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# Sphera Franchise Group Investor & Analyst Call

Q1 2022 Results

13.05.2022



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# Welcome to SFG's Q1 2022 Results Call



**Calin Ionescu**  
**CEO**



**Valentin Budes**  
**CFO**



**Monica Eftimie**  
**CMO**



**Zuzanna Kurek**  
**IR**

Sphera Franchise Group's unaudited Q1 2022 results are available for download on our website: [www.spheragroup.com](http://www.spheragroup.com).

The recording of this conference call will be available on our website shortly.

For any questions related to Sphera Franchise Group's activity on the Bucharest Stock Exchange, please contact our IR team at: [investor.relations@spheragroup.com](mailto:investor.relations@spheragroup.com).



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# Agenda for today's call

- 1 Q1 2022 Highlights
- 2 Business updates from Q1 2022 & beyond
- 3 Brand Performance
- 4 Q&A session
- 5 Annex: Key Q1 2022 Financials



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# Q1 2022 Highlights



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# SFG Performance in Q1 2022

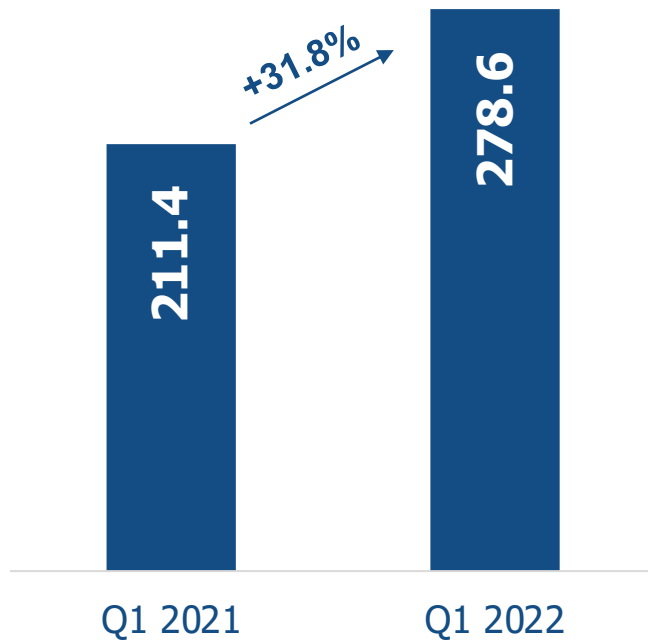


Data in RON'000	Q1-22	Q1-21	Y/Y %
<b>Restaurant sales</b>	<b>278,579</b>	<b>211,428</b>	<b>31.8%</b>
Restaurant expenses	272,031	195,679	39.0%
<b>Restaurant operating profit</b>	<b>6,548</b>	<b>15,749</b>	<b>-58.4%</b>
General & Admin expenses	13,628	12,663	7.6%
<b>EBITDA</b>	<b>3,760</b>	<b>12,749</b>	<b>-70.5%</b>
<b>Normalized EBITDA*</b>	<b>3,760</b>	<b>13,115</b>	<b>-71.3%</b>
Operating Profit/(Loss)	(7,081)	3,086	-
Finance costs	2,949	2,069	42.5%
Finance income	152	2	8607.5%
Profit/(Loss) before tax	(9,878)	1,018	-
Income tax expense/(credit)	386	550	-29.8%
Specific Tax	624	-	-
<b>Profit/(Loss) for the period</b>	<b>(10.887)</b>	<b>469</b>	<b>-</b>

- **QoQ sales increase:** Sphera Franchise Group continued to grow sales, registering a 31.8% increase in the sales compared to Q1 2021, reaching RON 278.6 million.
- **Significant uptake in food & material driving restaurant expenses:** Restaurant expenses grew faster than sales in Q1 2022, registering a 39% increase compared to Q1 2021 by pressure from food and material costs, which grew 40.7% reaching RON 97.8 million (increase of RON 28.3 million). The increase in the food and material costs was driven by a significant increase in chicken prices due to the spike in costs of poultry rearing, growing energy costs, the minimum wage increase, as well as due to the general inflationary environment.
- **Pressure on payroll:** Payroll cost grew 40% in Q1 2022 vs Q1 2021, reaching RON 66.9 million (increase of RON 19.1 million). In the context of scarce and a more demanding labor market the Group focused on motivating and securing its employee base by implementing wage increases (22% average), a new bonus scheme and raised benefits (meal tickets increase) during 2021.
- **Partial transfer of costs to the client:** Part of the restaurant expenses were transferred to the consumers through a price increase in March 2022, but it was nonetheless smaller than the overall increase in costs registered in Q1 2022.
- **G&A:** The G&A expenses increased 7.6% in Q1 2022, mainly due to a 13.3% increase in payroll and employee benefits, which amounted to RON 9.1 million. The increase in the G&A costs was slower than the increase in revenues, as the share of G&A expenses in the consolidated sales decreased by 1.1pp in the analysed period.
- **Net loss:** With the negative financial result, the EBT for the first three months of 2022 was a loss of RON 9.9 million.

