

To:

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

## CURRENT REPORT 13/2024

**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	<b>05.04.2024</b>
Name of the Company	<b>Sphera Franchise Group SA</b>
Registered Office	<b>Bucharest, Romania</b>
Address	<b>Calea Dorobanților nr. 239, 2nd 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 Q4 2023 and transactions carried out by the companies from the Group with Related Parties during the financial year ended 31 December 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 Q4 2023 and transactions carried out with related parties by the companies from the Group during the financial year ended 31 December 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

CHIEF FINANCIAL OFFICER

Călin Ionescu

Valentin Budeș

## Voluntary Related Parties Transactions Financial Report For the financial year ended 31 December 2023

**Report date:** 05.04.2024  
**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").

Contact details:

Investor Relations  
E-mail: [investor.relations@spheragroup.com](mailto: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 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 October – 31<sup>st</sup> of December 2023 (the fourth quarter, "Q4").
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 twelve-month period ended 31 December 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 31 December 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, 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
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

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
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
Casa Doina SRL	Entity affiliated to a shareholder of the parent	Romania	Acquisition of 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 - Report of legal acts concluded with related parties by Sphera Franchise Group SA and its subsidiaries during the period 1<sup>st</sup> of October – 31<sup>st</sup> of December 2023 (Q4 2023)

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	03.10.2023	N/A	Addendum 3/03.10.2023 to the Service Contract dated 09.08.2019, having as object the acquisition of 49 licenses for Enterprise Mobility + Security E3 for the period 03.10.2023- 29.02.2024	N/A	EUR	Estimated total value of EUR 2,015, based on a monthly value and the number of licenses requested	N/A	N/A	N/A	N/A	N/A
2	MIDI DEVELOPMENT S.R.L.	AMERICAN RESTAURAN T SYSTEM S.A	13.12.2023	14.12.2023	N/A	N/A	Contract no. 68/13.12.2023 having as object banquet services for the event of 14.12.2023.	N/A	EUR	Value of EUR 3,109 established according to the number of participants	N/A	3 days from the date of issuance of the final invoice	bank transfer	In case of cancellation: - with notice between 4-2 days - 50% of the contract value; - with less than 2 days' notice - 100% of the contract value; For delayed payments, 0.1% of the value in RON of the amount owed per	N/A

														day of delay is applied.	
3	MIDI DEVELOPMENT S.R.L.	US FOOD NETWORK S.A.	13.12.2023	14.12.2023	N/A	N/A	Contract no. 69/13.12.2023 having as object banquet services for the event of 14.12.2023.	N/A	EUR	Value of EUR 9,931 established according to the number of participants	N/A	3 days from the date of issuance of the final invoice	bank transfer	In case of cancellation: - with notice between 4-2 days - 50% of the contract value; - with less than 2 days' notice - 100% of the contract value; For delayed payments, 0.1% of the value in RON of the amount owed per day of delay is applied.	N/A

4	MIDI DEVELOPMENT S.R.L.	SPHERA FRANCHISE GROUP S.A.	13.12.2023	14.12.2023	N/A	N/A	Contract no. 70/13.12.2023 having as object banquet services for the event of 14.12.2023.	N/A	EUR	Value of EUR 13,913 established according to the number of participants	N/A	3 days from the date of issuance of the final invoice	bank transfer	In case of cancellation: - with notice between 4-2 days - 50% of the contract value; - with less than 2 days' notice - 100% of the contract value; For delayed payments, 0.1% of the value in RON of the amount owed per day of delay is applied.	N/A
5	MIDI DEVELOPMENT S.R.L.	CALIFORNIA FRESH FLAVORS S.R.L	13.12.2023	14.12.2023	N/A	N/A	Contract no. 71/13.12.2023 having as object banquet services for the event of 14.12.2023.	N/A	EUR	Value of EUR 1,555 established according to the number of participants	N/A	3 days from the date of issuance of the final invoice	bank transfer	In case of cancellation: - with notice between 4-2 days - 50% of the contract value; - with less than 2 days' notice - 100% of the contract value; For delayed payments, 0.1% of the value in RON of the amount owed per day of delay is applied.	N/A



6	COMPUTERLAND ROMANIA S.R.L.	AMERICAN RESTAURANT SYSTEM S.A.	15.12.2023	36 months starting from 01.12.2023	N/A	N/A	Contract no. ARS12.15.1/15.12.2023 having as object the rental of Bitdefender software products.	N/A	EUR	3,927	N/A	in advance for each year of use, within 10 days of issuing the invoice	bank transfer	0.05% of the amount due for each day of delay	N/A
7	COMPUTERLAND ROMANIA S.R.L.	US FOOD NETWORK S.A.	15.12.2023	36 months starting from 01.12.2023	N/A	N/A	Contract no. USFN12.15.6/15.12.2023 having as object the rental of Bitdefender software products.	N/A	EUR	41,646	N/A	in advance for each year of use, within 10 days of issuing the invoice	bank transfer	0.05% of the amount due for each day of delay	N/A
8	COMPUTERLAND ROMANIA S.R.L.	SPHERA FRANCHISE GROUP S.A.	15.12.2023	36 months starting from 01.12.2023	N/A	N/A	Contract no. SFG12.15.1/15.12.2023 having as object the rental of Bitdefender software products.	N/A	EUR	7,161	N/A	in advance for each year of use, within 10 days of issuing the invoice	bank transfer	0.05% of the amount due for each day of delay	N/A

