



S P H E R A



KFC



TACO BELL

REMUNERATION REPORT FOR THE FINANCIAL YEAR 2024

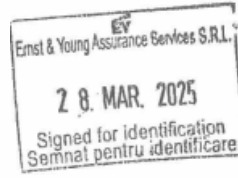
SPHERA FRANCHISE GROUP S.A.

A. Introduction

In order to comply and align with the provisions of Law No 158/2020 on amending, supplementing and repealing certain normative acts, as well as establishing measures implementing Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 establishing a general framework for securitization and creating a specific framework for simple, transparent and standardized securitization and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU, and Regulations (EC) No. 1060/2009 and (EU) No. 648/2012, of Law 24/2017 on issuers of financial instruments and market operations ("Law 24/2017") and of the Corporate Governance Code of the Bucharest Stock Exchange, the Company Sphera Franchise Group S.A. (hereinafter, the "Company" or "Sphera") approved and published the revised version of the Remuneration Policy adopted at the Company's 2017 listing. By Resolution No. 1 of the Ordinary General Meeting of Shareholders held on 26.04.2024 (the "Remuneration Policy") the shareholders approved the current form of the Remuneration Policy within Sphera Franchise Group S.A. The main changes compared to the previous version of the Remuneration Policy (i.e. dated 11.08.2022) concerned the vesting of variable remuneration by executive managers in the event of termination of their term of office and the transfer of shares in annual tranches.

The Board of Directors of Sphera Franchise Group SA (hereinafter, the "Company" or "Sphera") has drawn up, in accordance with the legal provisions in force, this Remuneration Report, which includes the remuneration granted to the members of the Board of Directors, as well as to the executive management of the Company, during the financial year ending on December 31st, 2024, to be subject to the consultative vote, within the Ordinary General Meeting of Shareholders according to art.107 of Law 24/2017, (*republished*) on issuers of financial instruments and market operations. The Remuneration Report will be published on the Company's website at www.spheragroup.com, to remain available to the public for 10 years from publication, in accordance with the applicable legal provisions.

The Remuneration Report aims to provide shareholders with an overview of how the Remuneration Policy was applied during the previous financial year, as well as reliable information regarding the individual remuneration of all the Company's managers.





SPHERA



KFC



TACO BELL

Furthermore, Sphera reminds investors that during 2024 the Company's Board of Directors has approved the extension of the mandates of two of the executive managers*.

*Chief Financial Officer – Valentin Budes and Chief Marketing Officer – Monica Eftimie

B. Remuneration of the Board of Directors' members

The basic principles for the remuneration of the members of the Board of Directors aim to support:

- the strategic component, as proposed to the shareholders;
- the supervision/control component and continuous monitoring of the management decision-making process and the executive management fulfillment of the annual and strategic objectives in the current activity of the Company;
- the component of compliance with ethical and legal norms.

The members of the Company's Board of Directors, including the Chairman, benefit from a **fixed remuneration** and an **additional one**, the latter in the form of the meeting remuneration for participation in the consultative committees of the Board of Directors. The amount of both the fixed and the variable remuneration is approved by the Ordinary General Meeting of Shareholders.

The Board of Directors consists of 5 members, with mandates valid until the date of April 26th, 2027, according to decision no. 2 of the Ordinary General Meeting of Shareholders held on April 27th, 2023. By AGOA resolution no. 1 dated 26.04.2024, the shareholders approved the granting of a monthly remuneration due to the members of the Board of Directors, in the amount of € 4,000 net/month/member, € 4,000 net/month for the Chairman of the Board of Directors and € 200 net/meeting as additional remuneration for the members of the Board of Directors who are also members of the consultative committees, within the limit of eight annual meetings of each consultative committee. The remunerations mentioned above are valid starting from the date of the Ordinary General Meeting of Shareholders held on April 26th, 2024 and until the date of the next Ordinary General Meeting of Shareholders, meeting during which the amount of monthly remunerations and/or additional remunerations of the directors will be approved. Therefore, until April 26th, 2024, the administrators were remunerated according to AGOA resolution no. 2 dated 27.04.2023, specifically with a monthly remuneration due to the members of the Board of Directors, amounting to 3,500 euros net/month/member, 3,500 euros net/month for

Ernst & Young Assurance Services S.R.L.
28. MAR. 2025
Signed for identification
Semnal pentru identificare



SPHERA

KFC



TACO BELL

the Chairman of the Board of Directors, and 150 euros net/meeting as additional remuneration for the members of the Board of Directors who are also members of the consultative committees, within the limit of six annual meetings of the consultative committees.

