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CYBERG introduced its disruptive business model 3F – Food For Free

Budapest, 23 May 2019: CYBERG Corp. Plc. published its 3F (Food For Free) model underpinning their business plan. The company is preparing for a significant expansion beyond Hungary and is moving forward to enter the international financial markets. CYBERG is expanding its management team and hired executives in business financing, food service operations as well as IT development and artificial intelligence (AI).

'Food For Free' explained

The smart tables in KAJAHU restaurants will not only enable guests to place their food orders, but will also offer digital content based on guest profiles, creating additional revenue streams through ads, commissions cross-selling and subscription-only content. Once the franchise network passes a certain 'critical mass', **its revenue from digital services will overtake those of food service operations.** This allows franchises to realize larger returns and greater profit margins, which could eventually provide funding for the food consumed by the restaurant's guests. This would then enable the step-by-step realisation of the 3F concept over the next few decades.

Balazs Rozsa, CEO of the company, said: "We at CYBERG believe that the **freemium model** is achievable in the food service sector. As KAJAHU restaurants become available globally, our mission to 'make the world equal' can be realised. It is our privilege to work together with partners such as **EY and UniCredit Bank who share our vision.**"

Going global

The company aims to achieve its 'critical mass' through franchising the KAJAHU brand. The company's international growth strategy for the next five years was developed by the French franchise expert Thierry Rousset, defining the company's strategic and opportunistic markets based on benchmarking and taking into account each market's potential defined by business opportunities, supply chain, costs and return. In addition to the existing 83 franchise licences



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already signed, the document envisages significant growth in three key phases on markets in Europe, US and Canada, the Middle East and Asia.

The company aims to sell Master Franchise rights in key markets such as Germany, Spain, France, Russia, Italy and the UK within 3 years. CYBERG expects significant interest in franchise rights due to the low risk and the potential for high profit margins, as well as buying into the brand's global vision.

CYBERG is planning to enter the international financial markets and hired Bjorn Ehring, a finance adviser from Germany as Board advisor for Corporate Finance. Hiring Ehring with the experience of over 50 IPOs is to achieve the goal of getting CYBERG listed on international stock exchanges within the next few years.

Developing IT and Business Operations

As planned at Cyberg's IPO in 2018, the second Budapest store **opened** where new smart tables were **introduced**. The mobile page allowing for the unique user-managed limited time offers (called 'Booker') was **launched**, and the company made its **first steps** toward developing its influencer base creating digital content, mainly music played in KAJAHU stores. Opening of the first store in Parndorf, Austria was **approved**, and the location is due to open in Q3 2019. Meanwhile, Cyberg continued its stable revenue **growth** of 17% in 2018 and **completed** its logistics facility serving its first wave of franchise restaurants from Hungary. Management was **relocated** to its new HQ in Central Budapest.

The **first location** outside Hungary in **Parndorf, Austria** is predicted **to open ahead of schedule**, where Gabor Solti (former Head Chef of Vapiano) will oversee food service operations. The next international flagship store is likely **to open in London as a result of a joint venture between Cyberg and Region Capital Holding**. Region Capital is Cyberg's regional partner for franchising in Central Europe, keen to prioritize opening the London store over its first location in Bratislava to achieve a better potential and create a faster introduction into a major European location to attract global investors.

In the coming months, **Andras Szakacs** will join CyBERG following a very successful 17 year long management career with the US chain **TGI Fridays**. His experience within TGI Fridays covered various international management roles in the Europe and Middle East regions. Szakacs brings extensive experience in both franchise operations and as a franchise partner. Szakacs will start his role as Cyberg's new Director for Operations & Training in the Summer of 2019.

The development of KAJAHU continues under the direction of **Zoltan Besse**, a lead developer of the Hungarian social media site **iWiW** and real estate site **Duna House**. The company is gaining pace in the innovations and IT space with the hiring of **Konrad Kiss**, founder of 'Bitgap'. Kiss will provide strategic direction through IT developments utilizing the latest in **AI** as well as **videogames** and **blockchain** based payment solutions, with the ultimate aim to grow Cyberg



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into an international tech corporation realizing its full potential in food service as well as successful additional digital services.

CyBERG Corp. Nyrt.

CyBERG Corp. Nyrt. is the owner and developer of the KAJAHU gastronomy franchise. KAJAHU is a digital social restaurant chain concept, which - through a fusion of technology and gastronomy enters the world market with a unique, hybrid business model. The company, present on the Budapest Stock Exchange builds gradually onto its restaurant network and continuously improves its social mobile services and its proprietary digital platform - becoming a data driven technology enterprise in the future.