This is a non-certified translation of the original Arabic version of the Prospectus. This English version is provided for convenience only and does not constitute a legal document. Subscribers should only rely on the Arabic version of the Prospectus. In the case of any discrepancies or omissions, the Arabic version of the Prospectus shall prevail.

OFFER TO SUBSCRIBE FOR SHARES IN A FREE ZONE COMPANY IN A PUBLIC SUBSCRIPTION AND CONCURRENT OFFERING IN THE UAE AND KSA ONLY

Prospectus for the Public Offering of Shares in

Americana Restaurants International PLC (the "Company" or "Americana")

*(a public company limited by shares incorporated in the Abu Dhabi Global Market ("**ADGM**") and subject to the ADGM Companies Regulations 2020 (as amended)*

Dated: 2 November 2022

This is the prospectus (the "**Prospectus**") for the sale of 2,527,089,930 (two billion five hundred twenty seven million eighty nine thousand and nine hundred thirty) of the ordinary shares with a nominal value of AED 0.073 each (which is equivalent to SAR 0.075) representing 30 per cent. of the total issued shares in the Company equivalent to AED 618,715,851 (six hundred and eighteen million seven hundred and fifteen thousand and eight hundred fifty one) (the "**Offer Shares**") in a public subscription and concurrent Offering on the Abu Dhabi Securities Exchange ("**ADX**") in the United Arab Emirates (the "**UAE**") and on the Saudi Stock Exchange (Tadawul) ("**Tadawul**" or the "**Saudi Stock Exchange**") in the Kingdom of Saudi Arabia ("**KSA**") only, together the Offering by one of the Company's shareholders who owns 96.03 per cent. of the total share capital of the Company, namely **Adeptio AD Investments LTD** (the "**Selling Shareholder**"). The Selling Shareholder and the Company reserve the right to amend the size of the UAE Retail Tranche and the Institutional Tranche only at any time prior to the end of the subscription period at their sole discretion, subject to applicable laws and upon obtaining the approval of the Relevant Authorities in the UAE. The offer price for the Offering in the UAE will be in AED and the offer price for the Offering in the KSA will be in SAR, both of which will be determined based on the offer price range (the "**Offer Price Range**") which will be announced on the same day and before opening of the Offer Period on 14 November 2022. The Offer Shares will be duly and validly issued as at the date of listing (the "**Listing**") of the Offer Shares on the ADX and on Saudi Stock Exchange as described in this Prospectus.

The final offer price (the "Final Offer Price") and the final offering size (the "Final Offer Size") will be announced after the closing of the subscription of the Institutional Tranche. Please refer to the section on the Final Offer Price in the first section of this Prospectus which sets out a description of how the Final Offer Price will be calculated.

Except in the UAE and KSA only, no action has been taken or will be taken in any jurisdiction that would permit a public subscription of the Offer Shares pursuant to this Prospectus or the possession, circulation or distribution of this Prospectus. Accordingly, the Offer Shares may not be offered or sold, directly or indirectly, nor may this Prospectus or any other offering material or advertisement or other document or information in connection with the Offer Shares be distributed or published, in or from any jurisdiction except in compliance with any applicable rules and regulations of any such jurisdiction.

The Company is not subject to UAE Federal Decree by Law No. 32 of 2021 concerning commercial companies (as amended) (the "**UAE Commercial Companies Law**"). The UAE Authority is not responsible for the content of this Prospectus, or the information contained herein. Given that the Company is a company established in the ADGM, it is subject to the ADGM Companies Regulations 2020 (as amended) (the "**Companies Regulations**") and other applicable laws and regulations in the ADGM. The ADGM Registration Authority (the "**ADGM Registration Authority**") is responsible for the supervision and regulation of all public companies incorporated in the ADGM, including the Company, in relation to compliance with the Companies Regulations.

Investment in the Offer Shares involves a high degree of risk. Prospective Subscribers should carefully read the "Investment Risks" section and the "Important Notice" section of this Prospectus to inform themselves about factors that should be considered before investing in the Offer Shares

The Company is undertaking a concurrent Offering of the Offer Shares on both the ADX and the Saudi Stock Exchange – Tadawul- for the sale of 2,527,089,930 (two billion five hundred twenty seven million eighty nine thousand and nine hundred thirty) of the ordinary Shares with a nominal value of AED 0.073 per share (which is equivalent to 0.075 in SAR) representing 30 per cent. of the total issued Shares in the Company. The Company offers 126,354,496 (one hundred twenty six million three hundred fifty four thousand and four hundred ninety six) Shares to the UAE Retail Tranche to be listed on the ADX, representing 5 per cent. Of the total issued shares in the share capital of the Company, and offer up to 252,708,993 (two hundred fifty two million seven hundred and eight thousand and nine hundred ninety three) Shares for the KSA Retail Tranche to be listed on the Tadawul representing up to 10 per cent. of the total issued shares in the share capital of the Company. The Company offers 2,148,026,441 (two billion one hundred and forty-eight million twenty six thousand and four hundred and forty one) Shares for the Institutional Tranche to be listed on both the ADX and Tadawul representing 85 per cent. Of the total issued shares in the share capital of the Company. For the Institutional Tranche, Professional Investors shall indicate the preferred listing exchange (either ADX or Tadawul) when subscribing for the Offer Shares allocated to the Institutional Tranche.

The concurrent Offering will be fully fungible which allows the shareholders to hold and trade shares on both ADX and Tadawul, with all Shares have the same legal, economic and voting rights. For the purpose of the concurrent Offering, the ADX and Tadawul have agreed on an operational and settlement framework between both exchanges. From a trading perspective, ADX and Tadawul agreed to unify the commencement of the first trading hour, whereby ADX will delay the start of trading by one (1) hour in order to align with the start of trading hours of Tadawul. Upon listing of the Shares, ADX and Tadawul agreed on several matters in respect of the ongoing settlement and operational matters.

Please visit the microsite available on https://www.americanarestaurants.com/ipo/ for further information on the fungibility and the alignment between the ADX and Tadawul.

Offer Period

The Offer period for the UAE Retail Tranche, the KSA Retail Tranche and the Institutional Tranche (each as described in this Prospectus) starts on 14 November 2022 and will close on 21 November 2022 for the UAE Retail Tranche and the KSA Retail Tranche, and on 22 November 2022 for the Institutional Tranche (including both the UAE and KSA).

This is the public offering ("**Offering**") of 2,527,089,930 (two billion five hundred twenty-seven million eighty nine thousand and nine hundred thirty) Shares of the issued share capital of the Company, which is a public company limited by shares incorporated in the ADGM, that shall Offer its shares through the sale of Shares by the Selling Shareholder in a public offering. The Final

Offer Price shall be determined through the application of a book building process, where a subscription orders ledger will be created through the subscription orders made only by the Professional Investors. If all of the Offer Shares are subscribed for and allocated, the Offer Shares will represent 30 per cent. of the total issued ordinary shares in the capital of the Company (the "**Shares**") (this percentage has been calculated based on the total number of Shares in the share capital of the Company). The Selling Shareholder and the Company reserve the right to amend the size of the UAE Retail Tranche and the Institutional Tranche at any time prior to the end of the subscription period at their sole discretion, subject to applicable laws and the approval of the Relevant Authorities in the UAE. Prior to this Offering, the Shares have not been listed on any financial market and there has been no public market for the Shares. Following the closing of the Offer Period in respect of the UAE Retail Tranche, the Institutional Tranche and the KSA Retail Tranche, and accepting the subscription for Shares, the Company will apply to list its Shares on the ADX.

Date of SCA's approval of publishing this Prospectus: **3 September 2022**

This Prospectus contains data that has been submitted in accordance with the rules for issuance and disclosure issued by SCA in the UAE and publishing this Prospectus has been approved by the SCA on 3 September 2022. However, the SCA's approval of the Prospectus does not constitute an endorsement of the feasibility of investment nor a recommendation to subscribe to the shares; the approval only means that this Prospectus contains the minimum information required in accordance with the applicable rules issued by the SCA with respect to the Prospectus. The SCA is not considered responsible for the accuracy, completeness or adequacy of the information contained in this Prospectus and the SCA does not bear any responsibility for any damages or losses incurred by any person as a result of relying on this Prospectus or any part of it. The members of the Company's board of directors, jointly and severally, bear full responsibility regarding the validity of the information and data contained in this Prospectus, and they confirm, to the extent of their knowledge and belief, and subject to due diligence and after conducting reasonable studies, that there are no other facts or material information, which were not included in this Prospectus that renders any statement contained therein misleading to the subscribers or influencing their decision to invest.

Method of sale of the Offer Shares in a public subscription

The Offer Shares represent of 2,527,089,930 (two billion five hundred twenty-seven million eighty nine thousand and nine hundred thirty) Shares, which will be sold by the Selling Shareholder in a public offering whereby the Final Offer Price will be determined through the application of a book building process, where a subscription orders ledger will be created through the subscription orders made only by the Professional Investors. The Selling Shareholder and the Company reserve the right to amend the size of the UAE Retail Tranche and the Institutional Tranche at any time prior to the end of the subscription period at their sole discretion, subject to applicable laws and the approval of the Relevant Authorities in the UAE.

In creating the subscription orders ledger, the Offer Shares subscribed by the Professional Investors will constitute all of the Offer Shares used in calculating the Final Offer Price of each Offer Share. In order for the subscription to succeed, the subscription percentage of the Institutional Tranche must not be less than 60 per cent., and the subscription percentage of UAE Retail Tranche and KSA Retail Tranche must not be more than 40 per cent. of the Offer Shares in aggregate.

The Selling Shareholder and the Company will not increase the size of the UAE Retail Tranche above 10 per cent of the total Offer Shares or reduce the size of the Institutional Tranche by less than 80 per cent of the total Offer Shares. This means that the size of the UAE Retail Tranche and the KSA Retail Tranche in aggregate will not exceed 20 per cent of the total Offer Shares.

If the UAE Retail Tranche is not subscribed for in full, the remaining Offer Shares will be allocated (at the discretion of the Selling Shareholder) to the Institutional Tranche. If the KSA Retail Tranche is not subscribed for in full, the remaining Offer Shares will be allocated (at the discretion of the Selling Shareholder) to the Institutional Tranche.

The Receiving Banks commit to refund the oversubscription amounts received from the UAE Retail Subscribers, and the KSA Individual Investors for the Offering and any accrued profit on such amounts one day after the subscription closing until one day prior to the refund to the Subscribers, provided that the refund is made within 5 (five) working days (both in the UAE and KSA) from the date on which all allocations of Offer Shares to all Tranches are determined.

The Selling Shareholder may not, whether directly or indirectly or through any of its subsidiaries, subscribe for any of the Offer Shares.

Book Building Mechanism

Book building is a mechanism carried out during the Offering which assists in determining the Final Offer Price.

The book building process comprises the following steps:

1. The Company whose shares are to be listed hires one or more investment banks to act as, amongst other things, as lead manager(s) who are licensed by SCA to carry out on behalf of the Company the management of the Offering, and to provide advice related to the Offering, and to coordinate with SCA and the Offering Participants and to assist the Company in determining the price range at which the security can be sold and drafting a prospectus to send out to the investors.

2. The appointed joint lead managers invite certain qualified investors, normally, but not restricted to, large-scale sophisticated buyers and fund managers, to submit bids on the number of shares that they are interested in buying and the prices that they would be willing to pay for such shares. The qualified investors' bids are recorded in a register specifically for recording the subscription orders for the shares being offered.

3. The book is 'built' by listing and evaluating the aggregated demand for the share from the submitted bids. The underwriters analyze the subscription order register from the qualified investors and, based on that analysis, determine with the Company and its Selling Shareholder, the final price for the shares, which is termed the final offer price.

4. Shares are then allocated to the accepted qualified investors bidders, at the sole the discretion of the Company and its Selling Shareholder.

Concurrent Offering

In order to effect a concurrent Offering, applications will be made (i) to the ADX, for a tranche of Offer Shares to be listed on the ADX under the symbol "**AMR**" (the "**ADX Listed Shares**"). There will be no conditional dealings in the Offer Shares prior to Listing. It is expected that Listing will become effective and that dealings in the Offer Shares will commence on the ADX and Tadawul on or about 6 December 2022. No application has been, or is currently intended to be, made for the Shares to be listed or traded on any other stock exchange. Prior to the Offering, there has been no public market for the Shares.

Listing Advisor

First Abu Dhabi Bank PJSC has been appointed to be the Listing Advisor of the Company (in accordance with the requirements for that role as described in Article 33 (second) (14) of the Offering Regulations) for a period of twelve (12) months from the date of Listing. Such duration may be extended by the ADX as it deems appropriate, subject to its consultation with the Company at least three months before the end of the duration of its appointment.

A list of further definitions and abbreviations is provided in the **"Definitions and Abbreviations"** Section of this Prospectus.

Tranche Structure

A. *UAE Retail Tranche*

The UAE Retail Tranche will be made pursuant to this Prospectus. 5 per cent. of the Offer Shares, representing 126,354,496 (one hundred twenty-six million three hundred fifty-four thousand and four hundred ninety six). Shares are allocated to the UAE Retail Tranche for the purposes of the UAE Retail Offer. The final tranche size will be determined based on the demand at the end of the book building process. Each subscriber in the UAE Retail Tranche will be guaranteed a minimum allocation of 1,000 (one thousand) shares. The UAE Retail Tranche is restricted to the following persons:

- *Individual Subscribers*

Natural persons (including natural persons constituting Assessed Professional Investors who do not participate in the Institutional Tranche) who have a bank account (except for any person who is resident in the United States within the meaning of the US Securities Act 1933, as amended (the "**US Securities Act**")). There is no citizenship or residence requirement in order to qualify as an Individual Subscriber.

Minors are permitted to apply for Offer Shares in accordance with the procedures applied by the Receiving Banks and the laws in force in this regard.

- *Other investors*

Other investors (companies and establishments) who do not participate in the Institutional Tranche and who have a bank account (except for any person who is resident in the United States within the meaning of the US Securities Act).

All UAE Retail Subscribers must hold a NIN with the ADX.

The Selling Shareholder and the Company reserve the right to amend the size of the UAE Retail Tranche and the Institutional Tranche at any time prior to the end of the subscription period at their sole discretion, subject to the applicable laws, and the approval of the SCA provided that the subscription percentage of the subscribers in the Institutional Tranche does not fall below 60 per cent. of the Offer Shares and the subscription percentage of the subscribers in the UAE Retail Tranche and the KSA Retail Tranche does not exceed 40 per cent. of the Offer Shares in aggregate. The Selling Shareholder and the Company will not increase the size of the UAE Retail Tranche above 10 per cent of the total Offer Shares or reduce the size of the Institutional Tranche by less than 80 per cent of the total Offer Shares. This means that the size of the UAE Retail Tranche and the KSA Retail Tranche in aggregate will not exceed 20 per cent of the total Offer Shares.

If all of the Offer Shares in the UAE Retail Tranche are not fully subscribed, the unsubscribed Offer Shares will be made available to Institutional Tranche or alternatively (in consultation with the Relevant Authorities) the Selling Shareholder may (i) extend the Closing Date for all Tranches, and/or (ii) close the Offering at the level of applications received.

The minimum application size for UAE Retail Subscribers is AED 5,000 (five thousand UAE dirhams) with any additional application to be made in increments of AED 1,000 (one thousand UAE dirhams).

There is no maximum application size for UAE Retail Subscribers.

Every Subscriber of the ADX Listed Shares must hold an NIN with ADX and a bank account number in order to be eligible to apply for Offer Shares. Subscribers may apply for Offer Shares in only one Tranche. In the event a person applies in more than one Tranche, the Receiving Banks and the Joint Lead Managers may disregard one or both of such applications.

B. **Institutional Tranche**

The Institutional Tranche offer will be made pursuant to this Prospectus and the International Institutional Tranche Document_(except for Professional Investors in the KSA) referred to as (the "**International Institutional Tranche Document").** 85 per cent. of the Offer Shares, amounting 2,148,026,441 (two billion one hundred and forty-eight million twenty six thousand and four hundred and forty one) Shares, are allocated to the Institutional Tranche,

<u>For the UAE:</u>

It is restricted to "**Professional Investors**" (as defined in the SCA Board of Directors' Chairman Decision No.13/R.M of 2021 (as amended from time to time)), which specifically include those investors which can be categorised in the following manner:

- **"Deemed Professional Investors"** which include:

a. international corporations and organisations whose members are state, central banks or national monetary authorities;

b. governments, government institutions, their investment and non-investment bodies and companies wholly owned by them;

c. central banks or national monetary authorities in any country, state or legal authority;

d. capital market institutions licensed by the SCA or regulated by a supervisory authority equivalent to the SCA;

e. financial institutions;

f. regulated financial institutions, local or foreign mutual investment funds, regulated pension fund management companies and regulated pension funds;

g. any entity whose main activity represents investment in financial instruments, asset securitisation or financial transactions;

h. any company whose shares are listed or accepted to trade in any market of an IOSCO member country;

i. a trustee of a trust which has, during the past 12 months, assets of AED 35,000,000 (thirty-five million UAE dirhams) or more;

j. licensed family offices with assets of AED 15,000,000 (fifteen million UAE dirhams) or more;

k. joint ventures and associations which have or had, at any time during the past two years, net assets of AED 25,000,000 (twenty-five million UAE dirhams) or more (excluding partner and shareholder loans); and

l. a body corporate who fulfils (on the date of its last financial statements) a "large undertaking" test, whereby it fulfils at least two of the following requirements:

   i. holds total assets of AED 75,000,000 (seventy-five million UAE dirhams) or more (excluding short-term liabilities and long-term liabilities);

   ii. has a net annual revenue of AED 150,000,000 (one hundred fifty million UAE dirhams) or more; or

   iii. an aggregate total of cash and investments on its balance sheet; or its total equity (after deducting paid up share capital), is not less than AED 7,000,000 (seven million UAE dirhams).

- **Assessed Professional Investors"** which include:

a. a natural person who owns net assets, excluding the value of their main residence, of not less than AED 4,000,000 (four million UAE dirhams) (a "**HNWI**");

b. **a natural person** who is:

   i. approved by the SCA or a similar supervisory authority;

   ii. an employee of a licensed entity or a regulated financial institution who has been employed for the past two years;

   iii. assessed to have sufficient knowledge and experience in respect of the relevant investments and their risks (following a suitability assessment); or

   iv. represented by an entity licensed by the SCA;

c. a natural person (the "account participant") with a joint account for investment management with a HNWI (the "main account holder"), provided that each of the following conditions are satisfied:

   i. the account participant must be an immediate or second degree relative of the main account holder;

   ii. the account is used to manage the investments of the main account holder and their subscribers; and

   iii. written confirmation is obtained from the subscriber (i.e. the account participant) confirming that investment decisions relating to the joint investment account are made on their behalf by the main account holder;

d. a special purpose vehicles and trusts established for the purpose of managing an investment portfolio of assets for an HNWI; and

e. an undertaking which satisfies the following requirements:

   i. it maintains aggregate total of cash and investments on its balance sheet; or its total equity (after deducting paid up share capital), is not less than AED 4,000,000 (four million UAE dirhams);

   ii. it is assessed to have sufficient knowledge and experience in respect of the relevant investments and their risks (following a suitability assessment);

   iii. it has a controller (e.g. a person controlling the majority of the shares or voting rights in the relevant undertaking or possesses the ability to appoint or remove the majority of the relevant undertaking's board of directors);

   iv. a holding or subsidiary company; or

   v. a joint venture partner that meets the definition of a Deemed Professional Investor or an Assessed Professional Investor.

Who, in each case, has been approved by the Company and the Selling Shareholder, in consultation with the Joint Lead Managers (excluding HSBC Bank Middle East Limited in connection with any Offering to natural persons) and to which the following characteristics apply: (a) a person in the United States who is a qualified institutional buyer ("**QIB**"), as defined in Rule 144A under the US Securities Act ("**Rule 144A**") and to whom an offer can be made in accordance with Rule 144A; (b) a person outside the United States to whom an offer can be made in reliance on Regulation S under the US Securities Act; (c) a person in the DIFC to whom an offer can be made in accordance with the Markets Rules (MKT) Module of the DFSA Rulebook, and made only to persons who meet the "Deemed Professional Client" criteria set out in the Conduct of Business (COB) Module of the DFSA Rulebook and who are not natural persons; or (d) a person in the ADGM to whom an offer can be made in accordance with the Financial Services Regulatory Authority (the "**FSRA**") Financial Services and Markets Regulations (the "**FSMR**") and the FSRA Market Rules and made only to persons who are "Authorised Persons" or "Recognised Bodies" (as such terms are defined in the FSMR) or persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 18 of the FSMR) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated.

<u>For the KSA:</u>

This is restricted to Professional Investors in the KSA which will be made pursuant to this Prospectus and the KSA Offering Document. This tranche comprises the parties that are entitled to participate in the book-building process in the KSA under the book building instructions as issued by the CMA, namely:

1. public and private funds that invest in securities listed on the Exchange as permitted by the fund's terms and conditions, and in accordance with the provisions and limitations stipulated in the IFR and the Book Building Instructions, and allocating the shares in the book building instructions as issued by the CMA;

2. capital market institutions which are licensed to deal in securities by the CMA as a principal in the KSA in accordance with the prudential rules in the KSA when submitting the subscription application forms;

3. clients of a capital market institution authorized by the CMA to conduct managing activities in accordance with the provisions and restrictions set forth in the book building instructions and allocating the shares in the book building instructions;

4. any legal persons allowed to open an investment account in the KSA, and an account with SDC, with the exception of non-resident foreign investors, other than QFIs under the QFI rules as issued by the CMA;

5. Government entities, any supranational authority recognized by the CMA, the Tadawul, or any other stock exchange recognized by the CMA, or SDC in the KSA;

6. Government-owned companies in the KSA, whether investing directly or through a portfolio manager; and

7. GCC companies and GCC funds, if permissible according to the terms and conditions of such funds.

All Professional Investors subscribing in the ADX Listed Shares must hold an NIN with the ADX.

All Professional Investors subscribing in the Tadawul Listed Shares must have a portfolio with the Tadawul, and have the right to open an investment account with a capital market institution in the KSA.

If all of the Offer Shares in the Institutional Tranche are not fully subscribed, the Offer will be withdrawn.

The Selling Shareholder and the Company reserve the right to amend the size of the Institutional Tranche at any time prior to the end of the subscription period at their sole discretion, subject to the applicable laws of the UAE and the approval of the Relevant Authorities in the UAE, provided that the subscription percentage of the subscribers in the Institutional Tranche does not fall below 60 per cent. of the Offer Shares and the subscription percentage of the subscribers in the UAE Retail Tranche and KSA Retail Tranche does not exceed 40 per cent. of the Offer Shares in aggregate. The Selling Shareholder and the Company will not increase the size of the UAE Retail Tranche above 10 per cent of the total Offer Shares or reduce the size of the Institutional Tranche by less than 80 per cent of the total Offer Shares. This means that the size of the UAE Retail Tranche and the KSA Retail Tranche in aggregate will not exceed 20 per cent of the total Offer Shares.

Professional Investors shall indicate the preferred listing exchange to be (1) ADX or (2) Tadawul when subscribing for the Offer Shares allocated to the Institutional Tranche.

The minimum application size for Professional Investors subscribing in the ADX Listed Shares is AED 5,000,000 (five million UAE dirhams).

The minimum application size for Professional Investors subscribing in the Tadawul

Listed Shares is SAR 5,000,000 (five million Saudi Riyals).

There is no maximum application size for Professional Investors subscribing in the ADX Listed Shares.

The application size for Professional Investors subscribing in the Tadawul Listed shares should not exceed 5 per cent. of the total issued share capital of the Company.

C. *KSA Retail Tranche*

The KSA Retail Offer (as defined below) will be made pursuant to the KSA Offering Document (as defined below) which will be published in the KSA and approved by the CMA and to be approved by the CMA, and this Prospectus. Up to 10 per cent. Of the Offer Shares, representing up to 252,708,993 (two hundred fifty-two million seven hundred and eight thousand and nine hundred ninety-three) Shares, are allocated to the KSA Retail Tranche for the purposes of the KSA Retail Offer. The Final Offer Size for the KSA Retail Tranche will be determined after the completion of the book-building process.

The KSA Retail Tranche will be offered on the Tadawul, pursuant to a supplementary prospectus in Arabic (the "**KSA Offering Document**"), the publication of which has been approved by the Capital Markets Authority (the "**CMA**"), to the public in the KSA consisting of The Individual Subscribers Tranche in the KSA comprises Saudi Arabian nationals, including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi individual, who is entitled to subscribe to the Offer Shares for her own benefit or in the names of her minor children, on the condition that she proves that she is a divorcee or widow and the mother of her minor children, any non-Saudi natural person who is resident in the KSA or GCC nationals, in each case, who has a bank account, and is entitled to open an investment account, with one of the Receiving Agents (collectively referred to as the ("**KSA Individual Investors**") and each a ("**KSA Individual Investor**"). A subscription for Shares made by a person in the name of his divorcee in the KSA shall be deemed invalid and if a transaction of this nature is proved to have occurred, the law shall be enforced against the applicant. If a duplicate subscription is made, the second subscription will be considered void and only the first subscription will be accepted.

If all of the Offer Shares in the KSA Retail Tranche are not fully subscribed for, the unsubscribed Offer Shares will be allocated to the Professional Investors.

All KSA Individual Investors must have a portfolio with the Tadawul, and have the right to open an investment account with a capital market institution in the KSA.

The minimum application size for subscribers in the KSA Retail Tranche is 1,000 Shares (one thousand Shares) with any additional application in increments of at least 10 Shares or 100 Shares.

The maximum application size for KSA Individual Investors should not exceed 5 per cent. of the total issued share capital of the Company. Any subscription application exceeding the above limit will be rejected. This is the maximum application size for both the KSA Individual Investors, or Professional Investors in the KSA. This limit doesn't apply to the Individual Subscribers, or Professional Investors in the UAE.

The approval of the UAE Authority has been obtained for publication of this Prospectus for the sale of the Offer Shares in a public subscription in the UAE and KSA only (outside the DIFC). Other than in the ADGM, the Shares have not been registered with any other regulatory authority in any other jurisdiction.

The publication of the Arabic version of this Prospectus has been approved by the UAE

Authority on **3 September 2022**.

A copy of the Offering document for the Institutional Tranche (in English only), referred to as the International Institutional Tranche Document, and the Offering document of the KSA Retail Tranche in KSA referred to as the KSA Offering Document which was not sighted or endorsed by the UAE Authority, will be available at https://www.americanarestaurants.com/ipo/ . No information contained in, or referred to in, the International Institutional Tranche Document, forms part of, or is incorporated into, this Prospectus.

The ADX Listed Shares offered in the UAE will be priced in AED, and the Tadawul Listed Shares offered in the KSA will be priced in SAR.

Investment in the Offer Shares involves a high degree of risk. Prospective Subscribers should carefully read the ("Investment Risks") section of this Prospectus to inform themselves about factors that should be considered before investing in the Offer Shares.

This Prospectus was issued on **2 November 2022**

This Prospectus is available on the website of the Company at

www.americanarestaurants.com

https://www.americanarestaurants.com/ipo/

Name and Contact Details of the Offering Participants in the UAE

Joint Lead Managers

EFG Hermes UAE LLC

Office 106, The Offices 3,
One Central, DWTC,

P.O. Box 112736

Dubai, United Arab Emirates

First Abu Dhabi Bank PJSC

FAB Building

Khalifa Business Park, AlQurm District

P.O. Box 6316

Abu Dhabi, United Arab Emirates

HSBC Bank Middle East Limited

HSBC Tower, Floor 17, Downtown Dubai

P.O Box P.O. Box 66

Dubai, United Arab Emirates

Lead Receiving Bank

First Abu Dhabi Bank PJSC

FAB Building

Khalifa Business Park, AlQurm District

P.O. Box 6316

Abu Dhabi, United Arab Emirates

Receiving Banks

The list of banks attached in Annex 3 of this Prospectus

Listing Advisor

First Abu Dhabi Bank PJSC

FAB Building

Khalifa Business Park, AlQurm District

P.O. Box 6316

Abu Dhabi, United Arab Emirates

IPO Subscription Legal Counsel

Legal advisor to the Company as to English, and US Law

Clifford Chance LLP

Level 15, Burj Daman, DIFC

P.O. Box 9380

Dubai, United Arab Emirates

Clifford Chance LLP

10 Upper Bank Street

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United Kingdom

Legal advisor to the Company as to UAE, ADGM, and DIFC0 Law

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Abu Dhabi, United Arab Emirates

Legal advisor to the Joint Lead Managers as to ADGM, English, UAE and US law

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Dubai, United Arab Emirates

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This Prospectus is dated **2 November 2022**

IMPORTANT NOTICE

(To be carefully read by all Subscribers)

- This Prospectus is intended to provide potential Subscribers with information to assist in deciding whether or not to apply for Offer Shares. Potential Subscribers should read this document in its entirety, and carefully review, examine and consider all data and information contained in it, before deciding whether or not to apply for Offer Shares (and, in particular, Section 9 ("*Investment Risks*"), as well as the Articles of Association of the Company, when considering making an investment in the Company.

