



## Financing facility - Alpha Bank





## FRAMEWORK

- Alpha Bank is the main financing bank of the Sphera group
- Considering that the maximum amount of the facility offered by Alpha Bank exceeds the threshold of 20% of the value of total assets of Sphera Franchise Group SA as at 31.12.2021, according to article 9.3.I of the Articles of Incorporation of the company, we submit for approval the following provisions of the addendum to Term Loan Agreement 120/2006/1

## SUMMARY OF MAIN PROVISIONS

### **Borrowers / Co-borrowers / Guarantors**

- Sphera Franchise Group SA, US Food Network SA, California Fresh Flavors SRL, American Restaurant System SA

### **The maximum amount of the loan facility**

- Maximum amount of EUR 42,167,000, the facility consists of 7 sub-limits, of which sub-limits 1-6 are used in full
- The facility is uncommitted which implies the right of the Bank not to make available the amounts of the credit facility

### **Available for activation**

- The amount of EUR 4,303,817.26 pending to be activated according to the loan agreement in force
- The amounts to be repaid by the Borrowers within Sub-limits 1-7 during 2022 (approx. **EUR 8,260,000** - of which the amount already repaid until 30.04.2022: EUR 2,484,094.76) as well as starting from 2023 (approx. **8,600,000 EUR** for the year 2023), may be activated and used within Sublimit 7 at the request of the Borrowers, by increasing Sublimit 7 up to the maximum Facility Amount of EUR 42,167,000.00
- The changes brought to the credit facility ensure an improvement of the contractual conditions comparing to the previous provisions



## Credit utilization and purpose

The amounts available can be used by:

- The borrower US Food Network SA., for the purpose of: financing / refinancing the development costs of the KFC restaurant network (US FOOD NETWORK S.A.) throughout the country, financing / refinancing of dividend payments, financing / refinancing of loans granted to intra-group companies American Restaurant System SA and California Fresh Flavors SRL
- The borrower Sphera Franchise Group SA, for the purpose of: financing of the Loan Agreements concluded with US Food Network SRL Italy, having as object the financing of the development costs of KFC restaurants in Italy

## Repayment period

- For 5 years from the date of the withdrawal, monthly, after the end of the grace period

## Grace period

- Up to 12 months from the date of each withdrawal

## Financial covenants to be fulfilled during the financing period

- Net debt / EBITDA < 2.5 (at consolidated level, excluding the impact of IFRS 16);
- The covenant will be tested every semester and at the date of each withdrawal based on the: (i) audited and consolidated annual financial statements and (ii) consolidated semi-annual published financial statements of Sphera Franchise Group SA and its subsidiaries, prepared in accordance with International Financial Reporting Standards (IFRS), excluding the impact of IFRS 16;
- At the date of convening the General Shareholders Meeting, the Group's financial covenant in accordance with the contractual conditions (Net debt/ EBITDA <2.5, at consolidated level, excluding the impact of IFRS 16) is fulfilled, registering a value of 1.12

## Dividends distribution

- Sphera Franchise Group SA undertakes not to distribute / pay dividends to its shareholders, without the prior written approval of the Bank, which will not be unjustifiably withheld; one of the elements taken into consideration – but not limited to it – is the fulfillment of the financial indicator Net debt / EBITDA < 2.5
- According to the financial forecasts as captured in the approved consolidated budget of the company, it is estimated that the financial indicator will be met. Historically, the company has managed to ensure a solid consolidated financial position, meeting the Net Debt / EBITDA indicator at the end of each financial year, despite the pandemic years, as follows:

Financial covenant	2018	2019	2020	2021	2022*
Net debt/ EBITDA <2.5	0.61	1.52	0.95	1.12	1.80

\*Estimated based on the consolidated approved budget of the company

## Turnover clause

- The borrowers undertake that the receipts through the current accounts opened with the Bank should be at least 90% of the turnover realized by them