



Consolidated Budget and Activity Plan

Proposal for Year 2020





Macroeconomic environment

- The current budget proposal includes the effects generated by Covid-19
- RON will continue a slight depreciation trend against EUR amid further deterioration of the current account deficit

Restaurant Sales

- 15 weeks Covid-19 crisis period assumed (until 1st of July 2020). The In line (delivery) and Drive Thru type of restaurants, during the crisis period mentioned above, the sales have been assumed at a level up to 55% of the average revenues before the crisis. After this crisis period, a progressive recovery of sales has been assumed having as a result a drop of almost 44% in restaurant sales versus last year

Restaurant Operational Expenses

- Food and Material costs (as percentage of sales) is forecasted to increase slightly, mainly due to Covid-19 crisis period.
- Cost of labor will be calibrated in order to match the rump-up of the sales throughout of year.

G&A expenses

- G&A expenses are expected to fall with 20% versus previous year general and administrative expenses.

Development Plan

- During 2020, any kind of development plan is assumed to be suspended being subject of discussion with Yum! franchisor.

All the assumptions mentioned above are taking into consideration only the current evolution of the Covid-19 pandemic, based on information available at this moment. We cannot anticipate accurately the further evolution of the pandemic; however we are taking all actions to respond promptly to any such evolution and revise our plans accordingly.

SPHERA FRANCHISE GROUP SA

2020 Budget – Main Financials



Indicator	Budget 2020		Actual 2019		Budget 2020 vs Actual 2019
	RON millions	% Sales	RON millions	% Sales	%
Restaurant Sales	537.0	100.0%	954.7	100.0%	-43.8%
Food and Material	183.2	34.1%	319.1	33.4%	-42.6%
Restaurant Gross Margin	353.8	65.9%	635.7	66.6%	-44.3%
Restaurant Operational Expenses	319.5	59.5%	482.7	50.6%	-33.8%
Restaurant Operating Profit	34.3	6.4%	152.9	16.0%	-77.6%
G&A expenses	45.6	8.5%	56.9	6.0%	-20.0%
EBITDA (normalized)	(11.3)	-2.1%	96.0	10.1%	

Liquidity and Debt

- **Cash position:** we estimate that the cash available at the end of this year is around RON 25-30 millions
- **Debt:** at the end of this year, the debt will be between RON 188 -192 millions
- **Net Debt:** as a result, the net debt will be between RON 157 -168 millions