Delivering on our strategic intent

Vision

To be the leading innovative branded franchised and food services business in South Africa and selected markets

Strategic intent

Grow capability and capacity to deliver unique customer experiences in the branded franchised and food services space

Leading to

Innovative branded food services solutions	Mutually beneficial relationships with franchise partners	Unique consumer experiences	Sustainable like-for-like growth

Our key strategic matters guide our decision-making and are reflected in our KPIs and executive remuneration.

Our management team and Group performance are assessed against our achievement in delivering on seven key strategic matters.

An overview of our strategy

- Improving our operational efficiencies
- Enhancing our financial performance
- Prioritising our franchise partners
- Developing our people; ongoing commitment to transformation
- Leading in the categories we compete in
- Optimising capital management
- Ensure regulatory compliance

Scorecard by strategic matter

The following commentary summarises the Group's progress in 2022 against seven key strategic matters. These targets and goals need to be viewed in the context of another challenging pandemic year, where our primary focus was the financial sustainability of our business.

Achieved Underway Not achieved

Improve our operational efficiencies

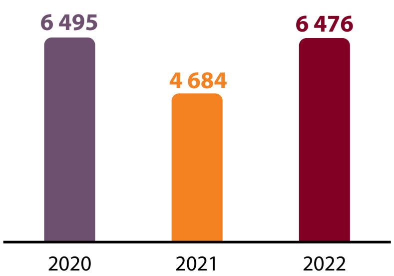
Evaluation

We need to ensure we are as efficient as possible to ensure the long-term sustainability of the business and that of our franchise partners. It will support our goal of being the leading innovative branded food services business in our markets. We measure our performance by revenue growth and operating profit growth.

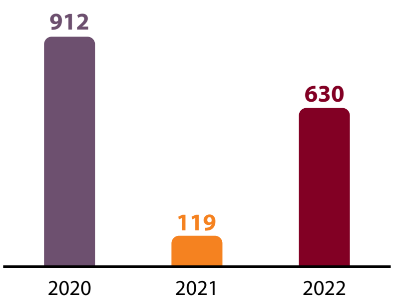
2022 | What we did	2023 | What we will do
• Focussed on specific brands and rationalise our brand portfolio to eliminate distractions and grow successfully. • Invest in technology, capacity, capability, and partnerships to remain at the forefront and competitive within the home delivery marketplace. • Invest in Manufacturing and Logistics capabilities and overhaul asset care practices. • Deliver much better efficiencies in our kitchens, improving franchisee profitability. • Trialled proof-of-concept cloud-based point-of-sale system to remove the punitive constraints of charges in US Dollars of legacy systems.	• Relocate KwaZulu-Natal Distribution Centre. • Improve our manufacturing practices. • Continue to invest in technology, capacity, capability and partnerships.

Material strategic KPIs

Revenue (R million)



Operating profit (R million)



Enhance our financial performance

Evaluation

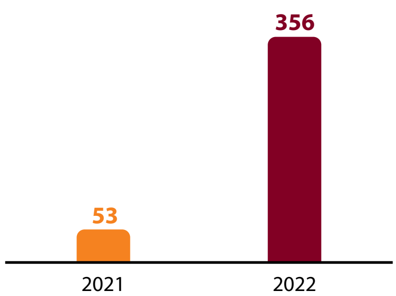
We aim to grow capability, capacity and scale across manufacturing, branded franchised and food services spaces. Trading conditions in all the Group's markets are incredibly challenging. We need to make strategic choices to ensure our business is optimally structured to be efficient, competitive, achieve our benchmarks and meet the expectations of our stakeholders. We measure our performance against HEPS, ROCE and total shareholder return (TSR).

2022 | What we did	2023 | What we will do
• Increased free cash flow, decreased interest-bearing debt and non-essential capex and improved working capital management. • Continued to invest in lower-risk core local opportunities with a strong outlook for long-term sustainable returns. • Targeted growth in the AME region. • Divestment from the Gauteng Bakery plant. • Disposed of non-core assets (Famous Brands Design Studio (Pty) Ltd, trading as DHQ transitioned to an associate company and The Famous Brands Great Bakery Company). • Grew the Retail division (direct to consumer).	• Continue to pay down interest-bearing debt. • Continue our AME expansion plans.

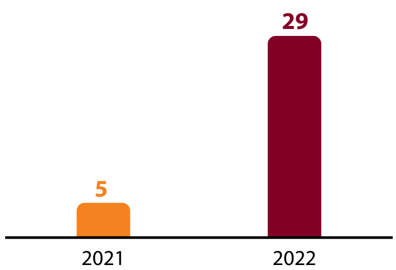
Material strategic KPIs

All these three measures are featured in remuneration incentives (page 141).

