



To:

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

## **CURRENT REPORT 25/2022**

**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	<b>13.05.2022</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:** Publication of the Voluntary Report on Transactions with Related Parties carried out by companies from the Group during the three-month period ended 31 March 2022

In the spirit of transparency, the management of Sphera Franchise Group SA (hereinafter referred to as the "Group") informs all the interested parties about the publishing of the voluntary report on the transactions with related parties carried out by the companies from the Group during the three-month period ended 31 March 2022. The report is supplementary to the current reporting of legal acts concluded by Sphera Franchise Group SA according to the provisions of Law no. 24/2007 and Law no. 158/2020 on issuers of financial instruments and market operations and pursuant to the Financial Supervisory Authority Regulation no. 5/2018 on issuers and operations with securities.

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

CHIEF EXECUTIVE OFFICER

Calin Ionescu

CHIEF FINANCIAL OFFICER

Valentin Budes



## **Voluntary Related Parties Transactions Financial Report** **For the three-months period ended 31 March 2022**

<b>Report date:</b>	13 May 2022
<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") for the three-month period ended 31 March 2022.

Contact details:

Investor Relations  
E-mail: [investor.relations@spheragroup.com](mailto:investor.relations@spheragroup.com)

## DETAILED RELATED PARTIES REPORT

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

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

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

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

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

During the three-month financial period ended 31 March 2022, the Group companies have carried out transactions with the following related parties:

<b>Group companies</b>	<b>Nature of the relationship</b>	<b>Country of incorporation</b>	<b>Nature of transactions</b>
Sphera Franchise Group SA	Parent company	Romania	Sale of services, loans
US Food Network SRL	Subsidiary	Romania	Dividends, loans, acquisition of 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, loan
US Food Network SRL	Subsidiary	Italy	Sale of goods and services, loans
<b>Related party</b>	<b>Nature of the relationship</b>	<b>Country of incorporation</b>	<b>Nature of transactions</b>
Moulin D'Or SRL	Entity affiliated to shareholders of the parent	Romania	Goods and services
Midi Development SRL	Entity with common members of key management personnel	Romania	Services
Grand Plaza Hotel SA	Entity affiliated to a shareholder of the parent	Romania	Rent and utilities store PH Dorobanti
Arggo Software Development and Consulting SRL	Entity affiliated to a shareholder of the parent	Romania	Implementation services, IT services
Lunic Franchising and Consulting LTD	Shareholder 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
Computerland Romania SRL	Shareholder	Romania	Payment of dividends, acquisition of IT equipment
Cinnamon Bake&Roll SRL	Entity with common members of key management personnel	Romania	Goods and services, loans provided
Lucian Vlad	Beneficial owner of Lunic Franchising and Consulting Ltd.	Romania	Rent store KFC Mosilor
Radu Dimofte	Beneficial owner of Wellkept Group SA, 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

**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).



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- 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.*

## Annex 1 - Related parties and intercompany balances and transactions for the three-month period ended 31 March 2022

Related parties and intercompany transactions for the three-month period ended 31 March 2022

