

To:

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

## **CURRENT REPORT 33/2021**

**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>08.09.2021</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 in H1 2021

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 in H1 2021. 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 FINANCIAL OFFICER

Valentin Budes



## **Voluntary Related Parties Transactions Financial Report**

### **For the six-month period ended 30 June 2021**

<b>Report date:</b>	8 September 2021
<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 six-month period ended 30 June 2021.

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 six-month financial period ended 30 June 2021, 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 SRL	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, 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	Cyprus	Payment of dividends

<b>Related party</b>	<b>Nature of the relationship</b>	<b>Country of incorporation</b>	<b>Nature of transactions</b>
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, sale of goods
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 and Tatika Investments Ltd	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).*
- 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 six-month period ended 30 June 2021

Related parties and intercompany transactions for the six-month period ended 30 June 2021

*Amounts in RON										
		Sales/Interest revenues/Dividends revenues								
Beneficiary	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			1,159	2,257	-	-	-	3,415
		Interest			590,843	-	-	-	-	590,843
		Rent, utilities & other services (events)			1,472	2,760	-	-	-	4,232
US Food Network SA (USFN)	Subsidiary	Dividends revenues		36,300,372		-	-	-	-	36,300,372
		Support services (service level agreement)		11,615,917		-	-	-	-	11,615,917
		Recharge of costs - marketing & other		-		46,014	-	-	-	46,014
American Restaurant System SA (ARS)	Subsidiary	Support services (service level agreement)		2,062,794	-		-	-	-	2,062,794
		Maintenance & spare parts		-	10,357		-	-	-	10,357
		Interest		179,472	263,397		-	-	-	442,869
California Fresh Flavors SRL (CFF)	Subsidiary	Support services (service level agreement)		789,046	-	-		-	-	789,046
		Maintenance & spare parts		-	21,840	9,814		-	-	31,654
		Interest		176,411	178,127		-	-	-	354,538
US Food Network Srl -Italia (USFN_ITA)	Subsidiary	Support services (service level agreement)		515,335	-	-	-		-	515,335
		Interest		246,173	915,785	-	-		-	1,161,958
US Food Network Srl - Moldova (USFN_MD)	Subsidiary	Dividends revenues		1,224,897						1,224,897
		Interest		-	16,322	-	-	-		16,322
Midi Development SRL	Related party	Maintenance & spare parts		398	873	-	-	-	-	1,271
MBL Computers	Related party	Sale of goods		-	-	231	-	-	-	231
Fundatia Advance	Related party	Sale of goods		-	19,266	31,593	22,500	-	-	73,359
<b>Total</b>				<b>53,110,816</b>	<b>2,019,440</b>	<b>92,669</b>	<b>22,500</b>	-	-	<b>55,245,425</b>

<i>*Amounts in RON</i>											
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			-	179,472	176,411	246,173	-	<b>602,056</b>	
		Support services (service level agreement)			11,615,917	2,062,794	789,046	515,335	-	<b>14,983,092</b>	
US Food Network SA (USFN)	Subsidiary	Maintenance & spare parts		-		10,357	21,840	-	-	<b>32,197</b>	
		Interest		590,843		263,397	178,127	915,785	16,322	<b>1,964,473</b>	
		Rent, utilities & other services (events)		1,472		-	-	-	-	-	<b>1,472</b>
		Recharge of costs		1,159		-	-	-	-	-	<b>1,159</b>
American Restaurant System SA (ARS)	Subsidiary	Maintenance & spare parts		-	-		9,814	-	-	<b>9,814</b>	
		Recharge of costs		2,257	46,014		-	-	-	<b>48,270</b>	
		Rent, utilities & other services (events)		2,760	-		-	-	-	-	<b>2,760</b>
Arggo Software Development and Consulting SRL	Related party	IT services		80,541	298,921	206,978	42,968	36,775	-	<b>666,183</b>	
		ERP implementation services		3,472	112,978	95,255	10,371	-	-	-	<b>222,076</b>
Baneasa Developments SRL	Related party	Rent, utilities		-	1,107,133	181,523	279,942	-	-	<b>1,568,598</b>	
Baneasa Investments SA	Related party	Rent, utilities		-	-	306,251	-	-	-	<b>306,251</b>	
Cinnamon Bake&Roll SRL	Related party	Merchandises & protocol		-	2,232	-	-	-	-	<b>2,232</b>	
Dorobanti 239 Imobiliare SRL	Related party	Rent, utilities		-	1,575,167	-	-	-	-	<b>1,575,167</b>	
Elicom Connect SRL	Related party	Marketing services		-	4,415	1,177	-	-	-	<b>5,593</b>	
Elicom SRL	Related party	Call center services		-	201,576	149,361	12,843	-	-	<b>363,780</b>	
Grand Plaza Hotel SA	Related party	Rent, utilities & other services (events)		1,900	-	360,972	-	-	-	<b>362,871</b>	
Lucian Vlad	Related party	Rent		-	129,345	-	-	-	-	<b>129,345</b>	
Moulin D'Or SRL	Related party	Acquisition of goods		568	-	-	12,584	-	-	<b>13,152</b>	
Radu Dimofte	Related party	Rent		-	53,602	-	-	-	-	<b>53,602</b>	
Wellkept Group SA	Related party	Rent, utilities		239,668	-	-	-	-	-	<b>239,668</b>	
<b>Total</b>				<b>924,639</b>	<b>15,147,301</b>	<b>3,817,536</b>	<b>1,533,946</b>	<b>1,714,068</b>	<b>16,322</b>	<b>23,153,811</b>	



