

Independent Limited Assurance Report on the information included in the current reports issued by the Company in accordance with requirements of Law 24/2017, with all subsequent changes and clarifications, and with the provisions FSA Regulation no. 5/2018

To the Board of Directors of the Sphera Franchise Group S.A.

Purpose of the report

We were engaged by the Sphera Franchise Group SA (hereinafter "the Company") to report based on the requirements of Law 24/2017 for issuers of financial instruments and market operations, with all subsequent changes and clarifications (hereinafter referred to as "Law 24/2017") on the information included in the attached current reports (dated 31 August 2022 and 17 November 2022) (hereinafter 'Reporting Schedules') that have been prepared by the Company in accordance with the requirements of Law 24/2017 and with the provisions of Regulation no. 5/2018 of Financial Supervisory Authority ("FSA") reported to Financial Supervisory Authority ("FSA") and to Bucharest Stock Exchange ("BVB") in the period 1 July 2022 - 31 December 2022 in the form of a limited assurance conclusion.

Specific Purpose

Our report is intended solely for the purpose specified in the first paragraph above and for the Company, BVB and FSA information and will not be used for any other purpose. Our report must not be considered appropriate for use by any other party willing to rely on our work, other than the Company, for any purpose and in any context.

Any party other than the Company who obtains access to our report or a copy of it and chooses to rely on it (or part of it) will do so taking their own responsibility. We performed our engagement to be able to report those matters that we must report in a limited assurance report, and not for any other purposes. The current report refers only to the Reporting Schedules and should not be associated with the Company's financial statements or other reports of the Company, individually or taken as a whole.

Responsibilities of the Management of the Company

The Company's management is responsible for the preparation of the Reporting Schedules and performing the transactions reported in accordance with the requirements of the Law 24/2017 and of FSA Regulation no. 5/2018, with subsequent changes and clarifications. In particular, the Company's management is responsible for internal controls being designed, implemented and maintained to prevent the preparation of the Reporting Schedules from being materially misstated, due to fraud or error.

In addition, the Company's management is responsible for ensuring that the supporting documents underlying the preparation of the current Reporting Schedules, as well as the evidence provided to the auditor is complete, accurate and justified.

Auditor's Responsibilities

We conducted our limited assurance engagement in accordance with International Assurance Standards, particularly ISAE 3000 (revised) *"International Standard on Assurance Engagements Other than Audits or Reviews of Historical Financial Information"*. These standards require that we comply with ethical standards and plan and perform our assurance engagement to obtain limited assurance about the Reporting Schedules.

We apply International Standard on Quality Management 1 (ISQM 1), and accordingly, we maintain a robust system of quality control, including policies and procedures documenting compliance with relevant ethical and professional standards and requirements from the applicable laws or regulations.

We comply with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) as issued by the International Ethics Standards Board for Accountants ("IESBA Code"), which establishes the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The procedures selected depend on the auditor's judgment and our understanding of the transactions included in the Reporting Schedules and of other circumstances of the engagement, as well as our consideration of areas where material misstatements may occur. In obtaining an understanding of the reported transactions included in the Reporting Schedules, we considered the process applied by the Company to conclude the transactions and to prepare and present the Reporting Schedules in accordance with the requirements of Law 24/2017 and FSA Regulation no. 5/2018 in order to design audit procedures that are appropriate in these circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control related to concluding the reported transactions or preparation and presentation of the attached Reporting Schedules.

The procedures include, in particular, inquiry of the personnel responsible for financial reporting and risk management and additional procedures aimed at obtaining evidence about the information included in the Reporting Schedules.

The nature, timing and extent of procedures performed in a limited assurance engagement is limited compared with that necessary in a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is considerably lower as compared to the one obtained in a reasonable assurance engagement.

In respect of the Reporting Schedules of the Company, in order to assess correctness and justification of the transactions reported, we have performed the following procedures:

- 1) We have obtained the attached Reporting Schedules from the Company for the current period and the detail of the transactions included in these Reporting Schedules.
- 2) We observed if the approving persons of the Reporting Schedules are the authorized representatives of the Company and we have requested the authorized signatures schedule.