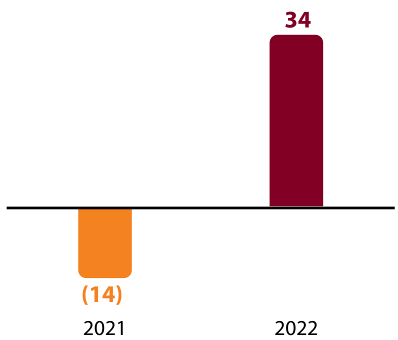
HEPS (cents)



ROCE (%)



TSR* (%)



** 2022 and 2021 relate to absolute TSR*

Achieved Underway Not achieved

SCORECARD BY STRATEGIC MATTER continued

Lead in the categories we compete in

Evaluation

We are passionate about unique consumer experiences through innovation, flawless execution and continuous improvement. The food services industry is increasingly competitive. In this crowded operating environment, local and international operators compete for a shrinking wallet, and in some cases, for survival. To promote the Group's continued success, we must ensure our brands are differentiated through their irresistible customer appeal.

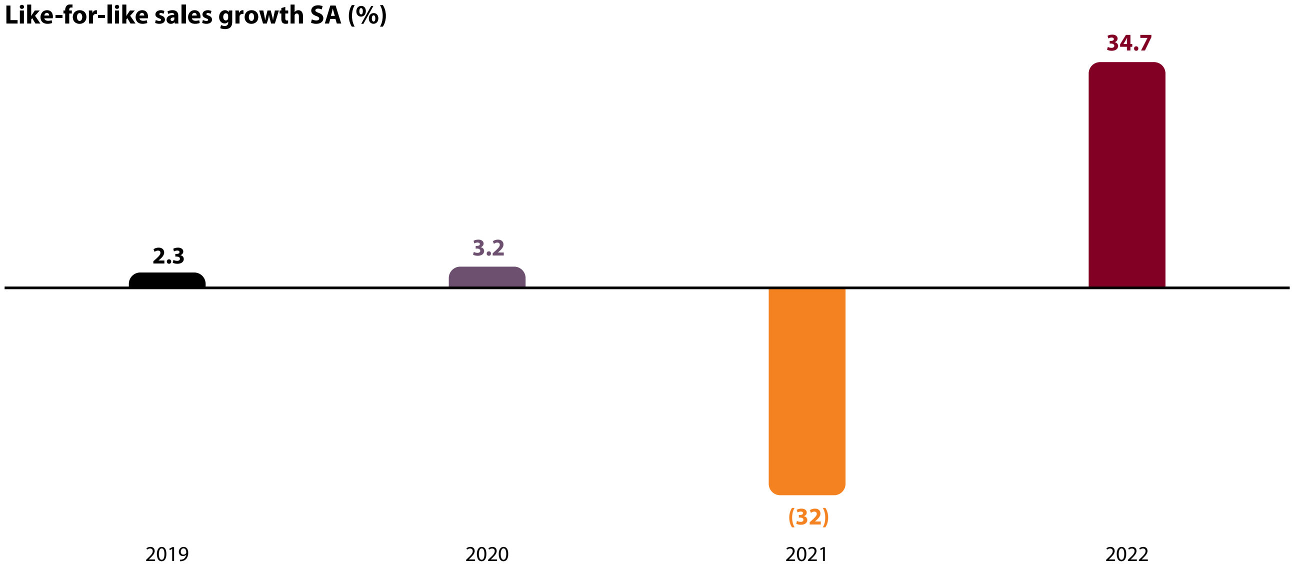
We measure our performance through internal research metrics and like-for-like sales growth.

2022 | What we did	2023 | What we will do
• Focussed on specific brands and rationalise our brand portfolio to eliminate distractions and grow successfully. • Invested in technology, capacity, capability and partnerships to remain at the forefront and competitive within the home delivery marketplace. • Invested in Manufacturing and Logistics capabilities and overhauled asset care practices. • Delivered much better efficiencies in our kitchens, improving franchisee profitability. • Trialled a proof-of-concept cloud-based point-of-sale.	• Execute Leading Brands and Signature Brands annual plans.

Material strategic KPIs

This measure is featured in remuneration incentives *(page 141)*.

Like-for-like sales growth SA (%)



Achieved Underway Not achieved

Prioritise our franchise partners

Evaluation

Our franchise partners represent our brands, which translates into our success. We work hard to develop close, mutually beneficial relationships with them. Regular interactions are conducted with the national franchise forums for each brand and set metrics are evaluated. These metrics are strategic and therefore not disclosed.

