STRATEGY SNAPSHOT

OUR STRATEGY IS **EXPECTED TO DELIVER ACCELERATED AND MORE PROFITABLE GROWTH** OVER THE MEDIUM TERM.

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 great customer experiences in the branded franchised and food services space.

Leading to

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

Our key strategic matters direct our decision-making process and are represented in our executive KPIs. We monitor the Group and management performance in relation to meeting four important strategic objectives.

Create supply chain of the future	Lead in the brand categories we compete in	Prioritise our franchise partners	Optimise capital management

THE VISION, VALUES AND BEHAVIOURS THAT ENABLE OUR STRATEGY

Vision

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

Core values

- Humility
- Integrity
- Agility
- Speed
- Innovation
- Quality
- Growth

What drives us

We are deeply passionate about **innovative branded food services solutions**

We value our **mutually beneficial relationships** with our franchise partners

We strive to be the best in all our markets at creating **great consumer experiences**

Our economic engine is driven by **sustainable like-for-like growth**

STRATEGY IN ACTION 2024

OUR STRATEGY IS DESIGNED TO ACHIEVE OUR VISION OF BEING **THE LEADING INNOVATIVE BRANDED FRANCHISED AND FOOD SERVICES BUSINESS** IN SOUTH AFRICA AND SELECTED MARKETS.

Our strategy sets a framework for the Group to focus on creating value in the short, medium, and long term. Each year, the Board reviews strategy implementation and endorses a three-year corporate strategy in tandem with the Group Budget and Business Plan.

Our strategy achievements over the past five years include:

- Grew our revenue 8% to R8 billion (2023: R7.4 billion).
- Increased our market share for Leading Brands in South Africa.
- Expanded by 150 new restaurants in our South African footprint.
- Supported our franchise partners through COVID-19 with R158 million in financial relief.
- Provided energy relief to support the sustainability of our franchise partners for sales generated during load shedding.
- Executed our strategy to optimise our Logistics footprint.
- Reduced our Manufacturing plants from 14 to 11 to improve profitability and enhance operational efficiencies.
- Improved our B-BBEE contributor score from a Level 7 to a Level 2 in 2023 and maintained the same level in 2024.
- Returned R410 million in dividends to shareholders.
- Formalised and refined our ESG strategy with improvements every year.

OUR STRATEGY PROCESS

The Exco, collectively develop the three-year Corporate Strategy (this year, 2025 to 2027) alongside the annual Group Budget and Group Business Plan. The process involves a comprehensive analysis of the operating environment, undertaking a strengths, weaknesses, opportunities, threats review and determining the required resources and capabilities.

2024 STRATEGY EXECUTION AT A GLANCE

Healthy financial metrics	*Steady progress with long-term initiatives*	*Famous Brands is growing*
– 8% revenue growth. – Margins stable despite inflationary conditions. – 13% increase in capex to fund our future growth.	– Digital enablement in our restaurants. – Success of the delivery hub concept. – Ten-year Logistics strategy execution nearing completion.	– 137* new restaurants opened. – 27 net new restaurants. – One new market opened. – 14 Retail products launched.

* 11 Fego Caffés converted to 10 Mugg & Bean and 1 to Vovo Telo.

1. CREATE SUPPLY CHAIN OF THE FUTURE

Remodelling our Supply Chain is a key pillar of our strategy. This not only fortifies the Group's long-term sustainability but also bolsters our aspiration of providing high quality output, reducing waste and use of natural resources.

PERFORMANCE IN 2024

We continued to improve our Supply Chain focusing on rollout of technology and creating capacity.

- We rolled out the new warehouse system at our distribution centres, with one final distribution centre to be completed in 2025.
- We began to redevelop our Midrand Campus to optimise our Gauteng Logistics network to relocate our cold storage facility to Midrand.
- We continued to roll out systems (financial, compliance management and people management).
- We invested in solar installations to increase our energy independence from Eskom.
- We continued to execute our ESG strategy to reduce our greenhouse gas (GHG) emissions and water usage.

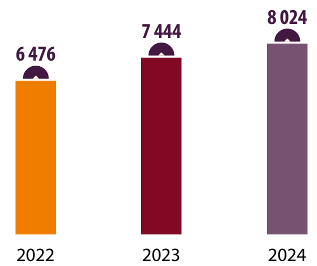
FOCUS AREAS FOR 2025

- Develop a roadmap for refurbishment or relocation of our manufacturing plants.
- Complete the rollout of the new warehouse management system across all distribution centres.
- Relocate the Gauteng cold storage facilities to Midrand.
- Explore use of state of the art technologies.