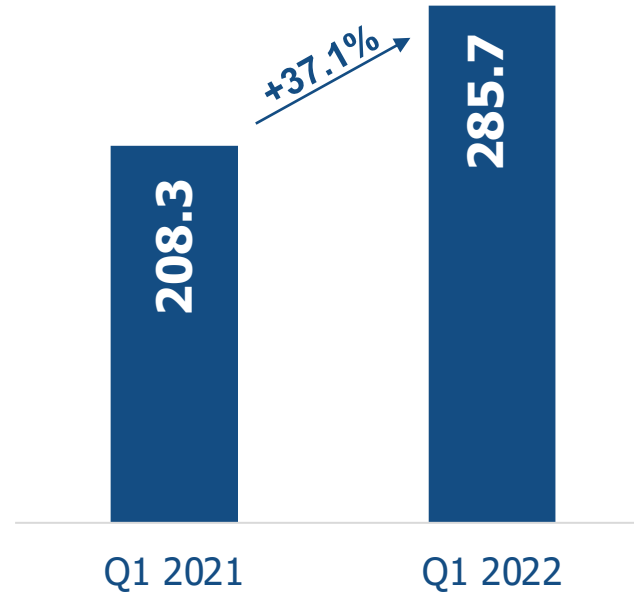
Results excl. IFRS16

# SFG Q1 2022 Performance



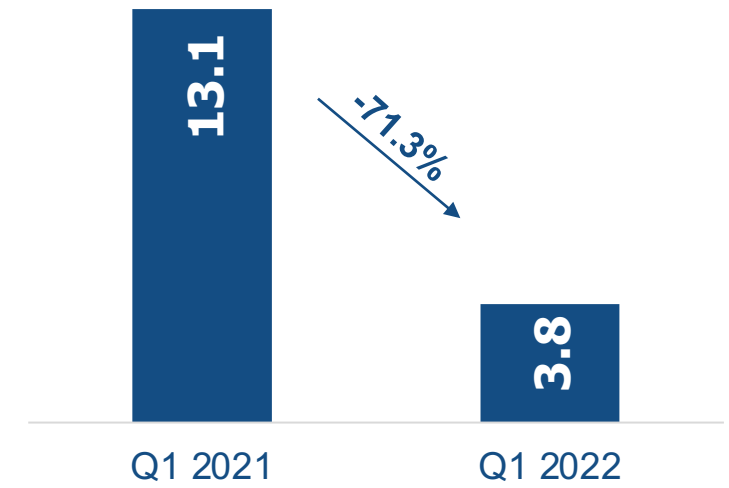
## Restaurant Sales

in RON m



## Expenses (Restaurant + G&A)

in RON m, excl. IFRS16

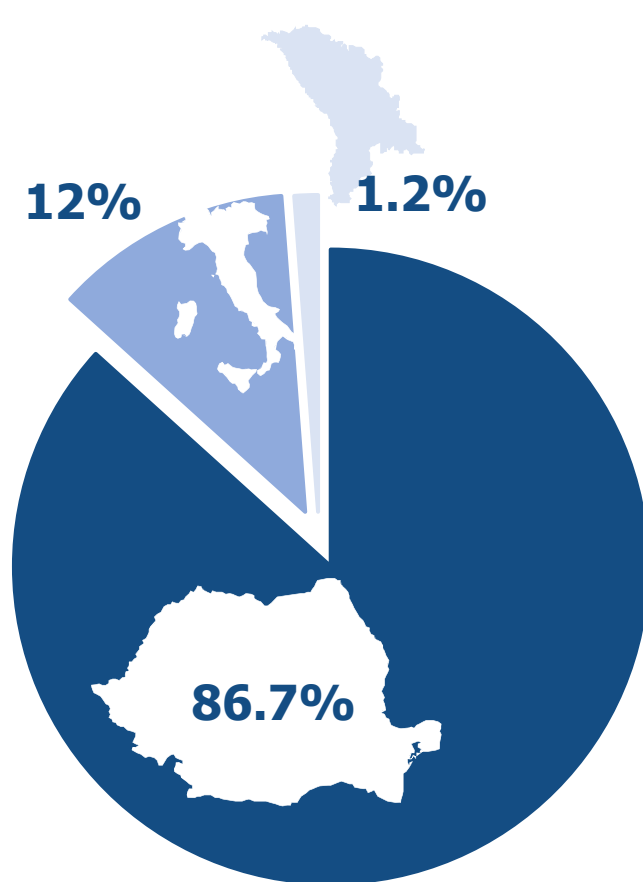


## Normalized EBITDA

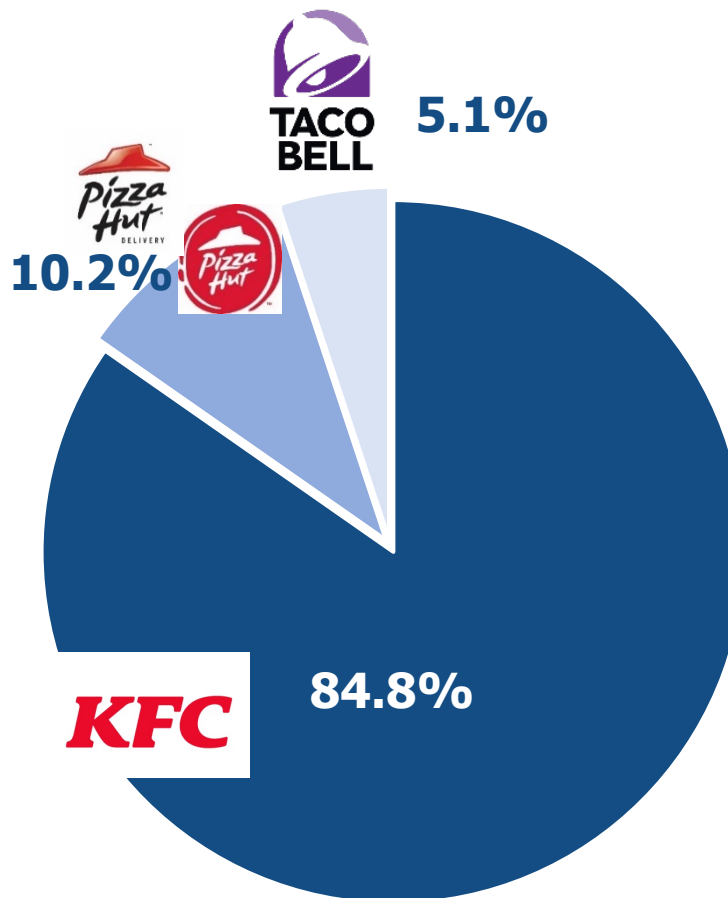
in RON m, excl. IFRS16

# SFG Q1 2022 Performance breakdown

## Contribution to Q1 2022 turnover



Per market



Per brand

### Market evolution

- **Romania** registered the second best quarter since beginning of the pandemic, and overall, in the history in terms of restaurant sales, as the revenues increased 27.9% YOY and 4.5% QOQ.
- Sales in **Italy** registered a 70.3% increase YOY due to the impact that restrictions had on the sales in Q1 2021, declining slightly QOQ yet still delivering the second-best quarter in history.
- **Moldova** continued to grow, in line with performance on other markets, 22.8% increase YOY, delivering the second-best quarter in history.

### Brand evolution

- **KFC** appreciated 29% in Q1 2022 vs. Q1 2021, delivering RON 236.2 million in revenues, with KFC Italy increasing its share in the total turnover generated by almost 3pp YoY.
- **Pizza Hut** increased 55% contributing with RON 28.4 million total revenues increasing its share in total turnover from 8.6% to 10.2%.
- **Taco Bell** grew 48% vs. Q1 2021, recording revenues of RON 14.1 million in the first three months of 2022, in March 2022 registering the highest sales in its history on same store.



# Business updates from Q1 2022 & beyond



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# Restrictions & facilities granted by the state

## Restrictions in Romania

- **Lifting of the restrictions in Romania close to end of Q1'22:** As of March 9th, 2022 Romania has lifted all the COVID-19 restrictions which have been in place since October 25th, 2021, which required the possession of the COVID-19 'Green Certificate' for any indoor access, to public institutions, banks, restaurants, cinemas, gyms, and shopping malls.
