

To:

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

## CURRENT REPORT 63/2023

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	<b>21.11.2023</b>
Name of the Company	<b>Sphera Franchise Group SA</b>
Registered Office	<b>Bucharest, Romania</b>
Address	<b>Calea Dorobanților nr. 239, 2<sup>nd</sup> floor, Bucharest sector 1</b>
Phone / Fax	<b>+40 21 201 17 57 / +40 21 201 17 59</b>
Email	<b>investor.relations@spheragroup.com</b>
Registration nr. with Trade Registry	<b>J40/7126/2017</b>
Fiscal Code	<b>RO 37586457</b>
Subscribed and paid share capital	<b>581,990,100 RON</b>
Total number of shares	<b>38,799,340</b>
Symbol	<b>SFG</b>
Market where securities are traded	<b>Bucharest Stock Exchange, Main Segment, Premium Category</b>

**Important events to be reported:** Report on legal acts concluded in the third quarter and transactions carried out by the companies from the Group with Related Parties during the nine-month financial period ended 30 September 2023.

The management of Sphera Franchise Group S.A. (hereinafter referred to as the "Group") informs all interested parties about the publishing of the report on legal acts concluded in the third quarter and transactions carried out with related parties by the companies from the Group during the nine-month period ended 30 September 2023. The report is supplementary to the requirements of art. 108 of Law no. 24/2017 and pursuant to the provisions of Law no. 158/2020 on issuers of financial instruments and market operations and 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 2023

<b>Report date:</b>	21.11.2023
<b>Name of the issuing entity:</b>	Sphera Franchise Group SA
<b>Statutory seat:</b>	Bucharest, Romania
<b>Visiting address:</b>	Bucharest, 239 Dorobanti Ave., 2 <sup>nd</sup> Floor, 1 <sup>st</sup> District, Romania
<b>Phone no/Fax no:</b>	0040 21 201 1757 / 0040 21 201 1759
<b>Sole Registration Code:</b>	RO 37586457
<b>Order number with the Trade Registry:</b>	J40/7126/2017
<b>Subscribed and paid-in share capital:</b>	RON 581,990,100
<b>Number of shares in issue:</b>	38,799,340
<b>Regulated market on which the issued securities are traded:</b>	Bucharest Stock Exchange, Main Segment, Category Premium (Shares)
<b>Symbol:</b>	SFG

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

Contact details:

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## DETAILED RELATED PARTIES REPORT

The report is supplementary to the requirements of the art. 108 of Law no. 24/2017 and pursuant to the provisions of Law no. 158/2020 on issuers of financial instruments and market operations and 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.

Enclosed to this report, we have included the following details:

1. Annex 1 presenting a summary of the legal acts concluded by the Group entities with related parties during the period 1<sup>st</sup> of July – 30<sup>th</sup> of September 2023 (third quarter).
2. Annex 2 providing the total amount of transactions that have been entered into with related parties, including the transactions that have been entered into between the Sphera group entities (the "Group") for the nine-month period ended 30 September 2023, as well as the balances at the reporting period date. No threshold has been used for the reporting; all transactions were 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 reference period ended 30 September 2023, 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, goods and services
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 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 parent company	Romania	Rent training center and payment of dividends
Computerland Romania SRL	Shareholder with significant influence	Romania	Payment of dividends, acquisition of IT equipment, licenses
Radu Dimofte	Beneficial owner of Wellkept Group SA, Tatika Investments Ltd and ultimate controlling party 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 - Report of legal acts concluded with related parties by Sphera Franchise Group SA and its subsidiaries during the period 1<sup>st</sup> of July – 30<sup>th</sup> of September 2023**

Crt. No.	Parties		Date of initial contract	Duration of initial contract	Date of addendum	Duration of addendum	Object of contract/addendum	Notes	Value of the Contract/Addendum		Guarantees	Payment		Penalties	Interest
	Provider	Beneficiary							CCY	Amount		Term	Payment method		
1	DOROBANTI 239 IMOBILIARE S.R.L.	US FOOD NETWORK S.A.	20.06.2012	5 years, extended by subsequent addenda	10.07.2023	N/A	Addendum no. 14/10.07.2023 to the Lease Agreement dated 20.06.2012 having as object the addition of 2 parking spaces to the rented area for the remaining contract period		EUR	6,734	N/A	N/A	N/A	N/A	N/A