- In making an investment decision, each potential Subscriber must rely on its own examination, analysis and enquiry of the Company and the terms of the Offer, including the merits and risks involved and obtain any necessary advice from his or her legal and financial advisors regarding the investment. An investment in Offer Shares entails considerable risks. Potential Subscribers should not apply for Offer Shares unless they are able to bear the loss of some or all of that investment.

- Recipients of this Prospectus are authorized solely to use this Prospectus for the purpose of considering the subscription in the Offer Shares, and may not reproduce or distribute this Prospectus, in whole or in part, and may not use any information herein for any purpose other than considering whether or not to apply for Offer Shares under the UAE Retail Tranche and the KSA Retail Tranche. Recipients of this Prospectus agree to the foregoing by accepting delivery of this Prospectus.

- The contents of this Prospectus should not be construed as legal, financial or tax advice.

- The information contained in this Prospectus shall not be subject to revision or addition without securing the approval of the UAE Authority and informing the public of such revision or addition by publication in two daily newspapers in accordance with the rules issued by the UAE Authority. The Selling Shareholder reserves the right to cancel the Offering at any time and at its sole discretion with the prior written approval of the Relevant Authorities.

- The Offer Shares are being offered under this Prospectus for the purpose of subscription in the UAE only. The KSA Offering Document, when read alongside this Prospectus, will be used for the purposes of the offering of the Offer Shares for subscription in the KSA only. This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities other than the Offer Shares or any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, Offer Shares by any person in any jurisdiction outside of the UAE and the KSA (including the ADGM and the DIFC).

- This document is not being published or distributed, and must not be forwarded or transmitted, in or into or to any jurisdiction outside the UAE and the KSA (including the ADGM and the DIFC). The Offer Shares have not been registered with any regulatory authority in any jurisdiction other than the ADGM.

- If the Offer Shares are offered in another jurisdiction outside the UAE and the KSA, the Offer Shares shall be offered in a manner that is compliant with the applicable laws and rules and acceptable to the relevant authorities in the relevant jurisdiction.

- This Prospectus is not intended to constitute a financial promotion, offer, sale or delivery of shares or other securities under the FSRA Markets Rules or the DIFC Markets Law or under the DIFC Markets Rules.

- The Offering has not been approved or licensed by the FSRA or DFSA and does not constitute an offer of securities in the ADGM in accordance with the FSRA Markets Rules or in the DIFC in accordance with the DIFC Markets Law or the DIFC Markets Rules.

- The publication of this Prospectus has been approved by the SCA. The SCA's approval of the publication of this Prospectus shall neither be deemed as an endorsement or approval of the subscription feasibility nor a recommendation of investment, but it means only that the minimum requirements according to the issuance rules and information disclosure applicable to the prospectus and issued by the SCA have been met. The SCA and the ADX shall not be held liable for the accuracy, completeness or sufficiency of the information contained in this Prospectus, nor shall they be held liable for any damage or loss suffered by any person due to reliance upon this Prospectus or any part thereof.

This Prospectus was approved on 3 September 2022.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Historical financial information

The Company's special purpose carve-out financial statements as of and for the years ended 31 December 2019, 2020, and 2021 (the "**Special Purpose Carve-Out Financial Statements**") and reviewed condensed interim carve-out financial statements as of and for the six months ended 30 June 2022 and nine months ended 30 September 2022 ("**Condensed Interim Carve-Out Financial Statements**") have been included in this Prospectus. The financial information for the six-month period ended 30 June 2021 has been extracted from comparative information of the Condensed Interim Carve-Out Financial Statements. The Special Purpose Carve-Out Financial Statements have been prepared in accordance with the requirements of International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board and applicable requirements of the laws and regulation of the ADGM. The Condensed Interim Carve-Out Financial Statements have been prepared in accordance with the requirements of International Accounting Standard 34, 'Interim Financial Reporting'.

Non-IFRS measures

Definitions of certain financial measures that are not defined or recognized under IFRS, or any generally acceptable accounting principles, including EBITDA, Adjusted EBITDA and Adjusted EBITDA margin ("**Non-IFRS measures**"), along with an explanation of their relevance and the reconciliations to the most directly comparable measures calculated and presented in accordance with IFRS are disclosed in the "Financial Disclosures" section. These non-IFRS measures are derived from the financial information included in the Company's Special Purpose Carve-Out Financial Statements.

Currency presentation

Unless otherwise indicated, all references in this document to:

- "**UAE dirham**" or "**AED**" are to the lawful currency of the United Arab Emirates; and
- "**US dollar**" or "**USD**" are to the lawful currency of the United States of America.
- "**Saudi Riyal**", "**Riyal**" **or** "**SAR**" are to the lawful currency of the Kingdom of Saudi Arabia;

The value of UAE dirhams has been pegged to US dollar at a rate of AED 3.6725 per USD 1 since 1997. All AED/USD conversions in this Prospectus have been calculated at this rate.

The value of SAR has been pegged to USD dollar at a rate of SAR 3.75 per USD 1 since 1986. All SAR/USD conversions in this Prospectus have been calculated at this rate.

Rounding

Certain data in this document, including financial, statistical, and operating information, has been rounded. As a result of the rounding, the totals of data presented in this document may vary slightly from the actual arithmetic totals of such data. Percentages in tables have been rounded and accordingly may not add up to 100 per cent.

FORWARD-LOOKING STATEMENTS

This Prospectus includes forward-looking statements. The forward-looking statements contained in this Prospectus speak only as of the date of this Prospectus. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the control of the Company and all of which are based on current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as “believe”, “expects”, “may”, “will”, “could”, “should”, “shall”, “risk”, “intends”, “estimates”, “aims”, “plans”, “predicts”, “continues”, “assumes”, “positioned” or “anticipates” or the negative thereof, other variations thereon or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding intentions, beliefs and current expectations concerning, among other things, results of operations, financial condition, liquidity, prospects, growth, strategies, dividend policy and the industry in which the Company operates.

These forward-looking statements and other statements contained in this Prospectus regarding matters that are not historical facts as of the date of this Prospectus involve predictions. No assurance can be given that such future results will be achieved.

There is no obligation or undertaking to update these forward-looking statements contained in this Prospectus to reflect any change in their expectations or any change in events, conditions, or circumstances on which such statements are based unless required to do so: (i) as a result of an important change with respect to a material point in this Prospectus; or (ii) by applicable laws of the UAE.

Actual events or results may differ materially as a result of risks and uncertainties that the Company faces. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed, or implied in such forward-looking statements. Please refer to Section 9 (“*Investment Risks*”) for further information.

IMPORTANT INFORMATION

This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities other than the securities to which it relates or any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, such securities by any person in any circumstances in which such offer or solicitation is unlawful.

Recipients of this Prospectus are authorized solely to use this Prospectus for the purpose of considering making an investment in the Offer Shares, and may not reproduce or distribute this Prospectus, in whole or in part, and may not use any information herein for any purpose other than considering an investment in the Offer Shares. Such recipients of this Prospectus agree to the foregoing by accepting delivery of this Prospectus.

Prior to making any decision as to whether to invest in the Offer Shares, prospective Subscribers should read this Prospectus in its entirety (and, in particular, the section headed "*Investment Risks*") as well as the Articles of Association of the Company. In making an investment decision, each Subscriber must rely on their own examination, analysis and enquiry of the Company and the terms of the Offering, including the merits and risks involved.

No person is authorized to give any information or to make any representation or warranty in connection with the Offer or Offer Shares which is not contained in this Prospectus and, if given or made, such information or representations must not be relied on as having been so authorized by the Company, the Selling Shareholder or the other Offer Participants. By applying for Offer Shares, a Subscriber acknowledges that (i) they have relied only on the information in this Prospectus and (ii) no other information has been authorized by the Company, the Selling Shareholder, any other Offer Participant, the Joint Lead Managers, the Joint Bookrunners or any other of the Company's advisors ("**Advisors**").

No person or Advisor, except the Joint Lead Managers and the Receiving Banks set out on page 10 and 11, are participating in, receiving subscription funds from, or managing, the public offering of the Offer Shares in the UAE and the KSA. Neither HSBC Bank Middle East Limited nor any of its respective affiliates is responsible for participating in marketing or managing any aspect of the Offering to natural persons (including natural persons constituting Assessed Professional Investors who do not participate in the Institutional Tranche.

Neither the content of the Company's website or any other website referred to in the Prospectus, nor the content of any website accessible from hyperlinks on any of such websites, forms part of, or is incorporated into, this Prospectus, and neither the Company, the Selling Shareholder, any other Offer Participant, nor the Advisors bears or accepts any responsibility for the contents of such websites.

None of the Company, the Selling Shareholder, the Offer Participants, the Joint Lead Managers, the Joint Bookrunners or the Advisors accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding the Company, the Offer or the Offer Shares. None of the Company, the Selling Shareholder, the Offer Participants, the Joint Lead Managers, the Joint Bookrunners or the Advisors makes any representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication.

None of the Company, the Selling Shareholder, any of the Offer Participants, the Joint Lead Managers, the Joint Bookrunners or the Advisors warrants or guarantees the future performance of the Company, or any return on any investment made pursuant to this Prospectus.

Statements contained in this Prospectus are made as at the date of this Prospectus unless some prior time is specified in relation to them and the publication of this Prospectus (or any action taken pursuant to it) must not be interpreted as giving rise to any implication that there has been no change in the condition, facts or affairs of the Company since such date.

This Prospectus will not be subject to revision, unless the prior written approval of the SCA is received. Any revision will become effective only after it has been announced in two daily newspapers circulating in the UAE. The Selling Shareholder reserves the right, with the prior approval of the Relevant Authorities, to withdraw the Prospectus and cancel the Offer at any time and in their sole discretion. If the Offer is withdrawn, the subscription amounts will be fully refunded to the Subscribers, along with any accrued profits. Neither the delivery of this Prospectus nor any sale made under it may, under any circumstances, be taken to imply that there has been no change in the affairs of the Company since the date of this document or that the information in it is correct as of any subsequent time.

First Abu Dhabi Bank PJSC has been appointed as listing advisor ("**Listing Advisor**") and **First Abu Dhabi Bank PJSC**, **HSBC Middle East Limited** and **EFG Hermes UAE LLC** have been appointed as joint lead managers (the "**Joint Lead Managers**"), with SCA license issued on 05/11/2017, 29/11/2017 and 05/11/2017 respectively, and will manage the issuance, marketing and promotion of the ADX Listed Shares in the UAE and coordinate with the Company, the SCA and the other Offer participants with regard to the Offering of the Offer Shares in the UAE. **First Abu Dhabi Bank PJSC** has also been appointed as the lead receiving bank (the "**Lead Receiving Bank**") and, in its capacity as such, is responsible for receiving the subscription amounts set out in this Prospectus in accordance with the rules and laws applicable in and within the UAE under the UAE Retail Tranche.

First Abu Dhabi Bank PJSC, HSBC Middle East Limited, and EFG Hermes UAE LLC and other regional and international investment banks have been appointed as joint bookrunners (the **Joint Bookrunners**) in connection with the Offering. Neither HSBC Bank Middle East Limited nor any of its affiliates are participating in receiving the subscription funds or bookrunning or otherwise participating in or managing any aspect of the Offering to natural persons (including natural persons constituting Assessed Professional Investors who do not participate in the Institutional Tranche.)

The Joint Lead Managers and the Joint Bookrunners are acting exclusively for the Company and the Selling Shareholder and no one else in connection with the Offer and will not regard any other person (whether or not a recipient of this document) as a client to any of the Offer Participants in relation to the Offer. The Selling Shareholder and the Board members shall be liable, with regard to the completeness and accuracy of the information contained in this Prospectus.

The Joint Lead Managers and the Joint Bookrunners may have engaged (directly or through their respective affiliates) in transactions with, and provided various investment banking, financial advisory and other services for, the Company and the Selling Shareholder for which they would have received customary fees. Any previous transactions between the Joint Lead Managers and the Joint Bookrunners and the Company do not constitute any conflict of interest between them.

The Board members of the Company whose names are set out in this Prospectus assume joint and several responsibility for the completeness, accuracy and verification of the contents of this Prospectus. They declare that they have carried out appropriate due diligence investigations, that the information contained in this Prospectus is, at the date hereof, factually accurate, complete and correct and that there is no omission of any information that would make any statement in this Prospectus materially misleading.

This Prospectus contains data submitted according to the issuance and disclosure rules issued by the SCA.

In making an investment decision, each potential Subscriber must rely on its own examination and analysis, having reviewed the information contained in the Prospectus (in its entirety).

No action has been taken or will be taken in any jurisdiction other than the UAE and KSA that would permit a public subscription or sale of the Offer Shares or the possession, circulation or distribution of this Prospectus, or any other material relating to the Company or the Offer Shares, in any country or jurisdiction where action for that purpose is required. Offer Shares may not be offered or sold, directly or indirectly, nor may this Prospectus or any other offer material or advertisement or other document or information in connection with the Offer Shares be distributed or published, in or from any country or jurisdiction except in compliance with any applicable rules and regulations of any such country or jurisdiction. Persons into whose possession this Prospectus comes must inform themselves of and observe all such restrictions.

None of the Company, the Selling Shareholder, any of the Offer Participants, the Joint Lead Managers, the Joint Bookrunners or the Advisors accepts any responsibility for any violation of any such restrictions on the sale, offer to sell or solicitation to purchase Offer Shares by any person, whether or not a prospective purchaser of Offer Shares in any jurisdiction outside the UAE and KSA (including the ADGM and the DIFC), and whether such offer or solicitation was made orally or in writing, including electronic mail. None of the Company, the Selling Shareholder, the other Offer Participants, the Joint Lead Managers, the Joint Bookrunners or the Advisors (or their respective representatives) makes any representation to any potential Subscriber regarding the legality of applying for Offer Shares by such potential Subscriber under the laws applicable to such potential Subscriber.

Apart from the responsibilities and liabilities, if any, which may be imposed on any of the Joint Lead Managers and the Joint Bookrunners under the regulatory regime of any jurisdiction where the exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, none of the Joint Lead Managers and the Joint Bookrunners and their respective subsidiary undertakings and affiliates and their (or their subsidiary undertakings' or affiliates') respective directors, officers, employees or agents accepts any responsibility whatsoever or makes any representation or warranty, express or implied, as to the accuracy, completeness or verification of the contents of this document or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Offer Shares or the Offering and nothing in this Prospectus should be relied upon as a promise or representation in this respect, whether or not to the past or future. Each of the Joint Lead Managers and the Joint Bookrunners and their respective subsidiary undertakings and affiliates and their (or their subsidiary undertakings' or affiliates') respective directors, officers, employees or agents accordingly disclaims any and all responsibility or liability whatsoever which it might otherwise have in respect of this Prospectus or any such statement or the public offering of the Offer Shares in the UAE and KSA generally.

The publication of the Prospectus was approved by the SCA on **3 September 2022**

Table of Contents

Definitions and Abbreviations

ADGM	Abu Dhabi Global Market.
ADGM Registration Authority	The authority responsible for the registration, incorporation, and licensing of legal entities in the ADGM.
ADX	Abu Dhabi Securities Exchange in the UAE.
ADX Listed Shares	A number of Shares to be offered for sale by the Selling Shares in the UAE for Individual Subscribers, in addition to any shares to be allocated from the Institutional Tranche to be listed on the ADX, which will be a minimum of 126,354,496 Shares (representing 5 per cent. of the total number of issued shares in the capital of the Company).
AED or UAE Dirham	The lawful currency of the United Arab Emirates.
Articles of Association	The articles of association of the Company as set out in Annex (2).
Board or Board of Directors	The board of directors of the Company.
Closing Date	**21 November 2022** for the UAE Retail Tranche and for the KSA Retail Tranche. **22 November 2022** for the Institutional Tranche.
CMA	Capital Market Authority of the KSA.
Companies Regulations	ADGM Companies Regulations 2020 (as amended).
Company or Americana	**Americana Restaurants International** PLC, a public company limited by shares incorporated in the ADGM pursuant to the Companies Regulations.
Condensed Interim Carve-Out Financial Statements	The Company's condensed interim carve-out financial statements as of and for the six-month period ended 30 June 2022 and the nine months ended 30 September 2022.
COVID-19	SARS-CoV-2 or COVID-19, and any evolutions or variants thereof.
DFSA	Dubai Financial Services Authority in the UAE.
DIFC	Dubai International Financial Centre.
Directors	The Executive Directors and the Non-Executive Directors.
Edaa	The Securities Depository Center Company (Edaa) in the KSA.
Electronic Applications	Applications via online banking / mobile banking / FTS and ATMs as provided by the Receiving Banks and ADX to the Subscribers of the UAE Retail Tranche.
ESG	Environmental, Social and Governance.

Executive Directors	The executive Directors of the Company.
Final Offer Price	The offer price at which all the Subscribers in the UAE Retail Tranche, the Institutional Tranche and the KSA Retail Tranche will purchase each Offer Share will be at the Final Offer Price. The Final Offer Price of each Offer Share will be determined following a bookbuild process for the Institutional Tranche and following consultation between the Joint Lead Managers, the Selling Shareholder and the Company. The Offer Shares of the Institutional Tranche must represent all of the Offer Shares used to calculate the Final Offer Price of each Offer Share. Following closing of the Institutional Tranche, the Company will publish an announcement setting out the Final Offer Price (the "**Offer Price Announcement**") on the Company's website at https://www.americanarestaurants.com/ipo/
Financial Statements	Special Purpose Carve-Out Financial Statements as at and for the years ended 31 December 2021, 2020, and 2019 and reviewed Condensed Interim Carve-Out Financial Statements as of and for the six month period ended 30 June 2022 and nine months ended 30 September 2022 of the Company which are listed in Annex 1 of this Prospectus.
Financial year	The financial year of the Company starts on 1 January and ends on 31 December of each year.
Former Parent Company	Kuwait Food Company (Americana) K.S.C.C.
FSMR Regulations	Financial Services and Markets Regulations.
FSRA	ADGM Financial Services Regulatory Authority.
FTS Fund Transfer Mode	UAE Central Bank Fund Transfer ("**FTS**") mode.
GCC	Gulf Cooperation Council countries comprising the United Arab Emirates, KSA, Sultanate of Oman, State of Qatar, State of Kuwait and Kingdom of Bahrain.
Governance Rules	The Chairman of the SCA's Board of Directors' Decision No. (3/R.M) of 2020 Concerning Approval of Joint Stock Companies Governance Guide (as amended from time to time).
Group, our, us or we	The Company and its subsidiaries.
IFRS	International Financial Reporting Standards.
Institutional Tranche	The offer of Offer Shares to Professional Investors made under the International Institutional Tranche Document and this Prospectus (except Professional Investors in the KSA in which the offer of Offer Shares will be made pursuant to the KSA Offering Documents and this Prospectus).
International Institutional Tranche Document	The offer document has been drafted in a specific manner to be addressed only to Professional Investors (except for Professional Investors in the KSA) and in compliance with

	the laws and regulations of the relevant competent jurisdictions and acceptable to such jurisdictions, and it has not been approved by the SCA, and the offer document does not form part of this Prospectus and the information contained therein does not form part of this Prospectus. This offer document for the Institutional Tranche which will be available at https://www.americanarestaurants.com/ipo/
Individual Subscribers	Natural persons who hold a NIN with the ADX and have a bank account (including natural persons constituting Assessed Professional Investors who do not participate in the Institutional Tranche). There is no other citizenship or residence requirement.
Joint Lead Managers	First Abu Dhabi Bank PJSC, HSBC Middle East Limited, and EFG Hermes UAE LLC.
KFC	Kentucky Fried Chicken.
KSA	The Kingdom of Saudi Arabia
KSA Individual Investors	Subscribers of the KSA Retail Tranche Saudi Arabian nationals, including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi individual, who is entitled to subscribe to the Offer Shares for her own benefit or in the names of her minor children, on the condition that she proves that she is a divorcee or widow and the mother of her minor children, any non-Saudi natural person who is resident in the KSA or GCC nationals, in each case, who has a bank account, and is entitled to open an investment account.
KSA Offering Document	An offering document in Arabic, the publication of which has been approved by the CMA in relation to the Offering in the KSA only.
KSA Retail Offer	Up to 252,708,993 (two hundred fifty-two million seven hundred and eight thousand and nine hundred ninety three) Offer Shares (representing up to 10 per cent. of the total Offer Shares) are being offered to the KSA Individual Investors in the KSA pursuant to the KSA Offering Document.
KSA Retail Period	From 14 November 2022 to 21 November 2022
Lead Receiving Bank	First Abu Dhabi Bank PJSC.
Listing	The listing of the Shares to trading on the ADX and Tadawul.
Listing Advisor	First Abu Dhabi Bank PJSC.
Listing of the Shares or Listing	Following the closing of the subscription and the allocation to successful Subscribers, the Company will apply to list all of its Shares on the ADX and Tadawul. Trading in the Shares on the ADX will be effected through the ADX Share Registry and Tadawul Share Registry.

Manager's Cheque	Certified bank cheque drawn on a bank licensed and operating in the United Arab Emirates.
Maximum Subscription	No maximum subscription in the UAE Retail Tranche, and Professional Investors subscribing in the ADX Listed Shares. The subscription for Professional Investors subscribing in the Tadawul Listed Shares should not exceed 5 per cent. From the total number of issued shares in the capital of the Company as per the applicable rules and regulations in the KSA. Investors should not apply for a subscription application which exceeds 5 per cent. Of the issued share capital of the Company.The maximum subscription in the KSA Retail Tranche should not exceed 5 per cent. of the issued share capital of the Company. Any subscription application exceeding this limit will be rejected. This limit is applicable on KSA Individual Investors.
MENA	Middle East and North Africa.
Minimum Subscription	As for the UAE Retail Tranche, the minimum subscription for Offer Shares has been set at AED 5,000 (five thousand UAE dirhams), with any additional investment to be made in increments of at least AED 1,000 (one thousand UAE dirhams). As for the Professional Investors subscribing in the ADX Listed Shares, the minimum subscription for Offer Shares has been set at AED 5,000,000 (five million UAE dirhams). As for the Professional Investors subscribing in the Tadawul Listed Shares, the minimum subscription for Offer Shares has been set at SAR 5,000,000 (five million Saudi Riyals). As for the KSA Retail Tranche, the minimum subscription for Offer Shares has been set at 1,000 Shares (one thousand Shares) with any additional investment to be made in increments of at least 10 Shares or 100 Shares. (see the section on ("**Subscription Amounts**") in the first section of this Prospectus for further details).
NIN	A national investor number that a Subscriber must obtain from the ADX for the purposes of subscription in the UAE.
Non-Executive Directors	The non-executive Directors of the Company.
Offering Participants or Offer Participants	The entities listed on pages 10 - 11 of this Prospectus.
Offer Period	The subscription period for the UAE Retail Tranche, and the KSA Retail Tranche starts on 14 November 2022 and will close on 21 November 2022. The subscription period for the Professional Investors starts on 14 November 2022 and will close on 22 November 2022.
Offer Price Range	The Offer Shares are being offered at an offer price range in AED that will be published on the first day and before opening of the Offer Period.

Offer Shares	2,527,089,930 (two billion five hundred twenty-seven million eighty-nine thousand and nine hundred thirty) Shares (representing 30 per cent. of the total issued shares in the Company) which are being offered for sale by the Selling Shareholder constituting both ADX Listed Shares, and Tadawul Listed Shares.
Offer or Offering	The public subscription for 2,527,089,930 (two billion five hundred twenty-seven million eighty nine thousand and nine hundred thirty) Shares (representing 30 per cent. of the total issued shares in the Company) which are being offered for sale by the Selling Shareholder. The Selling Shareholder and the Company reserve the right to amend the size of the UAE Retail Tranche and the Institutional Tranche at any time prior to the end of the subscription period at their sole discretion, subject to applicable laws and the approval of the Relevant Authorities in the UAE.
Offering Regulations	SCA Chairman of the Board Resolution No. (11/R.M) of 2016 on the Regulations for Issuing and Offering Shares of Public Joint Stock Companies, as amended.
Professional Client	Persons who meet the Professional Client criteria set out in Rule 2.3.2 of the DFSA Conduct of Business Module.
Professional Investors	**For the UAE:** Subscribers of the Institutional Tranche as defined in the SCA Board of Directors' Chairman Decision No.13/R.M of 2021 (as amended from time to time), which specifically include those investors which can be categorized in the following manner: • "**Deemed Professional Investors**" which include: i. international corporations and organisations whose members are states, central banks or national monetary authorities; ii. governments, government institutions, their investment and non-investment bodies and companies wholly owned by them; iii. central banks or national monetary authorities in any country, state or legal authority; iv. capital market institutions licensed by the SCA or regulated by a supervisory authority equivalent to the SCA; v. financial institutions; vi. regulated financial institutions, local or foreign mutual investment funds, regulated pension fund

	management companies and regulated pension funds; vii. any entity whose main activity represents investment in financial instruments, asset securitisation or financial transactions; viii. any company whose shares are listed or accepted to trade in any market of an IOSCO member country; ix. a trustee of a trust which has, during the past 12 months, assets of AED 35,000,000 or more; x. licensed family offices with assets of AED 15,000,000 or more; xi. joint ventures and associations which have or had, at any time during the past two years, net assets of AED 25,000,000 or more (excluding partner and shareholder loans); xii. a body corporate who fulfils (on the date of its last financial statements) a "large undertaking" test, whereby it fulfils at least two of the following requirements: • holds total assets of AED 75,000,000 or more (excluding short-term liabilities and long-term liabilities); • has a net annual revenue of AED 150,000,000 or more; or • an aggregate total of cash and investments on its balance sheet; or total equity (after deducting paid up share capital), of not less than AED 7,000,000. • "**Assessed Professional Investors**" which include: i. a natural person who owns net assets, excluding the value of their main residence, of not less than AED 4,000,000 (an "**HNWI**"); ii. a natural person who is: • approved by the SCA or a similar supervisory authority; • an employee of a licensed entity or a regulated financial institution who has been employed for the past two years; • assessed to have sufficient knowledge and experience in respect of the relevant investments and their risks (following a suitability assessment); or

	• represented by an entity licensed by the SCA; iii. a natural person (the "account participant") with a joint account for investment management with an HNWI (the "main account holder"), provided that each of the following conditions are satisfied: • the "account participant" must be an immediate or second degree relative of the "main account holder"; • the account is used to manage the investments of the "main account holder" and their subscribers; and • written confirmation is obtained from the subscriber (i.e. the "account participant") confirming that investment decisions relating to the joint investment account are made on their behalf by the "main account holder"; iv. special purpose vehicles and trusts established for the purpose of managing an investment portfolio of assets for an HNWI; and v. an undertaking which satisfies the following requirements: • it maintains an aggregate total of cash and investments on its balance sheet; or its total equity (after deducting paid up share capital), is not less than AED 4,000,000; and • it is assessed to have sufficient knowledge and experience in respect of the relevant investments and their risks (following a suitability assessment); or • it has a controller (e.g. a person controlling the majority of the shares or voting rights in the relevant undertaking or who possesses the ability to appoint or remove the majority of the relevant undertaking's board of directors); • a holding or subsidiary company; • or a joint venture partner that meets the definition of a Deemed Professional Investor or an Assessed Professional Investor, who, in each case, has been approved by the Company and the Selling Shareholder, in consultation with the Joint Lead Managers and to which the following characteristics apply: (a) a person in the United States who is a QIB and to whom an offer can be made in accordance with Rule 144A; (b) a person outside the United States to whom an offer can be made in reliance on Regulation S; (c) a person in the DIFC to whom an offer can be made in accordance with the

	Markets Rules (MKT) Module of the DFSA Rulebook, and made only to persons who meet the "Deemed Professional Client" criteria set out in the Conduct of Business (COB) Module of the DFSA Rulebook and who are not natural persons; or (d) a person in the ADGM to whom an offer can be made in accordance with the FSMR and the FSRA Market Rules and made only to persons who are "Authorised Persons" or "Recognised Bodies" (as such terms are defined in the FSMR) or persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 18 of the FSMR) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated. <u>For the KSA:</u> This tranche comprises the parties that are entitled to participate in the book-building process in the KSA under the book building instructions as issued by the CMA, namely: 1. public and private funds that invest in securities listed on the Exchange as permitted by the fund's terms and conditions, and in accordance with the provisions and limitations stipulated in the IFR and the Book Building Instructions. Additionally, allocating the shares in the book-building process in the KSA under the book building instructions as issued by the CMA; 2. capital market institutions which are licensed to deal in securities by the CMA to act as a principal in accordance with the Prudential Rules when submitting the subscription application forms as issued by the CMA in the KSA; 3. clients of a capital market institution authorized by the CMA to conduct managing activities in accordance with the provisions and restrictions set forth in the Book Building Instructions and allocating the shares in the book building process; 4. any legal persons allowed to open an investment account in the KSA, and an account with SDC, with the exception of non-resident foreign investors, other than QFIs under the QFI Rules as issued by the CMA in the KSA; 5. Government entities, any supranational authority recognized by the CMA, the Tadawul or Edaa, or any other stock exchange recognized by the CMA, or SDC in the KSA; 6. Government-owned companies in the KSA, whether investing directly or through a portfolio manager; and 7. GCC companies and GCC funds, if permissible according to the terms and conditions of such funds.
QIB	A "qualified institutional buyer" as defined in Rule 144A.