- **Loosening of the restrictions in Italy as of Q2'22:** The restrictions in Italy were loosed as of April 1st, 2022 and lifted as of May 1st, 2022. Until May 1st, 2022, to eat in the restaurants, the customers were obliged to hold a 'Super Green Pass' which proved full vaccination, including with a booster, or a recovery from COVID-19 within the last 6 months.

## Facilities granted by the state

- **HORECA specific tax facility:** similar exemption of 180 days granted in 2022 as in 2021 (positive impact of RON 2.5 million for the financial year 2022).
- **Technical unemployment:** there were limited technical unemployment grants provided in Q1 2022, which amounted to RON 0.2 million.

# Restaurant development, Staff, Leases

## Number of stores

- **174 restaurants operated:** SFG operated 174 restaurants as of 31.03.2022, out of which 94 KFC restaurants in Romania, 2 in Moldova and 20 in Italy, as well as 14 Taco Bell restaurants, 42 Pizza Hut restaurants (of which 22 Pizza Hut and 20 Pizza Hut Delivery, of which 3 Fast Casual Delivery restaurants), 1 PHD subfranchise and 1 Paul restaurant in Romania.
- **4 new openings so far in 2022:** In Q1 2022, Sphera opened 4 new restaurants, of which 2 KFC - a food court restaurant in Colosseum Mall in Bucharest and a drive thru in Calarasi, within the Catex commercial center. The Group also opened a new Taco Bell restaurant in City Park Mall Constanta and a Pizza Hut Fast Casual Delivery restaurant in Militari Shopping Centre in Bucharest.

## Staff

- **Pressure on the HoReCa industry:** As of March 31st, 2022, the Group had 4,784 employees, out of which 4,445 in Romania, 255 in Italy and 84 in the Republic of Moldova. COVID-19 pandemic put additional pressure on the HoReCa industry as many employees decided to requalify to other sectors. Consequently, in Q1 2022 the Group continued the project of hiring employees from abroad. So far, Sphera hired over 250 employees from Sri Lanka, with most of them currently working for USFN Romania, approximately 14% for Taco Bell and 12% for ARS.