9	COMPUTERLAND ROMANIA S.R.L.	CALIFORNIA FRESH FLAVORS S.R.L.	15.12.2023	36 months starting from 01.12.2023	N/A	N/A	Contract no. CFF12.15.1/15.12.2023 having as object the rental of Bitdefender software products.	N/A	EUR	4,536	N/A	in advance for each year of use, within 10 days of issuing the invoice	bank transfer	0.05% of the amount due for each day of delay	N/A
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## Annex 2 - Related parties and intercompany balances and transactions for the financial year ended 31 December 2023

### Related parties and intercompany transactions

\*Amounts in RON

Beneficiary	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)
Sphera Franchise Group SA (SFG)	Parent Company		Recharge of costs		1,318	2,598	-	-	-	3,917
			Interest		1,632,690	-	-	-	-	1,632,690
			Rent, utilities & other services		2,971	-	-	-	-	2,971
US Food Network SA (USFN)	Subsidiary		Dividends revenues	71,468,635		-	-	-	-	71,468,635
			Support services (service level agreement)	31,927,501		-	-	-	-	31,927,501
			Recharge of costs - marketing & other	-		81,974	-	-	-	81,974
American Restaurant System SA (ARS)	Subsidiary		Support services (service level agreement)	4,814,705	-		-	-	-	4,814,705
			Maintenance & spare parts	-	25,014		-	-	-	25,014
			Interest	-	1,008,456		-	-	-	1,008,456
California Fresh Flavors SRL (CFF)	Subsidiary		Support services (service level agreement)	2,394,587	-	-		-	-	2,394,587
			Maintenance & spare parts	-	9,413	-		-	-	9,413
			Recharge of costs - marketing & other	-	-	7,928		-	-	7,928
			Interest	-	743,168	-		-	-	743,168
US Food Network Srl -Italia (USFN_ITA)	Subsidiary		Support services (service level agreement)	1,642,186	-	-			-	1,642,186
			Interest	1,427,774	1,846,638	-	-		-	3,274,412
US Food Network Srl - Moldova (USFN_MD)	Subsidiary		Dividends revenues	1,534,104	-	-	-		-	1,534,104
Moulin D'Or SRL	Related party		Maintenance & spare parts	-	3,656	-	-	-	-	3,656
Computerland Romania SRL	Related party		Sale of goods	-	5,743	14,203	-	-	-	19,946
<b>Total</b>				<b>115,209,492</b>	<b>5,279,069</b>	<b>106,704</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>120,595,264</b>



**KFC**



\*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		-	-	-	-	1,427,774	-	1,427,774
		Support services (service level agreement)			31,927,501	4,814,705	2,394,587	1,642,186	-	40,778,979
		Maintenance & spare parts		-		25,014	9,413	-	-	34,428
US Food Network SA (USFN)	Subsidiary	Interest		1,632,690		1,008,456	743,168	1,846,638	-	5,230,952
		Rent, utilities & other services (events)		2,971		-	-	-	-	2,971
		Recharge of costs		1,318		-	-	-	-	1,318
American Restaurant System SA (ARS)	Subsidiary	Recharge of costs		-	81,974		-	-	-	81,974
		Recharge of costs - marketing & other		2,598			7,928	-	-	10,526
Arggo Software Development and Consulting SRL	Related party	IT services		208,088	580,118	274,023	102,548	59,765	-	1,224,542
Baneasa Developments SRL	Related party	Rent, utilities		-	2,730,904	972,263	863,233	-	-	4,566,400
Baneasa Investments SA	Related party	Rent, utilities		-	-	668,985	-	-	-	668,985
Dorobanti 239 Imobiliare SRL	Related party	Rent, utilities		-	3,709,488	-	-	-	-	3,709,488
Elicom SRL	Related party	Call center services		19,774	326,715	310,642	64,027	-	-	721,157
Grand Plaza Hotel SA	Related party	Rent, utilities & other services (events)		-	-	1,182,020	-	-	-	1,182,020
Moulin D'Or SRL	Related party	Acquisition of goods		741	2,663	-	225	-	-	3,630
Radu Dimofte	Related party	Rent		-	92,732	-	-	-	-	92,732
Wellkept Group SA	Related party	Rent, utilities		493,611	-	-	-	-	-	493,611
Midi Development SRL	Related party	Acquisition of goods		70,141	60,737	15,464	7,735	-	-	154,077
Computerland Romania SRL	Related party	Acquisition of IT equipment, licenses		9,848	-	-	-	-	-	9,848
Casa Doina	Related party	Acquisition of services		-	12,835	-	-	-	-	12,835
<b>Total</b>				<b>2,441,779</b>	<b>39,525,667</b>	<b>9,271,572</b>	<b>4,192,865</b>	<b>4,976,363</b>	<b>-</b>	<b>60,408,246</b>