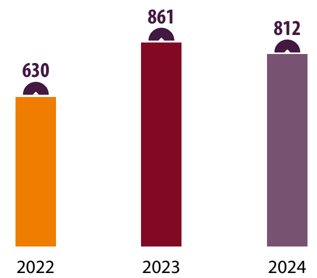
KEY METRICS

We gauge our performance by revenue growth and operating profit growth, ensuring a robust and secure future for our stakeholders.

Revenue (R million)



Operating profit (R million)



SINCE ITS LAUNCH, OUR MANUFACTURING WAY PROGRAMME HAS RESULTED IN SIGNIFICANT OPERATIONAL EFFICIENCIES. THIS INCLUDES REDUCING WASTE, IMPROVING PRODUCTION YIELDS, AND LOWERING PRODUCTION COSTS.

LINK TO REMUNERATION

Our Long-Term Share Plan includes KPIs regarding efficient operating practices, such as reducing GHG emissions and water usage.

Read more on page 174.

Read more about our operational performance for 2024 on page 81

2. LEAD IN THE BRAND CATEGORIES WE COMPETE IN

We are passionate about creating great consumer experiences through innovation, flawless execution, and continuous improvement. The food services industry is highly competitive, and we must ensure our brands are differentiated through their irresistible consumer appeal.

PERFORMANCE IN 2024

We continued to focus on organic growth in our Leading Brands portfolio in South Africa, SADC and AME markets. We maintained and won market share in South Africa and received 19 awards across the portfolio. We continued to invest in consumer-facing technology to enhance our consumer experience and own delivery capabilities. This included acquiring a strategic shareholding in Munch Software.

- Net restaurant growth of 27 across our markets.
- Entered Côte d'Ivoire with first restaurant opened.
- Grew our franchise networks in South Africa and selected AME markets.
- We revised our operating structure for AME to lower costs and renew our focus on difficult AME markets outside of SADC.
- Invested in technology, capacity and capability to remain at the forefront and competitive within the home delivery marketplace.
- Enhanced the consumer experience across our online platforms and brand applications.
- Continued to provide value offerings to entice the price-sensitive consumer.
- Supported own delivery and continued to roll out the delivery hub concept in South Africa.
- Invested in Manufacturing and Logistics capabilities.
- Introduced 14 new Retail products.

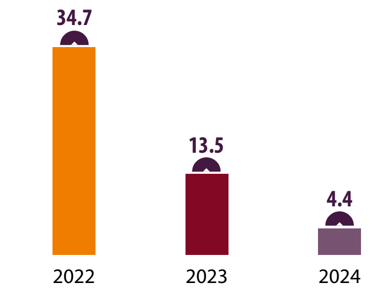
FOCUS AREAS FOR 2025

- Increase our drive thru presence in South Africa.
- Continue to roll out the delivery model to enhance our own delivery capabilities.
- Enter the Egyptian market.
- Grow Leading Brands in SADC and selected AME markets.

KEY METRICS

We measure our performance through internal research metrics and like-for-like sales growth[1].

Like-for-like growth SA (%)



POSITIONED TO WIN: A GEOLOCATION ANALYSIS SHOWS THAT 27% OF FAMOUS BRANDS' QUICK SERVICE RESTAURANT NETWORK DOES NOT HAVE A SIGNIFICANT FAST-FOOD COMPETITOR WITHIN A 5KM RADIUS[2].

LINK TO REMUNERATION

We consider our Google rating across our brands and net store growth in South Africa, AME and the UK as KPIs in our 2024 Group Scorecard for STIs.

Read more on page 171.

[1] Like-for-like sales refer to sales reported by all restaurants across the network, excluding restaurants opened or closed during the year.

