

To:

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

CURRENT REPORT 26/2024

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	22.05.2024
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: Report on legal acts concluded in Q1 2024 and transactions carried out by the companies from the Group with Related Parties during the three-month period ended March 31, 2024

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 Q1 2024 and transactions carried out with related parties by the companies from the Group during the three-month period ended 31 March 2024 (Q1 2024). 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 and the Financial Supervisory Authority Regulation no. 5/2018 on issuers of financial instruments and market operations.

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

CHIEF FINANCIAL OFFICER

Călin Ionescu

Valentin Budeș

Voluntary Related Parties Transactions Financial Report

For the financial period ended 31 March 2024

Report date: 22.05.2024
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").

Contact details:

Investor Relations

E-mail: investor.relations@spheragroup.com

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 and the Financial Supervisory Authority Regulation no. 5/2018 on issuers of financial instruments and market operations.

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 1st of January – 31st of March 2024 (the first quarter, "Q1").
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 three-month period ended 31 March 2024, 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 purchases (excluding VAT)/ sales (excluding VAT) 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 intragroup dividend income.

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

During the reference period ended 31 March 2024, 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, VAT- tax group
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
Moulin D'Or SRL	Entity affiliated to shareholders of the parent	Romania	Goods and services
Grand Plaza Hotel SA	Entity affiliated to a shareholder of the parent	Romania	Rent and utilities store PH Dorobanti, services

Group companies	Nature of the relationship	Country of incorporation	Nature of transactions
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
Tatika Investments Ltd.	Shareholder and entity under common control of Radu Dimofte, ultimate controlling party of the parent	Cyprus	Payment of dividends
Radu Dimofte	Beneficial owner of Wellkept Group SA, Tatika Investments Ltd and ultimate controlling party of the parent	Romania	Rent store KFC Mosilor
Computerland Romania SRL	Shareholder with significant influence	Romania	Payment of dividends, acquisition of IT equipment, licenses
Elicom SRL	Entity affiliated to a shareholder of the parent	Romania	Call-centre services
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 1st of January – 31st of March 2024 (Q1 2024)

Crt No.	Parties		Date of initial contract	Duration of initial contract	Date of addendum	Durati on of adden dum	Object of contract/addendum	Notes	Value of the Contract/Addendum		Guarantee s	Payment		Penalties	Interest
	Provider	Beneficiary							CCY	Amount (without VAT)		Term	Paymen t method		
1	ARGGO SOFTWARE DEVELOPMENT & CONSULTING S.R.L.	SPHERA FRANCHISE GROUP S.A.	09.08.2019	1 year, automatic extension	28.02.2024	1 year	Addendum 4/28.02.2024 to the Service Contract dated 09.08.2019, having as object the price modification of Microsoft licenses and Microsoft Azure services for a period of 1 year, with monthly payment		EUR	Estimated contract value for one year period: 40,633					

2	ARGGO SOFTWARE DEVELOPMENT & CONSULTING S.R.L.	AMERICAN RESTAURAN T SYSTEM S.A	08.08.2019	1 year, automatic extension	28.02.2024	1 year	Addendum 3/28.02.2024 to the Service Contract dated 08.08.2019, having as object the price modification of Microsoft licenses and Microsoft Azure services for a period of 1 year with monthly payment		EUR	Estimated contract value for one year period: 10,031					
3	ARGGO SOFTWARE DEVELOPMENT & CONSULTING S.R.L.	US FOOD NETWORK S.A.	09.08.2019	1 year, automatic extension	28.02.2024	1 year	Addendum 3/28.02.2024 to the Service Contract dated 09.08.2019, having as object the price modification of Microsoft licenses and Microsoft Azure services for a period of 1 year with monthly payment		EUR	Estimated contract value for one year period: 28,510					