Receiving Banks	The list of Receiving Banks in the UAE attached in Annex 3 of this Prospectus.
Regulation S	Regulation S under the US Securities Act.
Relevant Authorities	SCA for UAE Offering related matters, and the CMA on KSA Offering related matters.
Rule 144A	Rule 144A under the US Securities Act.
SAR	The lawful currency of the Kingdom of Saudi Arabia.
Selling Shareholder	Adeptio AD Investments LTD.
Shareholder	Holder of Shares in the capital of the Company.
Shares	The ordinary shares of the Company with a nominal value of AED 0.073 (equivalent to USD 0.02) each.
SMS	Short Message Service.
Special Purpose Carve-Out Financial Statements	The Company's Special Purpose Carve-Out Financial Statements as of and for the years ended 31 December 2019, 2020, and 2021.
Subscriber	A natural or juridical applicant, in either case who applies for subscription in the Offer Shares.
Tadawul	The Saudi Stock Exchange where a part of the Offer Share will be listed.
Tadawul Listed Shares	Up to 252,708,993 (two hundred fifty-two million seven hundred and eight thousand and nine hundred ninety three) Shares (representing up to 10 per cent. Of the total issued shares in the Company which are being offered for sale by the Selling Shareholder in the KSA
Tranche	The UAE Retail Tranche or the Institutional Tranche or the KSA Retail Tranche.
UAE Retail Tranche	The Offering of the Offer Shares in the UAE to the UAE Retail Subscribers.
UAE	United Arab Emirates.
UAE Authority or SCA	The Securities and Commodities Authority of the United Arab Emirates.
UAE Central Bank	The central bank of the United Arab Emirates.
UAE Retail Offer	The UAE Retail Offer will be made pursuant to this Prospectus. 5 per cent. Of the Offer Shares, representing 126,354,496 (one hundred twenty-six million three hundred fifty four thousand and four hundred ninety six) Shares, are allocated to the UAE Retail Tranche. The UAE Retail Tranche is restricted to the following persons:

	• *Individual Subscribers* Natural persons (including natural persons constituting Assessed Professional Investors who do not participate in the Institutional Tranche) who have a bank account (except for any person who is resident in the United States within the meaning of the US Securities Act 1933, as amended (the "**US Securities Act**"). There is no citizenship or residence requirement in order to qualify as an Individual Subscriber. Minors are permitted to apply for Offer Shares in accordance with the procedures applied by the Receiving Banks and the laws in force in this regard. • *Other investors* Other investors (companies and establishments) who do not participate in the Institutional Tranche and who have a bank account (except for any person who is resident in the United States within the meaning of the US Securities Act).
UAE Retail Offer Period	Under the UAE Retail Tranche from **14 November 2022** to **21 November 2022** inclusive, namely 8days in the United Arab Emirates.
UAE Retail Subscribers	Individual Subscribers and other investors (including natural persons, companies and establishments) in the UAE Retail Tranche who do not participate in the Institutional Tranche or the KSA Retail Tranche and who hold a NIN with the ADX and have a bank account.
UK	The United Kingdom of Great Britain and Northern Ireland.
Underwriting Agreement	The underwriting agreement among the Company, the Selling Shareholder, and the Joint Bookrunners.
United States or US	The United States of America, its territories and possessions, any State of the United States of America, and the District of Columbia.
U.S. Foreign Corrupt Practices Act of 1977	The act to amend the US Securities Exchange Act of 1934 (as amended) to make it unlawful for certain issuers to make certain payments to foreign officials and other foreign persons, to require such issuers to maintain accurate records, and for other purposes.
US Securities Act	The US Securities Act of 1933, as amended.
VAT	Value added tax.
YUM!	KFC MENAPAKT FZ LLC, and/or Kentucky Fried Chicken International Holdings LLC, and/or Pizza Hut MENAPAKT FZ LLC, and/or Pizza Hut International LLC, and or YUM FA or any of its subsidiaries.

First Section: Subscription Terms and Conditions

Key details of the Offer Shares for sale to the public

- **Name of the Company:** Americana Restaurants International PLC

- **Share capital**: The share capital of the Company as at the date of this Prospectus has been set at AED 618,715,851 (six hundred eighteen million seven hundred fifteen thousand and eight hundred fifty one) (equivalent to USD 168,472,662 (one hundred sixty eight million four hundred seventy two thousand and six hundred sixty two)) divided into 8,423,633,100 (eight billion four hundred and twenty three million six hundred and thirty three thousand and one hundred) Shares paid-in-full, with the nominal value of each Share being AED 0.073 (equivalent to USD 0.02).

- **Percentage, number and type of the Offer Shares:** 2,527,089,930 (two billion five hundred twenty seven million eighty nine thousand and nine hundred thirty) Shares, all of which are ordinary shares and which constitute 30 per cent. of the Company's issued share capital and which are being offered for sale by the Selling Shareholder (this percentage has been calculated based on the total number of Shares in the capital as at the date of this Prospectus). All Shares are of the same class and carry equal voting rights and rank pari passu in all other rights and obligations. The Selling Shareholder and the Company reserve the right to amend the size of the UAE Retail Tranche and the Institutional Tranche at any time prior to the end of the subscription period at their sole discretion, subject to the applicable laws and the approval of the Relevant Authorities in the UAE.

- **Offer Price Range per Offer Share:** The Offer Price Range in relation to the UAE Retail Offer will be in UAE dirhams and will be published on the same day and before opening of the Offer Period on 14 November 2022.

- **Eligibility of the qualified categories of Subscriber to apply for the acquisition of the Offer Shares:**

  - **UAE Retail Tranche:** The UAE Retail Tranche of the Offering will open to UAE Retail Subscribers as described in the cover page of this Prospectus and the "Definitions and Abbreviations" section of this Prospectus. All Subscribers in the UAE Retail Tranche must hold a NIN with ADX and a bank account number. 126,354,496 (one hundred twenty six million three hundred fifty four thousand and four hundred ninety six) of the Offer Shares. The Selling Shareholder and the Company reserve the right to amend the size of the UAE Retail Tranche at any time prior to the end of the subscription period at their sole discretion, subject to the approval of the SCA provided that the subscription percentage of the subscribers in the Institutional Tranche does not fall below 60 per cent. of the Offer Shares and the subscription percentage of the subscribers in the UAE Retail Tranche and the KSA Retail Tranche does not exceed 40 per cent. Of the Offer Shares in aggregate. The Selling Shareholder and the Company will not increase the size of the UAE Retail Tranche above 10 per cent of the total Offer Shares or reduce the size of the Institutional Tranche by less than 80 per cent of the total Offer Shares. This means that the size of the UAE Retail Tranche and the KSA Retail Tranche in aggregate will not exceed 20 per cent of the total Offer Shares.

  - **Institutional Tranche:** The Institutional Tranche of the Offering will open to Professional Investors as described in the "Definitions and Abbreviations" section of this Prospectus. All Professional Investors subscribing in the ADX Listed Shares must hold an NIN with the ADX. All Professional Investors subscribing in the Tadawul Listed Shares must have a bank account with one of the Receiving Banks. 85 per cent. of the Offer Shares, representing 2,148,026,441 (two billion one hundred and forty-eight million twenty six thousand and four hundred and forty one) Shares are allocated to the Institutional Tranche. The Selling Shareholder and the Company reserve the right to amend the size of the Institutional Tranche at any time prior to the end of the subscription period at their sole discretion, subject to the applicable laws of the UAE and the approval of the Relevant Authorities in the UAE, provided that the subscription percentage of the subscribers in the Institutional Tranche does not fall below 60 per cent. of the Offer Shares and the subscription percentage of the subscribers in the UAE Retail Tranche the and the KSA Retail Tranche does not exceed 40 per cent. of the Offer Shares. Professional Investors shall indicate the preferred listing exchange to be (1) ADX or (2) Tadawul when subscribing for the Offer Shares allocated to the Institutional Tranche.

- **KSA Retail Tranche:** The KSA Retail Tranche of the Offering will open to the KSA Individual Investors as described on the cover page of this Prospectus and in the "**Definitions and Abbreviations**" section of this Prospectus. Up to 10 per cent. Of the Offer Shares, representing up to 252,708,993 (two hundred fifty-two million seven hundred and eight thousand and nine hundred ninety three) Shares are allocated to the KSA Retail Tranche.

- **Public subscription in the Offer Shares is prohibited as follows:** Public subscription is prohibited to any Subscriber whose investment is restricted by the laws of the jurisdiction where the Subscriber resides or by the laws of the jurisdiction to which the Subscriber belongs. It is the Subscriber's responsibility to determine whether the Subscriber application for, and investment in, the Offer Shares conforms to the laws of the applicable jurisdiction(s).

- **Minimum subscription:** As for the UAE Retail Tranche, the minimum subscription in Offer Shares has been set at AED 5,000 (five thousand UAE dirhams) with any additional investment to be made in AED 1,000 (one thousand UAE dirhams) increments. As for the Professional Investors subscribing in the ADX Listed Shares in the Institutional Tranche, the minimum subscription for Offer Shares has been set at AED 5,000,000 (five million UAE dirhams). As for the Professional Investors subscribing in the Tadawul Listed Shares in the Institutional Tranche, the minimum subscription for Offer Shares has been set at SAR 5,000,000 (five million Saudi Riyals). The minimum subscription for Offer Shares in the KSA Retail Tranche has been set at 1,000 Shares (one thousand Shares) with any additional investments to be made in 10 Shares or 100 Shares.

- **Maximum subscription:** No maximum subscription in the UAE Retail Tranche and the Professional Investors subscribing in the ADX Listed has been set. The subscription for Professional Investors subscribing in the Tadawul Listed Shares should not exceed 5 per cent. or more of the total issued share capital of the Company. The maximum subscription in the KSA Retail Tranche should not exceed 5 per cent. or more of the total issued share capital of the Company.

- **Subscription by the Selling Shareholder:** The Selling Shareholder may not subscribe for Offer Shares, whether directly or indirectly, or through its subsidiaries.

- **Lock-up period:** The Shares held by the Selling Shareholder following completion of the Offering shall be subject to a lock-up which starts on the date of Listing of the Shares and ends 6 months thereafter.

- **Reasons for the Offering and use of Offer proceeds**

The net proceeds from the Offering that will be determined after the announcement of the Final

Offer Price (after deduction of the underwriting commissions and discretionary fee paid), all of which will be received by the Selling Shareholder. The Company will not receive any proceeds of the Offering. The Offering is being conducted, among other reasons, to allow the controlling shareholders to sell part of their shareholdings to more actively manage and optimise their portfolio of assets, whilst providing increased trading liquidity in the Offer Shares and raising the profile of the Company with the domestic and international investment community.

Further Information on the UAE Retail Tranche and the KSA Retail Tranche

1. Subscription Applications for the UAE Retail Tranche

Each Subscriber in the UAE Retail Tranche, may submit one subscription application only (i) in the case of a subscription application by a natural person, in his or her personal name (unless he or she is acting as a representative for another Subscriber, in which case the subscription application will be submitted in the name of such Subscriber); or (ii) in the case of a subscription application by a corporate entity, in its corporate name. In case a Subscriber submits more than one application in his or her personal name or its corporate name, the Receiving Banks and the Joint Lead Managers reserve the right to disqualify all or some of the subscription applications submitted by such Subscriber and not to allocate any Offer Shares to such Subscriber.

Subscribers must complete all of the relevant fields in the subscription application along with all required documents and submit it to any Receiving Bank together with the subscription amount during the Offer Period for the UAE Retail Tranche.

Subscription for Offer Shares would deem the Subscriber to have accepted the Articles of Association of the Company and complied with all the resolutions issued by the Company's general meeting. Any conditions added to the subscription application shall be deemed null and void. No photocopies of subscription applications shall be accepted. The subscription application should only be fully completed after reviewing the Prospectus and the Company's Articles of Association. The subscription application then needs to be submitted to any of the Lead Receiving Bank's branches mentioned herein or through electronic channels (see "**Electronic subscription**").

The Subscribers or their representatives shall affirm the accuracy of the information contained in the application in the presence of the bank representative in which the subscription was made. Each subscription application shall be clearly signed or certified by the Subscriber or his or her representative.

The Receiving Banks and the Joint Lead Managers may reject subscription applications submitted by any Subscriber in the UAE Retail Tranche for any of the following reasons:

- if the subscription application form is not complete or is not correct with regard to the amount paid or submitted documents (and no Offer Participant takes responsibility for non-receipt of an allotment of Offer Shares if the address of the subscribers is not filled in correctly);

- if the subscription application amount is paid using a method that is not a permitted method of payment;

- if the subscription application amount presented with the subscription application does not match the minimum required investment or the increments set for the UAE Retail Tranche offer;

- if the completed subscription application form is not clear and fully legible.

- if the Manager's Cheque is returned for any reason;

- if the amount in the bank account mentioned in the subscription application form is insufficient to pay for the application amount mentioned in the subscription application form or the Receiving Banks is unable to apply the amount towards the application whether due to signature mismatch or any other reasons;

- if the NIN is not made available to ADX or if the NIN is incorrect when applicable;

- if the subscription application is found to be duplicated (any acceptance of such duplicate application is solely at the discretion of the Company and the Selling Shareholder);

- if the subscription application is otherwise found not to be in accordance with the terms of the Offering;

- if the Subscriber is found to have submitted more than one application (it is not permitted to apply in more than one of the UAE Retail Tranche or the Institutional Tranche, nor is it permitted to apply in either tranche more than once), any acceptance of such duplicate / multiple application(s) is solely at the discretion of the Company and the Selling Shareholder);

- if the Subscriber is a natural person and is found to have submitted the subscription application other than in his or her personal name (unless he or she is acting as a representative for another Subscriber);

- if a Subscriber has not adhered to the rules applicable to the UAE Retail Tranche offers;

- if it is otherwise necessary to reject the subscription application to ensure compliance with the provisions of the Companies Regulations, the Articles of Association, this Prospectus or the requirements of the UAE Central Bank, the SCA or the ADX; or

- if for any reason FTS/SWIFT/online/mobile/ATM subscription channels transfer fails or the required information in the special fields is not enough to process the application.

The Receiving Banks and the Joint Lead Managers may reject the application for any of the reasons listed above at any time until allocation of the Offer Shares and have no obligation to inform the subscribers before the notification of the allocation of Shares to such rejected Subscribers.

Documents accompanying Subscription applications

Subscribers shall submit the following documents along with their subscription application forms:

For individuals who are UAE or GCC nationals or nationals of any other country:

- The original and a copy of a valid passport or Emirates identity card; and

- In case the signatory is different from the Subscriber:

  - the duly notarized power of attorney held by that signatory or a certified copy by UAE-regulated persons/bodies, such as a notary public, or as otherwise duly regulated in the country;

  - the original passport or Emirates ID of the signatory for verification of signature and a copy of the original passport or Emirates ID; and

  - a copy of the passport or Emirates ID of the Subscriber for verification of signature; or

- In case the signatory is a guardian of a minor, the following will be submitted:
  - Original and copy of the guardian's passport or Emirates ID for verification of signature;
  - Original and copy of the minor's passport; and
  - If the guardian is appointed by the court, original and copy of the guardianship deed attested by the court and other competent authorities (e.g. notary public).

For corporate bodies including banks, financial institutions, investment funds and other companies and establishments:

- UAE registered corporate bodies:
  - The original and a copy of a trade license or commercial registration for verification or a certified copy by one of the following UAE-regulated persons/bodies; a notary public or as otherwise duly regulated in the country;
  - The original and a copy of the document that authorizes the signatory to sign on behalf of the subscriber and to represent the subscriber, to submit the application, and to accept the terms and conditions stipulated in the Prospectus and in the subscription form;
  - NIN Details; and
  - The original and a copy of the passport or Emirates ID of the signatory.
- Foreign corporate bodies: the documents will differ according to the nature of the corporate body and its domicile. Accordingly, please consult with the Joint Lead Managers to obtain the list of required documents.

2. Method of subscription and payment for the UAE Retail Tranche

The subscription application must be submitted by a Subscriber to any of the Receiving Banks listed in this Prospectus and the NIN with ADX and the Subscriber's bank account number must be provided, together with payment in full for the amount it wishes to use to subscribe for the Offer Shares, which is to be paid in one of the following ways:

- Certified bank cheque (Manager's Cheque) drawn on a bank licensed and operating in the UAE, in favor of "**Americana Restaurants International PLC – IPO**";
- Debiting a Subscriber's account with a Receiving Bank; or
- Electronic subscriptions (please refer to the section on "Electronic subscription" below).

Details of the Subscriber's bank account must be completed on the subscription application form even if the application amount will be paid by Manager's Cheque.

The subscription amount may not be paid or accepted by a Receiving Bank using any of the following methods:

- In cash;

- Cheques (not certified); or
- Any other mode of payment other than mentioned above. Please refer to the Annex 3 for the details of the Receiving Bank's participating branches.

3. Subscription Applications for the KSA Retail Tranche:

Each Subscriber must submit a subscription application form (for KSA Individual Investors) and subscribe for a minimum value of 1,000 Shares and not to exceed 5 per cent. of the share capital of the Company. No change or withdrawal of the subscription application forms shall be permitted once the subscription application form has been submitted.

Subscription application forms for KSA Individual Investors in the KSA will be available during the Offering period on the websites of the Receiving Banks in the KSA which provide such services. Subscription application forms shall be completed in accordance with the instructions mentioned below. KSA Individual Investors can subscribe through the Internet, telephone banking or ATMs of any of the Receiving Banks branches in the KSA that offer any or all such services to its customers, provided that the following requirements are satisfied:

a) The individual Subscriber in the KSA must have a bank account at a Receiving Bank in the KSA which offers such services.

b) No changes have been made to the personal information or data of the KSA Individual Investors since their subscription in a recent offering; and

c) A KSA Individual Investor who is not a Saudi or GCC national must have an account at one of the capital market institutions licensed by the CMA in the KSA which offers such services.

A signed Subscription application form for KSA Individual Investors represents a legally binding agreement between the Company and the relevant individual Subscriber submitting the application to the Receiving Banks.

4. Method of subscription and payment for the KSA Retail Tranche

The Receiving Banks in the KSA will commence receiving subscription application forms (for KSA Individual Investors) from 14 November 2022to 21 November 2022. Once the individual Subscribers complete all the required information in subscription application form and attach all the required documentation as shown below; and submit the same to the Receiving Banks in the KSA, the Receiving Banks in the KSA will approve the subscription application form submitted by the applicant. In the event the information provided in the subscription application form is incomplete or inaccurate, or not approved by the Receiving Banks in the KSA, the subscription application form will be considered void. Each Subscriber is required to specify the number of Offer Shares applied for in the subscription application form, and the total subscription amount shall be the number of Offer Shares applied for multiplied by the Offer Price..

Subscriptions for less than 1,000 Shares (one thousand Shares) will not be accepted. Increments are to be made in multiples of 10 Shares or 100 Shares. The maximum number of shares to be applied for by each individual Subscriber should not exceed 5 per cent. of the share capital of the Company.

Subscription application forms (for KSA Individual Investors) should be submitted during the Offering period and accompanied, where applicable, with the following documents. The

Receiving Banks in the KSA shall verify all copies against the originals and will return the originals to the Subscriber:

- Original and copy of the national civil identification card (KSA Individual Investors).
- Original and copy of the family identification card for the KSA (when subscribing on behalf of family members).
- Original and copy of a power of attorney (when subscribing on behalf of others).
- Original and copy of a certificate of guardianship (when subscribing on behalf of orphans).
- Original and copy of the divorce certificate (when subscribing on behalf of the children of a divorced Saudi woman).
- Original and copy of the death certificate (when subscribing on behalf of the children of a widowed Saudi woman).
- Original and copy of the birth certificate (when subscribing on behalf of the children of a divorced or widowed Saudi woman).

Powers of attorney are only allowed for family members (parents and children only). In the event an application is made on behalf of a Subscriber (parents and children only), the name of the person signing on behalf of the Subscriber should be stated in the subscription application form (for KSA Individual Investors). The power of attorney must be issued by a notary public for those who are in the KSA and must be legalized through a Saudi embassy or consulate in the relevant country for a Saudi individual Subscriber residing outside KSA.

It is sufficient to fill out one subscription application form for the prime individual Subscriber applying for himself/ herself and family members appearing on his/ her family identification card if the family members are applying for the same number of Offer Shares as the prime Individual Subscriber. In this case:

- All Offer Shares allocated to the prime individual Subscriber and dependent Subscribers will be registered in the prime individual Subscriber's name;
- The prime individual Subscriber will receive any refund of amounts not allocated and paid by themselves or dependent Subscribers; and
- The prime individual Subscriber will receive all dividends distributed for the Offer Shares allocated to themselves and dependent Subscribers (in the event the Shares are not sold or transferred).

Separate subscription application forms must be used if:

- The Offer Shares to be allocated are to be registered in a name other than the name of the prime Individual Subscriber;
- Dependent Subscribers intend to apply for a different number of Offer Shares than the prime individual Subscriber; and
- The wife intends to subscribe in her name adding allocated Offer Shares to her account (she must complete a separate subscription application form from the one completed by the relevant prime individual Subscriber). In the latter case, applications made by

husbands on behalf of their spouses will be cancelled and the wives' independent application will be processed by the Receiving Bank.

A Saudi female divorcee or widow who has minor children from a marriage to a non-Saudi husband may subscribe on behalf of those children provided she submits proof of motherhood.

During the Offering period, only a valid Iqama will be an acceptable form of identification for non-Saudi dependents. Passports or birth certificates will not be accepted. Non-Saudi dependents can only be included as dependents with their mother and cannot subscribe as prime KSA Individual Investors. The maximum age for non-Saudi dependents to be included with their mother is 18 years. Any documents issued by a foreign government must be legalized through a Saudi embassy or consulate in the relevant country.

Each Subscriber agrees to subscribe for and purchase the number of Offer Shares specified in their Subscription Application Form for an amount equal to the number of Offer Shares applied for multiplied by the Offer Price. Each Subscriber shall be deemed to have acquired the number of shares allocated to them upon:

1. delivery by the Subscriber of the Subscription Application Form (for KSA Individual Investors) to any Receiving Bank in the KSA; and

2. payment in full by the Subscriber to the Receiving Bank of the total value of the Offer Shares subscribed for.

The total value of the Offer Shares subscribed for must be paid in full with the Receiving Bank by depositing the related value into the Subscriber's account held with the Receiving Bank where the Subscription Application Form is submitted.

If a submitted Subscription Application Form is not in compliance with the terms and conditions of the Subscription, the Company shall have the right to reject such application, in full or in part. The applicant shall accept any number of shares allocated thereto unless the allocated shares exceed the number of Offer Shares applied for by the applicant.

Electronic subscription (E-subscription) through Receiving Banks and ADX ePortal Subscription

Electronic subscriptions: The Receiving Banks may also have its own electronic channels (ATMs, on-line internet banking applications, mobile banking applications, etc.) interfaced with the ADX eKtetab IPO system. By submitting the electronic subscription application, the customer submitting the application is accepting the Offering terms and conditions on behalf of the Subscriber and is the relevant Receiving Bank to pay the total subscription amount by debiting the amount from the respective bank account of the customer and transferring the same to the Offer account in favor of "**Americana IPO**" held at the Receiving Bank, as detailed in the subscription application. The submission of an electronic application will be deemed to be sufficient for the purposes of fulfilling the identification requirements and accordingly, the supporting documentation in relation to applications set out elsewhere in this Prospectus will not apply to Electronic Applications under this section. Notification of the final allocation of Offer Shares and the refund of proceeds for unallocated Offer Shares (if any) and any profit thereon following the closing of the Offer Period and prior to the Listing of the Shares shall be performed solely by, and processed through, the Receiving Bank in which the electronic subscription application was submitted.

Subscription applications may also be received through UAE Central Bank Fund Transfer

("**FTS**") mode. The investor choosing the FTS method will be required to provide their valid NIN with ADX along with the value of Offer Shares subscribed for in the special instructions field.

Electronic subscription

ADX ePortal Subscription:

For applying through ADX ePortal Subscriptions:

Please access –

For Arabic – https://www.adx.ae/Arabic/Pages/ProductsandServices/ipo.aspx

For English – https://www.adx.ae/English/Pages/ProductsandServices/ipo.aspx

Refer to the "ADX IPO ePortal Subscription Instructions" page and follow the instructions. Click on the IPO Subscription Link provided to subscribe for the UAE Retail Tranche. (***Applicable only for investors who do not have accounts with any of the Receiving Bank***)

Please reach us on 800-ADX(239) or via email on info@adx.ae for any queries on the above.

E-Subscription:

FAB EIPO-Subscription

1. Access https://www.bankfab.com/en-ae/cib/iposubscription

Refer to the "How to subscribe page" and follow the instructions and submit subscriptions for the UAE Retail Tranche.

2. FAB Mobile Banking Application (for FAB client)

In case of any issues or support required, please contact FAB call center at +971-26161800

ADIB E-Subscription

ADIB's electronic subscription channels, including online internet banking, are accessible via ADIB's official website www.adib.ae and mobile banking app. These are duly interfaced with the ADX database and are only available to ADIB account holders.

ADIB account holders will access ADIB's electronic subscription channels with their relevant username and password and this will be deemed to be sufficient for the purposes of fulfilling the identification requirements.

ADIB account holders complete the electronic application form relevant to their tranche by providing all required details including an updated ADX NIN, an active ADIB account number, the amount they wish to subscribe for, and by selecting the designated brokerage account.

By submitting the electronic subscription form, the ADIB account holder accepts the Offering terms and conditions, authorizes ADIB to debit the amount from the respective ADIB account and to transfer the same to the IPO account in favor of the issuer account held at ADIB, as detailed in the subscription application.

ADIB account holders with a successful subscription automatically receive an *acknowledgement of receipt by email and have to keep this receipt until they receive the allotment notice.*

Mbank UAE Mobile Banking Application

To subscribe through Mbank, download Mbank UAE app on your mobile device from Apple App store or Google Play. For instructions on the process of applying for the IPO through the app, access https://www.mbank.ae/IPO Refer to the section "How to subscribe" for step by step guidance.

Applications for Minors can also be made through the app.

Applicants can also issue ADX NINs from the Mbank mobile app.

Subscription applications through Al Maryah Community Bank LLC will only be accepted if made by UAE residents.

Important dates relevant to the methods of payment of the subscription amounts

- Subscription amounts paid by way of cheque must be submitted by 12pm (mid-day) **on 18 November 2022 (2 Business days prior to the closing date) in the UAE.**

- Subscription applications received through FTS, ATM, Internet Banking, Mobile Application & Website must be made before 1:00 p.m. **on 19 November 2022 (1 Business day prior to the closing date) in the UAE.**

Subscription amounts for the UAE

Subscribers in the UAE Retail Tranche must submit applications to purchase Offer Shares in the amount of AED 5,000 (five thousand UAE dirhams) or more, with any subscription over AED 5,000 (five thousand UAE dirhams) to be made in increments of AED 1,000 (one thousand UAE dirhams). Subscribers in the UAE Retail Tranche shall accordingly apply for an AED subscription amount which shall be applied towards purchasing Offer Shares at the Final Offer Price, rather than applying for a specific number of Offer Shares.