## Leases

- **No room for negotiations:** There was a limited opportunity to renegotiate lease agreements in Q1 2022 therefore the renegotiations in the period were not substantial.

# Capital Markets, Sustainability & Dividends

## FTSE Russell

- **Inclusion in the FTSE Global Microcap:** On February 18<sup>th</sup>, 2022, FTSE Russell announced that SFG shares will be included, as of March 21<sup>st</sup>, 2022, in the FTSE Russell indices for Emerging Markets, FTSE Global Micro Cap index. FTSE Global Micro Cap Index includes global micro-cap stocks, and it is suitable as the basis for investment products, such as funds, derivatives, and exchange-traded funds.

## Sustainability

- **Joining UN Global Compact:** In March 2022, Sphera Franchise Group joined UN Global Compact, the largest corporate sustainability initiative in the world. In the context of adherence to UN Global Compact, in 2022, the Group will continue to focus on sustainability and, mid this year, a new Sustainability Report for 2020 and 2021 will be published. Moreover, in Q1 2022, Sphera made its ESG rating by Sustainalytics public, at [BVB Research Hub](#).

## Upcoming dividend payment

- **RON 0.9021 gross dividend:** In the OGSM from February 4<sup>th</sup>, 2022, the shareholders approved the dividend distribution amounting to RON 35,000,884.61 from the undistributed net profit of 2020, fixing a gross dividend per share at RON 0.9021. The ex-date was May 6<sup>th</sup>, 2022, registration date - May 9<sup>th</sup>, 2022, and the payment date is May 30<sup>th</sup>, 2022.

# Marketing



## KFC: Drive frequency and maximize relevance

- With the aim of boosting sales and reinforcing the best tasting chicken attribute, KFC concentrated its communication on value for Q1, successfully re-launching Smart Menu (a full meal for 16 RON) with a promo layer on top offering prizes for purchase, and De Pofta / *Craving* (value bundle for 12.5 RON), which resulted in regaining lost transactions.
- As a secondary campaign layer, which is now present all year round, the brand offers coupons through its mobile app in order to reinforce the value perception and to drive traffic in restaurants.
- In order to interact with specific communities that are a natural fit with the brand while building consideration, KFC re-activated Killer Discounts, a gaming tournament with a live stream component and potential discounts
- Addressing a new usage occasion, we launched a platform with group offers called “Unu’ pentru toti” offering consumers the possibility of sharing, which resulted in an increased average check.

## Pizza Hut: Build sales and increase distinctiveness

- With the objective of improving transaction levels, the brand started the year by communicating value through its “small pizza only 1 RON with any medium pizza” which attracted frugal consumers and increased trial.
- As a secondary campaign, Pizza Hut brought in focus Cheesy Bites, an iconic and popular crust, with the objective of increasing both frequency among regular users and average ticket.
- In January we launched the fast casual delivery concept in Bucharest offering both eat-in and delivery services with the aim of attracting new consumers to the brand.



# Marketing



## Taco Bell: Drive trial and build brand

- Taco Bell communicated two value campaigns in Q1 by offering tacos supreme and small format crunchwraps and burritos at an affordable price, with the objective of making core famously craveable and offering accessibility to our products.
- The brand launched its mobile app with a rewards program on top, with the aim of making our digital assets so ownable that customers can only come to us for certain exclusive features and offers.
- Taco Bell continued to build brand equity and top line by opening a new store in Constanta and maintained its educational journey through social media by tapping into new communities.

## The digital normal

- Focusing on ease of access for our consumers who expect frictionless experiences, we continued our digital journey and communicated through digital media our “click & collect” services and ecommerce platforms, with the objective of expanding our user base and gaining repeat visits from existing users.

## Make good easy

- All brands in the Sphera portfolio joined the humanitarian efforts and donated 30.000 euros and 10.000 hot meals to support the people affected by the war on Ukraine.

# Brand performance



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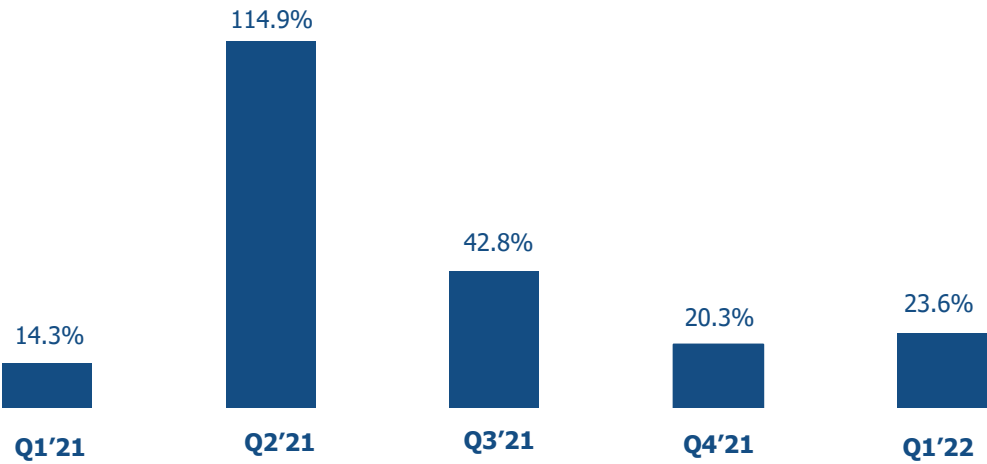




