



Sphera Franchise Group

Consolidated Budget

Proposal for Year 2024



Macroeconomic environment

- The current budget proposal is based on the information available at this moment, normal course of business is assumed;
- We expect overall yearly average inflation around 6% in 2024;
- Minimum wage increase starting with January 2024.

Restaurant Sales

- We estimate an increase in total sales of 12.2% versus previous year, as a combined effect of same stores sales growth and new stores sales increase.
- The traditional channels will have an increased weight (83%) versus previous year (82%). As a result, the delivery channel will represent around 17% of sales.

Restaurant Operational Expenses

- Food and Material cost: the assumed tempered inflation within the current year contributed to the improvement of the gross margin of 0.6pp versus previous year.
- Cost of labor will be calibrated to match the ramp-up of the sales throughout of year.
- Energy cost is assumed to be predictable in line with the in-place last year regulations.

G&A expenses

- The weight of normalized G&A expenses in total sales is lower than 2023, due to inelasticity of these costs in relation with activity volume increase.

Development Plan

- Focus on the opening of 6 KFC restaurants in Romania, store remodeling and digital solutions' implementation.
- The Group's unwavering commitment to ESG will persist in 2024.
- The total estimated CAPEX for 2024 is around RON 69mn.

The budget has been approved by Board of Directors and this will be open to voting in Annual General Meeting on 26th of April 2024.

The budget provided is based on our best estimates and projections at this time. However, actual results may differ from these assumptions due to a variety of factors, including but not limited to market conditions, changes in economic indicators, unexpected events, and other unforeseen circumstances.

The budget for the year 2024 is presented below and it includes forecasted financial results of the Company at consolidated level.

Indicator	Buget 2024		Anul 2023		Buget 2024 vs Anul 2023
	RON milioane (mn)	RON milioane % din Vânzări	RON milioane	% din Vânzări	
Vânzări în restaurante (*)	1,648.9	100.0%	1,469.2	100.0%	12.2%
Alte venituri	-	-	-	-	-
Costul cu alimentele și materialele	528.4	32.0%	479.4	32.6%	10.2%
Marja brută în restaurante	1,120.5	68.0%	989.8	67.4%	13.2%
Cheltuieli de exploatare în restaurante	867.1	52.6%	783.3	53.3%	10.7%
Profitul de exploatare în restaurante	253.4	15.4%	206.5	14.1%	22.7%
Cheltuieli G&A	63.5	3.9%	58.5	4.0%	8.6%
EBITDA (normalizată, fără impact IFRS 16) (*)	189.8	11.5%	147.9	10.1%	28.3%
Profitul net (normalizat) (*)	95.7	5.8%	79.7	5.4%	20.1%
Free Cash Flow¹⁾ (*)	116.8		108.7		7.4%

(*) financial indicators included in Sphera Franchise Group SA Remuneration Policy relevant for variable remuneration calculation

Liquidity and Debt

- Cash position:** we estimate that the cash available at the end of this year will be around RON 60 millions
- Bank Debt:** at the end of this year, the bank debt will be around RON 160 millions
- Net Bank Debt:** as a result, the net bank debt will be around RON 100 millions

¹⁾ Free Cash Flow = EBITDA - Δ Net Working Capital - CAPEX