- 3) For the transactions included in the Reporting Schedules, we have considered if the details included of the Reporting Schedules are consistent, in all material respects, with information as per signed contracts/contractual documentation presented to us and that the presented documents have been signed by representatives of the Company that are indicated in the authorized signature schedule provided to us. As applicable, in performing our procedures we have compared information included in the Reporting Schedules to the contract/ contractual documentation for consistency of details on: the parties which signed the supporting documentation; the date when documentation was signed and its nature; the description of the type of goods/services as indicated in the documentation; the actual or estimated total value of the contract/ contractual documentation, and, as applicable, the guarantees constituted and the stipulated penalties, the terms and the method of payment; as well as the related contractual conditions.
- 4) For the reported transactions we have compared details disclosed in the attached Reporting Schedules for consistency with the information obtained by us based on the inquiries made to the management and other responsible personnel within the Company and based on other documents attached to the contracts, as applicable.
- 5) For the reported transactions, to the extent that there is a market price available for the goods delivered or services rendered between the Company and its related parties, we have discussed with the Company's management the basis for the price determination and considered if, to the extent applicable, the prices agreed are consistent with those applied in the contracts signed with third (other) parties, where similar goods or services could be provided, and if the related contracts are approved by the Board of Directors.

To the extent that no market prices are available, we have analyzed if the respective transactions have been performed based on the Company's internal procedures for price determination and if the related contracts are approved by the Board of Directors of the Company in accordance with its internal procedures.

Our procedures have been performed, as described above, only on the selected transactions included in the attached Reporting Schedules, published in the period 1 July 2022 – 31 December 2022. We have not performed any procedures to verify whether the Reporting Schedules include all the transactions that the Company has to report according to Law 24/2017 for the current period.

Conclusion

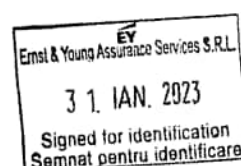
We formed our conclusion on the basis and considering the matters presented in the current limited assurance report. Based on the procedures performed as described above and evidence obtained, nothing has come to our attention that causes us to believe that:

- a) The information included in the Reporting Schedules attached is not, in all material respects, in accordance with the documents provided to us by the Company.
- b) The details included in the attached Reporting Schedules are not, in all material respects, consistent with the requirements of Law 24/2017 and FSA Regulation no. 5/2018 regarding the parties which signed the supporting documentation; the date when documentation was signed and its nature; the description of the type of goods/services as indicated in the documentation; the actual or estimated total value of the contract/agreement documentation, and, as applicable, the guarantees constituted and the stipulated penalties, the terms and the method of payment; as well as the related contractual conditions.

- c) The contracts related to the reported transactions were not properly authorized by representatives of the Company and were not approved by the Board of Directors in line with the Company's internal procedures.
- d) The prices have not been established by mutual agreement between the parties in accordance with the type of goods/services and also by considering other terms and conditions mentioned, as applicable, in the agreements between the parties and, respectively, were not determined in accordance with the criteria mentioned at point 5) from the list of procedures detailed above.

On behalf of,

Ernst & Young Assurance Services SRL
15-17, Ion Mihalache Blvd., floor 21, Bucharest, Romania
Registered in the electronic Public Register under No. FA77



Name of the Auditor/ Partner: Gavrilă Felicia Viorica
Registered in the electronic Public Register under No. AF1513

Bucharest, Romania
31 January 2023

Attachment

1. Reporting Schedules

To:

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

CURRENT REPORT 41/2022

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	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.

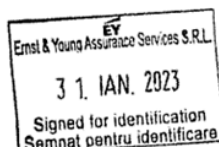
The transactions with related parties are made at terms equivalent to those that prevail in arm's length transactions. The details can be consulted on the following pages that are integral part of this current report.

CHIEF EXECUTIVE OFFICER

Calin Ionescu

CHIEF FINANCIAL OFFICER

Valentin Budes



Voluntary Related Parties Transactions Financial Report

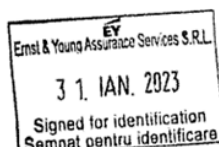
For the six-month period ended 30 June 2022

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”).