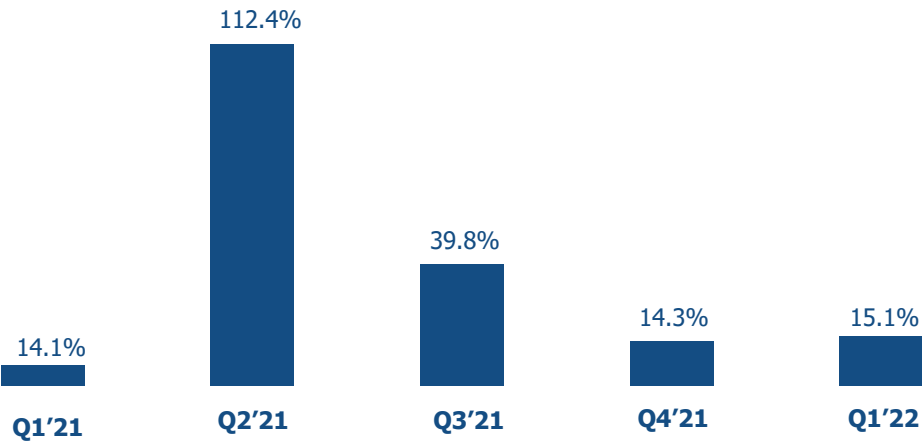
# KFC Romania

- Q1 2022 was a strong quarter of growth for KFC Romania as all store performance improved 23.6% YoY due to good like-for-like performance paired with the sales generated by the 7 new KFC restaurants that were opened between Q2'21 and Q1'22.
- Same-store performance of KFC Romania improved 15.1% YoY due to the relaxation of restrictions, with biggest effect having the lifting of the COVID-19 Green Pass requirement to enter mall or restaurants.
- KFC Romania ended Q1 2022 with EBITDA of RON 9.2 million and net profit of RON 1.7 million.
- 27% of all orders at KFC Romania were made for delivery in Q1 2022, similar to Q1 2021 (28%).

## All Store Performance



## Same Store Performance



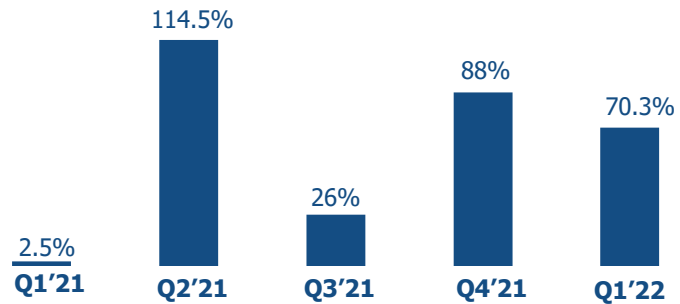


# KFC Italy & KFC Republic of Moldova

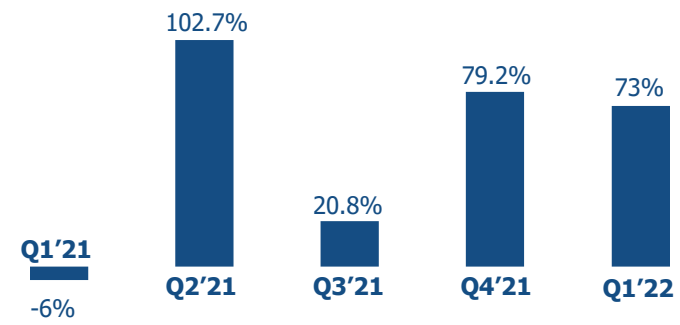
## KFC Italy

- All-store performance registered 70.3% sales increase in Q1 2022 vs. Q1 2021, which was below the same store performance (73% sales increase in Q1 2022 vs. Q1 2021).
- The increase of new store sales was lower than the increase registered by the same stores sales (KFC Roma - Pomezia, the first drive-thru store in Italy, was opened in February 2021, when Covid-19 restrictions were in place, restricting dine-in sales, these uplifting this store sales, the run rate in Q1 2021 being higher than Q1 2022, when dine-in sales have been allowed for all stores).
- USFN Italy closed Q1 2022 with RON 2.4 million negative EBITDA, however it improved the net result by RON 2 million due to larger scale of activity as well as lesser restrictions across Italy.
- 14% of orders in Q4 2021 were "for delivery", 3pp QoQ increase.