Name	2024		Total	delta	2023	delta	2022	delta	2021	delta	2020
	Gross Fixed Allowance	Gross Additional Allowance									
Carmaciui Simu Gabriel	391.7	4.3	395.9	11.1%	356.4	-7.4%	384.9	-6.5%	411.7	0.5%	409.6
Ene Mihai	391.7	11.1	402.7	11%	362.7	3%	352.3		409.2	54.8%	264.4
Hoanca Lucian	391.7	4.3	395.9	9.9%	360.2	-7%	387.4	-4.4%	411.7	0.5%	409.6
Lefter Razvan Stefan	391.7	9.4	401.0	9.4%	366.5	-6.9%	393.7	-3.8%	409.2	1.7%	402.2
Repidonis Georgios Vassilios	391.7	15.3	407.0	10.7%	367.8	-6.6%	393.7				
TOTAL	1,958.5	44.4	2,002.5	10.4%	1,813.6	-5.1%	1,912.0	16.5%	1,641.8	10.5%	1,485.8

During 2024, 21 (twenty-one) Board of Director meetings were held, of which 4 (four) were held by electronic correspondence. Out of the 17 (seventeen) Board of Director meetings held in person, 16 (sixteen) meetings were attended in person by all members and 1 (one) meeting was partially attended in person (4/5 members). In addition to the Board of Directors meetings, there were held 6 (six) Audit Committees meetings attended by all Audit Committee members and 1 (one) Audit Committee meeting partially attended (2/3) and 3 (three) Nomination and Remuneration Committees where attendance was 100%.

Meetings of the Administrative Council - in person participation

2024	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	No of meetings
Carmaciui Simu Gabriel	V	V	V	V	V	V	V	V	V	V	V	V	17
Ene Mihai	V	V	V	V	V	V	V	V	V	V	V	V	17
Hoanca Lucian	V	V	V	V	V	V	V	V	V	V	V	V	17
Lefter Razvan Stefan	V	V	V	1/2	V	V	V	V	V	V	V	V	16
Repidonis Georgios Vassilios	V	V	V	V	V	V	V	V	V	V	V	V	17
No. of meetings	1	2	3	2	1	2	1	1	1	1	1	1	17

Ernst & Young Assurance Services S.R.L.
28. MAR. 2025
Signed for identification
Semnal pentru identificare



SPHERA

KFC



TACO BELL

2024	Audit Committee						Nominalization & Remuneration Committee						TOTAL Gross Additional Allowance	
	JAN	MAR	JUN	SEP	OCT	DEC	No. of Meetings	Gross Additional Allowance	FEB	MAR	OCT	No. of Meetings		Gross Additional Allowance
Carmaci Siliu Gabriel	1	1	2	1	1	1	7	11.1	1	1	1	3	4.3	4.3
Ene Mihai														11.1
Hoanca Lucian	1	1	1	1	1	1	6	9.4	1	1	1	3	4.3	4.3
Lefter Razvan Stefan	1	1	2	1	1	1	7	11.1	1	1	1	3	4.3	9.4
Repodanis Georgios Vassilios	3	3	5	3	3	3	20	31.5	3	3	3	9	12.9	44.4

The members of the Board of Directors are not part of any other benefit scheme, other than the remuneration presented above. In the case of the members of the Board of Directors, there is no possibility of recovering the variable remuneration (meeting compensation).

C. Executive Managers' Remuneration

In the case of executive managers' remuneration, the basic criteria aim at the continuity and profitability of the company's business by meeting the annual objectives approved by the shareholders within the revenue and expenses budget and the long-term strategic objectives, developed under the guidance of the Board of Directors, at the proposal of the executive management and approved by shareholders at certain intervals. Responsibility, integrity, loyalty and diligence towards the Company, its fundamental values and its employees and collaborators are an essential element in determining individual performance.

Executive managers' remuneration is composed by a fixed remuneration (in cash) and by a variable remuneration (in cash and in shares), based on the fulfillment of the performance indicators established by the Board of Directors. The variable remuneration is intended to encourage managers to focus on creating long-term value for the Company, according to the Company's strategy, and to align the interests of managers with the interests of the Company and of the shareholders as well. According to the mandate agreements of Sphera's executive managers and the Remuneration Policy, the variable remuneration (in cash and in shares) is established based on negotiation and cannot exceed 100% of the annual fixed component (the gross amount). In accordance with the mandates in force, the variable remuneration is set at 60% of the annual fixed remuneration for the Chief Executive Officer and at 50% of the annual fixed remuneration for the other Executive Managers. Based on the *Options Plan for Sphera Managers* for 2023 and the Remuneration Policy,

Ernst & Young Assurance Services S.R.L.
28. MAR. 2025
Signed for identification
Semnal pentru identificare



SPHERA

KFC



TACO BELL

Sphera's executive managers were granted to receive, free of charge, Sphera's shares as part of the variable remuneration, within the limit of 50%-75% from the total value of the variable remuneration due to each executive manager, and under the condition of fulfilling the performance criteria and the approval of Sphera's financial statements related to the reference period.