Final Offer Price

The offer price at which all the Subscribers will purchase Offer Shares will be at the Final Offer Price.

The Offer Shares will be sold in an initial public offer and the Final Offer Price will be determined by way of the application of a book building process, where an application orders' ledger will be created through the application orders made only by the Professional Investors (see details of who may apply in the Institutional Tranche). Professional Investors will be invited to bid for Offer Shares within the Offer Price Range using price sensitive orders (as in, by indicating application amounts that vary in size depending on price). The Joint Lead Managers will use the information on the extent of demand at various prices provided by such Professional Investors to determine and recommend to the Company and the Selling Shareholder the Final Offer Price (which must be within the Offer Price Range) for all the Offering Participants.

The shares of the Professional Investors must represent all of the shares used to calculate the Final Offer Price of the Offer Shares.

5. Further information on various matters

Offer Period

Commences on 14 November for the UAE Retail Tranche and the KSA Retail Tranche and on 14 November 2022 for the Institutional Tranche and closes on 21 November 2022 for the UAE Retail Tranche and the KSA Retail Tranche and closes on 22 November 2022 for the Institutional Tranche.

Receiving Banks

- **Lead Receiving Bank in the UAE:** First Abu Dhabi Bank PJSC.
- **Lead Manager in the KSA:** SNB Capital
- **Receiving Banks:** a list of Receiving Banks in the UAE attached in Appendix 3 of this Prospectus.

Method of allocation of Offer Shares to different categories of Subscribers *(Under SCA CHAIRMAN OF THE BOARD RESOLUTION NO. (11/R.M) OF 2016 ON THE REGULATIONS FOR ISSUING AND OFFERING SHARES OF PUBLIC JOINT STOCK COMPANIES)*

Should the total size of subscriptions received exceed the number of Offer Shares, then the Selling Shareholder will allocate the Offer Shares according to the allotment policy specified below and will refund to Subscribers the excess subscription amounts and any accrued profit resulting thereon.

Notice of Allocation

A notice of allocation of shares for the successful Subscribers in the UAE Retail Tranche will be sent by way of SMS followed by a notice setting out each Subscriber's Share allocation, which will be sent by registered mail or the registered email with the stock exchange to each Subscriber. Subscribers in the KSA Retail tranche will be notified of whether they have been successful in their application for Offer shares by means of a public announcement on Tadawul.

Method of refunding surplus amounts to Subscribers

By no later than 24 November 2022 (being within five (5) working days of the Closing Date of the Institutional Tranche), the Offer Shares shall be allocated to Subscribers and, within five (5) working days of such allocation, the surplus subscription amounts, and any profit resulting thereon, shall be refunded to Subscribers who did not receive Offer Shares, and the subscription amounts and any accrued profit resulting thereon shall be refunded to the Subscribers in the UAE Retail Tranche and the KSA Retail Tranche whose applications have been rejected for any of the above reasons. The surplus amount and any accrued profit thereon are returned to the same Subscriber's account through which the payment of the original application amount was made. In the event payment of the subscription amount is made by certified bank cheque, these amounts shall be returned by sending a cheque with the value of such amounts to the Subscriber at the address mentioned in the subscription application.

The difference between the subscription amount accepted by the Company and the Selling Shareholder for a Subscriber, if any, and the application amount paid by that Subscriber will be refunded to such Subscriber pursuant to the terms of this Prospectus.

Enquiries and complaints

Subscribers who wish to submit an enquiry or complaint with respect to any rejected requests, allocation or refunding of the surplus funds, must contact the Receiving Bank through which the subscription was made, and if a solution cannot be reached, then the Receiving Bank must refer the matter to the Investor Relations Manager. The Subscriber must remain updated on the status. The Subscriber's relationship remains only with the party receiving the subscription request.

Listing and trading of Shares

Subsequent to the allocation of Offer Shares, the Company will list all of its Shares on the ADX and Tadawul – as described in this Prospectus - in accordance with the applicable listing and trading rules as at the Listing date 6 December 2022. Share can only be traded after the allocation of the Offer Shares to Subscribers' accounts on both ADX and Tadawul. Trading in the Shares will be effected on an electronic basis, through the ADX's share registry and Tadawul's system, with the commencement of such trading estimated to take place after completion of the registration.

Voting rights

All Shares are of the same class and shall carry equal voting rights and shall rank pari passu in all other rights and obligations. Each Share confers on its holder the right to cast one vote on all Shareholders' resolutions.

Risks

There are certain risks that are specific to investing in this Offering. Those risks have been discussed in a section headed ***"Investment Risks"*** of this Prospectus and must be taken into account before deciding to subscribe in Offer Shares.

6. Timetable for subscription and Listing

The dates set out below outline the expected timetable for the Offering. However, the Company reserves the right to change any of the dates/times, or to shorten or extend the specified time periods, upon obtaining the approval of the appropriate authorities and publishing such change(s) during the Offering period in daily newspapers.

Event	**Date**
Offering Commencement Date (The Offer Period for the UAE Retail Tranche and the KSA Retail Tranche shall continue for 8 days for the purposes of accepting Subscribers' applications)	**14 November 2022**
Closing Date of the UAE Retail Tranche and KSA Retail Tranche	**21 November 2022**
Closing Date of the Institutional Tranche	**22 November 2022**
Announcement of Final Offer Price	**23 November 2022**

The date of announcing the final allotment of shares for Professional Investors in the KSA and the KSA Individual Investors	**23 November 2022**
Preparation of Allocation of UAE Retail Tranche and KSA Retail Tranche	**24 November 2022**
SMS Confirmation to all successful subscribers of the UAE Retail Tranche, and an announcement to the public on Tadawul for the KSA Retail Tranche	**30 November 2022**
Commencement of refunds of investment surplus to the Subscribers and commencement of dispatch of registered mail relating to allotment of shares	**30 November 2022**
Expected Date of Listing the Shares on the ADX and Tadawul	**6 December 2022**

7. Tranches

The Offering of the Offer Shares is divided as follows:

The UAE Retail Tranche:

Size: 5 per cent. of the Offer Shares, representing 126,354,496 (one hundred twenty-six million three hundred fifty-four thousand and four hundred ninety six) Shares. The Selling Shareholder and the Company reserve the right to amend the size of the UAE Retail Tranche at any time prior to the end of the subscription period at their sole discretion, subject to the approval of the SCA provided that the subscription percentage of the subscribers in the Institutional Tranche does not fall below 60 per cent. of the Offer Shares and the subscription percentage of the subscribers in the UAE Retail Tranche and the KSA Retail Tranche does not exceed 40 per cent. of the Offer Shares in aggregate. The Selling Shareholder and the Company will not increase the size of the UAE Retail Tranche above 10 per cent of the total Offer Shares or reduce the size of the Institutional Tranche by less than 80 per cent of the total Offer Shares. This means that the size of the UAE Retail Tranche and the KSA Retail Tranche in aggregate will not exceed 20 per cent of the total Offer Shares.

Eligibility: UAE Retail Subscribers (as described on the cover page of this Prospectus and the "**Definitions and Abbreviations**" section of this Prospectus).

Minimum application size: AED 5,000 (five thousand UAE dirhams), with any additional application in increments of AED 1,000 (one thousand UAE dirhams). Each Subscriber in the UAE Retail Tranche will be guaranteed a minimum allocation of 1,000 Shares.

Maximum application size: There is no maximum application size.

Allocation policy: In case of over-subscription in the UAE Retail Tranche, 1,000 shares are initially allocated to each subscriber, and any excess in the subscribed Offer Shares will be allocated] pro rata to each Subscriber's subscription application amount based on the Final

	Offer Price. Applications will be scaled back on the same basis if the UAE Retail Tranche is over-subscribed. Any fractional entitlements resulting from the pro rata distribution of Offer Shares will be rounded down to the nearest whole number. Shares will be allocated in accordance with the aforementioned allotment policy, based on the Final Offer Price.
Unsubscribed Offer Shares	If all of the Offer Shares allocated to the UAE Retail Tranche are not fully subscribed, the unsubscribed Offer Shares shall be available to the Institutional Tranche or alternatively (in consultation with the SCA) the Selling Shareholder may extend the Closing Date, and/or close the Offering at the level of applications received.

The Institutional Tranche:

Size:	The Institutional Tranche will be made pursuant to this Prospectus and the International Institutional Offering Document (except for Professional Investors in the KSA). 85 per cent. of the Offer Shares representing 2,148,026,441 (two billion one hundred and forty-eight million twenty-six thousand and four hundred and forty one) Shares will be allocated to the Institutional Tranche. The Selling Shareholder and the Company reserve the right to amend the size of the Institutional Tranche at any time prior to the end of the subscription period at their sole discretion, subject to the approval of the Relevant Authorities in the UAE provided that the subscription percentage of the subscribers in the Institutional Tranche does not fall below 60 per cent. of the Offer Shares and the subscription percentage of the subscribers in the UAE Retail Tranche and the KSA Retail Tranche does not exceed 40 per cent. of the Offer Shares. Professional Investors shall indicate the preferred listing exchange either (1) ADX or (2) Tadawul when subscribing for the Offer Shares allocated to the Institutional Tranche.
Eligibility:	Professional Investors, as described on the cover page of this Prospectus and the "Definitions and Abbreviations" section of this Prospectus.
Minimum application size:	The minimum application size is AED 5,000,000 (five million UAE dirhams) for Professional Investors subscribing in the ADX Listed Shares. The minimum application size is SAR 5,000,000 (five million Saudi Riyals) for Professional Investors subscribing in the Tadawul Listed Shares.
Maximum application size:	There is no maximum application size for Professional Investors subscribing in the ADX Listed Shares. The maximum application size should not exceed 5 per cent. of the total issued share capital of the Company for Professional Investors subscribing in the Tadawul Listed Shares.
Allocation policy:	Allocations within the Institutional Tranche will be determined by the Company and the Selling Shareholder, in consultation with the Joint Lead Managers (excluding HSBC Bank Middle East

	Limited in connection with any Offering to natural persons). It is therefore possible that Subscribers who have submitted applications in this tranche may not be allocated any Shares or that they are allocated a number of Shares lower than the number of Shares mentioned in their subscription application.
Discretionary allocation:	The Company and the Selling Shareholder reserve the right to allocate Offer Shares in the Institutional Tranche in any way as they deem necessary.
Unsubscribed Offer Shares:	If all the Offer Shares allocated to the Institutional Tranche are not fully subscribed, then the Offer will be withdrawn.

The KSA Retail Tranche:

Size:	Up to 10 per cent. of the Offer Shares representing up to 252,708,993 (two hundred fifty two million seven hundred and eight thousand and nine hundred ninety three) Shares.
Eligibility:	KSA Individual Investors, as described on the cover page of this Prospectus and the "**Definitions and Abbreviations**" section of this Prospectus.
Minimum application size:	The minimum application size is 1,000 Shares (one thousand Shares).
Maximum application size:	The maximum application size should not exceed 5 per cent. Of the total issued share capital of the Company for the KSA Retail Tranche. Any subscription application exceeding the above limit will be rejected. This is the maximum application size for both the KSA Individual Investors, or Professional Investors in the KSA. This limit doesn't apply to the Individual Subscribers, or Professional Investors in the UAE.
Unsubscribed Offer Shares:	If all of the Offer Shares allocated to the KSA Retail Tranche are not fully subscribed, the unsubscribed Offer Shares shall be available to Professional Investors.

Multiple applications

A Subscriber should only submit an application for Offer Shares under one Tranche. In the event a Subscriber applies for subscription in more than one Tranche, the Receiving Banks and the Joint Lead Managers may deem one or both applications invalid.

Important notes

Subscribers in the UAE Retail Tranche will be notified of whether they have been successful in their application for Offer Shares by means of an SMS. Subscribers in the KSA Retail tranche will be notified of whether they have been successful in their application for Offer shares by means of a public announcement on Tadawul.

Upon Listing of the Shares on the ADX and Tadawul, the Shares will be registered on an electronic system as applicable to the ADX and Tadawul. The information contained in this electronic system will be binding and irrevocable, unless otherwise specified in the applicable rules and procedures governing the ADX.

Subject to the approval of the Relevant Authorities, the Company reserves the right to alter the percentage of the Offer Shares, which are to be made available to either the UAE Retail Tranche or the Institutional Tranche or the KSA Retail Tranche.

Second Section: Key details of the Company

1. Overview of the Company

Name of the Company:	**Americana Restaurants International PLC** A free zone public company limited by shares incorporated in the ADGM pursuant to the Companies Regulations.
Primary objectives of the Company:	The objectives of the Company are as follows: • Restaurants Management; • Proprietary Investment; and • Activities of Head Office.
Head office:	Office – 2447, 24th Floor, Al Sila Tower, P.O. Box 128666, Al Maryah Island, Abu Dhabi Global Market Square, Abu Dhabi, United Arab Emirates .
Branches:	None
Details of trade register and date of engaging in the activity:	License No. 000007712; Issue Date: 27 May 2022
Term of the Company:	Not applicable.
Financial year:	1 January to 31 December.
Independent Auditors:	PricewaterhouseCoopers Limited
Major banks dealing with the Company:	• First Abu Dhabi Bank PJSC; • Emirates NBD; • Mashreq Bank; • HSBC; • Citibank; • Al Ahli United Bank; and • National Bank of Kuwait

Details of current Board Members:

Name	Year of Birth	Nationality	Capacity
Mr. Mohamed Ali Rashed Alabbar	1956	Emirati	Chairman (Non-Executive)
Dr. Abdulmalik Abdullah Alhogail	1973	Saudi	Vice-chairman (Non-Executive)
Mr. Raid Abdullah Ismail	1972	Saudi	Member (Non-Executive)
Mr. Kesri Singh	1966	Singapore	Member (Non-Executive)
Mr. Graham Denis Allan	1955	British	Member (Independent)
Mrs. Tracy Ann Gehlan	1968	British	Member (Independent)
Mr. Arif Abdulla Albastaki	1973	Emirati	Member (Independent)

None of the board members hold any memberships in the boards of directors of any joint stock companies in the UAE, except for (1) Mr. Mohamed Ali Rashed Alabbar holds a board membership in Emaar Propoerties PJSC, Emaar Development PJSC and Dubai Bank PJSC; and (2) Mr. Arif Abdulla Albastaki holds the position of vice-chairman of the board of directors in Aramex P.J.S.C and holds the position of a board member in National Health Insurance Company – Daman – PJSC.

No bankruptcy or insolvency ruling or a bankruptcy arrangement was issued against any member of the Board of directors or members of the senior management, or the Board secretary of the Company.

None of the members of the board of directors or the senior management and their first-degree relatives own any shares in the Company, except for Mr. Mohamed Ali Rashed Alabbar who holds 50 per cent. of Adeptio AD Holdings LTD.

The members of the board of directors, the senior management, or the secretary of the Board have no direct or indirect interest in the Shares or debt instruments of the Company or its subsidiaries except for Mr. Mohamed Ali Rashed Alabbar who holds 50 per cent. of Adeptio AD Holdings LTD.

Summary of the remuneration of the board of directors and senior management team

The total annual amount which was paid to the senior management of the Company for the year ended 31 December 2021 was USD 4.77 million.

None of the members of the Board of Directors shall receive any in kind benefits. With regards to the senior management and the secretary of the Board, the Company has obtained life insurance for them and also medical insurance for themselves and their dependants.

BUSINESS DESCRIPTION:

Overview

The Group is the largest out-of-home dining ("**OOHD**") and QSR operator in its 12 countries of operation, across the MENA region and Kazakhstan, based on the number of restaurants in the Group's countries of operations according to the Euromonitor International Report. The Group achieved revenues, of $2.05 billion and $1.15 billion for the year ended 31 December 2021 and the six months ended 30 June 2022, with strong profitability and return on invested capital. The Group has operated restaurants across the MENA region for almost fifty years for iconic global brands such as KFC, Pizza Hut, Hardee's, Krispy Kreme and TGI Friday's ("**TGIF**"), amongst others. In addition to the franchise brands, the Group operates two notable proprietary brands, Wimpy and Chicken Tikka. Despite the impact of the COVID-19 pandemic, the Group continued to expand its restaurant network and opened a gross total of 164, 61, 116 and 66 new restaurants for the years ended 31 December 2021, 2020, 2019 and the six months ended 30 June 2022, respectively. As at 30 June 2022, the Group operated 2,050 restaurants across 12 countries.

The Group believes it is the trusted and preferred franchisee in the MENA region for the following brands: KFC, Pizza Hut, Hardee's, Krispy Kreme, TGIF, Costa Coffee and Baskin Robbins. Recently, the Group signed franchise and development agreements to act as the trusted and preferred operator for Peet's Coffee across the UAE, Saudi Arabia, Kuwait and Qatar. The Group considers KFC, Pizza Hut, Hardee's and Krispy Kreme to be its power brands ("**Power Brands**") which represented 92.4 per cent. Of the Group's revenues for the year ended 31 December 2021 and 92.9 per cent. Of the Group's revenues for the six months ended 30 June 2022. The Group's two principal proprietary brands are Wimpy and Chicken Tikka.

As the leading restaurant platform in its markets with the restaurant footprint exceeding the next four players combined in 2021, the Group is uniquely positioned to benefit from the opportunities in its large, fragmented and structurally growing markets. The Group's markets of presence have a large and growing addressable population of over 270 million as at 2021, with over 78 per cent. Of the population below the age of 45, and the presence of strong spending enablers such as high economic and disposable income growth, a favourable taxation environment as well as high purchasing power parity in the GCC markets. Despite rapid growth, OOHD in the Group's countries remains significantly underpenetrated from both a supply and demand side perspective as compared to other emerging and developed markets, and presents significant potential for further development.

The Group's proprietary omnichannel platform allows customers to experience the Group's iconic restaurant brands across the entire MENA region and Kazakhstan – when they want, and how they want. Specifically, the Group's proprietary digital omnichannel platform provides customers the option of ordering via mobile apps, online ordering, kiosks, QR code ordering and point-of-sale; and its omnichannel access includes delivery, drive thru, car hop, click & collect, take-away and dine-in channels.

The Group's value proposition to customers is predicated on several factors, such as food safety and quality, competitive pricing, speed of service, guest courtesy and restaurant aesthetic / design appeal. The Group is actively engaged in marketing and advertising activities, as well as launching new products and services to enhance the salience, relevance and customer engagement of its portfolio of brands with consumers across the MENA region and Kazakhstan. The Group relies upon the worldwide appeal and customer recall of its iconic brands, its sustained focus on customer satisfaction and implementation of digital measures to increase its efficiency in operations and enhance customer experience. Raw materials for the Group's operations are sourced from pre-approved vendors which are selected to meet international food safety, quality and ethical sourcing standards. The Group's restaurants are routinely subjected to independent third-party audits by its franchisors and accredited to ensure compliance with global best-in-class QSR and casual dining standards. The Group consistently ranks as a leading global performer in its key franchise systems. The Group's services and menu are diversified – tailored to local tastes and preferences – and are regularly reviewed to meet the growing and evolving customer demands across the Group's countries of operation, whilst retaining the key customer associations of its brand.

The Group expects the importance of home delivery in the MENA and Kazakhstan QSR industry to continue to grow due to changing lifestyles and evolving consumer behaviour in the post-COVID-19 food-consumption environment. In response, the Group has enhanced its own capabilities and invested heavily in its last mile delivery operations, expanding its own delivery driver fleet. As at 30 June 2022, the Group had a fleet of more than 7,800 drivers across the MENA region and Kazakhstan and intends to continue growing this fleet in line with the growth of the delivery business. The Group's brands are highly popular on restaurant aggregator platforms such as Talabat, Hunger Station, Jahez, Deliveroo and Glovo, across its countries of operation. The Group has long term agreements (typically five years) with strategic aggregator partners, and because the Group's own delivery fleet fulfils more than 80 per cent. Of its orders (in 2021), aggregator platforms are used primarily for additional customer acquisition. In instances where the Group relies on its aggregate partners for delivery, the Group works closely with these platforms to ensure safe and efficient deliveries, without compromising food quality.

Following the onset of COVID-19 and the increased focus on health and safety by consumers globally, the Group prioritized the health and safety of both customers and employees, including through the introduction of contactless delivery and take-away, as well as re-training its entire restaurant staff and drivers on health, safety and personal hygiene standards. The Group aims to maintain a sustained focus on consumer and employee health and safety through routine refresher training. The Group has also re-developed its menus for greater delivery and take-away compatibility.

The Group has modernised and digitised its operations to meet customers' continually changing demands. In particular, the Group's focus on a frictionless customer experience, supported by culinary, technology and design innovations, have led it to achieve strong brand-health and brand relevance as well as supporting revenue growth. In April 2020, the Group launched its first proprietary mobile application for KFC on its proprietary digital platform in the UAE, through which consumers can explore the menu, find offers, place orders online and view real time order tracking. By 2021, the Group's KFC mobile application had been launched in seven countries including United Arab Emirates, Saudi Arabia, Kuwait, Egypt, Oman, Bahrain and Qatar. Further, the Group operates four other brand-specific mobile applications for Pizza Hut, Hardee's, Wimpy and Krispy Kreme across different MENA countries. As at 30 June 2022, the Group has launched 17 SuperApps.

History

Historically, the Group's restaurant business was owned and operated by Kuwait Food Company (Americana) K.S.C.C. (the "**Former Parent Company**"). The Group has more than fifty years of experience operating as the trusted and preferred operator for global QSR and casual dining brands. In 1964, the Group was founded in Kuwait and began its Wimpy operations in 1970, followed by KFC in 1973. Between 1964 and 2016, the Group diversified its franchise partnerships to include Pizza Hut in 1979, Hardee's in 1980, TGIF in 1994 and Krispy Kreme in 2006. During the same period, the Group expanded its operations to include restaurants in the UAE in 1979, Saudi Arabia in 1980, Morocco in 2001 and Kazakhstan in 2008. Most recently in 2022, the Group added Peet's Coffee to its iconic brand portfolio.

On 29 September 1984, the Former Parent Company listed on the Kuwait Stock Exchange. In the fourth quarter of 2016, PIF, the sovereign wealth fund of Saudi Arabia, and H.E. Mohamed Ali Rashed Alabbar, founder of Emaar Properties, acquired a majority stake in the Group's parent company through their jointly-held investment vehicle, Adeptio AD Investments Ltd. This acquisition was followed by a mandatory tender offer (such transaction, the "**Adeptio Acquisition**") increasing the effective ownership of Adeptio AD Investments Ltd. In the Former Parent Company to 96.03 per cent. (including treasury shares), while the remaining 3.97 per cent. Shareholding remained in the hands of some 180 minority shareholders. As a result, on 23 April 2018 the Former Parent Company voluntarily de-listed itself from the Kuwait Stock Exchange.

On 27 May 2022, the Company was incorporated as a wholly-owned subsidiary of the Former Parent Company and was named Americana Restaurants Ltd. On 27 June 2022, the Former Parent Company transferred all of its restaurant business to the Company. On 25 August 2022, the Former Parent Company transferred 96.03 per cent. Of its shareholding in the Company to the Selling Shareholder and the remaining 3.97 per cent. To certain other legacy minority shareholders as part of the Former Parent Company's corporate reorganisation exercise. The Selling Shareholder is wholly owned by Adeptio AD Holdings Ltd. (the "Ultimate Parent Company"). The shares of the Ultimate Parent Company are owned on a fifty-fifty basis by Mr. Mohamed Ali Rashed Alabbar and the Saudi Company for Gulf Food Investments ("**Gulf Food Investments**"), a subsidiary of PIF.

On 29 August 2022, (i) the Company re-registered as a public company limited by shares and (ii) the Company's name was changed from Americana Restaurants Ltd. To Americana Restaurants International Plc.

Following the Adeptio Acquisition, the Group's new management team embarked on a transformation journey, with a focus on improving its people culture, enhancing its operating standards and governance, streamlining processes, driving agility and innovation, and implementing technology solutions to achieve its growth ambitions. The Group's vision-mission-purpose statement (set out below) applies equally to team members in its restaurants, as well as its shareholders.

An aligned vision	A common mission	An ultimate purpose
To be the fastest growing and most trusted food operator in the world	To create awesome experiences for internal and external customers and amazing value for shareholders	To make a difference and create an impact in the restaurant, and communities where we operate

In August 2017, six "Americana values" were introduced that have played a key role in driving the transformation.

The Group's embrace and practice of these values continues to strengthen and support its performance driven culture.

In addition, the Group conducted a brand and portfolio optimization exercise, and exited its underperforming, unscalable brands – reducing its brand count from 20 in 2016 to 11 as at 30 June 2022.

Further, with a focus on building a forward-looking, future-ready, opportunity-seizing organization, the Group established its "transformation office" in 2019. The transformation office focuses on breakthrough value projects that go beyond incremental improvement, and provides a platform to rewire, rethink, and reimagine operating models to improve the business. Every year, this is achieved through a well-defined transformative funnel, which begins with the Group's management selecting, and then clearly defining and mapping as projects, its 10 biggest ambitions. Once the vision for each project is established, the Group assesses its internal capabilities, and then plans accordingly, forming teams and establishing bi-weekly ideation and review sessions with the leadership team to ensure constant progress and alignment between stakeholders. Key initiatives include developing the Group's own last mile platform, its dynamic pricing strategy, and voice of customer ("**VoC**") and Loyalty Program, among the other projects. In previous years, the transformation office successfully completed projects such as the Wimpy Relaunch in Egypt and speed of service ("**SOS**") enhancement at restaurants across the Group.

Strengths

The Group believes it possesses several competitive advantages rooted in its heritage, scale and platform that differentiate it from other restaurant operators in the MENA region and Kazakhstan.

Standout Operator of Iconic Global Brands with Customer-Centric Operating Culture and Multiple Platform Efficiencies

The Group is the leading OOHD and QSR operator (based on the number of restaurants) in its 12 countries of operation, across the MENA region and Kazakhstan. It operates restaurants under a portfolio of 11 brands across key consumer verticals and occasions, including key QSR categories (chicken, burger and pizza), fast casual, casual dining, indulgence and coffee concepts, with the aim of maximising share of wallet within a complete, omnichannel ecosystem. The Group's diverse portfolio of iconic global brands includes KFC (the top global Chicken QSR brand by number of restaurants globally), Pizza Hut (the second largest global Pizza QSR brand), Hardee's (the iconic Burger QSR brand in the MENA region) and Krispy Kreme (the globally leading Indulgence and doughnut brand). With its proven track-record of success for over 50 years, the Group's platform attracts internationally successful brands. The Group replicates, improves and adapts to local tastes with tried-and-tested dining solutions from some of the world's most popular brands. Additionally, the Group enjoys multi-decade global brand equity and highly embedded customer trust, appeal and preference.

The Group believes it has been able to consistently serve as a trusted and preferred partner for franchisors through its unique strengths as a multi-brand and multi-region operator.

Culture of Operating Excellence

The Group is deeply focused on product quality, speed of service and overall customer experience, and embeds related key performance indicators in its managerial and remuneration decisions.

The Group's service standards have earned its restaurants numerous awards and accolades within its franchisors' systems, with the Group-managed KFC brand, for instance, ranking amongst the top global markets according to the to the Yum's third-party ROCC during 2019 to 2021. All of the Group's Power Brands are recognised as top quartile performers by their respective franchisors. The Group has a performance-driven culture that incentivises employees at all levels to pursue high standards of excellence, guest service and financial performance. This culture was instilled by the new management team introduced after the Adeptio Acquisition, and has enabled a significant improvement in compliance scores across brands, for instance, driving an improvement in KFC ROCC score from 64 per cent. In 2017 to 90 per cent. In 2021.

Alignment of incentives across all employee levels, combined with the Group's organisational agility, allowed for rapid and successful transformation and improvement to the Group's operations, during the COVID-19 pandemic. For instance, between 2019 and 2021, the Group pivoted its strategy and operations to focus on growing its delivery capabilities, which significantly increased restaurant productivity. The average number of employees per restaurant decreased from 20.6 in 2019 to 19.0 in 2021 while revenues increased by 8.5 per cent. During the same period.

