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Sphera's IPO concluded successfully – final sale price set at RON 29 per share

2 November 2017

Lunic Franchising and Consulting Ltd ("**Lunic**") and M.B.L. Computers S.R.L. ("**MBL**"), the shareholders of Sphera Franchise Group S.A. ("**Sphera**" or the "**Company**"), announce that the final offer price for up to 9,831,753 shares in Sphera offered in the initial public offer by Lunic and MBL (the "**Offer**") has been set at RON 29 per share ("**Final Offer Price**").

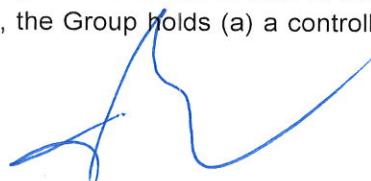
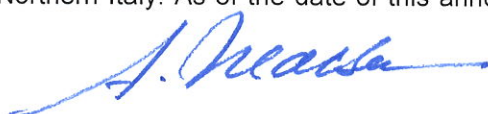
Following the closing of the Offer, Sphera will apply for the admission to trading of its shares on the spot regulated market operated by the Bucharest Stock Exchange.

Key elements of the Offer:

- The Offer prospectus was approved by the Financial Supervisory Authority by way of decision no. 1508 on 20 October 2017 (the "**Prospectus**");
- The Offer comprised up to 9,831,753 existing shares in Sphera as follows: (1) up to 8,667,773 ordinary shares by Lunic; and (2) up to 1,163,980 ordinary shares by MBL, representing in aggregate up to 25.34% of the total number of shares in Sphera ("**Offer Shares**");
- The Offer was structured as an offering of existing shares: (1) in Romania to the public; and (2) outside the United States of America and outside Romania to non-US institutional investors in "offshore transactions" as defined in, and as permitted by, Regulation S under the U.S. Securities Act of 1933, as amended;
- The Offer subscription period was 24 October 2017 – 2 November 2017;
- The price range for the Offer Shares was 25 RON/share – 33 RON/share. Retail investors could subscribe for Offer Shares at the maximum price of 33 RON/share;
- The Final Offer Price is RON 29 per share, applicable for both retail and institutional investors;
- The trading of shares in Sphera on the spot regulated market operated by the Bucharest Stock Exchange under symbol "SFG" is expected to start on or around 8 November 2017;
- In connection with the Offer, Wood & Company Financial Services a.s. acted as Sole Global Coordinator, Raiffeisen Bank S.A. and Wood & Company Financial Services a.s. acted as Joint Bookrunners and Alpha Finance Romania S.A. acted as Co-lead Manager. Rothschild acted as Financial Adviser to the Company.

About Sphera

Sphera is a leading food service group in Romania, operating through its subsidiaries (Sphera and its subsidiaries referred to hereinafter as the "**Group**") a portfolio of internationally recognized and successful brands (KFC, Pizza Hut, Pizza Hut Delivery and Taco Bell franchises), as well as the KFC franchise in the Republic of Moldova and in two regions in Northern Italy. As of the date of this announcement, the Group holds (a) a controlling stake of



99.99% in US Food Network S.A. (a joint-stock company established in 1994, holding the franchise rights to operate KFC-branded restaurants in Romania), 99.99% in American Restaurant System S.A. (a joint-stock company established in 1994, holding the franchise rights to operate Pizza Hut-branded restaurants in Romania) and 99.99% in California Fresh Flavors S.R.L. (a limited liability company established in June 2017, holding the franchise rights to operate Taco Bell branded restaurants in Romania), (b) a controlling stake of 80% in USFN (Moldova) (a limited liability company established in 2008, holding the franchise rights to operate KFC branded restaurants in the Republic of Moldova), and (c) full ownership (100%) in US Food Network Srl Italy (a limited liability company established in 2016, which holds the franchise rights to operate KFC branded restaurants in certain regions of Italy).

The Group's franchised foodservice business was launched in 1994, with the opening of the first Pizza Hut restaurant, which was followed by the opening in 1997 of the first KFC restaurant, both in Bucharest. Over the past five years, the Company has enjoyed a successful track record of opening restaurants both in Bucharest as well as in other large Romanian cities. Since 2012, the Group expanded its restaurant network by 40 units, or by 63%, to a total of 104 as of 30 September 2017, comprising 67 KFC restaurants (63 restaurants located in Romania, two restaurants located in the Republic of Moldova and two restaurants in Italy) and 37 Pizza Hut units (of which 16 are delivery units). On 12 October 2017, California Fresh Flavors (Romania) opened the first Taco Bell restaurant in Romania.

Through US Food Network S.A., with consolidated restaurant sales of RON 418 million in 2016, the Group is the second largest restaurant group in the quick-service restaurant sector in Romania and, through American Restaurant System S.A., with restaurant sales of RON 97 million in 2016, it is the largest restaurant group in the full-service restaurant sector in Romania.

The business of the Group is conducted through the following segments:

- Quick-service restaurants – through KFC restaurants in Romania, Republic of Moldova and Italy;
- Full-service restaurants – through Pizza Hut Dine-In restaurants in Romania;
- Delivery restaurants – through Pizza Hut delivery units in Romania.

In the years ended 31 December 2014, 2015 and 2016, the pro-forma consolidated sales of the Group were RON 325 million, RON 406 million and RON 514 million, respectively. In the six months ended 30 June 2017, the total sales revenues were RON 288 million.

The Prospectus and related documentation are available on the website of Sphera Franchise Group S.A. www.spheragroup.com.

M.B.L. Computers S.R.L.

Selling Shareholder



Adrian Neacșu

Lunic Franchising and Consulting Ltd

Selling Shareholder



Ricardo-Marian David

The approval stamp applied on the public offering prospectus does not represent a guarantee or any type of appraisal by the FSA as regards the opportunities, advantages or disadvantages,