4	ARGGO SOFTWARE DEVELOPMENT & CONSULTING S.R.L.	CALIFORNIA FRESH FLAVORS S.R.L	09.08.2019	1 year, automatic extension	28.02.2024	1 year	Addendum 3/28.02.2024 to the Service Contract dated 09.08.2019, having as object the price modification of Microsoft licenses and Microsoft Azure services for a period of 1 year with monthly payment	EUR	Estimated contract value for one year period: 4,897					
5	ELICOM S.R.L.	US FOOD NETWORK S.A.	15.09.2022	1 year, automatic extension	30.01.2024	1 year	Addendum 1/30.01.2024 to the Contract no. 9.15.3/15.09.2022 having as object the price modification of call center services.	EUR	Monthly value depending on the volume and fee/type of phone calls					
6	ELICOM S.R.L.	CALIFORNIA FRESH FLAVOR S.R.L.	15.09.2022	1 year, automatic extension	30.01.2024	1 year	Addendum 1/30.01.2024 to the Contract no. 9.15.1/15.09.2022 having as object the price modification of call center services.	EUR	Monthly value depending on the volume and fee/type of phone calls					

7	ELICOM S.R.L.	US FOOD NETWORK S.A.	01.07.2012	1 year, automatic extension	30.01.2024	1 year	Addendum 6/30.01.2024 to the Service Contract dated 01.07.2012, having as its object the price modification for receiving and processing orders, recruiting line and Infoline services.		EUR	Monthly value depending on the volume and fee/type of phone calls					
8	ELICOM S.R.L.	AMERICAN RESTAURANT SYSTEM S.A.	17.12.2007	1 year, automatic extension	30.01.2024	1 year	Addendum 58/30.01.2024 to the Service Contract dated 17.12.2007, having as its object the price modification for receiving and processing orders, recruiting line and Infoline services.		EUR	Monthly value depending on the volume and fee/type of phone calls					
9	ELICOM S.R.L.	CALIFORNIA FRESH FLAVOR S.R.L.	01.07.2019	1 year, automatic extension	30.01.2024	1 year	Addendum 4/30.01.2024 to the Service Contract dated 01.07.2019, having as its object the price modification for recruiting line and Infoline services.		EUR	Monthly value depending on the volume and fee/type of phone calls					

10	BANEASA DEVELOPMENTS S.R.L.	AMERICAN RESTAURANT SYSTEM S.A	12.02.2024	20.02.-31.03.2024 and 01.09.-31.10.2024			Contract dated 12.02.2024, having as object the renting of advertising areas in the Food Court area for the period 20.02.-31.03.2024 and 01.09.-31.10.2024.		EUR	12,350		15 days		0.1% /day of delayed payment	
11	PARC HOTELS SA	AMERICAN RESTAURANT SYSTEM S.A	26.03.2024	3-5.04.2024			Contract no. ARS 3.26.1/26.03.2024 having as object accommodation and catering services provided within the Ramada Parc Hotel during the period 3-5.04.2024.		EUR	1,595		80% advance payment, 20% within 7 working days from the date of receipt of the final invoice, after the end of the event	payment order/ credit card/ bank deposit	0.03% /day of delayed payment	
12	PARC HOTELS SA	CALIFORNIA FRESH FLAVOR S.R.L.	26.03.2024	3-5.04.2024			Contract no. CFF 3.26.1/26.03.2024 having as object accommodation and catering services provided within the Ramada Parc Hotel during the period 3-5.04.2024.		EUR	1,319		80% advance payment, 20% within 7 working days from the date of receipt of the final invoice, after the	payment order/ credit card/ bank deposit	0.03% /day of delayed payment	

												end of the event			
13	PARC HOTELS SA	US FOOD NETWORK S.A	26.03.2024	3-5.04.2024			Contract no. USFN 3.26.1/26.03.2024 having as object accommodation and catering services provided within the Ramada Parc Hotel during the period 3-5.04.2024.		EUR	11,759		80% advance payment, 20% within 7 working days from the date of receipt of the final invoice, after the end of the event	payment order/ credit card/ bank deposit	0.03% /day of delayed payment	
14	ARGGO SOFTWARE DEVELOPMENT & CONSULTING S.R.L.	US FOOD NETWORK (Moldova) S.R.L	02.02.2024	1 year, automatic extension			Contract no. L152/02.02.2024 having as object the provision of Microsoft licenses for a period of 1 year, with annual payment		EUR	Estimated contract value for one year period: 781		30 days	Bank transfer	For payment delays: 0.1% /day in case of delayed payment Penalties for non execution of the contract: the supplier will pay the beneficiary 0.1% of the value of the contracted and undelivered services,	