Name	2024												
	Gross Fixed Remuneration	Gross Variable Remuneration**	Remuneration in kind	Remuneration received from subsidiaries	Total	delta	2023	delta	2022	delta	2021	delta	2020
Budesi Valentin Ionut	868.8	109.0	41.3	56.1	1,075.2	-3.3%	1,111.9	8.7%	1,023.2	-12.6%	1,170.9	-4.2%	1,222.1
Eftimie Oana-Monica	824.5	211.5	36.6		1,072.6	7.2%	1,000.6	9.8%	911.0	-11%	1,023.5	-0.6%	1,029.6
Ionescu Calin-Viorel	1,294.4	389.2	43.9	56.1	1,783.7	6.5%	1,674.6	13.3%	1,478.0	-10.8%	1,653.0	23.9%	1,334.2
Osiac Cristian		115.4	0.0		115.4	-93.9%	715.3	-7.4%	772.2	-24.6%	1,023.5	-0.6%	1,029.6
TOTAL	2,987.7	825.1	121.8	112.2	4,046.9	-10.1%	4,502.4	7.6%	4,184.4	-14.1%	4,870.9	+5.5%	4,615.5

* The mandate agreement of Mr. Cristian OSIAC as Chief Development Officer, terminated lawfully (upon termination of mandate's term) on September 1st, 2023.

** The annual gross variable remuneration is paid during the year presented but related to the previous year.

Name	shares approved in 2024, for 2023*			shares handed over in 2024, for 2022**			shares handed over in 2024, for 2021***		
	no. of shares	price at allocation date (RON)	Variable Remuneration - Shares	no. of shares	average price of acquisition (RON)	Variable Remuneration - Shares	no. of shares	average price of acquisition (RON)	Variable Remuneration - Shares
Budesi Valentin Ionut	22,425	26.4	592.0	13,700	19.6	268.1	12,300	19.6	240.7
Eftimie Oana-Monica	13,747	26.4	362.9	13,300	19.6	260.3	9,500	19.6	185.9
Ionescu Calin-Viorel	28,104	26.4	742.0	24,500	19.6	479.5	17,500	19.6	342.5
Osiac Cristian	6,249	26.4	165.0	13,300	19.6	260.3	-	-	-
TOTAL	70,525		1,861.9	64,800		1,268.2	38,300		769.1

* According to the Company corporate approvals, respectively the Decision of the Board of Directors no. 2 dated 28.02.2024, the Option Plan for Sphera Managers for the activity carried out in 2023, approved by OGMS resolution no. 3 of 26.04.2024, the executive managers of the Company benefited, as part of the variable remuneration, for the activity carried out in 2023 on the basis of the mandate contracts concluded with the Company, of Sphera shares granted free of charge, representing 50% of the variable remuneration for the year 2023 for the Chief Executive Officer, the Chief Marketing Officer and the Development Manager and 75% of the variable remuneration for the year 2023 for the Chief Financial Officer, as follows: Mr. Calin-Viorel Ionescu 28,104 shares; Mr. Valentin Ionut Budesi 22,425 shares; Mrs. Oana-Monica Eftimie 13,747 shares and Mr. Cristian Osiac 6,249 shares, the actual transfer shall operate in three annual installments, within one year from the grant date.

** In April 2024, 64,800 free shares were granted to the Company's managers, representing the Stock Options Plan for the activity carried out in 2022.

*** In January 2024, 39,300 free shares were granted to the Company's managers, representing the Stock Option Plan for the activity in 2021.

Ernst & Young Assurance Services S.R.L.
28. MAR. 2025
Signed for identification
Semnal pentru identificare



S P H E R A

KFC



TACO BELL

As of 2024, the Sphera Board of Directors approved the grant of variable remuneration in the form of Sphera shares to some of the subsidiary's managers, in accordance with the signed mandate agreements. Thus, the General Manager of US Food Network SA was granted a total of 4,821 Sphera shares as part of the variable remuneration for the results of 2023. These shares were repurchased by the Extraordinary General Meeting Resolution no. 2 of 26.04.2024 and were recorded in the financial statements at the share price on the date of approval - March 21, 2024 (RON 27.8), resulting in a total value of RON 134,024.