**Annex 2 - Related parties and intercompany balances and transactions for the nine-month period ended 30 September 2023**

Related parties and intercompany transactions

*Sume in RON										
Beneficiar	Vanzator/ Creditor	Natura relatiei	Descriere tranzactii	Vanzari/Venituri din dobanzi/Venituri din dividende						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)	Companie-mama		Refacturare costuri		995	-	-	-	-	995
			Dobanzi		1.104.333	-	-	-	-	1.104.333
			Chirie, utilitati & alte servicii		2.226	-	-	-	-	2.226
US Food Network SA (USFN)	Filiala		Venituri din dividende	71.468.635		-	-	-	-	71.468.635
			Servicii suport (contract de servicii suport)	23.160.169		-	-	-	-	23.160.169
			Servicii marketing & refacturari costuri	-		72.317	-	-	-	72.317
American Restaurant System SA (ARS)	Filiala		Servicii suport (contract de servicii suport)	3.609.149	-		-	-	-	3.609.149
			Servicii mentenanta si piese de schimb	-	20.833		-	-	-	20.833
			Dobanzi	-	683.337		-	-	-	683.337
California Fresh Flavors SRL (CFF)	Filiala		Servicii suport (contract de servicii suport)	1.804.283	-	-		-	-	1.804.283
			Servicii mentenanta si piese de schimb	-	8.347	-		-	-	8.347
			Dobanzi	-	531.524	-		-	-	531.524
US Food Network Srl -Italia (USFN_ITA)	Filiala		Servicii suport (contract de servicii suport)	1.233.258	-	-	-		-	1.233.258
			Dobanzi	948.526	1.330.117	-	-		-	2.278.643
US Food Network Srl - Moldova (USFN_MD)	Filiala		Venituri din dividende	1.534.104	-	-	-	-		1.534.104
Computerland Romania SRL	Parte afiliata		Vanzari de produse	-	3.121	10.675	-	-	-	13.796
<b>Total</b>				<b>103.758.125</b>	<b>3.684.831</b>	<b>82.992</b>				<b>107.525.947</b>

\*Amounts in RON

Seller/Lender	Beneficiary	Nature of the relationship	Nature of transactions	Purchases/Interest costs						
				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	-	-	-	948,526	-	948,526	
			Support services (service level agreement)	23,160,169	3,609,149	1,804,283	1,233,258	-	29,806,859	
US Food Network SA (USFN)	Subsidiary		Maintenance & spare parts	-	20,833	8,347	-	-	29,180	
			Interest	1,104,333	683,337	531,524	1,330,117	-	3,649,310	
			Rent, utilities & other services (events)	2,226	-	-	-	-	2,226	
American Restaurant System SA (ARS)	Subsidiary		Recharge of costs	995	-	-	-	-	995	
			Recharge of costs	-	72,317	-	-	-	72,317	
Arggo Software Development and Consulting SRI	Related party		IT services	139,896	410,867	196,428	75,005	39,854	-	
Baneasa Developments SRL	Related party		Rent, utilities	-	2,031,591	728,098	643,836	-	3,403,526	
Baneasa Investments SA	Related party		Rent, utilities	-	-	498,435	-	-	498,435	
Dorobanti 239 Imobiliare SRL	Related party		Rent, utilities	-	2,799,102	-	-	-	2,799,102	
Elicom SRL	Related party		Call center services	16,045	257,878	235,382	44,980	-	554,285	
Grand Plaza Hotel SA	Related party		Rent, utilities & other services (events)	-	-	886,787	-	-	886,787	
Moulin D'Or SRL	Related party		Acquisition of goods	741	1,913	-	225	-	2,880	
Radu Dimofte	Related party		Rent	-	69,424	-	-	-	69,424	
Wellkept Group SA	Related party		Rent, utilities	365,945	-	-	-	-	365,945	
Midi Development SRL	Related party		Acquisition of goods	938	11,340	-	-	-	12,278	
Computerland Romania SRL	Related party		Acquisition of IT equipment, licenses	1,869	-	-	-	-	1,869	
<b>Total</b>				<b>1,632,987</b>	<b>28,814,601</b>	<b>6,858,449</b>	<b>3,108,200</b>	<b>3,551,755</b>	<b>-</b>	<b>43,965,992</b>

