	Sale of services, loans, VAT- tax group
California Fresh Flavors SRL	Subsidiary	Romania	Sale of services, loans
US Food Network SRL	Subsidiary	Republic of Moldova	Dividends
US Food Network SRL	Subsidiary	Italy	Sale of 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 affiliated to a shareholder of the parent	Romania	Services
Grand Plaza Hotel SA	Entity affiliated to a shareholder of the parent	Romania	Rent and utilities store PH Dorobanti, services
Arggo Software Development and Consulting SRL	Entity affiliated to a shareholder of the parent	Romania	IT services
Lunic Franchising and Consulting LTD	Shareholder of the parent until January 2022	Cyprus	Payment of dividends

Related party	Nature of the relationship	Country of incorporation	Nature of transactions
Wellkept Group SA	Shareholder	Romania	Rent training center and payment of dividends
Tatika Investments Ltd.	Shareholder	Cyprus	Payment of dividends
Computerland Romania SRL	Shareholder	Romania	Payment of dividends, acquisition of IT equipment, licenses
Cinnamon Bake&Roll SRL	Entity affiliated to shareholders of the parent	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, Tatika Investments Ltd and ultimate beneficiary owner of the parent	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

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 six-month period ended 30 June 2022

Related parties and intercompany transactions for the six-month period ended 30 June 2022

*Amounts in RON									
Beneficiary	Seller/ Lender	Nature of the relationship	Nature of transactions	Sphera Franchise Group SA (SFG)	Sales/Interest revenues/Dividends revenues				
					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	Maintenance & spare parts			-	-	-	-	-
		Recharge of costs			655	3,290	-	-	-
		Interest			595,688	-	-	-	-
		Rent, utilities & other services			1,484	2,300	-	-	-
US Food Network SA (USFN)	Subsidiary	Dividends revenues	49,493,169		-	-	-	-	49,493,169
		Support services (service level agreement)	12,346,694		-	-	-	-	12,346,694
		Recharge of costs - marketing & other	-		48,781	-	-	-	48,781
American Restaurant System SA (ARS)	Subsidiary	Support services (service level agreement)	2,377,409		-	-	-	-	2,377,409
		Maintenance & spare parts	-		17,823	-	-	-	17,823
		Interest	60,089		332,802	-	-	-	392,891
California Fresh Flavors SRL (CFF)	Subsidiary	Support services (service level agreement)	1,068,732		-	-	-	-	1,068,732
		Maintenance & spare parts	-		2,834	-	-	-	2,834
		Interest	15,159		299,576	-	-	-	314,735
US Food Network Srl -Italia (USFN_ITA)	Subsidiary	Support services (service level agreement)	691,626		-	-	-	-	691,626
	Subsidiary	Interest	640,723		741,890	-	-	-	1,382,613
US Food Network Srl - Moldova (USFN_MD)	Subsidiary	Dividends revenues	-		-	-	-	-	-
	Subsidiary	Interest	-		-	-	-	-	-
Cinnamon Bake&Roll SRL	Related party	Maintenance & spare parts	-	5,936	-	-	-	-	5,936
Computerland Romania SRL	Related party	Sale of goods	-	6,813	-	-	-	-	6,813
Total			66,693,602	2,005,654	61,481	-	-	-	68,760,738



*Amounts in RON									
Seller/Lender	Beneficiary	Nature of the relationship	Nature of transactions	Sphera Franchise Group SA (SFG)	Purchases/Interest costs				
					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		-	60,089	15,159	640,723	-	715,972
		Support services (service level agreement)		12,346,694	2,377,409	1,068,732	691,626	-	16,484,461
US Food Network SA (USFN)	Subsidiary	Maintenance & spare parts	-		16,654	2,834	-	-	19,489
		Advertising	-		1,169	-	-	-	1,169
		Interest	595,688		332,802	299,576	741,890	-	1,969,956
		Rent, utilities & other services (events)	1,484		-	-	-	-	1,484
		Recharge of costs	655		-	-	-	-	655
American Restaurant System SA (ARS)	Subsidiary	Maintenance & spare parts	-		-	-	-	-	-
		Recharge of costs	3,290	48,781	-	-	-	-	52,071
		Recharge of costs - marketing & other	-		-	-	-	-	-
		Rent, utilities & other services (events)	2,300	-	-	-	-	-	2,300
Arggo Software Development and Consulting SRL	Related party	IT services	97,099	267,687	126,849	56,330	47,985	-	595,951
		ERP implementation services	33,687	-	-	39,869	-	-	73,556
Baneasa Developments SRL	Related party	Rent, utilities	-	1,434,615	372,975	376,919	-	-	2,184,508
Baneasa Investments SA	Related party	Rent, utilities	-	-	305,141	-	-	-	305,141
Cinnamon Bake&Roll SRL	Related party	Merchandises & protocol	-	2,271	-	-	-	-	2,271
Dorobanti 239 Imobiliare SRL	Related party	Rent, utilities	-	1,679,786	-	-	-	-	1,679,786
Elicom Connect SRL	Related party	Marketing services	-	4,451	1,187	-	-	-	5,638
Elicom SRL	Related party	Call center services	-	147,732	148,468	15,764	-	-	311,965
Grand Plaza Hotel SA	Related party	Rent, utilities & other services (events)	4,110	-	527,627	-	-	-	531,737
Lucian Vlad	Related party	Rent	-	111,965	-	-	-	-	111,965
Moulin D'Or SRL	Related party	Acquisition of goods	-	866	-	-	-	-	866
Radu Dimofte	Related party	Rent	-	46,400	-	-	-	-	46,400
Wellkept Group SA	Related party	Rent, utilities	246,503	-	-	-	-	-	246,503
Midi Development SRL	Related party	Acquisition of goods	-	245	-	-	-	-	245
Computerland Romania SRL	Related party	Acquisition of IT equipment, licenses	39,539	-	-	-	-	-	39,539
Total			1,024,357	16,091,493	4,270,371	1,875,183	2,122,223	-	25,383,627