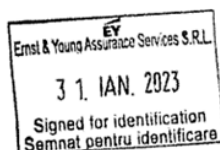
- a) A person or a close member of that person’s family is related to a reporting entity if that person:
- i) has control or joint control over the reporting entity;
 - ii) has significant influence over the reporting entity; or
 - iii) is a member of the key management personnel of the reporting entity 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	Sales/Interest revenues/Dividends revenues					
				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)
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		-	-	-	-
		Support services (service level agreement)		12,346,694		-	-	-	-
		Recharge of costs - marketing & other		-		48,781	-	-	-
American Restaurant System SA (ARS)	Subsidiary	Support services (service level agreement)		2,377,409	-		-	-	-
		Maintenance & spare parts		-	17,823		-	-	-
		Interest		60,089	332,802		-	-	-
California Fresh Flavors SRL (CFF)	Subsidiary	Support services (service level agreement)		1,068,732	-	-		-	-
		Maintenance & spare parts		-	2,834	-		-	-
		Interest		15,159	299,576	-		-	-
US Food Network Srl -Italia (USFN_ITA)	Subsidiary	Support services (service level agreement)		691,626	-	-	-		-
		Interest		640,723	741,890	-	-		-
US Food Network Srl - Moldova (USFN_MD)	Subsidiary	Dividends revenues		-	-	-	-		-
		Interest		-	-	-	-		-
Cinnamon Bake&Roll SRL	Related party	Maintenance & spare parts		-	5,936	-	-	-	-
		Interest		-	6,813	-	-	-	-
Computerland Romania SRL	Related party	Sale of goods		-	153	7,110	-	-	-
Total				66,693,602	2,005,654	61,481	-	-	-

Ernst & Young Assurance Services S.R.L.


 31. IAN. 2023

 Signed for identification

 Semnat pentru identificare

*Amounts in RON

Benficiary Seller/Lender		Nature of the relationship	Nature of transactions	Purchases/Interest costs						Total
				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)	
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
		Recharg 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


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Related parties and intercompany balances as of 30 June 2022

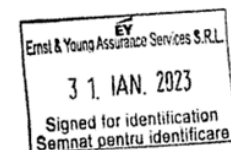
*Amounts in RON, nominal values									
Beneficiary	Seller/ Lender	Nature of the relationship	Description	Trade and other receivables/Loans and interest receivables					
				Sphera Franchise Group SA (SFG)	US Food Network SA (USFN)	American Restaurant System SA (ARS)	California Fresh Flavors SRL (CFF)	US Food Network Srl - Italia (USFN_ITA)	US Food Network Srl - Moldova (USFN_MD)
Sphera Franchise Group SA (SFG)	Parent Company		Trade and other receivables		312	867,266	-	-	-
			Loan receivable		28,673,600	-	-	-	-
			Interest receivable		200,722	-	-	-	-
US Food Network SA (USFN)	Subsidiary		Trade and other receivables	7,715,731		36,543	-	-	-
			Dividends receivables	55,680,808		-	-	-	-
American Restaurant System SA (ARS)	Subsidiary		Trade and other receivables	2,038,913	11,128		-	-	-
			Loan receivable	-	16,700,000		-	-	-
			Interest receivable	2,498,267	704,930		-	-	-
California Fresh Flavors SRL (CFF)	Subsidiary		Trade and other receivables	587,489	55	-		-	-
			Loan receivable	52,643	14,938,621	-		-	-
			Interest receivable	1,123,781	101,185	-		-	-
US Food Network Srl -Italia (USFN_ITA)	Subsidiary		Trade and other receivables	691,508	-	-	-		-
			Loan receivable	32,030,461	37,090,500	-	-		-
			Interest receivable	3,794,357	5,168,015	-	-		-
US Food Network Srl - Moldova (USFN_MD)	Subsidiary		Trade and other receivables	-	44,197	-	-	-	
			Dividends receivables	-	-	-	-	-	
Cinnamon Bake&Roll SRL	Related party		Trade and other receivables	-	7,063	-	-	-	-
			Loan receivable	-	529,707	-	-	-	-
			Interest receivable	-	77,357	-	-	-	-
Grand Plaza Hotel SA	Related party		Trade and other receivables	-	-	65,625	-	-	-
Baneasa Investments SA	Related party		Trade and other receivables	-	-	128,264	-	-	-
Computerland Romania SRL	Related party		Trade and other receivables	-	-	1,089	-	-	-
Total				106,213,957	104,247,392	1,098,787	-	-	-

Ernst & Young Assurance Services S.R.L.
 31. IAN. 2023
 Signed for identification
 Semnat pentru identificare

*Amounts in RON, nominal values									
Beneficiary	Nature of the relationship	Description	Trade and other payables/Loans and interest payables						Total
			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)	
Seller/Lender	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	-	-	-	-		-	-
Arggo 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 Dimofte	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



To:

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

CURRENT REPORT 48/2022

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	17.11.2022
Name of the Company	Sphera Franchise Group SA
Registered Office	Bucharest, Romania
Address	Calea Dorobanților nr. 239, 2 nd 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 nine-month period ended 30 September 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 nine-month period ended 30 September 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.