\*Amounts in RON

			Sales/Interest revenues/Dividends revenues						
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
Beneficiary									
Sphera Franchise Group SA (SFG)	Parent Company	Maintenance & spare parts		-	-	-	-	-	-
		Recharge of costs		560	1,974	-	-	-	2,534
		Interest		296,248	-	-	-	-	296,248
		Rent, utilities & other services		742	1,380	-	-	-	2,122
US Food Network SA (USFN)	Subsidiary	Dividends revenues	-	-	-	-	-	-	-
		Support services (service level agreement)	6,114,866	-	-	-	-	-	6,114,866
		Recharg of costs - marketing & other	-	-	19,604	-	-	-	19,604
American Restaurant System SA (ARS)	Subsidiary	Support services (service level agreement)	1,143,307	-	-	-	-	-	1,143,307
		Maintenance & spare parts	-	7,352	-	-	-	-	7,352
		Interest	60,089	165,515	-	-	-	-	225,604
California Fresh Flavors SRL (CFF)	Subsidiary	Support services (service level agreement)	540,551	-	-	-	-	-	540,551
		Maintenance & spare parts	-	1,534	-	-	-	-	1,534
		Interest	14,627	148,990	-	-	-	-	163,617
US Food Network Srl -Italia (USFN_ITA)	Subsidiary	Support services (service level agreement)	339,959	-	-	-	-	-	339,959
		Interest	320,414	371,020	-	-	-	-	691,434
US Food Network Srl - Moldova (USFN_MD)	Subsidiary	Dividends revenues	-	-	-	-	-	-	-
		Interest	-	-	-	-	-	-	-
Cinnamon Bake&Roll SRL	Related party	Maintenance & spare parts	-	5,936	-	-	-	-	5,936
		Interest	-	2,399	-	-	-	-	2,399
Wellkept Group SA	Related party	Sale of goods	-	-	-	-	-	-	
Computerland Romania SRL	Related party	Sale of goods	-	153	4,343	-	-	-	4,496
<b>Total</b>			<b>8,533,813</b>	<b>1,000,449</b>	<b>27,301</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,561,563</b>

*Amounts in RON										
Purchases/Interest costs										
Seller/Lender	Beneficiary	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		-	60,089	14,627	320,414	-	-	395,131
		Support services (service level agreement)		6,114,866	1,143,307	540,551	339,959	-	-	8,138,682
US Food Network SA (USFN)	Subsidiary	Maintenance & spare parts		-	7,352	1,534	-	-	-	8,886
		Interest	296,248		165,515	148,990	371,020	-	-	981,773
		Rent, utilities & other services (events)	742		-	-	-	-	-	742
		Recharge of costs	560		-	-	-	-	-	560
American Restaurant System SA (ARS)	Subsidiary	Maintenance & spare parts		-	-	-	-	-	-	-
		Recharge of costs	1,974	19,604		-	-	-	-	21,578
		Recharg of costs - marketing & other	-		-	-	-	-	-	-
		Rent, utilities & other services (events)	1,380		-	-	-	-	-	1,380
Arggo Software Development and Consulting SRL	Related party	IT services	55,915	114,728	53,877	23,500	15,028	-	-	263,048
		ERP implementation services	33,687	-	-	39,869	-	-	-	73,556
Baneasa Developments SRL	Related party	Rent, utilities	-	680,896	140,970	176,548	-	-	-	998,414
Baneasa Investments SA	Related party	Rent, utilities	-	-	154,544	-	-	-	-	154,544
Cinnamon Bake&Roll SRL	Related party	Merchandises & protocol	-	-	-	-	-	-	-	-
Dorobanti 239 Imobiliare SRL	Related party	Rent, utilities	-	821,893	-	-	-	-	-	821,893
Elicom Connect SRL	Related party	Marketing services	-	2,226	594	-	-	-	-	2,820
Elicom SRL	Related party	Call center services	-	78,268	81,336	7,521	-	-	-	167,125
Grand Plaza Hotel SA	Related party	Rent, utilities & other services (events)	1,442	-	269,750	-	-	-	-	271,192
Lucian Vlad	Related party	Rent	-	55,995	-	-	-	-	-	55,995
Radu Dimofte	Related party	Rent	-	23,205	-	-	-	-	-	23,205
Wellkept Group SA	Related party	Rent, utilities	107,472	-	-	-	-	-	-	107,472
Midi Development SRL	Related party	Acquisition of goods	-	245	-	-	-	-	-	245
Computerland Romania SRL	Related party	Acquisition of IT equipment	-	-	-	-	-	-	-	-
<b>Total</b>				<b>499,420</b>	<b>7,911,926</b>	<b>2,077,336</b>	<b>953,139</b>	<b>1,046,421</b>	<b>-</b>	<b>12,488,242</b>