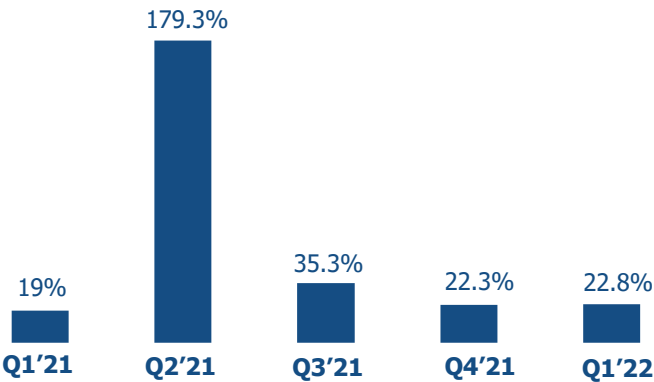
All Store Performance



Same Store Performance



All Store Performance



## KFC Moldova

- Sales in the Republic of Moldova increased 22.8% in Q1 2022 YoY, reaching RON 3.4 million.
- KFC Moldova closed Q1 2022 profitable, with EBITDA of RON 0.4 million and net profit of RON 0.2 million.
- Sales for delivery decreased 2pp QoQ, reaching 35% of total sales.

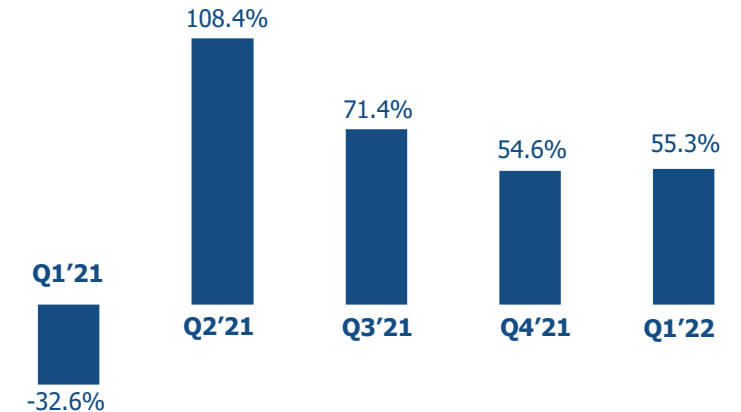


# Pizza Hut & Taco Bell

## Pizza Hut

- Pizza Hut's continued YoY increases, registering a positive evolution of all store performance of 55.3% in Q1 2022 vs Q1 2021.
- The second largest like-for-like increase of all the brands in the portfolio was registered by Pizza Hut, which increased 45.3% vs. Q1 2021, when the restrictions on the indoor dining in Romania negatively impacted the sales.
- Between Q2 2021 and Q1 2022, the number of restaurants increased with 1 Pizza Hut and 3 Pizza Hut Delivery units.
- 49% of all orders were made for delivery in Q1 2022, having a decreasing trend, lower by 3pp QoQ.

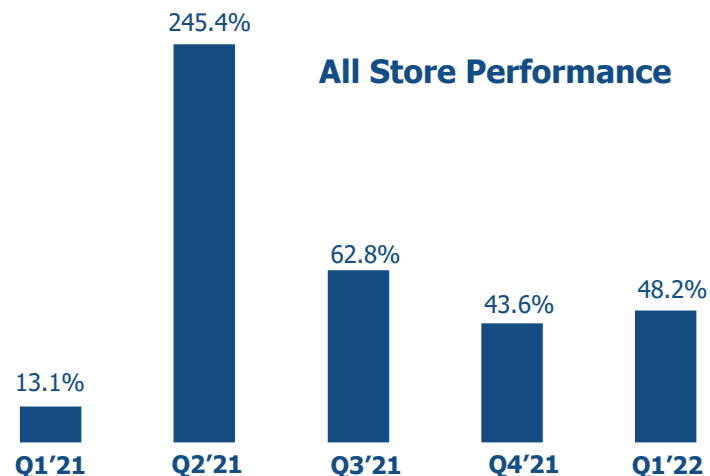
### All Store Performance



## Taco Bell

- Taco Bell's same store performance in Q1 2022 registered a 32% increase YoY while all store performance appreciated 48.2% due to new locations opened.
- Taco Bell closed Q1 2022 with negative EBITDA of RON 0.2 mn.
- Between Q2 2021 and Q1 2022, Taco Bell opened 3 new restaurants.
- 41% of all orders in Q1 2022 were for delivery, 1pp QoQ decline.