Related parties and intercompany balances as of 30 June 2021

*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
Beneficiary									
Sphera Franchise Group SA (SFG)	Parent Company	Trade and other receivables		396	3,546,074	-	-	-	3,546,470
		Loan receivable		28,645,550	-	-	-	-	28,645,550
		Interest receivable		3,174,946	-	-	-	-	3,174,946
US Food Network SA (USFN)	Subsidiary	Trade and other receivables	6,184,344		46,026	-	83,994	-	6,314,364
		Dividends receivables	79,187,639		-	-	-	-	79,187,639
American Restaurant System SA (ARS)	Subsidiary	Trade and other receivables	3,760,818	8,187		-	-	-	3,769,006
		Loan receivable	7,882,536	9,436,580		-	-	-	17,319,116
		Interest receivable	2,238,914	601,069		-	-	-	2,839,984
California Fresh Flavors SRL (CFF)	Subsidiary	Trade and other receivables	1,381,955	409	-		-	-	1,382,364
		Loan receivable	8,475,087	7,764,385	-		-	-	16,239,472
		Interest receivable	920,460	457,347	-		-	-	1,377,807
US Food Network Srl -Italia (USFN_ITA)	Subsidiary	Trade and other receivables	1,690,624	14,759	-	-		-	1,705,383
		Loan receivable	20,824,269	51,730,350	-	-		-	72,554,619
		Interest receivable	2,527,860	5,942,206	-	-		-	8,470,066
US Food Network Srl - Moldova (USFN_MD)	Subsidiary	Loan receivable	-	188,172	-	-	-		188,172
		Interest receivable	-	5,617	-	-	-		5,617
		Dividends receivables	698,705	-	-	-	-		698,705
Cinnamon Bake&Roll SRL	Related party	Trade and other receivables	-	78,855	303	-	-	-	79,158
		Loan receivable	-	643,325	-	-	-	-	643,325
		Interest receivable	-	65,746	-	-	-	-	65,746
Midi Development SRL	Related party	Trade and other receivables	-	-	-	-	-	-	
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	
Dorobanti 239 Imobiliare SRL	Related party	Trade and other receivables	-	4,809	-	-	-	4,809	
MBL Computers	Related party	Restaurant sales	-	-	252	-	-	252	
Fundatia Advance	Related party	Trade and other receivables	-	-	-	-	-	-	
<b>Total</b>			<b>135,773,212</b>	<b>108,762,707</b>	<b>3,786,543</b>	<b>-</b>	<b>83,994</b>	<b>-</b>	<b>248,406,456</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
			Trade and other payables		6,184,344	3,760,818	1,381,955	1,690,624	-	13,017,741
			Dividends payable		79,187,639	-	-	-	698,705	79,886,344
			Loan payable		-	7,882,536	8,475,087	20,824,269	-	37,181,892
			Interest payable		-	2,238,914	920,460	2,527,860	-	5,687,234
			Trade and other payables	396		8,187	409	14,759	-	23,752
			Loan payable	28,645,550		9,436,580	7,764,385	51,730,350	188,146	97,765,011
			Interest payable	3,174,946		601,069	457,347	5,942,206	1,771	10,177,339
			Trade and other payables	3,546,074	46,026	-	-	-	-	3,592,099
			Trade and other payables	-	83,994	-	-	-	-	83,994
			Trade and other payables	-	41,611	24,026	2,484	7,215	-	75,336
			Trade and other payables	-	179,131	26,685	71,389	-	-	277,205
			Trade and other payables	-	-	23,440	-	-	-	23,440
			Trade and other payables	-	-	-	-	-	-	-
			Trade and other payables	-	-	-	-	-	-	-
			Trade and other payables	-	1,753	1,391	-	-	-	3,144
			Trade and other payables	-	39,226	59,246	3,286	-	-	101,758
			Trade and other payables	-	831	16,272	-	-	-	17,103
			Trade and other payables	-	-	-	-	-	-	-
			Trade and other payables	288	-	-	-	-	-	288
			Trade and other payables	-	-	-	-	-	-	-
			Trade and other payables	-	-	-	-	-	-	-
			Trade and other payables	1,120	-	-	-	-	-	1,120
<b>Total</b>				<b>35,368,374</b>	<b>85,764,555</b>	<b>24,079,165</b>	<b>19,076,801</b>	<b>82,737,283</b>	<b>888,622</b>	<b>247,914,800</b>

Chief Financial Officer

Valentin Budes