In 2021, the Group, after identifying the potential through its transformation office, prioritised improving its SOS, a key metric in the QSR industry. With the objective of improving customer experience, throughput and productivity in restaurants, the Group's SOS enhancement program carefully analysed existing service-times of dine-in, take-away and drive thru, and other aspects including restaurant layout, restaurant organization, operation systems and staff recognition. As a result: (1) in-restaurant SOS dashboards are now available in KFC, Hardee's, Pizza Hut and Wimpy restaurants, and these dashboards not only monitor speed of order-taking and food preparation (by restaurant and day) but also provide actionable insights to improve the same, (2) speed playbooks and diagnostic tools were also rolled out to train entire operations teams, from brand COO to team members, (3) SOS competitor benchmarking was also carried out with support of restaurant support staff, (4) restaurant team member feedback was collected and analysed, (5) a daily/weekly performance ranking of area managers was implemented, fostering a spirit of friendly competition and (6) recognition and rewards were given whenever any restaurant broke its own peak hour record transactions.

Strong Franchisor Relationships

The Group has a 100 per cent. International franchise agreement ("**IFA**") retention record (other than brands which it exited voluntarily and intentionally). The Group has a well-established footprint in some of the most attractive countries for OOHD across the MENA and Kazakhstan region, with well-developed omnichannel and multi-format capabilities, a long track record of delivery and in-house expertise. The Group has been a partner of choice for iconic global brands with its longest-standing relationships going back approximately 50 years. For all of its territories and brands, the Group acts as the trusted and preferred franchisee (save for the limited exceptions of Pizza Hut in Jeddah, and certain non-traditional channels like military bases and airport locations).

Synergies of Scale

The Group's management of multiple brands and markets is backed by a single operational platform, which creates significant efficiencies and negotiating strength through its combined purchasing power, including *vis-à-vis* suppliers, landlords, contractors, aggregators and other counterparties. The Group's shared use of key assets, systems and resources results in a number of benefits, including:

- **Strategic supplier partnerships and sourcing strategies:** The Group's scale and significance allows it to establish a significant degree of diversification in its supply structure. The Group's abilities to reduce supply costs and leverage joint purchasing are further supported by its relationship with the Former Parent Company, which acts both as a supplier of select products as well as a partner in the procurement for key input categories such as french-fries, beef and other protein products (see "*Material events and contracts concluded by the Company (including related party agreements)*")

- **Multi-brand warehousing:** The Group has a well-invested supply chain infrastructure, capable of supporting future growth across the platform with a network of 38 multi-brand warehouses.

- **Optimized and lean shared services**: The Group has built a strong end-to-end value chain to support its business across 12 countries and all brands. Central functions, such as finance, technology, supply chain management, procurement, quality assurance, culinary, real estate, design & construction and administration, are represented in each country and support the Group's business across all brands, thus enabling consistency, agility and synergies.

- **Last mile capabilities and driver pooling, for improved productivity**: The Group's digitized last mile capability also enables optimized driver utilization and ensures SOS targets are met. In particular, the Group's platform allows the sharing of its fleet of delivery drivers, who fulfil orders across all the Group's restaurants in a given area, irrespective of brand.

Innovation Focus

The Group actively pursues category, channel and operational innovation and it approaches innovation with a 360-degree view that touches the entire value chain of the Group's brands and business. The Group introduces specific local products, menus and bundle innovations designed to enhance appeal to local tastes and preferences of its global brands. The Group's restaurants have been frequent innovators in global system experimentation, for instance, pioneering KFC's now-iconic Twister products in 2003 in a unique local take on the classic shawarma product. The Group is equally focused on bringing new experiences to its consumers, being the first franchisee to introduce stone oven artisanal pizzas to the international Pizza Hut brand in 2022, and is expecting to introduce in-restaurant robotics in partnership with Miso Technologies at its forthcoming Wimpy restaurant in the UAE.

The Group believes it has one of the strongest home delivery and off-premise businesses in the region, primarily due to its investment in light, highly adaptive physical assets, as well as the Group's own delivery fleet, which leverages high route densities and attractive channel economics. As at 30 June 2022, the Group had a fleet of more than 7,800 drivers across the MENA region, and it intends to grow this fleet in line with the growth in the business.

Market Leader in an Attractive Region, Supported by Structural Tailwinds

The Group is the leading OOHD and QSR operator based on the number of restaurants in its 12 countries of operation, across the MENA region and Kazakhstan, which collectively represented a $56 billion OOHD market in 2021, growing at an estimated CAGR of 14 per cent. In USD terms over the period 2022 to 2026, compared to only three per cent. Over the same period in developed markets such as the United States, UK, Canada and Australia (source: Euromonitor International Report). Through its multi-brand, multicategory platform encompassing principal QSR segments (including Fast Casual, Indulgence, Casual Dining and Coffee), the Group addresses a significant share of the overall OOHD market. For instance, the Groups market share of addressable and serviced segments in its key markets, as at 2021, comprised approximately 81 per cent. Of the overall OOHD category in value terms in Saudi Arabia, 71 per cent. In the UAE, 65 per cent. In Kuwait and 36 per cent. In Egypt (source: Euromonitor International Report). Across its countries of operation, the Group is the clear number one diversified operator of OOHD brands by number of restaurants, with continuous increase in its market shares across the OOHD market and its key subsegments over years 2019-2021. The Group is also the number one QSR operator, both in terms of number of outlets and revenues across its 12 countries, as well as in the top three position in each country of operation by value of sales. It has a larger restaurant footprint than the combined operations of the next four largest restaurant players in its countries of operation. The Group believes its leadership is particularly evident in the Chicken QSR segment, where the KFC brand, for which the Group is the trusted and preferred franchisor across the MENA region and Kazakhstan, is a clear market leader with strong appeal to local tastes and chicken-focused dining traditions.

The Group's markets benefit from strong macro and socio-economic tailwinds supporting strong consumer disposable income growth, changing consumption habits and resulting in further development of the OOHD market and its subsegments. While these markets are geographically, economically, socially and ethnically diverse from each other, they share common characteristics that differentiate them globally, such as fast-growing economies with high GDP growth rates (e.g., a forecast GDP CAGR of 6.8 per cent. in annual nominal USD terms across the Group's 12 countries of operation between 2022 and 2026, compared to 4.5 per cent. Across developed markets over the same period), a large share of young population cohorts (e.g., 55 per cent. Of population below 30 years of age as at 2021 across the Group's 12 countries, compared to 37 per cent. Across developed markets over the same period), and overall high population growth (a forecast CAGR of 1.4 per cent. Annually across the Group's 12 countries between 2022 and 2026 compared to 0.5 per cent. Across developed markets over the same period) (source: Euromonitor International Report). Many of the Group's markets, in particular in the GCC countries, also benefit from large government-led economic transformation and diversification projects, high purchasing power parity, large-scale new infrastructure development and high overall level of economic resilience, underpinned by stable currencies pegged to the US dollar or currency baskets. Overall, 80 per cent. Of the Group's revenues in 2021 came from countries with such stable currencies.

Given the macroeconomic tailwinds supporting the sector, there is an increasing supply of restaurant capacity in the markets, particularly by international brand operators, such as the Group itself. Overall, however, the OOHD market and its subsegments remain underpenetrated in relative terms from both a demand and supply perspective, with overall number of OOHD outlets per 10,000 population more than three times lower in the Group's core markets versus developed markets, and more than eight times lower in terms of outlet penetration in the Chained QSR segment, where the Group generates most of its revenues (source: Euromonitor International Report). For instance, despite KFC brand's leadership positions in the broad QSR segment across its markets, it has approximately three times lower penetration in its core markets in terms of outlets per 10,000 population compared to KFC US, and six times lower penetration compared to KFC Malaysia (source: Euromonitor International Report).

Attractive financial model with strong unit economics and efficient capital deployment

The Group's business has strong revenue growth momentum, high profitability, and a significant cash generation track record. The Group's financial performance for the year ended 31 December 2021 improved upon the Group's performance for the year ended 31 December 2019, showing a strong rebound from the COVID-19 pandemic.

Strong revenue momentum following portfolio re-balancing and business transformation

The Group has strong revenue momentum, and achieved higher revenue in 2021 than 2019, despite the impact of COVID-19 primarily due to its smart pricing and marketing efforts. The Group's smart pricing is executed through a dedicated team of revenue management and data scientists who study price elasticity continuously. This helps the Group identify the right balance between maximum value to customer and the Group's margin. The Group has prioritised its focus areas and has strategically divested brands it believes have revenue potential of less than $50 million annually, which reduced its number of brands from 20 brands in 2016 to 11 brands as at 30 June 2022. The majority of the Group's restaurant closures historically have been driven by portfolio optimisation and brand rationalisation, which is now substantially complete, and as a result, the Group believes the portfolio is now significantly healthier than previously.

The Group's historical revenue growth has been relatively consistent, but for the impact of portfolio optimisation and the COVID-19 pandemic. The Group had 19 per cent. Revenue growth in the six months ended 30 June 2022 as compared to the six months ended 30 June 2021.

Efficient capital expenditure deployment and cash generative business

The Group's capital deployment is disciplined, with a strong focus on new restaurant openings, followed by investments in technology and restaurant remodelling. Efficient restaurant formats and rigour in organisational management through due diligence, an experienced investment committee, use of procurement management techniques such as standardized bills of quantity, and other tools has contributed to industry leading new restaurant opening average payback periods.

The Group's net working capital as a percentage of revenue was negative 11 per cent. (as at 31 December 2021) which is a significant improvement since the Adeptio Acquisition. This has been backed by the Group's efforts to focus on improving its inventory, payables and receivables management, resulting in negative trade working capital days. This negative working capital has created a virtuous cycle which results in more cash generation as the Group grows its business, which can be re-invested in the business for future growth.

Powerful Digital Platform with an Advanced Technology Stack

Over recent years, the Group has made significant investments in its front and back-end business intelligence systems, and has created what the Group believes to be one of the MENA region's most advanced digitally driven platforms in the food service industry. On the front end, the Group operates 17 proprietary, brand-specific customer facing applications it refers to as SuperApps, which have multi-country and multi-currency functionality. The SuperApps, together with partnering aggregators and the Group's call centres, form the core enablers of the Group's home delivery offering.

The SuperApps have been downloaded more than eight million times as at 31 December 2021 with an average rating of 4.4 (out of 5.0).

The Group is further augmenting its digital platform with the development of a single cross-platform customer management system ("**CRM**") and a VoC query resolution solution, developed exclusively by the Group in partnership with Sprinklr, a US based software company that specializes in customized customer experience management platforms. The Group has also invested in advanced front-of-house technology, launching self-ordering kiosks, digital menus, car hops and other innovations to create a more seamless and efficient ordering experience for its customers.

This digital ecosystem allows the Group to gather direct insights into customers' preferences, drive loyalty and maximise share of wallet with personalised offers, while promoting a high-quality customer experience. The ecosystem approach is reinforced by the Group's deliberate focus on controlling the "last mile" of order fulfilment. In 2021, approximately 81 per cent. Of the Group's home delivery orders placed on either aggregator platforms or the Group's SuperApps and call centres were fulfilled by the Group directly, with an average delivery time of 26 minutes for approximately 45 million deliveries. As a result, the Group believes it has one of the MENA region's largest home delivery businesses.

The Group has also invested in the development of its own and third-party systems to improve the effectiveness of its business operations, enhance the agility of the business, and the speed and quality of key business decisions. The entirety of the Group's operations is enhanced through the "machine+human" approach, for instance, by leveraging custom location software provided by Tango. Tango is a company specializing in smart lease management and, together with the Group, has developed a location search algorithm and database in conjunction with the local development teams' expertise to constantly fill, expand and progress a pipeline of new locations for the Group's restaurants.

The group's front-of-the-house ("**FOH**") and back-of-the-house ("**BOH**") capabilities are well-integrated to ensure reliable and timely provision of business-critical data. For instance, as at 30 June 2022, all of the Group's 2,050 restaurants, call centres, SuperApps and delivery aggregators provide live data feeds into the Group's business information system which are used to drive decisions on pricing, resource allocation and supply.

Well-invested, Diversified Supply Chain Infrastructure Supporting Future Growth

The Group believes its supply chain infrastructure is a competitive advantage, given its regional presence. The Group leverages the significant scale of its business to build a robust operation which ensures maximum stock availability while keeping working capital requirements at a minimum. This is achieved by a mix of experienced professionals at the Group and partnerships with third parties. Regardless of ownership, supply chain performance is measured by industry-standard measures such as the "On Time In Full" standard, while maintaining a continuous improvement mindset.

The Group places strong focus on supply diversity, consistency and cost discipline with a global supply network, a balanced approach towards imports versus locally sourced products and low supplier concentration. The Group's top 10 suppliers (excluding the Former Parent Company and its affiliates) account for only 36 per cent. Of Direct Spend (defined as cost of inventory related to raw materials, food-related items and packaging materials in 2021). Other than the Former Parent Company and its affiliates, no single supplier has represented more than 10 per cent. Of Direct Spend on supplies in the period covered by the Financial Statements. The Group benefits from significant bargaining power with 86 per cent. Of its Direct Spend in 2021 being centrally managed, as well as due to long standing relationships with trusted supply parties and reduced dependence on external parties with the Former Parent Company providing 16 per cent. Of Direct Spend in 2021.

Experienced Management Team with a Proven Track Record of Delivery Supported by Strong Shareholders

The Group's management team was significantly reinforced in the years following the Adeptio Acquisition in 2016. The Group's current CEO, Mr. Amarpal Singh Sandhu, was assigned responsibility of Americana Restaurants in 2019, and the Group's current CFO and Chief Growth Officer, Mr. Harsh Bansal, joined the Former Parent Company immediately following the Adeptio Acquisition.

Through the support of its shareholders and efforts of the current management, the Group has experienced significant improvements to its portfolio, growth and profitability profile. The Group has simplified its brand portfolio to focus on its most attractive brands, reducing its count from 20 brands in 2016 to 11 as at 30 June 2022, and rebalancing its restaurant portfolio to emphasize its Power Brands.

In addition, a focus on higher sales densities and exits from unprofitable locations, the introduction of stricter cost discipline and zero-based budgeting, the streamlining of internal processes and a comprehensive technology adoption across the business have driven an increase in profitability of the Group, despite COVID-19-related closures and additional costs in 2020.

The above transformational changes introduced by the management have been accompanied by a comprehensive shift towards a performance and KPI driven values-led culture. The Group believes that its "culture of performance" and "customer obsession" are key to its position as the leading restaurant platform in the MENA region and are instrumental in fulfilling the management's vision to become a globally leading restaurant operator delivering the greatest customer value, trust and impact.

Over recent years, the Group has managed to enhance employee retention across all organisation levels and has transformed internal processes by creating a relatively non-hierarchical organisational structure despite significant levels of complexities across countries, brands and channels. Through high operational data focus, a KPI-driven incentive structure and numerous tools automating and simplifying data operations, management believes they have created a highly transparent, meritocratic and supportive work environment, which has been recognised with the "Exceptional Workplace" award by Gallup in 2022.

Strategies

The Group aims to continue its growth and development through four principal strategic levers:

Growth in Restaurant Portfolio

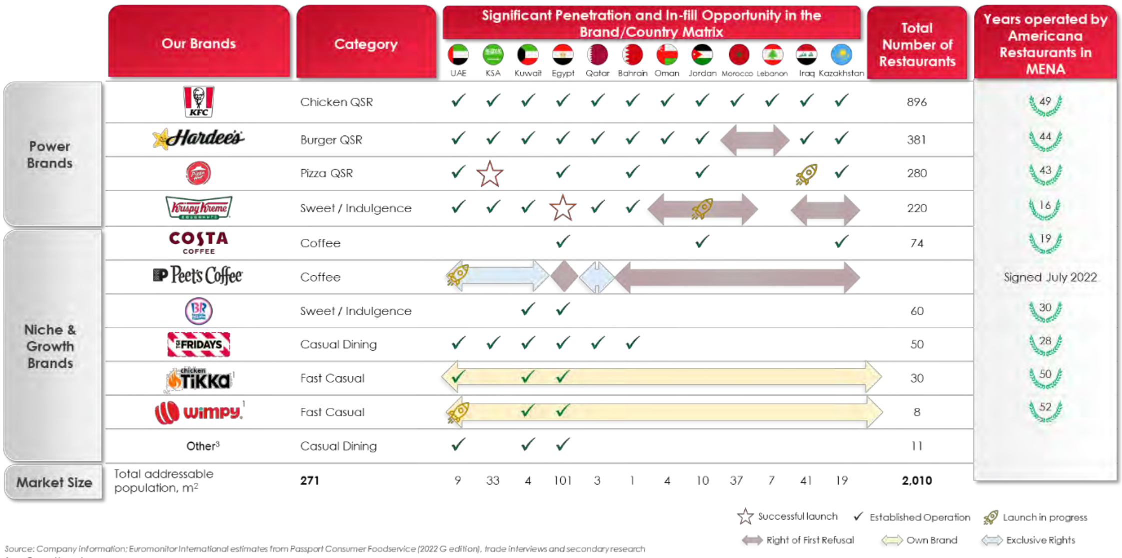
Given the relatively low levels of penetration across its markets and existing gaps in its country and brand presence, the Group sees significant further rollout potential across its entire portfolio. The Group expects its Power Brands, KFC, Pizza Hut, Hardee's and Krispy Kreme, to continue to contribute significantly to new restaurant growth in the medium term. Within the Group's current brand portfolio and cross-border network, the Group expects to maintain a similar level of geographical focus on GCC countries and increasing focus on its brands such as Krispy Kreme, Wimpy and Peet's Coffee. The Group distinguishes among three vectors of its portfolio development: deeper penetration of existing markets, expansion (in existing and new markets) and entry into new categories, in each case underpinned by its core rollout capabilities.

Drive Deeper Penetration

In the markets where the Group has an established presence, it sees further potential to grow its market share and scale, as the overall OOHD market continues to grow and new whitespace is created, through, for instance, new urban developments, as well as the continued shift from traditional and fragmented operations to modern restaurant chains with highly desirable, iconic global brands. In particular, the Group seeks to reinforce its clusters with "restaurants of the future", with smaller and more productive restaurants with a deliberate focus on off-premise consumption, as well as with new concepts such as drive thru and car hops, and new food destinations. At the same time, the Group seeks to maintain its strict discipline on restaurant portfolio quality and may continue to carve out or relocate select restaurants not meeting its IRR expectations.

Expansion Across the Group's Markets

The Group believes that it has a significant "right to play" in its countries of operation, meaning that some of the brands in its portfolio are not yet present in the geographies where the Group already has either the right to operate, or has a right of first refusal with the franchisor. For instance, the Group was only recently awarded rights to operate Pizza Hut in Saudi Arabia (excluding Jeddah) and Iraq, and the Group has not yet deployed the Krispy Kreme brand in half of its markets. Similarly, for its proprietary brands, the Group sees significant potential to drive rollout beyond its current countries of operation.



Source: Company information; Euromonitor International estimates from Passport Consumer Foodservice (2022 G edition), trade interviews and secondary research
1. Owned brands
2. 2021A
3. Other includes Grand Café (3), Fish Market (6), Pavilion (1) and Red Lobster (1). Red Lobster has been exited as of Jun-2022A

Entry into New QSR Categories

The Group's ambition is to provide comprehensive food service across all principal categories and occasions, thereby maximising its share of wallet with consumers. The Group, therefore, sees significant strategic upside in adding new niches to its offering, such as salads, juice bars, ethnic food and others. In particular, the Group is currently focused on development of its coffee vertical with the ongoing launch of Peet's Coffee in the UAE. The Group's exclusive franchise and development agreement with Peet's Coffee allows the Group to launch the Peet's Coffee brand in the GCC markets of the UAE, Saudi Arabia, Kuwait and Qatar, providing a powerful new opportunity to tap into the region’s booming coffee market.

Revenues Growth

The Group aims to continue driving revenue growth at its existing restaurants. It believes marketing, smart pricing and innovation execution are key drivers of its Revenues Growth. The size and scale of the Group's brands make it one of the biggest marketing and advertising spenders across the MENA region and Kazakhstan. The Group's advertising spend allocation is in the process of a significant shift towards digital and social media marketing, and other mediums such as outdoor, television and radio.

While the Group's QSR brands enjoy mass appeal to all significant customer segments, to attract younger consumers and drive salience with the 18-to-45-year female and male cohorts, the Group (and its brands) also actively engages genre-relevant social influencers, food bloggers and YouTube artists, in addition to seeking to engage and emotionally connect with younger consumers via gaming, sports and music. The Group rigorously reviews the annual marketing and advertising plans for each brand to generate strong and sticky messaging on product love, value for money, capturing occasions and brand connect. The Group's key objectives for these campaigns are to drive retention, trial, repetition and relevance.

In addition, the Group expects to continue its digital investment to further enhance its ability to gain additional customer wallet share across its existing footprint. This is enabled by off-premise focus of the restaurant portfolio on the physical infrastructure side, as well as digitally through the leveraging of a cross-brand CRM, the expected launch of a digital loyalty program, and other enhancements to the Group's loyalty and retention toolkit. In addition, the Group believes that its commitment to product quality and innovation, operational excellence and delivering the best customer experience will further support customer satisfaction, engagement and retention. The Group has rigorous and regular review processes in place to evaluate and improve the product, price and experience offerings. A strong value proposition for each of its brands in the portfolio is central to staying ahead of consumer needs and their ever-changing habits.

Margin Expansion

The Group believes that its focus on cost discipline is reflected in its zero-based budgeting approach across the organisation, where the Group continuously aims to identify opportunities for efficiencies in operating expenses and driving value through matrixed driver-based budgets, dual ownership and accountability, tracking and clear KPIs across the entire profit and loss statement. In addition, the Group believes its ability to pass on the inflationary cost impacts through smart pricing, a focus on the quality of its restaurant portfolio and restaurant management efficiencies (such as waste reduction, demand forecasting, labour scheduling and production planning), and its use of real-time integrated software systems will allow it to maintain and strengthen restaurant-level profitability. The Group expects to see support for its margins through cyclical renormalisation of commodity costs and pricing initiatives, as well as post-COVID-19 normalisation of home delivery channel mix. In addition, the Group believes that increasing revenues will contribute to margin-enhancing operating leverage, at both individual restaurant and Group levels.

Optionality in the Platform

As a trusted and preferred franchise partner for global owners of restaurant brands, the Group engages in discussions for new potential franchising opportunities on an ongoing basis. While the Group may not be permitted to add brands in direct competition with its portfolio of existing brands, it believes it has the infrastructure, pan-regional presence and know-how to operate in a wide range of occasions and formats and will be considering other potential additions to the platform in the short-to-medium term.

As the leading restaurant operator in the MENA region with a strong balance sheet and cash generation track record, the Group may additionally consider strategic actions, such as the entry into new geographic markets or in-market consolidation, encompassing both potential brand and restaurant portfolio acquisitions. As at 30 June 2022, the Group has no concrete plans to acquire specific assets, however the Group consistently evaluates opportunities to potentially pursue in the near term.

Operations

The Group is an omnichannel platform for iconic restaurant brands which leverages a suite of third party and its own best-in-class integrated systems that support over 2,000 restaurants across 12 countries as at 31 December 2021, processing over 150 million orders per year across various channels such as dine-in, take-away, drive thru, car hop and home-delivery. Further, as at 30 June 2022 the Group had its own fleet of over 7,800 drivers under the home delivery channel who are responsible for last mile delivery fulfilment across the Group's brands. As at 31 December 2021, average delivery time was 26 minutes.

While the Group operates 11 different brands, it focuses on four Power Brands: KFC, Pizza Hut, Hardee's and Krispy Kreme.

Similarly, while the Group operates in 12 jurisdictions across the MENA region and Kazakhstan, it is focused on four key countries: the UAE, Saudi Arabia, Kuwait and Egypt. The Group's business outside the four key countries is of varied size and scale.

The following table sets forth a breakdown of the jurisdictions where the Group has opened restaurants by brand, the number of restaurant locations across the MENA region and Kazakhstan and number of years of operation for each brand as at 30 June 2022.

Jurisdictions

	UAE	Saudi Arabia	Kuwait	Egypt	Qatar	Bahrain	Oman	Jordan	Morocco	Lebanon	Iraq	Kazakhstan	Total Number of Restaurants Operated by the Group	Total Number of Years of Operation
Power Brands														
KFC	X	X	X	X	X	X	X	X	X	X	X	X	900	49 years
Pizza Hut	X	X		X		X		X				X	284	43 years
Hardee's	X	X	X	X	X	X	X	X			X	X	386	42 years
Krispy Kreme	X	X	X	X	X	X							243	16 years
Other Brands														
Costa Coffee				X				X				X	70	19 years
Baskin Robbins			X	X									60	30 years
TGI Fridays	X	X	X	X	X	X							50	28 years
Chicken Tikka	X		X	X									30	50 years
Wimpy			X	X									18	52 years
Other[1]	X		X	X									9	-

[1] 'Other' includes Grand Café (2), Fish Market (6), Pavilion (1)

KFC

Overview

The Group has a long-standing relationship with affiliated companies of Yum (more than 54,000 restaurants worldwide) which owns the KFC and Pizza Hut brands. While historically, the Group’s KFC restaurants were built to cater to customers dining in-person or ordering take-out, the Group has methodically been implementing omnichannel access/solutions to allow customers other dining options as well including drive thru, car hops, click and collect, kiosks and home delivery. In response to rapidly changing consumer preferences in recent years and to further penetrate some developed markets such as the UAE, the Group has implemented the infill strategy over the last two years by building smaller physical formats in addition to the standard restaurants. The strategy has provided customers with a variety of convenient channels and touchpoints to access the Group's KFC restaurants or order food off-premise.

The Group's KFC restaurants achieved $1.2 billion in revenues in the year ended 31 December 2021, with 19 per cent. Of revenues generated on-premise and 81 per cent. Of revenues generated off-premise (including home delivery, drive thru, take-away, car hop and catering).

The following table indicates the number of the Group's KFC restaurants in each of the Group's countries of operation as at 30 June 2022.

Country	Number of Restaurants
Bahrain	23
Egypt	169
Iraq	8
Jordan	27
Kazakhstan	68
Kuwait	70
Lebanon	18
Morocco	21
Oman	41
Qatar	54
Saudi Arabia	217
UAE	184

History

The Group opened its first KFC restaurant in Kuwait in 1973 and since then has steadily expanded into 12 countries across the MENA region and Kazakhstan. The Group is a clear leader in the Chicken QSR segment based on the number of restaurants. The Group's KFC brand holds the number one position in the Chicken QSR segment across all 12 countries of operations according to the Euromonitor International Report. As at 31 December 2021, the Group operated 896 KFC restaurants in 12 countries. As at 30 June 2022, the Group operated 900 KFC restaurants in 12 countries. The Group's vision is for KFC to be "the most trusted & loved chicken brand" in its countries of operation.

Relationship with master franchisor and key terms of agreement

The Group has worked with Yum (and/or its affiliates) since opening its first KFC restaurant in 1973. As such, the Group maintains a long-standing relationship with KFC's brand owner, lasting almost fifty years. The Group and the relevant Yum franchisor entity work together across various aspects of operations including product innovation and development across the Group's restaurants, local marketing activities for the countries in which the Group operates, technology initiatives, and promotions and other marketing activities.

The Group remains Yum's largest franchisee for operating KFC restaurants across the MENA region and Kazakhstan, which allows the Group a unique opportunity to foster and drive synergies and economies of scale on operations, supply chain, people development, restaurant development and technology solutions across its countries of operation.

The Group has entered into development agreements with Yum! Restaurants International (MENAPAK) Co SPC (now novated to KFC MENAPAKT FZ-LLC), Kentucky Fried Chicken International Holdings L.L.C. and KFC MENAPAKT FZ-LLC ("**KFC dAs**") which are generally valid for a period of three to five years. Each KFC DA set targets on net number of KFC restaurants to be built per Yum KFC Development Area on an annual basis. The KFC dAs also set certain targets for upgrading existing KFC restaurants in line with the then current KFC brand standards. (See "*Material Agreements – KFC Development Agreements*").

The Group operates each of its KFC restaurants pursuant to IFAs or international concession contracts (the latter of which govern a limited number of restaurants at non-traditional locations, e.g. airports) entered into with Yum! Restaurants International (MENAPAK) Co SPC (now novated to KFC MENAPAKT FZ-LLC), Kentucky Fried Chicken International Holdings L.L.C. or KFC MENAPAKT FZ-LLC ("**KFC IFAs**"). Each restaurant established by the Group has obtained a separate KFC IFA generally valid for a period of 10 years with a one-time option for renewal of another 10 years if certain requirements are met by the Group. Under the KFC IFAs, the Group may use the KFC formats, operating systems and various standards and specifications in operating its KFC restaurants. The Group may also use trademarks, copyrights, patents and other intellectual property belonging to the KFC brand that are required to operate its KFC restaurants. These agreements, together with Yum's franchise policies manual and/or other policies of the franchisor, govern amongst other things, product innovation and development, menu architecture, marketing initiatives and supplier approval.