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Annex 2 - Related parties and intercompany balances and transactions for the three-month period ended 31 March 2024

Related parties and intercompany transactions

*Amounts in RON									
Beneficiary	Seller/ Lender	Nature of the relationship	Nature of transactions	Sphera Franchise Group SA (SFG)	US Food Network SA (USFN)	Sales/Interest revenues/Dividends revenues			
						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	Recharge of costs - marketing & other			1,119	-	-	-	-
		Interest			517,308	-	-	-	-
		Rent, utilities & other services			746	28	-	-	-
US Food Network SA (USFN)	Subsidiary	Maintenance & spare parts		-		-	893	-	-
		Support services (service level agreement)		8,352,184		-	-	-	-
		Recharge of costs - marketing & other		9,700		5,977	-	-	-
American Restaurant System SA (ARS)	Subsidiary	Support services (service level agreement)		1,099,865	-		-	-	-
		Recharge of costs - marketing & other		2,311	-		-	-	-
		Maintenance & spare parts		-	7,454		-	-	-
		Interest		-	320,099		-	-	-
California Fresh Flavors SRL (CFF)	Subsidiary	Support services (service level agreement)		567,555	-	-		-	-
		Maintenance & spare parts		-	2,500			-	-
		Recharge of costs - marketing & other		1,387	-	275		-	-
		Interest		-	204,631	-		-	-
US Food Network Srl -Italia (USFN_ITA)	Subsidiary	Support services (service level agreement)		374,752	-	-	-		-
		Interest		477,275	447,134	-	-		-
Computerland Romania SRL	Related party	Sale of goods		-	2,124	4,128	-	-	-
Total				10,885,029	1,503,115	10,407	893	-	-



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*Amounts in RON

Benficiary		Purchases/Interest costs							
		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
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	Interest		-	-	-	477,275	-	477,275
		Recharge of costs - marketing & other		9,700	2,311	1,387	-	-	13,398
		Support services (service level agreement)		8,352,184	1,099,865	567,555	374,752	-	10,394,357
		Maintenance & spare parts	-		7,454	2,500	-	-	9,954
US Food Network SA (USFN)	Subsidiary	Interest	517,308		320,099	204,631	447,134	-	1,489,172
		Rent, utilities & other services (events)	746		-	-	-	-	746
		Recharge of costs - marketing & other	1,119		-	-	-	-	1,119
		Recharge of costs - marketing & other	-	5,977		275	-	-	6,252
American Restaurant System SA (ARS)	Subsidiary	Rent, utilities & other services (events)	28	-		-	-	-	28
		Maintenance & spare parts	-	893	-		-	-	893
California Fresh Flavors SRL (CFF)	Subsidiary	Maintenance & spare parts	-	893	-		-	-	893
Arggo Software Development and Consulting SRL	Related party	IT services	66,048	128,073	59,100	26,196	8,998	-	288,415
Baneasa Developments SRL	Related party	Rent, utilities	-	674,794	295,119	212,385	-	-	1,182,299
Baneasa Investments SA	Related party	Rent, utilities	-	-	172,337	-	-	-	172,337
Dorobanti 239 Imobiliare SRL	Related party	Rent, utilities	-	902,125	-	-	-	-	902,125
Elicom SRL	Related party	Call center services	3,746	80,611	72,273	17,480	-	-	174,110
Grand Plaza Hotel SA	Related party	Rent, utilities & other services (events)	-	-	320,730	-	-	-	320,730
Moulin D'Or SRL	Related party	Acquisition of goods	2,540	-	434	-	-	-	2,974
Radu Dimofte	Related party	Rent	-	23,336	-	-	-	-	23,336
Wellkept Group SA	Related party	Rent, utilities	131,863	-	-	-	-	-	131,863
Computerland Romania SRL	Related party	Acquisition of IT equipment, licenses	22,851	143,832	2,171	7,223	-	-	176,077
Total			746,249	10,321,525	2,351,894	1,039,632	1,308,159	-	15,767,459

