

Ordinary General Meeting of Shareholders of Sphera Franchise Group SA

of 04/07 February 2022

re. Questions addressed by shareholders. Answer.

Considering the set of questions received at the Company's headquarters on January 22, 2022 and registered under no SFG 26.1/22 January 2022, as they were addressed by Mr Covaci-Vasilescu Andy Petre, as individual shareholder, under provisions art. 8, para 8.1 and 8.2 of the procedure of the General Shareholders Meetings, in force at the current date, please consider the answer of the Company's Board of Directors in relation to each question.

1. ***“What measures do the administrators take or intend to take to align the compensation of the Board of Directors, the executive team and the employees with coordination functions, with the performance of the company's shares? In particular, I am referring to the inclusion in the remuneration and variable compensation packages (in shares), in a significant proportion with a minimum holding period of 2 years (vesting period).”***

Answer: At the Ordinary Annual General Shareholders Meeting of the Company to be held at the end of April this year, a new remuneration policy will be submitted for debate and approval, following the non-approval of the August 21, 2021, by the Ordinary General Shareholders Meeting. The remuneration policy currently in force is in line with that used since the Company's foundation. More details on the remuneration structure can be accessed using the website: <https://spheragroup.com/wp-content/uploads/2020/11/Remuneration-Policy.pdf>.

2. ***“What steps does the company take to increase its visibility on the capital market and better communicate with the market?”***

Answer: The growth and development of the company are two extremely important aspects for Sphera. Thus, the company is in close contact with the specialised media on the capital market distributing

information regularly following the financial communications calendar agreed with the Bucharest Stock Exchange. In addition to communication through the specialised media, the company also considers direct communication with the investors.

We will introduce SFG Investor Day, a „hybrid” event where management will answer questions from local retail investors as well as analysts and fund representatives. In addition to the quarterly results conference call, we hold every quarter in English, we will be introducing two new Romanian language teleconferences to better meet the needs of local investors and shareholders. Thus, we communicate even more frequently with our investors through current reports, keeping the market informed about our restaurant network development plan. We will continue to work closely with the analysts, an important aspect of our 2021 business, which we believe will help inform the market about our company and its development prospects. In 2021, we introduced Market Making services through a partnership with BRK Financial Group, a project that we believe is already working, because SFG shares, according to the latest estimates of the broker, met the criteria to be included in FTSE Global Microcap indices.

An official decision on this issue is expected in February 18, 2022 by FTSE Russel. We will also continue to interact personally with institutional investors during 1-to-1 meetings as as roadshows.

3. “What steps does the Board of Directors intend to take to restructure and improve the profitability of ARS (Pizza Hut)? As a shareholder, I note that no action is being taken to improve this line of business, which affects our profitability and distributed dividends!”

Answer: The pandemic situation, we have been confronted with for the last two years has had a considerable impact on our business. Among the brands which activity has been affected is Pizza Hut, the only one of the three brands owned by Sphera that depends very much on serving food in the restaurant.

While the QSR model has succeeded to recover some of the sales through the delivery services, in Pizza Hut (Dine-in) case, the pandemic further increased the losses generated by this brand.

Restructuring and improving the profitability of American Restaurant System SA („ARS”) is certainly a very important goal for the company, as a result, the executive management team proposed a series of measures that were approved by the Board of Directors. Thus, for the first time, two new restaurant concepts were introduced in Romania – Fast Casual Delivery (FCD) and Express, these being adapted to the pandemic context, as well as to the new consumption habits of the customers. In this regard, three

new new Fast Casual Delivery units were inaugurated starting with September 2021 (Orhideea and Military in Bucharest, Mures Mall – Targu Mures) and an Express unit in Buzau. We are confident that both the Fast Casual Delivery and Express concepts will help improve ARS performance by providing customers with a complete, fast and unique experience.

We also started the investment in digitization by introducing a pilot project – an ordering kiosk at Pizza Hut ParkLake in Bucharest, being the first Dine-in restaurant with such option. The business decision came naturally both in the context of the pandemic and in line with the international digitization trends, that we follow closely given the notoriety of the brands we operate.

Moreover, the negotiations for the development plan of the restaurant network between the Yum! franchisor and ARS have successfully concluded, ARS also benefiting from progressive financial incentives, depending on the number of newly opened restaurants (three more Pizza Hut restaurants are to be opened in 2022). We were pleased with the outcome of the negotiations and believe that the new conditions are favourable to the group.

The executive team will continue to constantly elaborate and submit to the Board of Directors plans and measures to improve the ARS performance.

4. *“What steps does the Board of Directors intend to take to restructure and improve profitability at USFN IT (KFC Italy)?*”

Answer: Unfortunately, the performance of USFN Italy business has been severely affected by the drastic restrictions imposed by the Italian authorities both nationally and regionally since the beginning of the pandemic. It is well known that this country has suffered a major impact due to the health crisis caused by the SARS-CoV-2 virus.

Our presence in Italy is still limited. We have 20 restaurants in this country that have not yet reached maturity. The premises of the Italian business is good and we expect a substantial improvement in its performance with the transition to the endemic phase and the lifting of restrictions, which will lead to the normalization of the market. As a result, we remain committed to the Italian market and continue to grow our restaurant network there.

5. *“Do the company’s administrators consider it appropriate to present to the shareholders a medium-term strategic business and development plan (3 – 5 years)? This would give market visibility for the investors and increase confidence in the activity of the company.”*

Answer: Due to the pandemic situation, the strategic and expansion plans have been revised. As the situation was uncertain due to all the restrictions adopted, there were frequent changes. At present, at the executive level, new proposals have been prepared for strategic medium-term development plans, that have been disputed following to be approved. As soon as a decision is made, it will be made public.

6. *“What steps do company’s administrators take to improve the ESG rating?”*

Answer: At the end of June 2022, Sphera will publish the Group’s third sustainability report for the years 2020 – 2021, which will address the requirements set by the ESG rating.

It is undeniable that improving the ESG rating is a priority for us and we are making every effort to do so. Thus, the executive management team has elaborated an action plan that has been submitted to the debate of the Board of Directors, and will be put into practice as soon as it is approved.

Note: Given that some of the topics discussed are in the approval procedure with the Board of Directors of the Company, immediately after the adoption of the decisions, they will be made public through the current reports.