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## Related parties and intercompany balances

\*Amounts in RON, nominal values

Seller/ Lender		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		2,310	-	-	-	-	2,310
		Loan receivable		21,617,400	-	-	-	-	21,617,400
		Interest receivable		548,397	-	-	-	-	548,397
US Food Network SA (USFN)	Subsidiary	Trade and other receivables	12,229,542		45,568	-	-	-	12,275,110
		Dividends receivables	21,149,443		-	-	-	-	21,149,443
American Restaurant System SA (ARS)	Subsidiary	Trade and other receivables	4,963,434	14,054		-	-	-	4,977,487
		Loan receivable	-	18,480,000		-	-	-	18,480,000
		Interest receivable	-	2,087,960		-	-	-	2,087,960
California Fresh Flavors SRL (CFF)	Subsidiary	Trade and other receivables	473,395	988	9,434		-	-	483,818
		Loan receivable	-	11,939,404	-		-	-	11,939,404
		Interest receivable	-	1,154,297	-		-	-	1,154,297
US Food Network Srl -Italia (USFN_ITA)	Subsidiary	Trade and other receivables	134,871	-	-	-		-	134,871
		Loan receivable	24,260,224	27,360,300	-	-		-	51,620,524
		Interest receivable	5,881,318	7,177,349	-	-		-	13,058,667
US Food Network Srl - Moldova (USFN_MD)	Subsidiary	Trade and other receivables	3,064	43,495	-	-	-		46,559
		Dividends receivables	-	-	-	-	-		-
Grand Plaza Hotel SA	Related party	Trade and other receivables	-	-	-	-	-	-	-
		Deposits for guarrantees			65,625				65,625
Baneasa Investments SA	Related party	Trade and other receivables	-	-	-	-	-	-	-
		Deposits for guarrantees			128,264				128,264
Computerland Romania SRL	Related party	Trade and other receivables	-	2,414	4,769	-	-	-	7,183
<b>Total</b>			<b>69,095,291</b>	<b>90,428,368</b>	<b>253,660</b>	-	-	-	<b>159,777,319</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		12,229,542	4,963,434	473,395	134,871	3,064	<b>17,804,306</b>	
		Dividends payable		21,149,443	-	-	-	-	<b>21,149,443</b>	
		Loan payable		-	-	-	24,260,224	-	<b>24,260,224</b>	
		Interest payable		-	-	-	5,881,318	-	<b>5,881,318</b>	
US Food Network SA (USFN)	Subsidiary	Trade and other payables	2,310		14,054	988	-	43,495	<b>60,846</b>	
		Loan payable	21,617,400		18,480,000	11,939,404	27,360,300	-	<b>79,397,104</b>	
		Interest payable	548,397		2,087,960	1,154,297	7,177,349	-	<b>10,968,003</b>	
American Restaurant System SA (ARS)	Subsidiary	Trade and other payables	-	45,568		9,434	-	-	<b>55,002</b>	
Arggo Software Development and Consulting SRL	Related party	Trade and other payables	-	87,970	25,043	(0)	-	-	<b>113,012</b>	
Baneasa Developments SRL	Related party	Trade and other payables	-	164,176	16,929	20,887	-	-	<b>201,992</b>	
Baneasa Investments SA	Related party	Trade and other payables	-	-	68,337	-	-	-	<b>68,337</b>	
Dorobanti 239 Imobiliare SRL	Related party	Trade and other payables	-	131,110	-	-	-	-	<b>131,110</b>	
Elicom Connect SRL	Related party	Trade and other payables	-	873	469	-	-	-	<b>1,343</b>	
Elicom SRL	Related party	Trade and other payables	2,959	16,084	45,242	3,234	-	-	<b>67,520</b>	
Grand Plaza Hotel SA	Related party	Trade and other payables	-	831	23,884	-	-	-	<b>24,715</b>	
Midi Development SRL	Related party	Trade and other payables	-	0	17,452	-	-	-	<b>17,452</b>	
Moulin D'Or SRL	Related party	Trade and other payables	-	-	-	-	-	-	<b>-</b>	
Radu Dimofte	Related party	Trade and other payables	-	-	-	-	-	-	<b>-</b>	
Wellkept Group SA	Related party	Trade and other payables	19,015	-	-	-	-	-	<b>19,015</b>	
Computerland Romania SRL	Related party	Trade and other payables	9,495	-	-	-	-	-	<b>9,495</b>	
<b>Total</b>			<b>22,199,576</b>	<b>33,825,597</b>	<b>25,742,804</b>	<b>13,601,640</b>	<b>64,814,062</b>	<b>46,559</b>	<b>160,230,237</b>	

Chief Executive Officer  
Calin Ionescu

Chief Financial Officer  
Valentin Budes