The following table shows the Group’s development of KFC restaurants for the periods indicated:

	Years ended 31 December			**Six months ended 30 June**	
	2019	**2020**	**2021**	**2021**	**2022**
KFC					
Number of restaurants at the beginning of the period	811	849	848	848	896
Number of new restaurants opened during the period	47	18	63	16	10
Number of restaurants closed during the period	9	19	15	2	6
Number of restaurants at the end of the period	**849**	**848**	**896**	**862**	**900**

The Group has been consistently ranked in the top quartile in independent audit scores by Yum's ROCC program, which is an audit score that measures brand standards, food safety, health and safety. The Group's score from its latest audit in 2021 was 90 per cent., which is within the top quartile across Yum's network of franchises. The Group has also improved its SOS (including order taking and wait time) for dine-in, drive thru and takeaway from eight minutes and seven seconds in the first quarter of 2021 to two minutes and 43 seconds in the second quarter of 2022.

Value Proposition

The Group's KFC restaurants have a dual category focus on both the chicken and sandwiches QSR segments and feature an extensive menu including the iconic KFC chicken buckets, in addition to burgers, wraps, chicken wings, rice bowls, french-fries and cold beverages. The menu is designed such that consumers receive a consistent experience that is also served quickly across various channels. The Group leads the creation of specific promotion offerings at attractive price points serving distinct consumer needs, thereby creating additional growth opportunities for its brands. The Group works together on innovation efforts with the franchisor to introduce new and attractive, limited time menu offerings to its customers.

The Group believes that KFC's scale, global recognition and popularity provide it with a strong competitive advantage within the chicken QSR vertical.

Among one of the first international chains that entered the MENA region's QSR industry in 1973, the Group's KFC restaurants are associated with its vibrant, contemporary restaurant designs and signature menu items. The Group continues to evolve and stay relevant to its younger generation customers through digital marketing and by associating with platforms and events such as gaming and football. Over the past few years, KFC has regularly associated with gaming platforms such as PUBG, Sony Playstation, and run associative promotional programs with marquee football tournaments like UEFA Champions League and Euro 2020. The Group ran a much-celebrated promotion campaign by creating a shortcut (Shift key + K + F + C) through which the consumer could order, and for which the brand won many global marketing awards like Effies and Lynx. The Group believes these efforts have created an aspirational brand for KFC's customers across the MENA region and Kazakhstan.

The Group endeavours to keep KFC's pricing competitive relative to other key QSR players while also offering value and maximising its margins. The Group has leveraged its data driven operations and decision-making processes and has designed a menu structure that offers value for different customers and occasions on its core chicken menu offerings. In addition, the Group's KFC franchise maximizes revenue per consumer transaction through proprietary constructs like combos, meals and boxes, which give its customers a range of offerings at competitive prices.

Marketing

The Group's KFC brand has pioneered the transition from conventional media to digital media with a continued shift in marketing spend from traditional to digital media. The Group's KFC brand has aggressively grown in the e-commerce space by launching its SuperApp across most of its countries of operation. The SuperApp developed by the Group is among the top five most downloaded food applications in both the UAE and Saudi Arabia. In addition, the Group uses its customer data to segment users and customise offers to them using CRM tools.

Marketing for the Group's KFC brand is carried out through a marketing cooperative ("**Co-op**") with representation from the Group and Yum. Co-op meetings provide an opportunity for discussing strategies for driving business growth and brand health.

The Group is required to spend, in accordance with the KFC IFA, a specified percentage of each KFC restaurant's revenues (as defined below) towards the advertisement, promotion and marketing activities. The franchisor's marketing team leads brand-specific marketing activities across the region, whereas the Group's marketing teams lead localized and restaurant-based promotion and marketing activities.

The Group, through the Co-op, is actively involved in various decision-making processes on key marketing campaigns, product innovation, customer acquisition and retention strategies within the territories in which the Group operates KFC restaurants. The Group has been pioneering work on digital commerce for KFC across all markets through development of its own mobile SuperApp for the Group's KFC brand. The Group periodically reviews the performance of its business with the franchisor to identify growth opportunities for KFC across markets and actively contributes to the formulation of strategies to deliver targets as part of such opportunities.

The Group's KFC brand's core marketing strategy involves maintaining and continuing to grow in a manner that is relevant and easily distinctive for customers. The brand focuses on its core offerings of fried chicken and seeks to increase its accessibility through multiple channels such as growing its own channels (both on mobile applications and on websites) as well as aggregators for food delivery and different payment methods for customers' convenience. Marketing initiatives focus on expanding the target-group profile of KFC customers by maintaining a social media presence and introducing customized offers of bundle meals to target a range of groups. In addition, the Group's KFC campaigns and communication are customised to different regions. For instance, they differ in local vernacular and in innovative items suited to local palates such as the "Twister Charger" and local Saudi chicken. The Group also leverages festivals and other occasions to introduce targeted campaigns geared towards local audiences.

Development Strategy

The Group believes there are still significant penetration opportunities in the region for its KFC franchise. While the Group enjoys a leading position in its countries of operations, the Group's KFC franchise benchmarks itself against a restaurant-per-thousand-people standard and thus believes there is whitespace to grow across the region. In addition to country whitespace in markets like Iraq, the Group's believes its KFC franchise can establish even more restaurants in Saudi Arabia, Morocco, Kuwait and Egypt, among others. For instance, despite KFC brand's leadership positions in the broad QSR segment across its markets, the Group estimates that it has approximately one-third the penetration in its core markets in terms of outlets per 10,000 population compared to KFC US, and one-sixth the penetration compared to KFC Malaysia (source: Euromonitor International Report). The Group continues to optimise its capital expenditure and foster greater restaurant penetration.

A majority of the Group's KFC locations are drive thrus which offer to customers greater access. In line with its desire to grow through digital commerce, the Group continues to invest in its customers' digitised ordering experience at its restaurant through its KFC SuperApps as well as kiosks and QR codes.

Pizza Hut

Overview

According to the Euromonitor International Report, Pizza Hut is the market leader in the pizza category in the UAE and Egypt. As at 31 December 2021, the Group operated 280 Pizza Hut restaurant across five countries. As at 30 June 2022, the Group operated 284 Pizza Hut restaurants located across six countries. In 2022, the Group was granted franchise rights for Pizza Hut in Saudi Arabia (except in Jeddah). The Group plans to launch its Pizza Huts in Iraq by the first quarter of 2023. Typically, the Group operates three categories of Pizza Hut restaurants: (1) a full-service dine-in restaurant with different capacities; (2) a fast-casual, delivery or carry-out format; and (3) a small-restaurant format. The small-restaurant formats cater to delivery/take-away orders with limited seating for customers or drivers waiting to pick-up orders, or they may comprise of a curb-side feature operating in strategic locations.

The Group's Pizza Hut restaurants achieved $237 million in revenues during the year ended 31 December 2021, representing $0.9 million in Average Unit Volume, with 14 per cent. Of revenues generated on-premises (including dine-in and kiosk) and 86 per cent. Of revenues generated off-premise (including home delivery, drive thru, takeaway, car hop and catering).

The Group's Pizza Hut restaurants are spread across diverse areas ranging from neighbourhood markets in urban areas, such as high-street locations, shopping malls and food courts to business hubs and petrol stations. As at 30 June 2022, the Group's proprietary Pizza Hut SuperApp received a 4.7 out of 5.0 rating the iOS and Android application stores. The various channels including home delivery enable the Group to effectively compete with other international and local restaurants and to reach a broad customer base, as the Group can provide a range of service options ranging across home delivery, take-away, car hop and dine-in options to consumers at such locations. The Group's Pizza Hut restaurants was awarded the franchisee of the year by the brand in 2019 and has won two of the top three global operations excellence awards in 2021 for its UAE and Egypt operations.

The following table indicates the number of the Group's Pizza Hut restaurants in each of the Group's countries of operation as at 30 June 2022.

Country	Number of Restaurants
Bahrain	21
Egypt	94
Jordan	18
Kazakhstan	3
Saudi Arabia	1
UAE[(1)]	147

(1) In the UAE, there are 147 restaurants out of which 69 are in Dubai.

History

The Group's first Pizza Hut restaurant opened in 1979 in the UAE, and since then it has steadily expanded into various countries including Egypt, Jordan, Bahrain and Kazakhstan. In 2022, the Group was granted franchise rights for Pizza Hut in Saudi Arabia except in Jeddah. Prior to the Group being granted the rights, there were two franchise operators in Saudi Arabia. The larger of the two franchisees, which had been operating in Saudi Arabia for more than three decades and had the development rights to the entire country except Jeddah, ceased operations and closed all their operating Pizza Huts in the third quarter of 2021. Given the Group's longstanding relationship with Yum, the Group was selected to relaunch and scale the brand as an exclusive partner with development rights to all of Saudi Arabia except Jeddah.

When the COVID-19 pandemic began to disrupt dine-in restaurant businesses, the Group's Pizza Hut brand played on the strength of its home delivery expertise by developing digital assets and introducing car hop service as part of creating a robust off-premise strategy to serve its customers and grow its market share in the Pizza category. The Group's Pizza Hut brand was one of the first among QSR and Pizza chains in the MENA region to introduce contactless delivery while maintaining clear and strong communications across various media platforms on measures taken to ensure safety and hygiene standards.

Relationship with master franchisor and key terms of agreement

Given the Group's long-standing relationship with Yum, for almost fifty years, the Group has been the only franchisee of Yum to operate Pizza Hut restaurants within the above referenced countries (except for in Jeddah, Saudi Arabia). The Group is the largest franchise partner for the Pizza Hut brand with Yum Restaurants across the MENA region and Kazakhstan, and it is actively involved in various decision-making processes on key branding aspects such as marketing strategies, brand positioning, customer acquisition and retention strategies. The Group periodically reviews the performance of its Pizza Hut restaurants to evaluate growth opportunities with Yum Restaurants.

The Group has entered into development agreements with Yum Restaurants ("**PH dAs**") that govern the Group's activities at the country level and are generally valid for a period of three to five years. The PH das set forth the arrangements between the Group and Yum with respect to developing Pizza Hut restaurants in Saudi Arabia, the UAE, Bahrain, Egypt, Jordan and Kazakhstan. Each PH DA sets targets on net number of Pizza Hut restaurants to be established per jurisdiction on an annual basis and incentives tied to meeting such targets. (See "*Material Agreements -Pizza Hut Development Agreements*").

The Group launches and operates all its Pizza Hut restaurants pursuant to IFAs entered into with Yum Restaurants ("**PH IFAs**") that are typically valid for a period of 10 years with the option to renew for a subsequent period of another 10 years so long as the Group remains compliant with the terms of the agreement. The Group enters into a PH IFA for each restaurant the Group establishes. Under the PH IFAs, the Group may use the Pizza Hut restaurant formats, operating system and various standards and specifications to operate its Pizza Hut restaurants. The Group is also permitted to use the trademarks, copyrights, patents, and other intellectual property under the Pizza Hut brand that are required to operate its Pizza Hut restaurants. PH IFAs also govern all consumer-facing operations of its restaurants including product innovation and development, menu architecture, product and service offerings, marketing initiatives and supplier selection.

The following table shows the Group's development of Pizza Hut restaurants for the periods indicated:

	Years ended 31 December			Six months ended 30 June	
	2019	2020	2021	2021	2022
Pizza Hut					
Number of restaurants at the beginning of the period	221	248	252	252	280
Number of new restaurants opened during the period	33	10	33	5	5
Number of restaurants closed during the period	6	6	5	0	1
Number of restaurants at the end of the period	**248**	**252**	**280**	**257**	**284**

Value Proposition

According to the Euromonitor International Report, Pizza Hut is the market leader in the pizza category in the UAE and Egypt. Further, in the Global Pizza Hut Championship, a worldwide competition hosted by Yum on raising the bar on core product execution to improve tastes scores and overall customer experience, the Group's markets, in particular, the UAE and Egypt, ranked in the top two in MENA and second and third across worldwide franchisees.

Dine-in restaurants is a major differentiator for Pizza Hut against competitors, and the Group is always working on introducing new menu offerings and services to strengthen its position. In addition to the original pan pizza offering, the Group's Pizza Hut restaurants have an extensive menu featuring pizzas, pasta, beverages, and desserts ensuring that it is able to serve the tastes of a large, regional customer base. The Group launched 'THE HUT SIGNATURES' line of premium pizzas made with unique handcrafted sourdough. It also created and launched the brick oven range, 'THE ARTISANAL PIZZA', a line of premium pizzas made in a cupola style brick oven with traditional techniques. These innovations enrich the Group's dine-in variety and attract a new sector of customers who prefer Italian style pizzas and flavours. Its rich offerings have made the Group the pizza category leader in the MENA QSR industry, and its innovations are driving the consumption of pizza as a regular meal rather than an occasional or celebratory meal opportunity.

Marketing

Marketing for the Group's Pizza Hut brand is carried out through a marketing Co-op consisting of Yum and key franchisees, including the Group, that is responsible for all marketing decisions after mutual alignment. The Co-op is represented by Yum, the Group and other franchisees' marketing heads, supported by an experienced team of marketing professionals in each market. The Group's business heads and marketing leaders collaborate with the team at Yum To drive the marketing strategy of the brand through periodic engagements and regular correspondence.

The Group is required to spend a specified percentage of each Pizza Hut restaurant's revenues towards the advertisement, promotion and marketing activities as contemplated in the PH IFAs.

The Group's Pizza Hut brand's core marketing strategy revolves around creating a brand that is relevant and distinctive for all its consumers. Pizza Hut enjoys a large and diverse customer base. The Group's Pizza Hut brand focuses on its core items of pan pizzas by offering affordable options and increasing its accessibility through multiple channels, such as through aggregators for food delivery and different payment methods and channels for the convenience of customers. Marketing activities involve innovation with the aim to periodically introduce new products and capitalize on seasonal demand and festivals or occasions while expanding the target-group profile of consumers of Pizza Hut. Brand promotion is carried out by launching relevant regional campaigns, ranging from festive occasions such as Eid, Ramadan and Christmas to interest-driven events such as the FIFA World Cup, UEFA Champions League, UEFA European Nations Cup and music festivals. To increase relevance of the Pizza Hut brand, the campaign communication is tailored to different regions across MENA and Kazakhstan in their local language. Pizza Hut is focused on a digital-first mindset and aims to deliver a best-in-class digital experience be it on the Group's intuitive mobile application or the soon to be launched digital kiosks in select restaurants. To communicate effectively with the target-group profile of customers, Pizza Hut balances its advertising between traditional and modern platforms by leveraging large out-of-home platforms, growing its social media presence and enhancing digital advertising via data-driven techniques and enhanced CRM capabilities.

Relaunch of Pizza Hut in Saudi Arabia

In 2022, the Group was granted franchise rights for Pizza Hut in Saudi Arabia except in Jeddah. The Group has conducted a brand positioning and market mapping exercise for the brand and is building infrastructure for launch and scale up in Saudi Arabia with one restaurant opened as at 30 June 2022, 15 restaurants under construction and 13 approved by the investment committee to proceed with lease signing and construction. The Group believes there is large room to expand in Saudi Arabia based on presence of competitor brands and plans to leverage its strong operating knowhow, its existing customer base in the country as well as superior product offerings to grow the brand.

Hardee's

Overview

The Group has a long-standing relationship with the Hardee's brand and its parent company spanning more than forty years. The Group is the largest global franchisee for Hardee's and is among the top four burger brands in UAE, Saudi Arabia and Egypt, according to the Euromonitor International Report. The Group's Kuwait restaurants are one of the best performing globally for the Hardee's brand. The format evolution for Hardee's, to gear the brand for off-premise channels started pre-COVID-19, and only accelerated thereafter. Today, the ideal Hardee's small-restaurant formats are omnichannel and fully digitally enabled, providing consumers the convenience and optionality of drive thru, home delivery, take-away, car hop and dine-in seating.

Typically, the Group operates two main formats of Hardee's restaurants, namely, a full-service dine-in restaurant with a capacity for serving 40 customers (on average), and small-restaurant formats. The small-restaurant formats cater to delivery/take-away orders with limited seating for customers/drivers waiting to pick-up orders or comprise of drive thrus operating in strategic locations.

The Group's Hardee's restaurants are generally located in very diverse areas ranging from residential areas, business hubs, high street locations and shopping malls and food courts. Given Hardee's four-decade heritage in the region, the brand enjoys strong support from GCC locals as well as expatriates. Hardee's locations are strategically located in trade areas where their target segment resides, works or visits. The combination of good site selection, omnichannel convenience that the brand offers, attractive product offering enables the brand to compete effectively with other burger QSR's in the Group's countries of operations.

The Group's Hardee's restaurants achieved $350 million in revenues during the year ended 31 December 2021, with 14 per cent. of revenues generated on-premises (including dine-in and kiosk) and 86 per cent. of revenues generated off-premise (including home delivery, drive thru, take-away, car hop and catering).

The following table indicates the number of the Group's Hardee's restaurants in each of the Group's countries of operation as at 30 June 2022.

Country	Number of Restaurants
Bahrain	16
Egypt	47
Iraq	9
Jordan	7
Kazakhstan	14
Kuwait	57
Oman	14
Qatar	21
Saudi Arabia	120
UAE	81

History

The Group opened its first Hardee's restaurant in Kuwait in 1980 and since then has steadily expanded into 10 countries including Kazakhstan. The Group opened its one hundredth Hardee's restaurant in 2001 and by 2015 it operated 300 restaurants. As at 31 December 2021, the Group operated 381 Hardee's restaurants in ten countries, and as at 30 June 2022, the Group operated 386 Hardee's restaurants in 10 countries. The look and feel of the Group's Hardee's restaurants have evolved throughout the years to maintain a bold, modern look in order to stay relevant and appeal to younger generations.

Relationship with master franchisor and key terms of agreement

Given the Group's long-standing relationship with Hardee's lasting over forty years, the Group is the trusted and preferred franchisee for Hardee's restaurants within the jurisdictions where the Group operates.

The Group has also entered into development agreements with Hardee's ("**Hardee's dAs**"), which set forth the arrangements between the Group and Hardee's with respect to developing Hardee's restaurants in Saudi Arabia, the UAE, Bahrain, Egypt, Jordan, the Kurdistan region of Iraq, Iraq, Kuwait, Lebanon, Oman, Qatar, Kazakhstan and Morocco.

The Group operates all its Hardee's restaurants pursuant to country licence agreements, each covering a specific country of operation, entered into with Hardee's ("**Hardee's CLAs**") that are typically valid for a period of twenty years with unlimited ten-year renewal options. Each new Hardee's restaurant is opened and operated by the Group pursuant to a new development rider to the applicable Hardee's CLA, which binds each Hardee's restaurant to the terms and conditions of the Hardee's CLA. Each Hardee's CLAs provides that the Group may use the Hardee's restaurant formats, operating system and various standards and specifications to operate the Group's Hardee's restaurants. The Group is also licensed to use the trademarks, copyrights, patents and other intellectual property under the Hardee's brand that are required to operate its Hardee's restaurants. Hardee's CLAs govern all customer-facing operations of the Group's restaurants including product innovation and development, menu architecture, product and services pricing, marketing initiatives and supplier selection. The Group also executes commercial letters between the Group and Hardee's which require the Group to actively grow the Hardee's brand and establish new restaurants in the MENA region. (See "*Material Agreements-Hardee's Development Agreement*" and "*Material Agreements—Hardee's Country Licence Agreements*").

The Group is the largest franchisee and only franchise partner for the Hardee's brand with Hardee's in the MENA region and is actively involved in various decision-making processes on key branding aspects such as marketing campaigns, brand replacement and customer acquisition and retention strategies. The Group periodically reviews the performance of its Hardee's restaurants and evaluates growth opportunities with Hardee's on this basis.

The following table tracks the Group's new Hardee's restaurants:

	Years ended 31 December			Six months ended 30 June	
	2019	**2020**	**2021**	**2021**	**2022**
Hardee's					
Number of restaurants at the beginning of the period	360	367	368	368	381
Number of new restaurants opened during the period	11	18	19	5	7
Number of restaurants closed during the period	4	17	6	3	2
Number of restaurants at the end of the period	**367**	**368**	**381**	**370**	**386**

Value Proposition

Hardee's is known in the MENA region for its bold indulging innovations that introduce new flavours to its customers, such as its famous chargrilled burgers and its staple regional iconic menu items including the Super Star burger, Mushroom N Swiss, Big Deluxe, Chicken fillet and Santa Fe. Hardee's is also known for its chocolate chip cookies, hand scooped ice cream milk shakes and being one of the first to introduce a free refill self-service beverage station at its restaurants in the MENA region. More recently, Hardee's introduced its hand breaded chicken fillets and tenders which will improve freshness, crispiness, juiciness and softness across its poultry offering range and will be a first across the international QSR burger players in the MENA region. To capitalize on the growing trend of veganism, Hardee's is planning to launch a plant-based range to complement its current core menu in the medium term. These innovations have earned Hardee's a unique position in the MENA and Kazakhstan QSR industry.

Following consumer trends toward QSR consumption at off-premise locations, the Group put focus on developing off-premise capabilities through building and improving its digital assets such as by leveraging its mobile SuperApps and web platforms, upgrading drive thru systems and establishing car hop services where drive thru is not possible. New restaurant openings now rely less on dine-in space availability but more on optimizing restaurant size to serve all possible channels. Many locations are also equipped with self-ordering kiosks.

Through different product offerings and promotions, the Group's Hardee's restaurants target all customers across the price pyramid via offering a range of core, value and premium products. Currently, core products represented approximately 62 per cent. of the revenues mix, while the products from the value range represented approximately 18 per cent. and products from the premium range represented approximately 20 per cent. of the same.

According to the assessment rating in 2020 by CKE, which measured brand standards, food safety and health and safety and is performed for all its franchisees, the Group's average rating was 97 per cent. with all of the Group's restaurants passing the assessment.

Marketing

The Group is required to spend a specified percentage of each restaurant's gross revenues in every calendar year on the advertisement, promotion and marketing activities as contemplated in the Hardee's CLAs. The Group retains control over the marketing spend across all marketing and media channels. Its business heads and marketing managers work with the Hardee's team to drive the marketing strategy of the brand through periodic engagements and regular correspondence. (See "*Material Agreements-Hardee's Development Agreement*").

The Group increased the percentage of the brand's media budget for digital channels from 12 per cent. in 2019 to 29 per cent. in 2021 to drive both affinity and relevance to the brand through awareness campaigns and to fund aggressive performance marketing and conversion campaigns to ensure sufficient promotion of the growing home delivery channel. In addition a significant portion of the media budget is also invested in selective television and out-of-home media advertisement.

Hardee's Transformation Journey

Among regional MENA customers across its markets, Hardee's has a high brand awareness, and is perceived as an international brand with strong regional affinity, better quality and bigger portion sizes versus its competition.

The Group's Hardee's franchise embarked on a transformation journey in 2021. Branded the "All In" transformation project, the objective was a complete brand overhaul, touching upon the critical brand elements of people, operations, product, proposition, promotions, assets and the brand's digital platforms.

Krispy Kreme

Overview

In 2006, the Group introduced Krispy Kreme's world-renowned doughnut and coffee into the MENA region, and as at 31 December 2021, the Group operated over 220 restaurants throughout the UAE, Saudi Arabia, Qatar, Bahrain, Kuwait and Egypt.

After successfully launching the Krispy Kreme brand in Egypt in 2021, the Group continues to invest in expanding its business in the MENA region and is prepared to launch the brand in Jordan in 2022 by opening one flagship restaurant and two satellite restaurants. The Group is also exploring additional expansion opportunities by considering Kazakhstan, Morocco and Oman as future potential markets in the medium term and has exclusive right of first refusal with Krispy Kreme for these countries as well as Iraq.

The table below sets forth the Group's development of Krispy Kreme restaurants.

	Years ended 31 December			**Six months ended 30 June**	
	2019	**2020**	**2021**	**2021**	**2022**
Krispy Kreme					
Number of restaurants at the beginning of the period	178	189	190	190	220
Number of new restaurants opened during the period	15	9	33	6	25
Number of restaurants closed during the period	4	8	3	2	2
Number of restaurants at the end of the period	**189**	**190**	**220**	**194**	**243**

The Group's Krispy Kreme restaurants achieved $74 million in revenues for the year ended 31 December 2021, with four per cent. of revenues generated on-premise (including dine-in and kiosk) and 96 per cent. of revenues generated off-premise (including home delivery, drive thru, takeaway, car hop and catering).

The following table indicates the number of the Group's Krispy Kreme restaurants in each of the Group's countries of operation as at 30 June 2022.

Country	Number of Restaurants
Bahrain	12
Egypt	9
Kuwait	18
Qatar	12
Saudi Arabia	127
UAE	65

Relationship with master franchisor and key terms of agreement

The Group entered into a development agreement with the **Krispy Kreme** on 22 March 2006. The Group and Krispy Kreme subsequently entered into an international development and franchise agreement on 1 January 2020 (as amended from time to time, the "**KK IDFA**"). The KK IDFA sets forth the arrangements between the Group and Krispy Kreme with respect to developing Krispy Kreme restaurants and franchise obligations between the parties. The KK IDFA was last amended on 16 February 2022.

The Group is the trusted and preferred franchisee of Krispy Kreme Krispy Kreme restaurants within the jurisdictions where the Group operates.

The Group's development rights extend across the UAE, Saudi Arabia, Kuwait, Bahrain, Qatar, Egypt and Jordan. The development rights granted under the KK IDFA expire 31 December 2024, except in Egypt and Jordan, where they expire 13 July 2026 and 6 February 2027, respectively. Under the KK IDFA, the Group also has a right of first refusal for Iraq, Oman, Morocco and Kazakhstan. The KK IDFA sets targets on the net number of Krispy Kreme restaurants that must be established per jurisdiction on an annual basis, and incentives tied to meeting such targets. (See "*Material Agreements – Krispy Kreme Development Agreements*").

The Group also launches and operates all its Krispy Kreme restaurants pursuant to the same KK IDFA. As of 1 January 2020, each new restaurant (excluding carts) is typically granted a ten-year period, with the option to renew for one subsequent period of another 10 years so long as the Group remains compliant with the KK IDFA terms. Under the KK IDFA, the Group may use the Krispy Kreme restaurant formats, operating system and various standards and specifications to operate its Krispy Kreme restaurants. The Group may also use the permitted trademarks, copyrights, patents, and other intellectual property under the Krispy Kreme brand that are required to operate its Krispy Kreme restaurants. The KK IDFA also governs all consumer-facing operations of its restaurants including product innovation and development, menu architecture, product and service offerings, marketing initiatives and supplier selection. (See "*Material Agreements-Krispy Kreme Arrangements*").

The Group is the largest and only franchise partner for the Krispy Kreme brand in the MENA region and is actively involved in various decision-making processes on key branding aspects such as marketing campaigns, brand replacement and customer acquisition and retention strategies.

The Group periodically reviews the performance of its restaurants and evaluates growth opportunities with Krispy Kreme on this basis.

Value Proposition

The Group aims to grow its Krispy Kreme brand and promote its irresistibly original sweet treats by strengthening brand love with consumers to become the most loved sweet treat brand in the MENA region. The Group positions the Krispy Kreme brand by emphasizing its handcrafted doughnuts that are made fresh daily in innovative flavours as well as innovative drinks.

For Krispy Kreme to continue to be the most loved sweet-treat brand in the MENA region, the Group's strategy is to maintain a balance between the well-known international flavours and locally developed innovations. Krispy Kreme in the MENA region is innovating based on local insights and relevant trends of the Group's target audience in the region. Local flavours and product offers are launched on each relevant occasion, for instance kunafa, halawa and pistachio doughnuts during the holy month of Ramadan and Halloween-themed doughnuts.

The Group launched Krispy Kreme in Egypt in 2021 with a 'hub and spoke' distribution model with hot light theatre shops producing doughnuts and distributing to inline restaurants, kiosks and drive thrus. The Group operates six restaurants and three hot light theatre shops in Egypt as at 30 June 2022 which are augmented by inline restaurants and kiosks with a pipeline of eight new restaurant openings in the second half of 2022.