### All Store Performance





# Q&A Session



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**KFC**



# Annex: Key Q1 2022 Financials

# Summary of Q1 2021 Consolidated FS

Data in RON'000	Q1-22	Q1-21	Y/Y % Q1-22/Q1-21	% of Sales		Δ%
				Q1-22	Q1-21	
<b>Restaurant sales</b>	<b>278,579</b>	<b>211,428</b>	<b>31.8%</b>			
<b>Restaurant expenses</b>	<b>272,031</b>	<b>195,679</b>	<b>39.0%</b>	<b>97.6%</b>	<b>92.6%</b>	<b>5.1%</b>
Food and material	97,814	69,498	40.7%	35.1%	32.9%	2.2%
Payroll and employee benefits	66,877	47,759	40.0%	24.0%	22.6%	1.4%
Rent	21,484	16,493	30.3%	7.7%	7.8%	-0.1%
Royalties	16,759	12,618	32.8%	6.0%	6.0%	0.0%
Advertising	13,822	8,994	54%	5.0%	4.3%	0.7%
Other operating expenses	45,301	31,383	44.4%	16.3%	14.8%	1.4%
Depreciation and amortization	9,973	8,935	11.6%	3.6%	4.2%	-0.6%
<b>Restaurant operating profit</b>	<b>6,548</b>	<b>15,749</b>	<b>-58.4%</b>	<b>2.4%</b>	<b>7.4%</b>	<b>-5.1%</b>
General & Admin expenses	13,628	12,663	7.6%	4.9%	6.0%	-1.1%
<b>Operating Profit/(Loss)</b>	<b>(7,081)</b>	<b>3,086</b>		<b>-2.5%</b>	<b>1.5%</b>	<b>-4.0%</b>
Finance costs	2,949	2,069	42.5%	1.1%	1.0%	0.1%
Finance income	152	2	8,607.5%	0.1%	0.0%	0.1%
<b>Profit/(Loss) before tax</b>	<b>(9,878)</b>	<b>1,018</b>		<b>-3.5%</b>	<b>0.5%</b>	<b>-4.0%</b>
Income tax expense	386	550	-29.8%	0.1%	0.3%	-0.1%
Specific Tax	624	-	-	0.2%	0.0%	0.2%
<b>Profit/(Loss) for the period</b>	<b>(10,887)</b>	<b>469</b>		<b>-3.9%</b>	<b>0.2%</b>	<b>-4.1%</b>
EBITDA	3,760	12,749	-70.5%	1.3%	6.0%	-4.7%
<b>Normalized EBITDA*</b>	<b>3,760</b>	<b>13,115</b>	<b>-71.3%</b>	<b>1.3%</b>	<b>6.2%</b>	<b>-4.9%</b>

(\*) EBITDA was normalized for Q1 2021 to exclude the accrued penalties due to Pizza Hut Europe (Master Franchisor) for the restaurants committed to be opened in 2019 and postponed for the future periods. Subsequently, in August 2021, the Group signed a revised Development Agreement following the renegotiation with master franchisor YUM! Of the development plan and agreed that the accrued penalties for not meeting the minimum target for new Pizza Hut restaurants from 2019 to be used in entirety as a reinvestment credit, which was deployed into development of the Pizza Hut and Pizza Hut Delivery network in Romania. The normalized EBITDA in Q1 2022 is equal to EBITDA.

# Summary of Q1 2022 Consolidated FS

(with and without IFRS 16 impact)



Data in RON'000	Q1-22	Q1-22	Q1-21	Q1-21	Change (%)	
	1	2	1	2	Q1-22/ Q1-21 (1)	Q1-22/ Q1-21 (2)
<b>Restaurant sales</b>	<b>278,579</b>	<b>278,579</b>	<b>211,428</b>	<b>211,428</b>	<b>31.8%</b>	<b>31.8%</b>
<b>Restaurant expenses</b>	<b>270,476</b>	<b>272,031</b>	<b>196,168</b>	<b>195,679</b>	<b>37.9%</b>	<b>39.0%</b>
Food and material	97,814	97,814	69,498	69,498	40.7%	40.7%
Payroll and employee benefits	66,877	66,877	47,759	47,759	40.0%	40.0%
Rent	6,292	21,484	3,237	16,493	94.4%	30.3%
Royalties	16,759	16,759	12,618	12,618	32.8%	32.8%
Advertising	13,822	13,822	8,994	8,994	53.7%	53.7%
Other operating expenses	45,301	45,301	31,383	31,383	44.4%	44.4%
Depreciation and amortization	23,610	9,973	22,680	8,935	4.1%	11.6%
<b>Restaurant operating Profit / (Loss)</b>	<b>8,103</b>	<b>6,548</b>	<b>15,260</b>	<b>15,749</b>	<b>-46.9%</b>	<b>-58.4%</b>
General & Admin expenses	13,336	13,628	12,146	12,663	9.8%	7.6%
<b>Operating Profit/(Loss)</b>	<b>(5,233)</b>	<b>(7,081)</b>	<b>3,114</b>	<b>3,086</b>		
Finance costs	4,803	2,949	6,090	2,069	-21.1%	42.5%
Finance income	152	152	2	2	8,607.5%	8,607.5%
<b>Profit/(Loss) before tax</b>	<b>(9,885)</b>	<b>(9,878)</b>	<b>(2,974)</b>	<b>1,018</b>	<b>232.4%</b>	
Income tax expense	366	386	135	550	170.7%	-29.8%
Specific Tax	624	624	-	-	-	-
<b>Profit/(Loss) for the period</b>	<b>(10,875)</b>	<b>(10,887)</b>	<b>(3,109)</b>	<b>469</b>	<b>249.8%</b>	
EBITDA	19,893	3,760	26,856	12,749	-25.9%	-70.5%
<b>Normalized EBITDA*</b>	<b>19,893</b>	<b>3,760</b>	<b>27,223</b>	<b>13,115</b>	<b>-26.9%</b>	<b>-71.3%</b>

Notes: (1) Including the impact of the adoption of IFRS 16; (2) Excluding the impact of the adoption of IFRS 16.