Related parties and intercompany balances as of 30 June 2022

*Amounts in RON, nominal values		Trade and other receivables/Loans and interest receivables							
Beneficiary	Seller/ Lender 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 receivables		312	867,266	-	-	-	867,578
		Loan receivable		28,673,600	-	-	-	-	28,673,600
		Interest receivable		200,722	-	-	-	-	200,722
US Food Network SA (USFN)	Subsidiary	Trade and other receivables	7,715,731		36,543	-	-	-	7,752,274
		Dividends receivables	55,680,808		-	-	-	-	55,680,808
American Restaurant System SA (ARS)	Subsidiary	Trade and other receivables	2,038,913	11,128		-	-	-	2,050,041
		Loan receivable	-	16,700,000		-	-	-	16,700,000
		Interest receivable	2,498,267	704,930		-	-	-	3,203,197
California Fresh Flavors SRL (CFF)	Subsidiary	Trade and other receivables	587,489	55	-		-	-	587,544
		Loan receivable	52,643	14,938,621	-		-	-	14,991,264
		Interest receivable	1,123,781	101,185	-		-	-	1,224,966
US Food Network Srl -Italia (USFN_ITA)	Subsidiary	Trade and other receivables	691,508	-	-		-	-	691,508
		Loan receivable	32,030,461	37,090,500	-		-	-	69,120,961
		Interest receivable	3,794,357	5,168,015	-		-	-	8,962,372
US Food Network Srl - Moldova (USFN_MD)	Subsidiary	Trade and other receivables	-	44,197	-	-	-		44,197
		Dividends receivables	-	-	-	-	-		-
Cinnamon Bake&Roll SRL	Related party	Trade and other receivables	-	7,063	-	-	-	-	7,063
		Loan receivable	-	529,707	-	-	-	-	529,707
		Interest receivable	-	77,357	-	-	-	-	77,357
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
Computerland Romania SRL	Related party	Trade and other receivables	-	-	1,089	-	-	-	1,089
Total			106,213,957	104,247,392	1,098,787				211,560,136



*Amounts in RON, nominal values		Trade and other payables/Loans and interest payables							
Beneficiary Seller/Lender	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		7,715,731	2,038,913	587,489	691,508	-	11,033,641
		Dividends payable		55,680,808	-	-	-	-	55,680,808
		Loan payable		-	-	52,643	32,030,461	-	32,083,103
		Interest payable		-	2,498,267	1,123,781	3,794,357	-	7,416,405
US Food Network SA (USFN)	Subsidiary	Trade and other payables	312		11,128	55	-	44,197	55,692
		Loan payable	28,673,600		16,700,000	14,938,621	37,090,500	-	97,402,721
		Interest payable	200,722		704,930	101,185	5,168,015	-	6,174,852
American Restaurant System SA (ARS)	Subsidiary	Trade and other payables	867,266	36,543	-	-	-	-	903,809
US Food Network Srl - Italia (USFN_ITA)	Subsidiary	Trade and other payables	-	-	-	-	-	-	-
Argo Software Development and Consulting SRL	Related party	Trade and other payables	9,693	51,507	4,133	1,882	3,946	-	71,161
Baneasa Developments SRL	Related party	Trade and other payables	-	195,421	19,283	38,034	-	-	252,738
Baneasa Investments SA	Related party	Trade and other payables	-	-	59,707	-	-	-	59,707
Cinnamon Bake&Roll SRL	Related party	Trade and other payables	-	3,638	-	-	-	-	3,638
Dorobanti 239 Imobiliare SRL	Related party	Trade and other payables	-	1,558	-	-	-	-	1,558
Elicom Connect SRL	Related party	Trade and other payables	-	1,756	471	-	-	-	2,226
Elicom SRL	Related party	Trade and other payables	-	29,436	26,288	2,075	-	-	57,799
Grand Plaza Hotel SA	Related party	Trade and other payables	-	831	15,907	-	-	-	16,738
Lucian Vlad	Related party	Trade and other payables	-	-	-	-	-	-	-
Midi Development SRL	Related party	Trade and other payables	-	-	-	-	-	-	-
Radu Dimoře	Related party	Trade and other payables	-	-	-	-	-	-	-
Wellkept Group SA	Related party	Trade and other payables	13,024	-	-	-	-	-	13,024
Computerland Romania SRL	Related party	Trade and other payables	25,690	-	-	-	-	-	25,690
Total			29,790,308	63,717,229	22,079,026	16,845,764	78,778,787	44,197	211,255,311

Chief Executive Officer
Calin Ionescu

Chief Financial Officer
Valentin Budes