[2] SBG Securities research available at https://thevault.exchange/?get_group_doc=275/1678176549-SBGSFamousBrandsInitiation-Preparingtofeast.pdf

OUR GROWTH AREAS

We recognise that we need to increase our drive thru footprint to meet consumer demand for this channel. In 2024, we opened five new drive thrus and we plan a further rollout in 2025.	Smaller formats with lower capital and operating costs are key to our growth strategy. This includes the Mugg & Bean On-The-Move and Debonairs Pizza Express concepts. Milky Lane employs the hub and spoke model to capitalise on vending opportunities through ice cream carts.	We continue to grow in the AME region with a narrow but deep focus on selected markets. We restructured the AME management structure to lower costs and provide focus on more difficult markets. *Read more on page 29.*
We continue to drive frequency and loyalty among consumers with our brand apps and loyalty programmes. Both Wimpy and Mugg & Bean apps have an over 70% redemption of loyalty points.	Our partnership with Pick n Pay for The Roastery has been successful. We have a presence in 40 stores and interest from both Pick n Pay corporate stores and franchised stores. *Read more on page 92.*	Our Retail division continues to scale with a 35% increase in revenue to R368 million and 14 new products introduced. Retail provides important brand extensions and allows us to capitalise on at-home consumption. *Read more on page 102.*

Read more about how we manage our brands on page 6.

3. PRIORITISE OUR FRANCHISE PARTNERS

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

PERFORMANCE IN 2024

We considered our franchise partners in every major strategic decision. We monitored our menu pricing closely and often absorbed price increases in our Supply Chain to offer franchise partners highly competitive pricing.

- Provided financial support to South African franchise partners to assist them in coping with higher load shedding levels.
- Reconfigured the design or revamp of restaurants to address electricity supply shortage.
- Where necessary, supported franchise partners with renegotiations with landlords.

WE PROVIDED R21.6 MILLION IN FINANCIAL RELIEF TO SOUTH AFRICAN FRANCHISE PARTNERS TO SUPPORT THEIR SUSTAINABILITY IN LOAD SHEDDING CONDITIONS. 95% OF LEADING BRANDS RESTAURANTS IN SOUTH AFRICA HAVE ACCESS TO ALTERNATIVE POWER SOLUTIONS.

FOCUS AREAS FOR 2025

- Close the alternative power solutions gap in South Africa.
- Explore opportunities of water solutions at restaurant level.

LINK TO REMUNERATION

Net store growth in South Africa, AME and the UK as KPIs in our 2024 Group Scorecard for STIs. We will only grow our networks if we support our franchise partners to thrive.

Read more on page 171.

Read more about how we manage the franchise partner relationship on page 55 and how we are working with South African franchise partners on managing load shedding on page 83.

4. OPTIMISE CAPITAL MANAGEMENT

We focus on organic and acquisitive growth in South Africa and selected markets. We ensure that capital is correctly deployed to meet operational requirements, service debt, support future growth and pay dividends to shareholders when appropriate.

PERFORMANCE IN 2024

Our net debt:EBITDA ratio increased as our capital needs increased, and we drew down on our facility. Our debt levels remain comfortable, and we are well within our bank covenant.

- Secured long-term financing for redeveloping our Midrand Campus.
- Acquired a 45% shareholding in Munch Software for our consumer-technology strategy and 51% shareholding in Company-owned stores in Mauritius for restaurant network growth.
- Focused on working capital management to boost free cash flow.
- Tightly controlled the capital investment programme and made sound capital investment and budgeting decisions.
- We increased our investment in inventory holdings to secure better pricing and reduce the risk of product shortages in some key commodities.

FOCUS AREAS FOR 2025

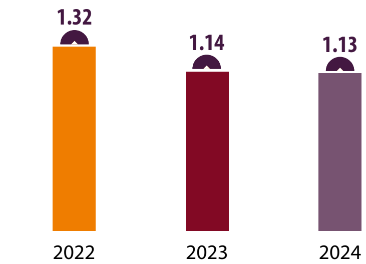
- Continue to pay down credit facilities.
- Completing the Midrand Campus redevelopment and relocating our cold storage facility.
- Investment to refurbish our Manufacturing operations.
- Continue to improve working capital management.
- Initiate refinancing plans.

Read more about our capital management in our Group Financial Director's report on page 39.

KEY METRICS

Our net debt:EBITDA ratio is a measure of our liquidity position and financial health.

Net debt:EBITDA (times)



OUR FINANCIAL AND INVESTMENT DECISIONS IN 2024 SUPPORTED OUR STRATEGIC OBJECTIVES, WHICH INCLUDE GROWING OUR LEADING BRANDS IN SOUTH AFRICA AND SELECTED AME MARKETS AND ENHANCING OUR MANUFACTURING AND LOGISTICS CAPACITY.

