



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	<b>17.11.2022</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 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., 2<sup>nd</sup> Floor,  
1<sup>st</sup> 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](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 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:

<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, 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

  

<b>Related party</b>	<b>Nature of the relationship</b>	<b>Country of incorporation</b>	<b>Nature of transactions</b>
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

<b>Related party</b>	<b>Nature of the relationship</b>	<b>Country of incorporation</b>	<b>Nature of transactions</b>
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

			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
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
<b>Total</b>			<b>76,400,699</b>	<b>3,014,240</b>	<b>89,663</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>79,504,602</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	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
<b>Total</b>				<b>1,505,688</b>	<b>24,313,390</b>	<b>6,406,163</b>	<b>2,806,832</b>	<b>3,206,910</b>	-	<b>38,238,984</b>



Related parties and intercompany balances as of 30 September 2022

\*Amounts in RON, nominal values

		Trade and other receivables/Loans and interest receivables							
Seller/ Lender	Nature of the relationship	Description	Sphera Franchise Group SA (SFG)	US Food Network SA (USFN)	American Restaurant System SA (ARS)	California Fresh Flavors SRL (CFF)	US Food Network Srl - Italia (USFN_ITA)	US Food Network Srl - Moldova (USFN_MD)	Total
Sphera Franchise Group SA (SFG)	Parent Company	Trade and other receivables		599	965,213	-	-	-	965,812
		Loan receivable		28,679,000	-	-	-	-	28,679,000
		Interest receivable		503,817	-	-	-	-	503,817
US Food Network SA (USFN)	Subsidiary	Trade and other receivables	11,105,420		31,690	-	-	-	11,137,110
		Dividends receivables	40,680,808		-	-	-	-	40,680,808
American Restaurant System SA (ARS)	Subsidiary	Trade and other receivables	3,407,961	13,473		-	-	-	3,421,433
		Loan receivable	-	18,480,000		-	-	-	18,480,000
		Interest receivable	2,501,661	882,025		-	-	-	3,383,686
California Fresh Flavors SRL (CFF)	Subsidiary	Trade and other receivables	363,017	1,133	-		-	-	364,150
		Loan receivable	-	14,938,621	-		-	-	14,938,621
		Interest receivable	1,124,839	253,391	-		-	-	1,378,230
US Food Network Srl -Italia (USFN_ITA)	Subsidiary	Trade and other receivables	1,091,443	-	-			-	1,091,443
		Loan receivable	32,053,777	37,117,500	-			-	69,171,277
		Interest receivable	4,117,656	5,542,952	-			-	9,660,609
US Food Network Srl - Moldova (USFN_MD)	Subsidiary	Trade and other receivables	-	15,186	-				15,186
		Dividends receivables	522,747	-	-				522,747
Arggo Software Development and Consulting SRL	Related party	Trade and other receivables	5,821	-	-				5,821
Cinnamon Bake&Roll SRL	Related party	Trade and other receivables	-	7,240	-				7,240
		Loan receivable	-	(0)	-				(0)
		Interest receivable	-	-	-				-
Grand Plaza Hotel SA	Related party	Trade and other receivables	-	-	65,625				65,625
Baneasa Investments SA	Related party	Trade and other receivables	-	-	128,264				128,264
Computerland Romania SRL	Related party	Trade and other receivables	-	1,038	3,332				4,370
<b>Total</b>			<b>96,975,150</b>	<b>106,435,975</b>	<b>1,194,124</b>	-	-	-	<b>204,605,249</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			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	-	-	-	-	-	-	-	-
<b>Total</b>				<b>30,156,493</b>	<b>52,112,500</b>	<b>25,352,499</b>	<b>16,747,674</b>	<b>79,923,329</b>	<b>537,932</b>	<b>204,830,428</b>

Chief Executive Officer  
Calin Ionescu

Chief Financial Officer  
Valentin Budes