

To:

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

CURRENT REPORT 40/2020

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	28.12.2020
Name of the Company	Sphera Franchise Group SA
Registered Office	Bucharest, Romania
Address	Calea Dorobanților nr. 239, 2nd floor, Bucharest sector 1
Phone / Fax	+40 21 201 17 57 / +40 21 201 17 59
Email	investor.relations@spheragroup.com
Registration nr. with Trade Registry	J40/7126/2017
Fiscal Code	RO 37586457
Subscribed and paid share capital	581,990,000 RON
Total number of shares	38,799,340
Symbol	SFG
Market where securities are traded	Bucharest Stock Exchange, Main Segment, Premium Category

Important events to be reported: Facilities related to restaurant development for Taco Bell Romania

The management of Sphera Franchise Group SA (the "Group") informs the investors about the successful closing of the negotiations between the franchisor, YUM! and California Fresh Flavors SRL ("CFF"), the Group's subsidiary that holds the franchise rights to operate Taco Bell restaurants in Romania.

Further to the negotiations with the YUM!'s representative, Taco Bell Europe, the parties have agreed that for the period 2020 - 2021, CFF will benefit of progressive financial incentives, depending on the number of net new restaurants being opened. For each new net restaurant that exceeds the number of 5 net new restaurants, CFF will benefit of additional financial incentives. Due to the confidentiality of the agreement with YUM!, the Company cannot disclose the total value of the financial incentives negotiated.

According to the initial restaurant rollout plan, related to the period 2017- 2019, as agreed between YUM! and CFF, CFF had no more obligation to open new restaurants in 2020. Nonetheless, CFF continued the development of the Taco Bell network in Romania in the course of 2020.

The management is currently in ongoing renegotiations regarding the restaurant development plan for American Restaurant System SA, the operator of Pizza Hut and Pizza Hut Delivery brands in Romania. As soon as the agreement is reached, the company will inform the market about the new targets through a separate current report.

CHIEF EXECUTIVE OFFICER

Calin Ionescu