**Related parties and intercompany balances as of 31 March 2022**

*\*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)	
Sphera Franchise Group SA (SFG)	Parent Company	Trade and other receivables		636	1,843,692	-	-	-	1,844,328
		Loan receivable		28,675,400	-	-	-	-	28,675,400
		Interest receivable		4,089,665	-	-	-	-	4,089,665
US Food Network SA (USFN)	Subsidiary	Trade and other receivables	13,818,297		35,221	-	-	-	13,853,518
		Dividends receivables	11,184,374		-	-	-	-	11,184,374
American Restaurant System SA (ARS)	Subsidiary	Trade and other receivables	2,771,643	2,883		-	-	-	2,774,527
		Loan receivable	-	16,700,000		-	-	-	16,700,000
		Interest receivable	2,500,448	537,757		-	-	-	3,038,205
California Fresh Flavors SRL (CFF)	Subsidiary	Trade and other receivables	601,870	1,169	-		-	-	603,039
		Loan receivable	52,655	14,938,621	-		-	-	14,991,276
		Interest receivable	1,123,521	671,756	-		-	-	1,795,277
US Food Network Srl -Italia (USFN_ITA)	Subsidiary	Trade and other receivables	339,928	-	-			-	339,928
		Loan receivable	32,038,233	37,099,500	-			-	69,137,733
		Interest receivable	3,474,896	4,798,274	-			-	8,273,170
US Food Network Srl - Moldova (USFN_MD)	Subsidiary	Trade and other receivables	-	31,790	-				31,790
		Dividends receivables	-	-	-				-
Cinnamon Bake&Roll SRL	Related party	Trade and other receivables	-	-	-				-
		Loan receivable	-	535,591	-				535,591
		Interest receivable	-	72,943	-				72,943
Wellkept Group SA	Related party	Trade and other receivables	-	-	132				132
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	-	-	2,584				2,584
<b>Total</b>			<b>67,905,865</b>	<b>108,155,985</b>	<b>2,075,519</b>				<b>178,137,369</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			13,818,297	2,771,643	601,870	339,928	-	17,531,738	
		Dividends payable			11,184,374	-	-	-	-	11,184,374	
		Loan payable			-	-	-	52,655	32,038,233	-	32,090,888
		Interest payable			-	2,500,448	1,123,521	3,474,896	-	7,098,865	
US Food Network SA (USFN)	Subsidiary	Trade and other payables		636		2,883	1,169	-	31,790	36,477	
		Loan payable		28,675,400		16,700,000	14,938,621	37,099,500	-	97,413,521	
		Interest payable		4,089,665		537,757	671,756	4,798,274	-	10,097,452	
American Restaurant System SA (ARS)	Subsidiary	Trade and other payables		1,843,692	35,221	-	-	-	1,878,914		
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	40,462	4,089	-	-	-	46,880	
Baneasa Developments SRL	Related party	Trade and other payables		-	187,780	37,263	58,583	-	-	283,626	
Baneasa Investments SA	Related party	Trade and other payables		-	-	14,124	-	-	-	14,124	
Cinnamon Bake&Roll SRL	Related party	Trade and other payables		-	-	-	-	-	-	-	
Dorobanti 239 Imobiliare SRL	Related party	Trade and other payables		-	22,437	-	-	-	-	22,437	
Elicom Connect SRL	Related party	Trade and other payables		-	1,756	471	-	-	-	2,227	
Elicom SRL	Related party	Trade and other payables		-	31,460	32,357	3,901	-	-	67,718	
Grand Plaza Hotel SA	Related party	Trade and other payables		-	831	25,590	-	-	-	26,421	
Lucian Vlad	Related party	Trade and other payables		-	37,344	-	-	-	-	37,344	
Midi Development SRL	Related party	Trade and other payables		288	-	-	-	-	-	288	
Radu Dimofte	Related party	Trade and other payables		-	15,476	-	-	-	-	15,476	
Wellkept Group SA	Related party	Trade and other payables		3,000	-	-	-	-	-	3,000	
Computerland Romania SRL	Related party	Trade and other payables		-	-	962	-	-	-	962	
<b>Total</b>				<b>34,615,009</b>	<b>25,375,440</b>	<b>22,627,587</b>	<b>17,452,076</b>	<b>77,750,831</b>	<b>31,790</b>	<b>177,852,732</b>	

Chief Executive Officer  
Calin Ionescu

Chief Financial Officer  
Valentin Budes