Marketing

The Group's Krispy Kreme franchise's marketing seeks to balance between creativity, engagement and performance. The full ownership of the marketing budget lies with the Group. The marketing budget is primarily invested in digital and social, reaching more relevant target groups, converting them into users, brand lovers and advocates. In-restaurants, the brand is active throughout the year via a clear master plan, creating engaging moments with the Group's target group whenever they visit the restaurant.

The Group's model for Krispy Kreme is designed to drive innovation by encouraging customers to take a break and enjoy the indulgent doughnuts, creating breakthrough products such as filled rings, minis and bites and innovating locally relevant flavours such as chocolate iced halwa and pistachio cream. The Group also seeks to maximize co-branded opportunities from a product and marketing standpoint by creating products such as KitKat and Lotus Biscoff flavoured doughnuts and drinks. In the last four years, the Group's Krispy Kreme franchise has created relevant and innovative campaigns, such as heart-shaped doughnuts filled restaurant displays during Valentine's Day, and green glazed original doughnuts to celebrate Saudi Arabia National Day. Along with customized doughnuts for these occasions, the brand also tailors the packaging and the in-restaurant experience to celebrate these occasions.

Since 2018, the Krispy Kreme brand has undergone a transformation, refreshing its marketing strategy, driving operations excellence and accelerating expansion. In 2021, Krispy Kreme was the number one preferred sweet treat brand in Saudi Arabia, the Group's largest market for this brand based on a consumer survey by the Service Management Group, Inc.

Other Franchise Brands

In addition to the Power Brands, the Group operates other franchise brands which in the aggregate represented 5.3 per cent. of the Group's revenues for the year ended 31 December 2021 and 4.9 per cent. of the Group's revenues for the six months ended 30 June 2022. The below sets out these other brands and their operations.

- *TGIF* – The Group launched its first TGIF restaurant in 1996 in Kuwait. As at 30 June 2022, the Group operated 12 TGIF restaurants in the UAE, 11 in Kuwait, 18 in Saudi Arabia, three in

Qatar, two in Bahrain and four in Egypt. The Group maintains a long-standing relationship with the TGIF franchisor lasting for over 25 years, and the Group remains the trusted and preferred franchisee of TGIF restaurants in the MENA region. The Group's TGIF brand focuses on introducing local flavours to complement its iconic American-style cuisine as well as transforming its restaurants physically to provide customers with modern and stylish dining experiences. For instance, the Group has reduced BOH space by 40 per cent. to create more room for its customers as well as restaurant design and additional decorations and fixtures.

- *Costa Coffee* – The Group launched its first Costa Coffee restaurant in 2004 in Egypt, and as at 30 June 2022, the Group operated 55 Costa Coffee restaurants in Egypt, five in Jordan and 10 in Kazakhstan. The Group maintains a long-standing relationship with the Costa Coffee franchisor lasting for over 19 years. The Group's Costa Coffee brand focuses on menu innovation such as introducing plant-based alternatives of its classic coffees and treats, barista expertise and tailoring personalised customer experiences as well as attracting younger customers through partnering with local influencers and digitisation of the brand's marketing and ordering processes.

- *Baskin Robbins* – The Group launched its first Baskin Robbins restaurant in 1986 in Kuwait, and as at 30 June 2022, the Group operated 44 restaurants in Kuwait and 16 restaurants in Egypt. The Group maintains a long-standing relationship with the Baskin Robbins franchisor and has served as sub-licensor in Kuwait for over thirty years. The Group's Baskin Robbins brand is focused on growing its presence in Kuwait in the medium term by applying its cross-brand category learnings.

Americana Brands

In addition to the franchise brands, the Group operates several of its proprietary brands. The below sets out these brands and their operations.

- *Wimpy* – Wimpy was founded originally in 1934 in the United States, and the Group opened its first Wimpy restaurant in Kuwait in 1970. As at 30 June 2022, the Group operated 18 restaurants across Kuwait and Egypt. The Group's Wimpy restaurants attract both customers with nostalgia for classic diners as well as the younger generation by leveraging social media and digitisation. The Group plans to launch the brand in the UAE and a flagship restaurant in The Dubai Mall in 2022. Typically, the Group's capital expenditure per new Wimpy restaurant is less than $350,000 with a target Average Unit Volume of over $0.9m. The Group has also partnered with Miso Robotics to introduce technologies for automating the ordering process and to add intrigue to customers' dining experience.

- *Chicken Tikka* – The Group launched its first Chicken Tikka restaurant in 1971 in Kuwait, and as at 30 June 2022, the Group operated 30 restaurants across three jurisdictions in the MENA region. Chicken Tikka offers a variety of flavorful and delicious chicken-based dishes such as grilled whole chicken, chicken sandwiches, wraps and rice bowls.

Cloud Kitchen Business

Since 2021, the Group has focused on growing its cloud kitchen business, which involves using a commercial kitchen to prepare food for delivery or take-away only. In 2021, the Group partnered with Reef Technologies, a company that specializes in managing real estate such as parking facilities and transforming them into logistical hubs such as cloud kitchens. The Group intends to leverage its value chain and platform and expand via joint ventures to build more cloud kitchen operations in the MENA region.

New Restaurant Roll-Out

The Group's growth across its key brands has been facilitated by a well-defined new restaurant roll out process that enables the Group to identify new locations and establish restaurants in a quick, consistent and efficient manner. The process involves a cluster approach and a data-driven penetration strategy with the objective to provide greater convenience and accessibility for customers across the relevant countries of operation. The Group targets high traffic and high visibility locations in key metropolitan areas and cities across the MENA region and Kazakhstan and then develops new restaurant units within that cluster. New restaurant opening times vary by brand, asset type, the relevant jurisdiction's permitting process and typically takes between four to six months from lease signing to launching a restaurant.

The Group operates its restaurants primarily in five different location types: (1) drive thrus, which are preferrable and have affinity with customers due to convenience; (2) high street locations, which have high impact and high visibility for brand awareness; (3) shopping malls and food courts, which are ready-catchments to drive footfall; (4) business hubs; and (5) transit locations, which the Group believes present a significant opportunity given the ongoing infrastructure development across the MENA region. Operating in different location types allows the Group to cater to a diverse customer base.

The following table sets forth the development of the Group's restaurants since 1 January 2019:

	Years ended 31 December			Six months ended 30 June	
	2019	**2020**	**2021**	**2021**	**2022**
Number of restaurants at the beginning of the period	1,866	1,933	1,900	1,900	2,010
Number of new restaurants opened during the period	116	61	164	40	66
Number of restaurants closed during the period	49	94	54	22	26
Number of restaurants at the end of the period........	**1,933**	**1,900**	**2,010**	**1,918**	**2,050**

Restaurant Rollout Process

The Group aims to achieve a 90 per cent. successful opening rate or higher and payback of less than three years for its new restaurant locations. To that end, the Group extensively uses data analytics tools in developing its restaurant rollout strategies, continually benchmarks against competitors, conducts on-the-ground diligence and implements feedback mechanisms to ensure lessons learned in previous rollouts are applied to the process. The Group's restaurant rollout process involves the following:

Site Identification: The Group has developed a standardised site evaluation process that involves collecting comprehensive data along with management's inputs which are used in tandem to conduct a feasibility analysis. Opening any new restaurant requires approvals from senior management and from members of the development and operations teams. Each new restaurant also requires the approval of the respective franchisor. The Group endeavours to identify common and adjacent sites for its key brands to improve value chain efficiencies. This approach also enables it to negotiate more competitive leases for its restaurants.

Site Evaluation: The Group relies on Tango software, which the Group uses for managing market data and real estate assets. The Group has a team of experienced real estate professionals across its 12 countries of operations, as well as third-party real estate agents who receive a one-off commission, to identify potential locations for portfolio expansion. Once a potential location is identified, the Group evaluates the site based on several factors, including:

- market mapping and trade area prioritization according to a brand's reach and penetration strategy;

- publicly available demographic data;

- market surveys which the Group commissions to industry consultants to better understand the local customer base in terms of per-capita income levels, dining preferences and choices;

- survey of surrounding areas and other tenants in the area to determine presence of footfall drivers;

- rental costs and common area maintenance charges;

- presence of competition in the surrounding area;

- size of the location and relative visibility of the site for branding activities;

- sales estimation based on comparable restaurants;

- capital expenditures investment needed to open new restaurants; and

- capital investment return ratio based on comparable restaurants costs efficiency.

Site Finalisation: Once a location is identified and evaluated for a new restaurant roll-out, the Group undertakes a due diligence process for the site and seeks to finalise the relevant documentation quickly. The Group's in-house team negotiates with the potential lessors to secure the lease.

Site Development: The Group's restaurant roll-out process is managed by dedicated in-house design and project teams and empanelled contractors selected through online bidding. These teams are required to ensure compliance with pre-defined layouts and pre-approved standardized equipment, as approved and specified by franchisors, to achieve its rollout efficiently. The Group also has a dedicated central team looking after furniture, fixture and equipment to ensure restaurant's kitchen and seating areas are consistent with the relevant brand's global standards.

Site Opening Fees: For each of its Power Brands, the Group is required to pay the relevant franchisor an initial opening fee and, upon expiration of the initial restaurant agreement, applicable renewal fees.

Restaurant Launch: Prior to opening a new restaurant, the Group actively carries out localised promotion and marketing activities. The Group aims to launch these activities two weeks before restaurant openings. The Group's promotional campaigns include reaching out to catchments in various customer groups, engaging with local social media influencers to generate interest and erecting billboards and other visible branding to garner attention, amongst other strategies. In some cases, such marketing activities can continue until post-launch.

During the six months ended 30 June 2022, the Group opened 66 new restaurants, and as at 30 June 2022 was in the process of constructing 62 additional new restaurants and had secured 54 sites for developing new restaurants. As at the same date, the Group had agreed but not yet signed new leases with landlords in respect of a further 33 restaurant sites and was in the process of reviewing 37 potential additional sites for developing new restaurants.

For real estate and development portfolio management, the Group employs (as at 30 June 2022): 62 employees who manage the Group's real estate operations; 28 employees focused on design matters at its centre of excellence; 40 employees in the construction sector including project managers and empanelled contractors across the Group's key countries of operations; 16

employees who lead standardisation efforts and manage the Group's mechanical, electrical and plumbing and furniture, fixture and equipment teams; and 380 employees in the maintenance team.

Restaurant Management and Maintenance

The Group's restaurant management structure varies between brands depending on the restaurant size and asset type. Generally, each of the Group's restaurants is led by a restaurant general manager ("**RGM**"), together with one assistant restaurant manager ("**ARM**") and one or more shift managers ("**SM**"). Restaurants that are operational 24x7 are typically staffed with an additional assistant or shift manager.

The performance of RGMs is regularly monitored and RGMs are coached by area coaches, who in turn report to operation managers. Each country is led either by an operations manager or director, depending on the number of restaurants under management. Each operation manager or director reports to the brand general manager.

Senior operations leaders regularly visit restaurants to promote adherence to system standards and mentor restaurant teams. Each brand provides manuals, which may then be customized to meet local regulations and accommodate local customs. The restaurant management teams are trained using these manuals that set forth standards and requirements for all aspects of operations, including food safety, hygiene, product preparation procedures, equipment maintenance, facility standards and accounting control procedures (including cash management). The restaurant management team is responsible for the day-to-day operation of each unit and for ensuring compliance with operating standards. Each RGM is also responsible for handling guest complaints and emergency situations as each restaurant is considered a separate business unit.

The Group has a dedicated operations excellence department with a lead per brand who serves as a custodian of standards. The operations excellence department maintains a single system operating guide and facilitates sharing of best practices across all restaurants.

Remodelling or maintenance for the Group's franchise restaurants is typically requested by franchisor, based on their right to require upgrades or replacements in whole or part of fittings, fixtures, furniture and branding as set out under the brands' franchise agreements. The remodel-cycle varies by brand and is typically five years for minor remodels and 10 years for major remodels. Scope of work is aligned between the Group and the relevant franchisor to meet the then-current standards of the brand.

The Group remodels and optimises its restaurants with a focus on off-premise sales channels, such as adding curb-side delivery, enhancing delivery speed by creating delivery zones for drivers and upgrading the drive thru experience using new communication technology and experimenting with menu boards.

The Group has a dedicated maintenance and utilities team that is a combination of in-house technicians and out-sourced partners. They provide proactive and reactive maintenance services to ensure smooth, safe, and legally compliant functioning of each restaurant whilst harnessing the latest technologies such as the internet of things and digitalization to enhance and modernize the Group's restaurants.

Home Delivery

The home delivery channel has experienced significant growth post COVID-19.

The share of home delivery as per cent. of total share has increased from 30 per cent. in 2019 to 42 per cent. in 2021, driven by COVID-19 related acceleration. Home delivery share dropped as at

30 June 2022 to 40 per cent., which the Group believes is reflective of the home delivery share going forward. The Group carries out direct delivery and has also entered into agreements with delivery aggregators including Talabat, Hunger Station, Jahez, Deliveroo and Glovo, among others, to accept delivery orders placed on their respective mobile applications. A majority (approximately 81 per cent. as at 31 December 2021) of the Group's home delivery orders are carried out by its own fleet of approximately 7,800 drivers. As at 31 December 2021, the average delivery time for orders delivered by Group's drivers and placed through aggregators and the Group's SuperApps was approximately 26 minutes.

Customer Service and Feedback

Customer feedback is a key component of a balance scorecard used to measure each restaurant's performance. Parameters for feedback include overall satisfaction index, food taste, speed of service and hospitality.

The Group's "customer obsessed" culture rests on four core pillars: (1) serve great tasting food, (2) fast, (3) with a smile and (4) in a clean restaurant. Through focusing on each, the Group has been able to deliver a continuously enhanced customer experience. To that end, the Group has developed an exclusive and unique VoC platform with Sprinklr Inc. to map and track customer experience as soon as a customer begins their order, which allows for real-time guest resolution and guest recovery. Currently 2022, average customer issue resolution time was 15 minutes. The platform also allows the Group to process information from multiple sources to understand and incorporate customer feedback across its brands.

The Group's customers may provide feedback through multiple other channels such as online surveys that can be accessed through designated third-party partners' sites and the Group's customer care hotline.

Supplier and Procurement Management

The Group manages its end-to-end supply chain with a team of over 100 professionals based across the region where it operates. Supply chain planning has been a focus for the Group over the last 36 months, with sales and operations planning ("**S&OP**") being rolled out across the business, to ensure greater alignment between demand and supply planning and further improve efficiency. As at 30 June 2022, the Group has a network of 38 warehouses, 26 commissaries, i.e., back-office kitchen operations in standalone locations across countries which support in food preparation to facilitate restaurant operations, and 248 trucks.

The Group has a global supplier relationship and sources products from six continents, ranging from New Zealand cheese and Brazilian chicken to equipment from the US and various other materials from China. The Group operates central procurement across all of its brands and markets in order to pool volumes for maximum synergy. The procurement team are organised into categories within direct and indirect procurement and optimize not only for lowest cost, but also for business continuity, innovation, supply chain, marketing, operations and quality assurance stakeholders and franchisors. Given the category model, approximately 84 per cent. of the Group's Direct Spend is negotiated centrally across brands and countries, which is an advantage given the Group's size and scale. Global supply relationships and scale backed by robust processes has enabled the Group to mitigate inflationary pressures without significantly affecting its gross profit margin.

The Group's procurement team runs request for proposals, using e-auctions where appropriate and building strategic relationships with core suppliers to create long-term value. While it is the franchisor's responsibility to determine specifications, the Group's procurement team manages relationships and commercial negotiations with the suppliers. The Group's procurement team consists of seasoned professionals from well-known foodservice, catering and retail brands across

Europe, the MENA region and Asia. Their function is measured on meeting product specifications, cost efficiency savings, availability and smart usage initiatives. For indirect and capital expenditures procurement, particular emphasis is put on a total cost of ownership approach.

The Group has an arm's length relationship with the Former Parent Company in relation to the sourcing of certain food products, which comprised approximately 16 per cent. of total Direct Spend for the year ended 31 December 2021. The Former Parent Company is one of the leading food manufacturing players in the MENA region and also provides products to other leading QSR operators. The Group strives to source the best prices and best quality products from all its suppliers, including the Former Parent Company. See "*Related Party Transactions*".

The Group maintains strong partnerships not only with the Former Parent Company but also other global suppliers. The Group also hosts an Annual Partner Summit, a forum for key suppliers, thus allowing the Group to engage with suppliers on critical supply chain issues and to foster closer relationships with its suppliers. The Group's efforts to maintain and introduce greater efficiency and further diversification to its supply chain operations and procurement network have allowed the Group to continue and even grow its operations during the COVID-19 pandemic.

In select markets, such as Egypt, the Group operates warehousing and logistics directly through a large, Group-owned warehouse in Cairo and over 100 trucks. In other markets, such as the UAE, Qatar, Saudi Arabia, Jordan and Bahrain, the Group partners with reputable third-party logistics experts ("**3PL**") to manage day-to-day supply chain operations. The Group's business in Kazakhstan is supported by an outsourced fourth party logistics expert supply chain model, and the Group's Kazakh partner manages inventory and stock replenishment as well as inbound and outbound distribution (supplier-to-warehouse and warehouse-to-restaurant). The Group's Kazakh logistics partner also provides procurement services for a range of non-strategic products.

Food Safety and Quality Control

The Group's four core principles for ensuring food safety and quality control are: (1) achieving 100 per cent. halal certification; (2) undergoing frequent audits; (3) maintaining stringent pre-qualifications for suppliers; and (4) comprehensive food labelling. Food safety and quality are given paramount importance, and the Group has procedures in place to ensure hygienic products. The Group maintains comprehensive food safety systems and requirements based on hazard analysis and critical control point ("**HACCP**") principles, as well as government regulations, industry best practices, franchisors, and its own high standards. The Group, through its food safety system, works together with its suppliers, supply chain operations and restaurants to ensure the safety and quality of its products.

The Group is required to comply with stringent quality standards set by various franchisors in their manuals and operating instructions. There are a range of franchisor requirements that the Group is required to follow including standards that govern supplier approval, product approval, animal welfare, distribution centre and transportation operations, restaurant operations, product quality evaluations and microbiological and chemical analysis of food and water. For example, the Group's KFC, Pizza Hut and Hardee's restaurants are subject to unannounced quarterly or biannual third-party audits that cover critical aspects of a restaurant's operations including compliance with food safety requirements, brand standards and local regulations. Any observations from such audits are tracked to closure. The Group also complies with requirements laid out by all other franchise businesses including Costa Coffee, TGIF and Krispy Kreme.

The Group's food safety systems include training of the Group's employees in restaurant operations and distribution system. Food standards and training topics include all aspects of food safety relevant to the operations such as personal hygiene, environmental hygiene, product handling, product temperature management and prevention of cross contamination. The Group also ensures compliance with applicable food safety regulations when building new or renovating existing restaurants.

Each of the Group's RGMs is responsible for day-to-day food quality and safety management at the restaurant unit. The Group's area managers are also required to check the implementation of food safety and quality related standards and controls. The Group's quality assurance department conducts on-site inspection at each restaurant on a regular basis. The Group periodically conducts quality checks on the main menu items each year. The Group seeks to maintain all specified equipment, such as high-quality refrigerators, in every restaurant unit, and has incorporated elements in its restaurants and kitchen design to enhance hygiene and reduce human error.

During the year ended 31 December 2021, the Group underwent more than 4,700 third-party audits (most of which were conducted by its franchise partners), more than 1,700 internal restaurants audits and more than 980 product audits and evaluations. During the same period, the Group conducted more than 600 employee training sessions.

For the Group's delivery system, the Group requires its own fleet and third-party delivery partners to comply with food safety and quality practice of food delivery, which stipulate clear requirements for regulatory compliance, staff management, delivery facilities and equipment. Food security is a priority for the Group. For example, home delivery packaging for freshly prepared food for all brands has a tamper proof seal to ensure food is protected throughout the delivery process.

Pricing and Revenue Management

The Group has adopted smart pricing, a cutting-edge methodical approach towards pricing, and developed an internal revenue management process. It applies advanced data science and machine learning algorithms to its historical consumer and transactional data to study price elasticity and to accurately predict consumer behaviour and reactions towards pricing and promotional activities. This is supported by a personalised digital marketing communications run through the CRM platform to boost customer engagement with the Group's assets, ultimately driving transactions and revenue growth. For example, reconstruction of the KFC chicken buckets helped to improve profits and mitigated inflation disruptions throughout 2022 while keeping the brand accessible to customers and competitive in the market.

The Group sets and updates prices periodically on a dynamic basis based on prevailing market conditions such as competitive activity and inflation. Pricing also takes into consideration the overall value proposition of the brand *vis-à-vis* brand positioning, target segment, experiential touch points, promotional depth and penetration strategy. The Group's ultimate objective is to generate highest product demand along with optimal product profitability to maximize overall contribution all the while ensuring high degree of personalisation of the customer experience.

Zero-Based Budgeting

The Group has adopted a zero-based budget approach with the aim of continuously identifying opportunities for efficiencies in operating expenses and driving value through matrixed driver-based budgets, dual ownership and accountability, tracking and clear KPIs across the entire profit and loss statement. Zero-based budgeting is a continuous process for mitigating inflationary increases, maintaining strict financial discipline for resource utilization, benchmarking and sharing best practices across the Group and leveraging the Group's footprint and scale.

Technology

The Group is focused on leveraging technology to achieve a frictionless customer service experience across all touch points, whether at its restaurants for dine-in or for take-out, at drive thrus or through digital ordering. From its applications to self-order kiosks, from tablets to robots, from the Group's last mile delivery system to VoC, the Group has made significant strides towards accomplishing its business goal of becoming a fast growing and trusted food operator.

The Group's business technology team drives growth and innovation by unlocking value for the business and its customers, leveraging a suite of best-in-class, integrated technology systems that support over 2,000 restaurants across 12 countries as at 31 December 2021, processing over 150 million orders per year across various channels such as dine-in, take-away, pickup, drive thru and home-delivery.

While the Group partners with first tier software vendors, it also designs and builds its core assets in-house. The Group owns and operates a sophisticated digital ecosystem, powered by some of the best rated applications in the QSR industry. Several of the Group's applications rank at the top of the "food apps" charts and are rated 4.7 and above (out of 5.0) as at 30 June 2022. These applications are industry leading and unique as they are omnichannel, multi-country, multi-currency and multilingual.

The Group's digital assets have enabled it to harness customer data and subsequently drive retention, frequency and customer lifetime value across all brands. The Group's digital ecosystem is integrated with a high-performance CRM platform that allows it to drive automated customer journeys and customize offerings based on customer behaviour and micro segmentation.

The Group powers its restaurants using the best-in-class enterprise-grade point of sale software systems which processes 100 per cent. of its restaurant sales and FOH operations. The system has been fully integrated with electronic funds transfer payment devices to avoid any fraud, fingerprint scanners for restaurant attendance and printers. This is supported by integrated kitchen display systems which allows for paperless kitchen operations and speed of service measurements for order fulfilment.

The Group's point-of-sale systems are decentralised to minimize risk with centralised administration and management capabilities to optimise costs. Decentralisation enables restaurants to operate in-restaurant channels even if they become disconnected in any manner. The point-of-sale has a centralised cloud-based configuration system which remotely updates menus, prices, promotions etc across markets. The Group also invests in restaurant-management software and practices recommended by its franchisors at a global level.

BOH operations are standardized using industry leading CrunchTime! Software-as-a-Service software for managing restaurant inventory, recipes, wastage and production forecast planning, etc. The Group optimizes its labour deployment using the Group's algorithmic models in TeamWorx.

At many of the Group's KFC and Hardee's restaurants, self-service by customers is promoted and supported by kiosks which, as at 30 June 2022, account for almost 50 per cent. of in-restaurant orders at those particular restaurants. Dine-in customers also have the option of using their own mobile devices for ordering by using the QR codes on their tables instead of standing in queues. The Group supports its curb-side delivery customers by using tablets that are fully integrated with the point-of-sale system, wireless payment devices and mobile printers. For drive thru customers, the Group has the two-window model for order taking, payment and delivery, which facilitate delivery in under three minutes. Rider allocation for home delivery orders is managed using a state-of-the-art last mile delivery automation system which manages rider pools which are shared across restaurants to optimize costs and driver utilization.

The Group began enhancing its cyber security capabilities in 2021 and has set up a dedicated IT security function. The Group is in the process of implementing key policies such as information security, data security and email security, among other technologies, that set clear standards on cyber and information security requirements for the organization. The Group has successfully deployed some critical security services such as its security operation centre that provides 24x7 real-time security monitoring and enables the Group to effectively manage security incidents, privilege access management, vulnerability assessment and penetration testing and end user protection controls such as encryption and malware protection. The Group continues to build more capabilities during 2022 that addresses areas such as data loss and prevention, identity and access management, public key infrastructure for secure access to the Group's network and other computing resources.

The Group is in the process of upgrading from legacy Enterprise Resource Planning ("**ERP**") to Oracle Fusion Cloud ERP, which is an ongoing process where the Group is migrating from its legacy and bespoke systems to a single program that standardizes processes across the Group's businesses and markets. Once active, the program will include finance, supply chain management, procurement and human resources functions across 12 countries. Ultimately, this upgrade will provide the Group with real-time visibility of business metrics, better decision making and improved customer experience. Some key benefits of upgrading to Cloud ERP include stronger compliance, standardised processes and reporting across regions, better collaboration across functions, accurate and updated access to information across multiple systems. This will also enable the Group to move to an offshore model in the medium term.

Employees

The Group has built up a team of experienced professionals comprising experts in the QSR industry, risk management, finance, human resources, strategy, law, corporate services and administration, procurement, information technology and auditing. As at 30 June 2022, the Group had approximately 40,700 employees. For the year ended 31 December 2021, the Group experienced an overall attrition rate of 46 per cent.

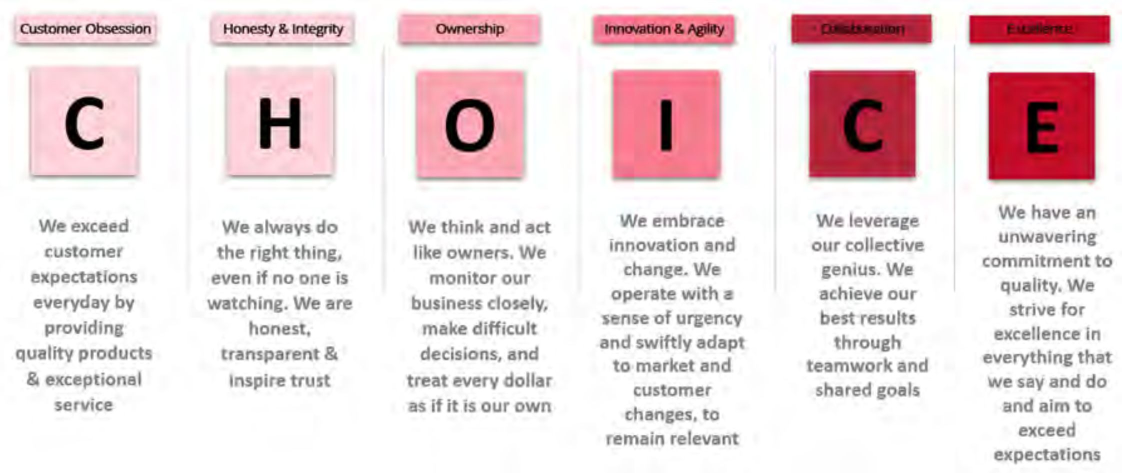
The following table sets out a breakdown of the Group's employees by country as at 30 June 2022:

	Number of Employees
Bahrain	947
Egypt	10,345
Iraq	296
Jordan	983
Kazakhstan	2,003
Kuwait	5,201
Lebanon	452
Morocco	555
Oman	744
Qatar	1,872
Saudi Arabia	7,084
UAE	10,218
Total	**40,700**

The Group's people strategy as an organization has been an integral driver of all its initiatives and part of its business strategy. The Group endeavours to build an organization that amplifies agility, fosters an environment where leaders of tomorrow are created, whilst leveraging its diverse community, to fulfil its vision of becoming the most trusted food operator in the world. The Group makes continuous efforts to ensure that it is a place to learn and lead, where employees can grow and develop the social acumen to think beyond the confines of the business.

For instance, the Group operates Americana University which offers a three-year programme to employees for enhancing their leadership capabilities. At Americana University, programmes are available to individual contributors, first line leaders, middle management and senior leaders and courses cover management, self-development, leadership and innovation. Through Americana University, the Group is able to obtain and spread functional know-how, set organizational direction, foster alignment across the organisation and identify, select and train potential leaders.