(\*) Normalized EBITDA – excludes the penalty from franchisor for postponed development of Pizza Hut restaurants in 2019.

# Breakdown of Q1 2022 results by entity

Data in RON'000	Q1-22							SFG Cons
	USFN (RO)	ARS	USFN (MD)	USFN (IT)	CFF	SFG	Cons. Adj.	
<b>Restaurant sales</b>	<b>199,184</b>	<b>28,353</b>	<b>3,427</b>	<b>33,545</b>	<b>14,071</b>	<b>8,139</b>	<b>(8,140)</b>	<b>278,579</b>
<b>Restaurant expenses</b>	<b>188,219</b>	<b>30,148</b>	<b>3,023</b>	<b>36,474</b>	<b>14,267</b>	-	<b>(100)</b>	<b>272,031</b>
Food and material	73,858	8,389	1,569	9,299	4,699	-	-	97,814
Payroll and employee benefits	45,440	8,216	471	9,227	3,523	-	-	66,877
Rent	13,982	2,941	215	3,126	1,220	-	-	21,484
Royalties	12,001	1,681	206	2,023	848	-	-	16,759
Advertising	9,233	1,500	130	2,320	735	-	(95)	13,822
Other operating expenses	28,530	6,303	353	7,625	2,494	-	(3)	45,301
Depreciation	5,174	1,119	79	2,856	747	-	(2)	9,973
<b>Restaurant operating profit/(loss)</b>	<b>10,965</b>	<b>(1,795)</b>	<b>404</b>	<b>(2,930)</b>	<b>(195)</b>	<b>8,139</b>	<b>(8,040)</b>	<b>6,548</b>
G&A expenses	7,404	2,025	78	2,353	732	9,035	(8,000)	13,628
<b>Operating profit/(loss)</b>	<b>3,561</b>	<b>(3,819)</b>	<b>325</b>	<b>(5,283)</b>	<b>(927)</b>	<b>(896)</b>	<b>(40)</b>	<b>(7,081)</b>
Finance costs	2,199	280	42	712	400	692	(1,377)	2,949
Finance income	995	2	-	0	-	532	(1,377)	152
<b>Profit/(Loss) before tax</b>	<b>2,356</b>	<b>(4,098)</b>	<b>283</b>	<b>(5,995)</b>	<b>(1,327)</b>	<b>(1,057)</b>	<b>(40)</b>	<b>(9,878)</b>
Income tax expense	257	8	42	46	-	34	-	386
Specific tax expense	392	180	-	-	52	-	-	624
<b>Profit/(Loss) for the period</b>	<b>1,707</b>	<b>(4,285)</b>	<b>241</b>	<b>(6,040)</b>	<b>(1,379)</b>	<b>(1,091)</b>	<b>(40)</b>	<b>(10,887)</b>
<b>EBITDA</b>	<b>9,210</b>	<b>(2,520)</b>	<b>414</b>	<b>(2,382)</b>	<b>(170)</b>	<b>(747)</b>	<b>(44)</b>	<b>3,760</b>
<b>Normalized EBITDA</b>	<b>9,210</b>	<b>(2,520)</b>	<b>414</b>	<b>(2,382)</b>	<b>(170)</b>	<b>(747)</b>	<b>(44)</b>	<b>3,760</b>



# Overview of the Q1 2022 G&A expenses

(with and without IFRS 16 impact)

	Data in RON '000				Change (%)		Percentage of sales			
	Q1-22	Q1-22	Q1-21	Q1-21			Q1-22	Q1-22	Q1-21	Q1-21
	(1)	(2)	(1)	(2)	2022/ 2021 (1)	2022/ 2021 (2)	(1)	(2)	(1)	(2)
<b>General and administration (G&amp;A) expenses</b>	<b>13,336</b>	<b>13,628</b>	<b>12,146</b>	<b>12,663</b>	<b>9.8%</b>	<b>7.6%</b>	<b>4.8%</b>	<b>4.9%</b>	<b>5.7%</b>	<b>6.0%</b>
Payroll and employee benefits	9,148	9,148	8,072	8,072	13.3%	13.3%				
Third-party services	1,695	1,695	1,311	1,311	29.4%	29.4%				
Depreciation and amortization	1,516	868	1,062	728	42.8%	19.1%				
Rent	55	996	72	924	-23.4%	7.8%				
Banking charges	196	196	1,027	1,027	-80.9%	-80.9%				
Transport	259	259	149	149	73.8%	73.8%				
Other*	466	466	453	453	2.9%	2.9%				

Note: (1) Including the impact of the adoption of IFRS 16; (2) Excluding the impact of the adoption of IFRS 16.

\*Other expenses include maintenance & repairs, smallware, insurance, advertising, phone & postage, miscellaneous expenses.

# Thank you for joining us!

Sphera Franchise Group's unaudited Q1 2022 results are available for download on our website: [www.spheragroup.com](http://www.spheragroup.com).

The recording of this conference call will be available on our website shortly.

For any questions related to Sphera Franchise Group's activity on the Bucharest Stock Exchange, please contact our IR team at: [investor.relations@spheragroup.com](mailto:investor.relations@spheragroup.com).