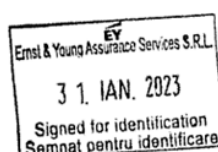
The transactions with related parties are made at terms equivalent to those that prevail in arm's length transactions. The details can be consulted on the following pages that are integral part of this current report.

CHIEF EXECUTIVE OFFICER

Calin Ionescu

CHIEF FINANCIAL OFFICER

Valentin Budes



Voluntary Related Parties Transactions Financial Report

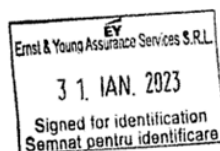
For the nine-month period ended 30 September 2022

Report date: 16 November 2022
Name of the issuing entity: Sphera Franchise Group SA
Statutory seat: Bucharest, Romania
Visiting address: Bucharest, 239 Dorobanti Ave., 2nd Floor,
1st 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 nine-month period ended 30 September 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 nine-month financial period ended 30 September 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
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
Wellkept Group SA	Shareholder	Romania	Rent training center and payment of dividends
Tatika Investments Ltd.	Shareholder	Cyprus	Payment of dividends

Related party	Nature of the relationship	Country of incorporation	Nature of transactions
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
Fundatia Advance	Entity with common members of key management personnel	Romania	Sale of goods (2021)
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

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”).

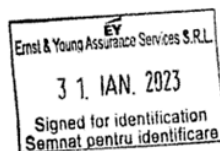
- a) A person or a close member of that person’s family is related to a reporting entity if that person:
- i) has control or joint control over the reporting entity;
 - ii) has significant influence over the reporting entity; or
 - iii) is a member of the key management personnel of the reporting entity 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 nine-month period ended 30 September 2022

Related parties and intercompany transactions for the nine-month period ended 30 September 2022


*Amounts in RON

Seller/ Lender		Nature of the relationship	Nature of transactions	Sales/Interest revenues/Dividends revenues						Total
				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)	
Beneficiary										
Sphera Franchise Group SA (SFG)	Parent Company	Recharge of costs			1,076	4,892	-	-	-	5,968
		Interest			896,525	-	-	-	-	896,525
		Rent, utilities & other services			2,221	4,140	-	-	-	6,361
US Food Network SA (USFN)	Subsidiary	Dividends revenues		49,493,169		-	-	-	-	49,493,169
		Support services (service level agreement)		18,676,373		-	-	-	-	18,676,373
		Recharge of costs - marketing & other		-		69,843	-	-	-	69,843
American Restaurant System SA (ARS)	Subsidiary	Support services (service level agreement)		3,514,740	-		-	-	-	3,514,740
		Maintenance & spare parts		-	25,335		-	-	-	25,335
		Interest		60,089	508,229		-	-	-	568,318
California Fresh Flavors SRL (CFF)	Subsidiary	Support services (service level agreement)		1,584,575	-	-		-	-	1,584,575
		Maintenance & spare parts		-	4,545	-		-	-	4,545
		Interest		15,398	450,924	-		-	-	466,322
US Food Network Srl -Italia (USFN_ITA)	Subsidiary	Support services (service level agreement)		1,088,634	-	-	-		-	1,088,634
		Interest		959,049	1,110,613	-	-		-	2,069,662
US Food Network Srl - Moldova (USFN_MD)	Subsidiary	Dividends revenues		1,008,671	-	-	-	-		1,008,671
Cinnamon Bake&Roll SRL	Related party	Maintenance & spare parts		-	5,936	-	-	-	-	5,936
		Interest		-	7,652	-	-	-	-	7,652
Computerland Romania SRL	Related party	Sale of goods		-	1,184	10,788	-	-	-	11,972
Total				76,400,699	3,014,240	89,663	-	-	-	79,504,602