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Related parties and intercompany balances

*Amounts in RON, nominal values

Seller/ Lender Beneficiary		Nature of the relationship	Description	Trade and other receivables/Loans and interest receivables						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	Trade and other receivables			807	26	-	-	-	833
		Loan receivable			21,609,750	-	-	-	-	21,609,750
		Interest receivable			1,064,864	-	-	-	-	1,064,864
US Food Network SA (USFN)	Subsidiary	Trade and other receivables		13,211,676		2,582	-	-	-	13,214,258
		Dividends receivables		11,646,179		-	-	-	-	11,646,179
American Restaurant System SA (ARS)	Subsidiary	Trade and other receivables		6,359,008	15,624		-	-	-	6,374,632
		Loan receivable		-	18,480,000		-	-	-	18,480,000
		Interest receivable		-	2,405,781		-	-	-	2,405,781
California Fresh Flavors SRL (CFF)	Subsidiary	Trade and other receivables		216,788	710	-		-	-	217,498
		Loan receivable		-	10,939,331	-		-	-	10,939,331
		Interest receivable		-	357,549	-		-	-	357,549
US Food Network Srl -Italia (USFN_ITA)	Subsidiary	Trade and other receivables		237,890	-	-	-		-	237,890
		Loan receivable		24,235,352	22,362,750	-	-		-	46,598,102
		Interest receivable		6,352,310	5,451,702	-	-		-	11,804,012
US Food Network Srl - Moldova	Subsidiary	Trade and other receivables		368	17,758	-	-	-		18,126
Grand Plaza Hotel SA	Related party	Deposits for guarrantees				65,625				65,625
Baneasa Investments SA	Related party	Deposits for guarrantees				172,275				172,275
Computerland Romania SRL	Related party	Trade and other receivables		-	2,414	6,048	-	-	-	8,462
Total				62,259,570	82,709,040	246,556	-	-	-	145,215,166



*Amounts in RON, nominal values

Trade and other payables/Loans and interest payables									
Beneficiary		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	Nature of the relationship								
Sphera Franchise Group SA (SFG)	Parent Company	Trade and other payables		13,211,676	6,359,008	216,788	237,890	368	20,025,729
		Dividends payable		11,646,179	-	-	-	-	11,646,179
		Loan payable		-	-	-	24,235,352	-	24,235,352
		Interest payable		-	-	-	6,352,310	-	6,352,310
US Food Network SA (USFN)	Subsidiary	Trade and other payables	807		15,624	710	-	17,758	34,899
		Loan payable	21,609,750		18,480,000	10,939,331	22,362,750	-	73,391,831
		Interest payable	1,064,864		2,405,781	357,549	5,451,702	-	9,279,896
American Restaurant System SA (ARS)	Subsidiary	Trade and other payables	26	2,582		-	-	-	2,608
Arggo Software Development and Consulting SRL	Related party	Trade and other payables	42,478	-	3,959	(0)	-	-	46,437
Baneasa Developments SRL	Related party	Trade and other payables	-	165,079	18,130	13,570	-	-	196,779
Baneasa Investments SA	Related party	Trade and other payables	-	-	68,326	-	-	-	68,326
Dorobanti 239 Imobiliare SRL	Related party	Trade and other payables	-	8,592	-	-	-	-	8,592
Elicom Connect SRL	Related party	Trade and other payables	-	873	469	-	-	-	1,343
Elicom SRL	Related party	Trade and other payables	1,499	11,176	28,976	8,232	-	-	49,883
Grand Plaza Hotel SA	Related party	Trade and other payables	-	831	42,445	-	-	-	43,277
Wellkept Group SA	Related party	Trade and other payables	21,349	-	-	-	-	-	21,349
Computerland Romania SRL	Related party	Trade and other payables	12,121	-	-	-	-	-	12,121
Total			22,752,894	25,046,988	27,422,719	11,536,182	58,640,003	18,126	145,416,911

Chief Executive Officer
Calin Ionescu

Chief Financial Officer
Valentin Budes

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