2022 | What we did	2023 | What we will do
• Drove consumer activity through value offerings. • Focussed on franchisee profitability and sustainability to survive the impact of the July unrest and COVID-19.	• Support Casual Dining franchisees where necessary through the recovery phase with targeted royalty and marketing fund relief.

Ensure regulatory compliance

Evaluation

We understand that compliance with all relevant regulations and strong relationships with industry authorities permits us to operate and enhances our reputation as a responsible corporate citizen among our stakeholders.

In 2022, we received no fines or penalties related to non-compliance.

2022 | What we did	2023 | What we will do
• Uphold hygiene and health and safety controls and COVID-19 protocols across the business. • We are in the process of developing a regulatory compliance framework. • Ensured the business was ready for POPIA, AARTO Act and amendments to the JSE Listings Requirements. • Maintain and improve our National Occupational Safety Association of SA (NOSA) gradings (3 and 4).	• Complete and implement the regulatory compliance framework. • Enhancing POPIA compliance. • Maintain and improve our NOSA gradings (3 and 4).

Achieved   Underway   Not achieved

SCORECARD BY STRATEGIC MATTER continued

Develop our people; ongoing commitment to transformation

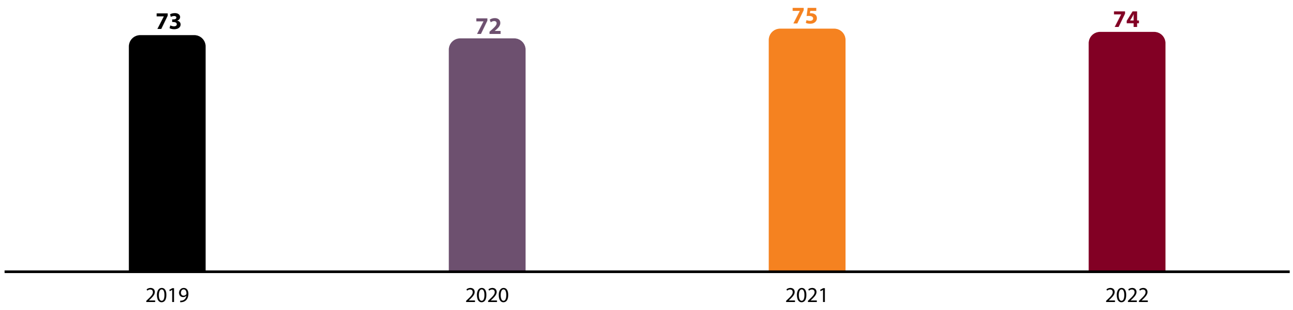
Evaluation

We are a team of results-oriented people operating in a high-performance culture. Human capital is considered a core corporate asset at Famous Brands, and the quality of our people is critical to our success. Mutually beneficial relationships stem from ensuring our people are developed, recognised and rewarded appropriately. We measure success in this category through our annual morale engagement survey, amount of training conducted and completed and BBBEE rating.

2022 | What we did	2023 | What we will do
• Maintained our BBBEE rating through initiatives to address each BBBEE element. • Restarted skills development programmes by re-joining the YES programme. • Scaled up training programmes for employees. • Retained key talent.	• Partner with the YES programme. • Ensure all training and development momentum is back at pre-COVID-19 levels at a minimum.

Material strategic KPIs

Employee engagement survey (%)



BBBEE compliance

Achieved Underway Not achieved

Optimise capital management

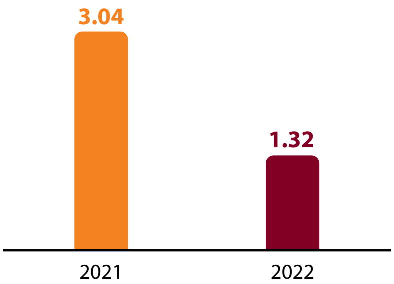
Evaluation

We focus on organic and acquisitive growth in South Africa and other selected markets. Following a series of acquisitions in 2016, the Group's capital structure includes debt as a permanent feature. We need to ensure that capital is correctly deployed to meet operational requirements, service debt, support future growth and pay dividends to shareholders when appropriate.

2022 | What we did	**2023 | What we will do**
• Increased free cash flow. • Decreased interest-bearing debt. • Improved working capital management. • Tightly controlled the capital investment programme and made prudent capital investment and budgeting decisions.	• Continue to pay down interest-bearing debt. • Seek further improvement in working capital management.

Material strategic KPIs

Net debt to EBITDA (times)



Achieved Underway Not achieved