## Related parties and intercompany balances

\*Amounts in RON, nominal values

		Trade and other receivables/Loans and interest receivables							Total
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)	
<b>Beneficiary</b>									
Sphera Franchise Group SA (SFG)	Parent Company	Trade and other receivables		703	908,858	-	-	-	909,561
		Loan receivable		28,717,400	-	-	-	-	28,717,400
		Interest receivable		1,922,104	-	-	-	-	1,922,104
US Food Network SA (USFN)	Subsidiary	Trade and other receivables	8,423,101		46,455	-	-	-	8,469,555
		Dividends receivables	37,146,179		-	-	-	-	37,146,179
American Restaurant System SA (ARS)	Subsidiary	Trade and other receivables	3,369,745	7,266		-	-	-	3,377,011
		Loan receivable	-	18,480,000		-	-	-	18,480,000
		Interest receivable	-	1,762,614		-	-	-	1,762,614
California Fresh Flavors SRL (CFF)	Subsidiary	Trade and other receivables	(247,051)	2,441	-		-	-	(244,610)
		Loan receivable	-	11,938,621		-	-	-	11,938,621
		Interest receivable	9,789	942,483	-		-	-	952,271
US Food Network Srl -Italia (USFN_ITA)	Subsidiary	Trade and other receivables	303,220	-	-	-		-	303,220
		Loan receivable	24,260,224	27,360,300	-	-		-	51,620,524
		Interest receivable	5,401,758	6,660,415	-	-		-	12,062,173
US Food Network Srl - Moldova (USFN_MD)	Subsidiary	Trade and other receivables	-	58,681	-	-	-	-	58,681
		Dividends receivables	774,800	-	-	-	-	-	774,800
Grand Plaza Hotel SA	Related party	Trade and other receivables	-	-	-	-	-	-	-
		Deposits for guarantees			65,625				65,625
Baneasa Investments SA	Related party	Trade and other receivables	-	-	-	-	-	-	-
		Deposits for guarantees			128,264				128,264
Computerland Romania SRL	Related party	Trade and other receivables	-	4,475	3,713	-	-	-	8,188
<b>Total</b>			<b>79,441,764</b>	<b>97,857,503</b>	<b>1,152,915</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>178,452,181</b>

\*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		8,423,101	3,369,745	(247,051)	303,220	-	11,849,014	
		Dividends payable		37,146,179	-	-	-	774,800	37,920,979	
		Loan payable		-	-	-	24,260,224	-	24,260,224	
		Interest payable		-	-	9,789	5,401,758	-	5,411,547	
US Food Network SA (USFN)	Subsidiary	Trade and other payables	703		7,266	2,441	-	58,681	69,090	
		Loan payable	28,717,400		18,480,000	11,938,621	27,360,300	-	86,496,321	
		Interest payable	1,922,104		1,762,614	942,483	6,660,415	-	11,287,616	
American Restaurant System SA (ARS)	Subsidiary	Trade and other payables	908,858	46,455		-	-	-	955,313	
Argo Software Development and Consulting SRL	Related party	Trade and other payables	-	-	-	-	-	-	-	
Baneasa Developments SRL	Related party	Trade and other payables	-	166,234	17,091	14,458	-	-	197,783	
Baneasa Investments SA	Related party	Trade and other payables	-	-	66,378	-	-	-	66,378	
Dorobanti 239 Imobiliare SRL	Related party	Trade and other payables	-	190,312	-	-	-	-	190,312	
Elicom Connect SRL	Related party	Trade and other payables	-	873	469	-	-	-	1,343	
Elicom SRL	Related party	Trade and other payables	1,480	33,737	28,978	6,800	-	-	70,995	
Grand Plaza Hotel SA	Related party	Trade and other payables	-	831	17,087	-	-	-	17,918	
Midi Development SRL	Related party	Trade and other payables	-	-	-	-	-	-	-	
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	8,300	-	-	-	-	-	8,300	
Computerland Romania SRL	Related party	Trade and other payables	-	-	-	-	-	-	-	
<b>Total</b>			<b>31,558,846</b>	<b>46,007,721</b>	<b>23,749,629</b>	<b>12,667,540</b>	<b>63,985,916</b>	<b>833,481</b>	<b>178,803,132</b>	

Chief Executive Officer  
 Calin Ionescu

Chief Financial Officer  
 Valentin Budes