For 2024 achievements, estimates have been recorded and are to be submitted to the Nomination and Remuneration Committee and the Board of Directors for approval to grant the executive managers variable remuneration, as follows:

Name	Gross Variable	
	Remuneration to be provided in cash (RON)	Remuneration to be provided in shares (RON)
Ionescu Calin - Viorel	389,231	652,520
Budes Valentin-Ionut	217,949	388,960
Eftimie Oana - Monica*	200,080	357,080
TOTAL (provisioned for 2024 achievements)	807,260	1,398,540
		34,964

*Mrs. Monica Eftimie's term of office is suspended for a period of 10 months starting on 11.12.2024, during which time she will be on parental leave

Also, for the Managers of Sphera's subsidiaries (i.e. US Food Network SA and American Restaurant System SA), estimates for the share based component of the variable remuneration for 2024 results have been recorded. For the General Manager of US Food Network S.A., 4,364 shares totaling RON 174,577 and for the General Manager of American Restaurant System SA, 2,910 shares totaling RON 116,385 were registered at an estimated price per share of RON 40.

The financial and non-financial performance indicators considered by the Remuneration Policy for the variable remuneration in cash and in shares, included also in *Share option plan for Sphera's Managers*, are the following:

Financial indicators:

- Normalised EBITDA of the Group;
- Normalised Net Profit of the Group;
- Company sales;
- Free Cash Flow of the Group
- YoY positive change in share price

Ernst & Young Assurance Services S.R.L.
 28. MAR. 2025
 Signed for identification
 Semnal pentru identificare



SPHERA

KFC



TACO BELL

- dividend distribution according to LRP
 - net debt/EBITDA ratio <=1
- Non-Financial indicators:
- the social impact and sustainability of the Group's operations - e.g. environment, safety and employee involvement;
 - management of strategic projects: business development projects, turnaround management and increasing the Company's profitability, significant improvement of processes, improvement of existing franchise contracts, new markets, and products, etc.

All financial indicators amount to 90% of the maximum value of the variable remuneration for the respective year, and each indicator is equal and represents 25%. The target values of the financial performance indicators are established every year by the Board of Directors and approved by the shareholders by approving the annual budget. All non-financial indicators amount to 10% of the maximum value of the variable remuneration for the respective year, and their degree of fulfillment is established by the Nomination and Remuneration Committee.

D. The medium gross remuneration based of Full time equivalent (FTE) employees

According to the labor market dynamics and the financial performance achieved by the Company, the medium gross remuneration of Sphera employees excluding top management is reflected in the table below for the last 5 years period:

(in RON)	2024	delta	2023	delta	2022	delta	2021	delta	2020
Medium gross Remuneration, FTE based	14,411	12.3%	12,828	+13.7%	11,281	11.8%	10,088	20.6%	8,365

These changes are the result of a multitude of factors, the most important of which being:

- the average salary level in the market,
- legal limitations and labor market dynamics,
- local competitiveness of wages,
- labor availability,
- the ability of the Company to ensure the competitiveness, stimulation and retention of the labor force in the medium and long term.

Ernst & Young Assurance Services S.R.L.
 28. MAR. 2025
 Signed for identification
 Semnal pentru identificare



SPHERA



KFC



TACO BELL

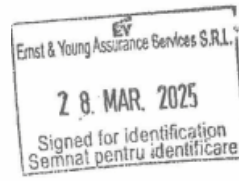
E. General considerations

The Remuneration Report of the Sphera Franchise Group for the financial year ended at December 31st, 2023 was submitted for the consultative vote of the Ordinary General Meeting of Shareholders in the date of April 26th, 2024, according to the provisions of art. 107, paragraph (6) of Law no. 24/2017 regarding issuers of financial instruments and market operations, republished, receiving favorable votes from the shareholders representing 96,2659% of the total number of votes held by the shareholders present, represented or who expressed their vote by correspondence or by electronic means at the Meeting.

During the reporting period, there was no deviation from the implementation procedure of the Remuneration Policy and no derogation from the remuneration policy, in accordance with the provisions of paragraph 107. (2) letter f) from Law no. 24 / 2017, regarding issuers of financial instruments and market operations, republished, and the granted remuneration respected the structure and principles in the Remuneration Policy for all remuneration components.

Sphera's Board of Directors and Executive Managers personal data included in this Remuneration Report are processed by the Company according to the provisions of art. 107 para. (4) from Law no. 24 / 2017, regarding issuers of financial instruments and market operations, republished, namely for the purpose of increasing transparency and increasing the responsibility of managers, but also the supervision of their remuneration by shareholders.

This Report was drawn up in accordance with the requirements of Law 24/2017 on issuers of financial instruments and market operations, republished and approved by the Board of Directors of the Company on March 24th, 2025, to be submitted to the advisory vote within Annual Ordinary General Meeting of the Company's Shareholders convened for April 29/30th, 2025 , the opinion of the shareholders in the general meeting regarding the Remuneration Report, resulting from the vote, having an consultative character.



SPHERA FRANCHISE GROUP S.A.

Chairman of the Board of Directors

LUCIAN HOANCA