CONSUMER TECHNOLOGY SUPPORTING STRATEGY

ADVANCING OUR TECHNOLOGY CAPABILITIES ENABLES US TO **CREATE SIMPLICITY AND CONVENIENCE** FOR OUR FRANCHISE PARTNERS AND CONSUMERS.

Changing consumer technology remains a key driver in the restaurant industry. Consumers are looking for convenient ways to order food, dine and pay. Famous Brands seeks to capitalise on new technology to improve the overall experience for consumers and franchise partners. This includes mobile access, self-service options, personalised customer engagement, rewards, and contactless payments.

A cross-functional working group comprising senior management from different brands and disciplines manages technology projects across Famous Brands. With input from executive leadership and driven by technology leadership, this working group allocates the budget and ensures that projects are aligned with the overarching corporate strategy.

CAPITALISING ON OUR OWN DELIVERY CAPABILITIES

IT IS DIFFICULT TO MAINTAIN PROFITABILITY FOR DELIVERY WITH HIGH INPUT COSTS, FIERCE COMPETITION AND CONSUMERS SEEKING THE LOWEST POSSIBLE DELIVERY FEES. NEVERTHELESS, FAMOUS BRANDS CONTINUES TO BUILD ITS OWN DELIVERY CAPABILITIES.

We were a pioneer of the delivery channel in South Africa. We have invested in ordering and delivery technology solutions in the Quick Service Restaurant space for several years. We work with a technology partner that provides driver and route-tracking software to ensure that our deliveries are completed efficiently and on time.

Ordering for collect or delivery is enabled through various channels, including call centres, websites and mobile applications. Customers use the most convenient platform at the time and use different platforms at different times. We continue to enhance our brands' mobile applications and websites to offer a seamless ordering experience.

In 2023, we successfully trialled the delivery hub model in South Africa, where one franchise partner takes on the deliveries for several other restaurants within a certain radius. This makes doing the deliveries for multiple restaurants a viable business proposition for the selected franchise partner while streamlining the expense of deliveries across multiple restaurants. There are also significant savings in expenses such as fuel and wages.

This model has heightened the efficiencies of franchise partners who own multiple stores and has led to vast improvements in delivery times, consumer experience and increased driver productivity.

This trial was successful, and in 2023, we rolled out 25 delivery hubs in South Africa to service 134 restaurants and improve our efficiency in own home delivery. The hubs deliver an average on-time delivery rate of 82%, a significant improvement from the previous model, where franchise partners handled their own deliveries.

Currently, our delivery hubs are spread out across six regions and service all our Leading Brands.

The delivery hubs in key nodes have experienced an increase in the number of successful deliveries and overall positive consumer reviews. We believe this is a key differentiator in attracting consumers to our own delivery channels compared to third-party aggregator delivery.

Our delivery hubs are enabled by the latest technology. Drivers are equipped with Android devices that provide ongoing communication, maps their delivery route and can accept payments. This significantly reduces costs for franchise partners on speed point machine rentals.

In 2023, our first delivery hub outside South African borders opened in Botswana and has boosted the efficiency and performance in that market. This hub services six high-volume restaurants and boasts an on-time delivery rate of 85%. In 2025, we plan to launch additional delivery hubs in South Africa, Zambia and Botswana.

The delivery hub business model has been completed, and we will roll it out in nodes with strong potential for future growth. This model has also allowed more flexibility in how driver salaries are managed, resulting in additional savings. The flexibility in driver remuneration has also driven KPIs and efficiencies, as the drivers are incentivised to deliver on time.

Our four inbound call centres within South Africa are key consumer touchpoints in ensuring consumer ordering calls are answered on time and the expected consumer experience is delivered. The success of this solution is measured in our call order rates, orders abandoned rates, and sales per minute stats. Over 80% of our Leading Brands network are onboarded on one of our 4 outsourced call centres. In 2024 we introduced a quarterly business review for each call centre to evaluate the upselling capabilities, handling times, business continuity planning and people development.

It is important to find the right partner, the right commercials, and the right quality. We want to ensure that the technology we introduce has a return on investment for our franchisees.

OTHER KEY TECHNOLOGY PROJECTS

Taking a mobile-first approach

According to the 2023 Mobile Economy Report, there will be over 1.2 billion smartphone connections in sub-Saharan Africa by 2030. Famous Brands adopts a **mobile-first approach** for its consumer-facing interfaces as consumers increasingly use smartphones to interact with our brands. All Leading Brands have a mobile application, and this channel is promoted in-store, on product packaging and through advertising activities.

