



ARS Consolidated Budget and Activity Plan

Proposal for Year 2021



Macroeconomic environment

- The current budget proposal includes the effects generated by Covid-19
- RON will continue a slight depreciation trend against EUR, due to further deterioration of the current account deficit
- We expect overall inflation to reach 2.5% -3% in 2021
- Minimum wage increase starting with mid of January 2021.

Restaurant Sales

- Progressive recovery of sales has been assumed during 2021: starting with H2 normal course of business is assumed, H1 continuing being affected by restrictions imposed by the state and by local authorities due to pandemic situation.
- The delivery is assumed to have a significant weight in total sales of around 40%.

Restaurant Operational Expenses

- Food and Material costs (as percentage of sales) is assumed to be almost flat versus 2020, as we expect to be able to use our buying leverage and growing volumes.
- Cost of labor will be calibrated in order to match the rump-up of the sales throughout of year.

G&A expenses

- The weight of normalized G&A expenses in total sales is lower than 2020, due to inelasticity of these costs in relation with activity volume increase.

Development Plan

- The development plan will focus on the opening of 3 restaurants , with an estimated capex of approximately EUR 0.4mn;
- Stores' remodeling is assumed around EUR 0.3mn, remodeling being part of new Yum! deal negotiated.

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.

| Indicator | Budget 2021 | | Actual 2020 | | Budget 2021 vs Actual 2020 |
|------------------------------------|--------------|---------------|--------------|---------------|-------------------------------|
| | RON millions | % Sales | RON millions | % Sales | |
| Restaurant Sales | 101.5 | 100.0% | 68.4 | 100.0% | 48.4% |
| Other Income | - | - | - | 0.0% | - |
| Food and Material | 27.9 | 27.5% | 18.8 | 27.5% | 48.4% |
| Restaurant Gross Margin | 73.6 | 72.5% | 49.6 | 72.5% | 48.4% |
| Restaurant Operational Expenses * | 68.0 | 67.0% | 50.0 | 73.1% | 35.9% |
| Restaurant Operating Profit | 5.6 | 5.5% | (0.4) | -0.6% | 1389.8% |
| G&A expenses * | 7.2 | 7.0% | 6.1 | 9.0% | 16.3% |
| EBITDA (normalized) | (1.6) | -1.5% | (6.6) | -9.6% | 76.4% |

* Without normalized expenses