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*Amounts in RON

Benficiary		Purchases/Interest costs							
		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)
Seller/Lender									
Sphera Franchise Group SA (SFG)	Parent Company	Interest		-	60,089	15,398	959,049	-	1,034,537
		Support services (service level agreement)		18,676,373	3,514,740	1,584,575	1,088,634	-	24,864,322
US Food Network SA (USFN)	Subsidiary	Maintenance & spare parts	-		24,166	4,545	-	-	28,711
		Advertising	-		1,169	-	-	-	1,169
		Interest	896,525		508,229	450,924	1,110,613	-	2,966,291
		Rent, utilities & other services (events)	2,221		-	-	-	-	2,221
		Recharge of costs	1,076		-	-	-	-	1,076
American Restaurant System SA (ARS)	Subsidiary	Recharge of costs	4,892	69,843		-	-	-	74,735
		Rent, utilities & other services (events)	4,140	-		-	-	-	4,140
Arggo Software Development and Consulting SRL	Related party	IT services	135,880	371,317	222,061	75,962	48,614	-	853,833
		ERP implementation services	33,687	-	-	39,869	-	-	73,556
Baneasa Developments SRL	Related party	Rent, utilities	-	2,249,817	621,728	613,403	-	-	3,484,949
Baneasa Investments SA	Related party	Rent, utilities	-	-	455,104	-	-	-	455,104
Cinnamon Bake&Roll SRL	Related party	Merchandises & protocol	-	3,531	-	-	-	-	3,531
Dorobanti 239 Imobiliare SRL	Related party	Rent, utilities	-	2,492,868	-	-	-	-	2,492,868
Elicom Connect SRL	Related party	Marketing services	-	6,664	1,777	-	-	-	8,441
Elicom SRL	Related party	Call center services	-	204,565	215,728	22,156	-	-	442,449
Grand Plaza Hotel SA	Related party	Rent, utilities & other services (events)	4,110	-	781,373	-	-	-	785,483
Lucian Vlad	Related party	Rent	-	167,775	-	-	-	-	167,775
Moulin D'Or SRL	Related party	Acquisition of goods	-	866	-	-	-	-	866
Radu Dimofte	Related party	Rent	-	69,528	-	-	-	-	69,528
Wellkept Group SA	Related party	Rent, utilities	365,809	-	-	-	-	-	365,809
Midi Development SRL	Related party	Acquisition of goods	-	245	-	-	-	-	245
Computerland Romania SRL	Related party	Acquisition of IT equipment, licenses	57,347	-	-	-	-	-	57,347
Total			1,505,688	24,313,390	6,406,163	2,806,832	3,206,910	-	38,238,984


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*Amounts in RON, nominal values

Trade and other payables/Loans and interest payables									
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
Seller/Lender									
Sphera Franchise Group SA (SFG)	Parent Company	Trade and other payables		11,105,420	3,407,961	363,017	1,091,443	-	15,967,841
		Dividends payable		40,680,808	-	-	-	522,747	41,203,555
		Loan payable		-	-	-	32,053,777	-	32,053,777
		Interest payable		-	2,501,661	1,124,839	4,117,656	-	7,744,156
US Food Network SA (USFN)	Subsidiary	Trade and other payables	599		13,473	1,133	-	15,186	30,390
		Loan payable	28,679,000		18,480,000	14,938,621	37,117,500	-	99,215,121
		Interest payable	503,817		882,025	253,391	5,542,952	-	7,182,186
American Restaurant System SA (ARS)	Subsidiary	Trade and other payables	965,213	31,690		-	-	-	996,903
US Food Network Srl - Italia (USFN_ITA)	Subsidiary	Trade and other payables	-	-	-	-		-	-
Arggo Software Development and Consulting SRL	Related party	Trade and other payables	2,328	-	-	-	-	-	2,328
Baneasa Developments SRL	Related party	Trade and other payables	-	264,002	19,714	63,343	-	-	347,059
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	471	-	-	-	2,228
Elicom SRL	Related party	Trade and other payables	-	26,435	28,977	3,330	-	-	58,742
Grand Plaza Hotel SA	Related party	Trade and other payables	-	831	18,218	-	-	-	19,049
Lucian Vlad	Related party	Trade and other payables	-	-	-	-	-	-	-
Midi Development SRL	Related party	Trade and other payables	-	-	-	-	-	-	-
Radu Dimofte	Related party	Trade and other payables	-	-	-	-	-	-	-
Wellkept Group SA	Related party	Trade and other payables	5,535	-	-	-	-	-	5,535
Computerland Romania SRL	Related party	Trade and other payables	-	-	-	-	-	-	-
Total			30,156,493	52,112,500	25,352,499	16,747,674	79,923,329	537,932	204,830,428

Chief Executive Officer
Calin Ionescu

Chief Financial Officer
Valentin Budes