Simplifying payment processing for franchise partners

We continue to review all our **payment systems** across the Group, including credit card machines and online payment methods. This helps us reduce costs for franchise partners by reviewing merchant and transaction fees and negotiating better pricing where possible. The review also ensures payment systems are properly integrated into our POS systems. This unlocks restaurant efficiencies, and franchise partners can spend less time completing recons and daily cash-up procedures.

Introducing cloud-based POS systems is a key part of our strategy going forward. Our partnership with Munch Software will simplify payment processes and explore new payment and rewards technologies. This partnership will also enable us to integrate our technology ecosystem and have a single touchpoint. We have commenced converting our Casual Dining Restaurants from several third-party POS systems to Munch Software's offering.

Leveraging our data

We continued our multi-year project to formalise our **database infrastructure** in the cloud. While the infrastructure has been built, the migration to the cloud will take a phased approach. This migration will allow us to analyse and utilise data quicker and better. We have made progress in consolidating data, reporting, and extracting value from the data. In 2024, we plan to implement a new consumer engagement platform to improve personalised communication with consumers.

We aim to communicate the right message using the right channel to reach the right consumer. In 2023, we sent out approximately 66 million pieces of communication to our consumers, including SMS, push notifications, and email.

Rewarding customers with loyalty programmes

Customer loyalty programmes, especially at Casual Dining Restaurants, have been proven to boost revenues by increasing customer frequency and providing upselling opportunities. Customers seek out reward programmes in tough economic times. Our loyalty programmes have proven popular with Casual Dining customers. The ease of use via mobile applications ensures a convenient experience.

We have formalised our reward systems within Mugg & Bean and Wimpy. We have seen growing transactions from consumers using the loyalty programmes and redeeming value.

Seamless e-vouchering

Our **e-vouchering** capabilities allow brands to replace plastic card-based vouchers with a simple digital alternative that can be purchased, issued, and applied to all brands within our ecosystem.

Providing minimal contact solutions

According to Juniper Research[1], global contactless payment transactions are expected to exceed $10 trillion by 2027 and increase by 221% between 2022 and 2026. This supports the need for our franchise partners to embrace evolving consumer technology to create a seamless experience for their consumers.

The payments space in South Africa and other markets continues to develop. We offer a growing range of **contactless payment options**. This allows consumers to pay using their preferred method while reducing the need for physical contact between them and employees.

Order-and-pay-at-table technology remains popular, especially where customers seek a quick dining experience. This technology allows customers to order and pay for the meal from their devices, improving table turn times and hospitality while providing valuable data to better understand customers.

Improving operational efficiencies at restaurants

We continue to roll out our **self-service terminals** in our Quick Service and Casual Dining Restaurants. These provide an intuitive digital experience, give customers more control over the ordering process, and allow for order customisation while eliminating errors. The self-service terminals have helped restaurants to improve efficiencies, adding to the profitability of the franchisees. We have introduced the self-service terminals in over 370 restaurants. Advantages for franchise partners include increased transaction sizes through upselling prompts, increased order volumes and shorter queues. These also reduce the number of cashiers required.

Signature Brands uses **online reservation software** to receive and manage bookings. This allows customers to book online or cancel their reservations. Automatic reminders are sent to the customer via SMS. This software also allows restaurants to build an opted-in database to send newsletters or promotional offers.

About 73% of our Quick Service Restaurants have **digital menu boards** that present menu offerings in an engaging manner. The boards include animations and enticing visuals. Digital menu boards provide a visually attractive food offering, an opportunity to highlight time and/or weather-based content and enable agility on promotions and special offers.

Managing our online reputation

We work with a leading consultancy to monitor our **online reputation**. This consultancy tracks all reviews across our brands on several platforms, including Google, TripAdvisor and Facebook. They assist our brand managers in ensuring that our restaurants are visible on these platforms and that all restaurant details are updated.

We manage **social media activity** for all brands for our franchise partners. Franchise partners have social media pages linked to our brand's main page, allowing for localised content, with national support. We have social media policies in place to guide franchise partners appropriately.

[1] https://www.juniperresearch.com/press/contactless-payments-transaction-values-to-surpass/.