



Sphera Franchise Group

Consolidated Budget

Proposal for Year 2025

KFC



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 5% in 2025;
- Minimum wage increase starting with January 2025.

Total Sales

- We estimate an increase in total sales of 12.1% versus previous year, as a combined effect of same stores sales growth and new stores sales increase;
- The traditional channels will have a similar weight in sales as previous year, at consolidated level, with delivery channel representing around 18.5% of sales.

Restaurant Operational Expenses

- Food and Material cost: the assumed tempered inflation within the current year contributed to the optimization of the gross margin versus previous year;
- Cost of labor will reflect the increase in minimum wage level and it will further 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 G&A expenses in total sales is lower than 2024, due to inelasticity of these costs in relation with activity volume increase.

Development Plan

- Accelerate the pace of network development in 2025 by opening of 13 new units (4 KFC restaurants and 1 Taco Bell in Romania, 1 KFC in Moldova, 3 KFC and 4 Cioccolatitaliani in Italia), store remodeling and digital solutions' implementation;
- The Group's unwavering commitment to ESG will persist in 2025;
- The total estimated CAPEX for 2025 is around RON 100mn.

The budget has been approved by Board of Directors and this will be open to voting in Annual General Meeting on 29th of April 2025.

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 2025 is presented below and it includes forecasted financial results of the Company at consolidated level.

Indicator	Budget 2025		Actual 2024		Budget 2025 vs
	RON millions	% Sales	RON millions	% Sales	Anul 2024
RON millions (mn)					%
Total Sales (*)	1,738.2	100.0%	1,550.7	100.0%	12.1%
Food and Material	529.8	30.5%	483.6	31.2%	9.6%
Restaurant Gross Margin	1,208.4	69.5%	1,067.1	68.8%	13.2%
Restaurant Operational Expenses	947.4	54.5%	829.1	53.5%	14.3%
Restaurant Operating Profit	261.0	15.0%	238.0	15.4%	9.6%
G&A expenses	66.7	3.8%	61.2	3.9%	9.1%
EBITDA (excluding IFRS 16 impact) (*)	194.3	11.2%	176.9	11.4%	9.8%
Net Profit for the year (*)	105.2	6.1%	97.2	6.3%	8.2%
Free Cash Flow ¹⁾ (*)	95.6		129.4		-26.1%

(*) 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 122 millions
- **Bank Debt:** at the end of this year, the bank debt will be around RON 192 millions
- **Net Bank Debt:** as a result, the net bank debt will be around RON 70 millions

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