The Group has strived to propagate a culture of CHOICE, one that is embodied in the DNA of the organization, to act as a guiding framework for all its actions, ensuring that it does right by all stakeholders. The elements of CHOICE are set forth below.



The Group also continuously evaluates itself through robust employee internal feedback mechanisms. In 2021, the Group partnered with Gallup, Inc., a survey company, to enhance its feedback collection process moving forward.

The culture that the Group has built over time has led it to being recognized by Gallup for being a multinational company that is committed to developing human capital. The Group won the Gallup Exceptional Workplace Award in 2022, a distinguished award recognizing the Group's initiatives to enhance engagement and for incorporating its initiatives into all aspects of an employee's experience.

Diversity and inclusion are at the forefront of the Group's attention as it continues to expand its employee family. As an equal opportunity employer, the Group employs people from various nationalities. The Group is also improving its gender mix which currently stands at 15 per cent. women in its workforce.

Intellectual Property ("IP")

The Group uses a number of trademarks, service marks, logos and other intellectual property which are owned by different franchise partners. For instance, each Yum IFA licences the Group's franchisees to use KFC and Pizza Hut trademarks, the system and the system property developed by Yum for the preparation, marketing and sale of food products in accordance with the KFC and/or Pizza Hut concepts at each KFC and/or Pizza Hut restaurant location operated by the Group. The trademarks, service marks and other intellectual property relating to the Hardee's brand including the logos and core marks, are registered in the name of Hardee's Restaurants LLC. The Group has also been granted limited rights to use the intellectual property for development and operation of KFC, Pizza Hut and Hardee's restaurants. See "*Material Agreements–Franchisor Agreements–Yum Franchise Agreements*" and "*Material Agreements–Franchisor Agreements–Hardee's Country Licence Agreements*".

Similarly, the trademarks, service marks and other intellectual property relating to the TGIF and

Krispy Kreme including their logos and core marks are registered in the name of TGIF Franchisor LLC, HDN Development Corporation, respectively. For all franchisee/brand related arrangements, the Group has been granted very specific IP rights for a limited purpose and for running each franchisor's respective brand and restaurants. Such IP rights may include marketing, brand promotion, display, usage at outlets and the sale of products.

The Group also owns several trademarks, tradenames, and IP rights, including Wimpy, Grand Café, Fish Market and Chicken Tikka, which are the Group's own brands. Over the course of the Group's Wimpy operations, the Former Parent Company registered the marks in certain jurisdictions, and by 2018, the Former Parent Company formalized its rights in the brand (i.e., trademarks) in most of its key jurisdictions.

Material Legal and Regulatory Proceedings

The Group is party to various legal proceedings in the normal course of business and does not expect the outcome of these proceedings to have any adverse effect on its financial results. There are outstanding legal proceedings against the Group which are pending at various levels of adjudication before various courts and other authorities in various jurisdictions. There are two outstanding legal proceedings involving the Group described below, the outcome of which could have a material impact on the Group's business.

The Group is involved in litigation in relation to the death of a child in July 2015 in the play-pen of a Hardee's restaurant franchised and operated by the Group in Jordan. A Jordanian court found both the Group's Jordanian subsidiary and the restaurant's branch manager guilty of criminal negligence and the branch manager was sentenced to six months in prison along with a 50 JOD fine plus fees. The deceased child's representatives filed a civil wrongful death claim against Hardee's and several affiliated entities in a United States federal district court which was dismissed on a summary judgement motion in February 2022. The dismissal is under appeal with the hearings expected to commence in the second half of 2022. As per the indemnity provisions in the Hardee's Agreements, the Group is indemnifying Hardee's for any damages and/or costs arising from this claim and accordingly, the Group made related provisions in its financial statements which it believes will be sufficient to cover any costs associated with this liability.

The Egyptian tax authorities have various unresolved sales tax liability claims against the Group's subsidiary, Egyptian Company for International Touristic Projects SAE ("ECITP") relating to its restaurants from 1997 to 2017. The disputes centre around alleged improper availments by ECITP of certain sales tax exemptions applicable to the Egyptian restaurants not having 'touristic' status. These sales tax exemptions were repealed in 2016 pursuant to a change in Egyptian tax law. A significant amount of the claims have expired due to procedural reasons, such as the statutes of limitation. On 2 November 2021, ECITP received a demand letter from the Egyptian tax authorities claiming $92.6 million in sales tax liability of which $32.0 million represents the principal payments due and $60.4 million represents penalties. The Group has settled most of these claims with the Egyptian tax authorities and seek to rely on an Egyptian retroactive amnesty legislation (announced in August 2022) for a waiver of the penalties. ECITP has made related provisions in its financial statements which it believes will be sufficient to cover any costs associated with this tax.

Insurance

The Group has requisite material damage and liability insurance programs in place. The material damage programs offer protection against accidental loss or damage, burglary, machinery breakdown, pecuniary losses arising out of dishonest acts, loss of money, loss or damage to cargo in transit, property in the course of construction, etc. The liability programs offer protection against any sort of liability arising out of the Group's operations including third party liability, cyber liability, liability of directors and officers, etc. The Group believes that the insurances it has in place currently addresses all insurable risk exposures and is in line with limits and/or insurance policies maintained by its peers.

The policies in place are adequate in relation to the value of the Group's assets and liability exposures in comparison to the sum insured. All related insurable risks for the Group are taken into consideration and transferred to A rated insurers and re-insurers through internationally reputable brokers.

Properties

The Group operates its corporate headquarters on the premises that it holds it on a leasehold basis. The majority of the Group's restaurants are operated on premises that are leased, licensed or sublet and the Group currently expects to lease or sub-lease the premises for its new restaurants. Lease tenure is approximately three to five years. As at 31 December 2021, the Group leased 95 per cent. and owned five per cent. of its restaurant locations. As at 30 June 2022, the majority of the Group's restaurants are operated in premises which are leased and the Group expects mostly to lease premises for its new restaurants. As at 30 June 2022, the Group leases more than 1,700 KFC, Pizza Hut, Hardee's and Krispy Kreme restaurant locations and owns less than one hundred restaurant locations that it operates. The Group has extensive experience in negotiating leases and has long term, strong relationships with major and individual landlords. Of its leases, a majority (70 per cent.) are fixed rate, 25 per cent. are fixed and/or variable and five per cent. are variable. The Group believes the relatively high proportion of fixed rate leases allows for cost visibility and budget management.

Corporate Social Responsibility ("CSR") and ESG Considerations

The Group believes it is a regional leader in ESG through the adoption of best-in-class principles: (1) franchisor backed adherence to environmental policies, (2) minimising waste and climate impact, (3) reduced plastic consumption, (4) commitment to employee and community welfare, (5) training and promoting career development and (6) accountable and committed management. The Group has adopted internal guidelines and policies including in respect of whistle blowers, conflicts of interest, health and safety, risk tolerance, anti-bribery and corruption and sanctions.

The Group has adopted an ambitious ESG roadmap to (1) reduce employee turnover from 46 per cent. in 2021 to 40 per cent. by 2025, (2) increase female participation in its workforce from 15 per cent. in 2021 to 25 per cent. by 2025 and (3) enhance employee engagement from 80 per cent. in 2021 to 85 per cent. by 2025.

The Group actively engages in CSR activities with a defined purpose of making a difference and creating an impact in the communities where the Group operates its restaurants. Internally, this involves reducing plastic and general consumption, driving gender diversity and improving employee retention. For instance, the Group has replaced plastic bags with paper at several of its restaurants and implemented internal policies that cover training, whistle blowing, conflicts of interest, health and safety and anti-bribery and corruption. In Jordan, the Group has invested in a grid-connected ground mounted solar panel project, which produces 1.2MWp per year, to power six of its restaurants.

Externally, the Group ensures that 100 per cent. of its suppliers are compliant with the Global Food Safety Initiative standards by regularly conducting supplier compliance assessments.

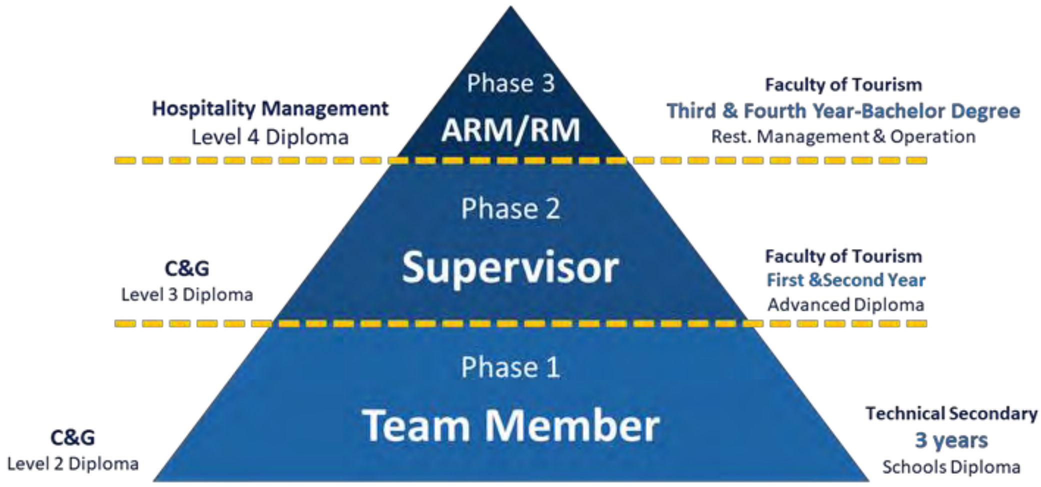
The Group also engages with local communities where its restaurants operate, which include engaging in charity funding, organising blood donations, giving meal distributions to orphanages, homeless shelters and stray animal shelters.

The Group's main CSR initiatives are described below.

People with determination – The Group built certain restaurants and fitted them with specialized equipment and infrastructure to allow for determined people with hearing and speech disabilities to operate these restaurants. The Group's employees perform functions from order taking to cooking, preparing and serving orders to customers and providing them with the similar experiences to any other restaurant. The initiative began in 1994 with only one restaurant in Egypt, and it has expanded to six restaurants across three brands with over eighty disabled employees. The Group intends to further grow the programme and is working towards including the underprivileged, mobility impaired and increasing participation of women across all of its restaurants.

Dual education programme – The Group partnered with the Ministry of Education of Egypt, Helwan University, Misr Elkheir and City and Guilds to develop a dual-education cluster specialized in restaurants management and operations. This program provides young students attending technical secondary school with a promising learning trajectory spread over three phases and seven years, aimed at attaining a level four diploma or fourth year bachelor's degree. The Group's dual education program has been recognised by organizations such as United Nations Educational Scientific and Cultural Organisation, International Labour Organization, International Youth Foundation, The SHRM Blog, and has received the AIB MENA award for community development for the programme.

The diagram below sets out the details of the Group's dual education programme in Egypt.



In 2022, the Group received the Gallup Exceptional Workplace Award for the first time and was one among 12 first-time winners. The Group was also one of only two companies from the MENA region to receive the award.

The Group empowers each brand and country to conduct CSR activities relevant to their communities. Some of those initiatives have included observing Down Syndrome World Day on 21 March in Saudi Arabia, celebrating 'Kindness Week' in Kazakhstan by distributing meals to children, adults and orphans on occasions such as Ramadan and participating in a half marathon event in Kazakhstan to fund the charity "Courage to be First", which supports the development of sports facilities for disabled children. The Group further finances several city sports events, among various other CSR engagements.

2. Statement of Capital Development

Company's current share capital structure before commencement of the Offering

On 27 May 2022, the Company was incorporated with a share capital of USD10,000 (ten thousand US dollars) (equivalent to AED36,725). This Prospectus contains financial information for the years 2019,2020, and 2021, and given that Company was not incorporated prior to 2022, as such this Prospectus doesn't contain any past financial information in this regards. The capital of the Company has been fixed at AED 618,715,851 (six hundred eighteen million seven hundred and fifteen thousand and eight hundred fifty one), divided into 8,423,633,100 (eight billion four hundred and twenty three million six hundred and thirty three thousand and one hundred) Shares with a nominal value of AED 0.073 (equivalent to USD 0.02) each. All Shares are equal in respect of all rights.

The following table illustrates the Company's ownership structure before and after completion of the Offering:

As at the date of this Prospectus:

Name	Nationality / Country of incorporation	Type of shares	Number of shares owned	Total value of shares owned*	Ownership proportion
Adeptio AD Investments LTD	United Arab Emirates	Ordinary	8,089,474,138	AED 594,171,875 (equivalent to USD 161,789,483)	96.03 per cent
Minority Shareholders	N/A	Ordinary	334,158,962	AED 24,543,976 (equivalent to USD 6,683,179)	3.97 per cent

Based on the nominal value

After Offering

Name	Nationality / Country of incorporation	Type of shares	Number of shares owned	Total value of shares owned*	Ownership proportion
Adeptio AD Investments LTD	United Arab Emirates	ordinary	5,562,384,208	AED 408,557,120 (equivalent to USD 111,247,684)	66.03 per cent
Minority Shareholders	N/A	ordinary	334,158,962	AED24,543,976 (equivalent to USD6,683,179)	3.97 per cent

Based on the nominal value

3. Company's capital structure upon completion of the Offering

Upon the completion of the Offering, the Company's paid-up share capital shall be AED 618,715,851, divided into 8,423,633,100 (eight billion four hundred and twenty three million six hundred and thirty three thousand and one hundred) Shares with a nominal value of AED 0.073 (equivalent to USD 0.02) per Share.

Assuming all of the Offer Shares are allocated, the Selling Shareholder shall hold 66.03 per cent of the Shares upon Listing as set out above. The Company has presented its plan to the SCA and the CMA for the Selling Shareholder to offer percent (30 per cent) of the total share capital. The Selling Shareholder and the Company reserve the right to the size of the UAE Retail Tranche and the Institutional Tranche at any time prior to the end of the subscription period at their sole discretion, subject to applicable laws and the approval of the Relevant Authorities in the UAE.

No. of Selling Shareholder's Shares:	5,562,384,208 (five billion five hundred sixty-two million three hundred eighty-four thousand and two hundred eight) Shares
No. of total Subscribers' Shares (assuming all Offer Shares are allocated including all Tranches mentioned under the Prospectus):	2,527,089,930 (two billion five hundred twenty-seven million eighty nine thousand and nine hundred thirty) Shares
Total:	8,089,474,138 (eight billion eighty-nine million four hundred seventy four thousand and one hundred thirty eight) Shares

4. Statement of the status of litigation actions and disputes with the Company over the past three years

The Group may be involved in disputes and legal proceedings, including disputes and legal proceedings initiated by regulatory, competition and tax authorities as well as proceedings with competitors, suppliers, customers, employees and other parties.

The Group is involved in litigation in relation to the death of a child in July 2015 in the play-pen of a Hardee's restaurant franchised and operated by the Group in Jordan. A Jordanian court found both the Group's Jordanian subsidiary and the restaurant's branch manager guilty of criminal negligence and the branch manager was sentenced to six months in prison along with a 50 JOD fine plus fees. The deceased child's representatives filed a civil wrongful death claim against Hardee's and several affiliated entities in a United States federal district court which was dismissed on a summary judgement motion in February 2022. The dismissal is under appeal with hearings expected to commence in the second half of 2022. As per the indemnity provisions in the Hardee's Agreements, the Group is indemnifying Hardee's for any damages and/or costs arising from this claim and accordingly, the Group made related provisions which it believes will be sufficient.

The Egyptian tax authorities have various unresolved sales tax liability claims against the Group's subsidiary ECITP' relating to its restaurants from 1997 to 2017. The disputes centre around alleged improper availments by ECITP of certain sales tax exemptions applicable to the Egyptian restaurants not having 'touristic' status. These sales tax exemptions were repealed in 2016 pursuant to a change in Egyptian tax law. A significant amount of the claims have expired due to procedural reasons, such as the statutes of limitation. On 2 November 2021, ECITP received a demand letter from the Egyptian tax authorities claiming $92.6 million in sales tax liability of which $32.0 million represents the principal payments due and $60.4 million represents penalties. The Group has settled most of these claims with the Egyptian tax authorities and seek to rely on an Egyptian retroactive amnesty legislation (which came into effect August 2022) for a waiver of the penalties and ECITP has made related provisions which it believes will be sufficient.

5. **Statement of the number and type of employees of the Company and of its subsidiaries:**

As at 30 June 2022, we had approximately 40,700 employees. 36,200 full-time employees, and 4,500 outsourced employees.

6. **Accounting policies adopted by the Company:**

The Company prepares its accounts in accordance with IFRS as issued by the International Accounting Standards Board and applicable requirements of ADGM regulations.

7. **Statement of Company's loans, credit facilities and indebtedness and the most significant conditions thereof:**

The Company is not a party to any loans, credit facilities, and indebtedness.

8. **Statement of current pledges and encumbrances on the Company's assets:**

None.

9. **Investment Risks:**

Investing in and holding the Offer Shares involves financial risk. Prospective investors in the Offer Shares should carefully review all of the information contained in this Prospectus and should pay particular attention to the following risks associated with an investment in the Company and the Offer Shares that should be considered together with all other information contained in this Prospectus. If one or more of the following risks were to arise, our business, financial condition, results of operations, prospects or the price of the Offer Shares could be materially and adversely affected and investors could lose all or part of their investment. The risks set out below may not be exhaustive and do not necessarily include all of the risks associated with an investment in the Company and the Offer Shares. Additional risks and uncertainties not currently known to the Company or which it currently deems immaterial may arise or become material in the future and may have a material adverse effect on the Company's business, results of operations, financial condition, prospects or the price of the Offer Shares.

Risks Relating to the Group's Business

Real and perceived health concerns arising from food-borne illnesses, epidemics, quality or other negative food related incidents could have a material adverse effect on the Group's reputation as well as its business, results of operations and financial condition.

The Group's business is susceptible to health concerns arising from food-borne illnesses, epidemics, problems with food quality, allergic reactions and other negative food-related incidents. The occurrence of any such outbreak or other adverse public health event in any of the countries where the Group operates or in the vicinity of its restaurants, suppliers or warehouses could cause a temporary or permanent closure of restaurants and materially disrupt the Group's business, results of operations and financial condition.

Food-borne illness or food tampering incidents could be caused directly or indirectly by third-party logistics providers, suppliers, food delivery aggregators, customers or employees and may be outside the Group's control. The Group's food ingredients, packaging materials, and food products could become contaminated by food-borne illnesses or other contamination during transport, handling or preparation. Any adverse impact on, or interruption of, the Group's operations or those of third-party service providers as a result of health concerns arising from real or perceived food-borne illnesses, health epidemics, problems with food quality, allergic reactions or other negative food-related incidents, could have a material adverse effect on the Group's business, results of operations and financial condition.

The ingredients warehoused and transported by the Group's logistics providers and stored at its restaurants are perishable in nature. In the event that the Group or its logistics providers fail to maintain the required standards of storage or if the integrity and quality of the food ingredients are otherwise compromised, the Group's products could be contaminated, which could lead to a negative food-related incident. Risks to the health of the Group's customers can arise from any such negative food-related incident, which could expose the Group to litigation, including by customers, penalties or fines by food safety regulators, as well as reputational damage among customers. The Group is subject to quality audits and inspections at its restaurants by both government agencies and by its franchisors, however, there can be no assurance that these external assessments, or the Group's own internal controls and training procedures, will be fully effective in ensuring the Group maintains the necessary levels of product quality or prevents any other negative food-related incidents.

The occurrence of any significant negative food-related incidents at any of the Group's restaurants may lead to negative publicity, brand or reputational damage (including in respect of its other restaurants and brands which are unaffected by any specific incident) and restaurant closures potentially resulting in a material adverse effect on the Group's business, results of operations and financial condition.

Any failure to maintain effective quality control systems or protocols of the Group's supply chain or restaurants could have a material adverse effect on its business, reputation, results of operations and financial condition.

A critical part of the Group's success is the quality and safety of its products. Maintaining consistent food quality and preventing food contamination and other health hazards depends significantly on the effectiveness of the Group's quality control systems, policies and guidelines, all of which are required by its franchisors and applied to the Group and third parties engaged by the Group. The Group's franchisors have rights to inspect and audit the Group's operations under their respective IFAs. Any significant failure or deterioration of these quality control systems or protocols could result in a breach of the terms of the IFAs, and thereby have a material adverse effect on the Group's business, results of operations and financial condition.

Currently, the Group has various quality control measures in place including comprehensive food safety systems, standards and requirements based on hazard analysis and critical control point principles, as well as global industry best practices and the standards and policies of the Group's franchisors. Even if compliant with all the above, the Group could still be subject to civil and/or criminal liability and other regulatory consequences in the event that a significant health hazard were to be found at any of its restaurants as a result of a failure of the Group's or its suppliers' quality control systems or protocols, which could have a material adverse effect on the Group's reputation, business, results of operations and financial condition.

The Group is dependent on the adequate and timely delivery of quality ingredients, packaging materials and other necessary supplies and if suppliers fail to provide sufficient quality and quantities of ingredients, packaging materials and other necessary supplies, the Group's business, results of operations and financial condition could be adversely affected.

The Group's operations are dependent on adequate and timely deliveries of bulk quantities of quality ingredients, packaging materials and other necessary supplies that meet certain requirements. Because many of these ingredients are perishable in nature, the Group does not maintain significant stocks in inventory, and depends substantially on regular deliveries from a large, diversified pool of approved suppliers from which it purchases ingredients and packaging materials. The Group also requires ingredients containing meat to be Halal compliant based on guidelines set by relevant authorities such as the Emirates Authority for Standardization and Metrology and the Saudi Food and Drug Authority. A failure of a number of those suppliers to provide the Group with sufficient quantities of ingredients and packaging materials of adequate quality meeting global standards as required on a timely basis for any reason including as a result of shortages, interruptions in their own supplies (such as those that could be caused by weather or other conditions) or their failure to retain required certification as approved suppliers by the Group's key franchisors, could result in a disruption or delay in supply of the ingredients, packaging materials and other necessary supplies that the Group requires for its restaurants. This could result in a loss of customers and revenue on those products for which supplies are not available.

Although the Group conducts order forecasting and seeks to maintain sufficient stocks in inventory and alternative suppliers for its ingredients and packaging materials, the Group's efforts may prove inadequate to prevent or mitigate material supply interruptions, shortages or other industry-wide disruptions. If any widespread disruptions in supply chains occur or if the Group is unable to obtain replacement ingredients or packaging materials of adequate quality or sufficient quantity on commercially agreeable terms in the open market, this could have a material adverse effect on the Group's reputation, business, results of operations and financial condition.

The operation of the Group's restaurants depends on their respective material agreements with franchisors, which impose certain restrictions, limitations and other obligations on the Group's operations that could adversely affect its ability to grow its business.

As at 30 June 2022, the Group operated 2,050 restaurants. Each restaurant is typically governed by an IFA which provides for franchisor approval of suppliers and selections of product ingredients, governs advertisement or promotional activity, and sets restrictions for sub-licensing or sale, transfer or gift of the Group's business such as any reconstruction/reorganization/other material changes in the Group's structure or financial condition. Under some IFAs, the Group may be required to seek prior approval before making changes to its marketing plans, introducing new items to its menus or publishing certain trademark-related material on the internet. Further, the IFAs place several obligations on the Group in relation to the payment of royalties, contributions and fees, operational and brand standards, and provide for franchisor audit rights. Generally, the IFAs restrict the Group's ability to operate competitive franchises so as to preserve the goodwill of the franchisor.

These obligations are standard practices in the franchise-based business model for ensuring that global standards of quality, hygiene and brand equity are maintained by the relevant franchisees and also for placing market-standard controls to protect brand value of franchisors.

The Group cannot control the actions of its major franchisors, in particular, KFC MENAPAKT FZ-LLC, Kentucky Fried Chicken International Holdings L.L.C., Pizza Hut Menapakt FZ-LLC and Pizza Hut International L.L.C. (which comprise Yum) and Hardee's Restaurants LLC, who are the franchisors for the brands who generate the most of the Group's revenues consisting of 71.8 per cent. and 17.1 per cent. of the Group's revenues for the year ended 31 December 2021, respectively. As a result, if their actions at any time have economic, business or legal interests that are inconsistent with the Group's or if franchisors take certain actions the Group does not agree with, the Group's business operations may be adversely affected, which would have a material adverse effect on the Group's business, results of operations and financial condition.

The Group is dependent on its development and franchise agreements with Yum and non-compliance with, termination of, or inability to renew, these agreements would have a material adverse effect on the Group's business, results of operations and financial condition.

The Group's KFC and Pizza Hut-related business is dependent on the terms of its development agreements and restaurant-level franchise agreements with Yum (collectively, the "**Yum Agreements**"), which outline, among other things, certain rights and obligations of the Group to develop and operate (i) KFC restaurants in Saudi Arabia, the UAE, Bahrain, Egypt, Jordan, the Kurdistan region of Iraq, Iraq (specifically in Baghdad, which is under negotiation, Kuwait, Lebanon, Morocco, Oman, Qatar and Kazakhstan; (ii) and Pizza Hut restaurants in Saudi Arabia (excluding Jeddah), the UAE, Bahrain, Egypt, Jordan and Iraq (under negotiation), (collectively, the "**Yum Development Areas**"). While the Yum Agreements do not grant the Group any exclusive rights to operate the Yum brands, the Group has rights of first refusal in relation to the opening of any new KFC or Pizza Hut restaurant within the Yum Development Areas (subject to certain limited exceptions) so long as the Group remains in compliance with its obligations under the Yum Agreements and continues to meet its new restaurant opening and upgrade targets under the Yum Agreements. These rights facilitate the Group to maintain its market leading position *vis-à-vis* the development and operation of KFC and Pizza Hut restaurants in the Yum Development Areas.

The Group's arrangements with Yum with respect to the KFC brand collectively generated 60.2 per cent. of the Group's revenues for the year ended 31 December 2021 and 60.5 per cent. of the Group's revenues for the six months ended 30 June 2022. The Group's arrangements with Yum with respect to the Pizza Hut brand collectively generated 11.5 per cent. of the Group's revenues for the year ended 31 December 2021 and 11.0 per cent. of the Group's revenues for the six months ended 30 June 2022.

The Yum development agreements typically have three-to-five-year terms and prior to expiry, new development agreements have historically been entered into as long as the Group has remained compliant with the terms and conditions of all the agreements between the parties. The Yum restaurant-level franchise agreements typically have 10-year terms which can be renewed at the franchisee's option for another 10 years on the same financial terms, provided the franchisee adheres to the renewal criteria under the agreements. If the Group fails to renew the franchise agreements or if Yum refuses to renew due to non-adherence to the renewal criteria or if they are renewed on commercially unfavourable terms, this would have a material adverse effect on the Group's business, results of operations and financial condition.

The Yum development agreements set out annual targets for the Group to open new Yum restaurants and upgrade Yum restaurants in the Yum Development Areas. They set out specific payment obligations such as new restaurant opening fees, continuing fees, and marketing expenditures proportionate to each restaurant's revenues. They also require the Group, at its own cost, to maintain certain operational and brand standards which can be unilaterally changed by Yum from time-to-time. If the Group is unable to meet such new restaurant opening or restaurant upgrade targets or is unable to comply with the Group's payment obligations and operational conditions or brand standards prescribed by the Yum Agreements or policy manuals, Yum may terminate one or more of the Yum Agreements or revoke certain vital rights of the Group; such as the Group's rights of first refusal.

If any of the Yum Agreements are terminated or if certain of the Group's rights thereunder are revoked, the Group may be unable to continue operating its KFC or Pizza Hut businesses which would have a material adverse effect on the Group's business, results of operations and financial condition.

The Group is dependent on its development and country licence agreements with Hardee's Restaurants and non-compliance with, termination of, or inability to renew, these agreements would have a material adverse effects on the Group's business, results of operations and financial condition.

The Group's Hardee's-related business is dependent on the terms of its development agreements and country-level licence agreements (the "**Hardee's Agreements**") with Hardee's, which outline, among other things, certain rights and obligations of the Group to develop and operate Hardee's restaurants in Saudi Arabia, the UAE, Bahrain, Egypt, Jordan, Iraq, Kuwait, Lebanon, Oman, Qatar, Morocco and Kazakhstan (collectively, the "**Hardee's Development Areas**"). Subject to certain limited exceptions, the Hardee's development agreements confer exclusive rights on the Group to develop Hardee's restaurants within the Hardee's Development Areas. These rights facilitate the Group to maintain its market leading position *vis-à-vis* the development and operation of the Hardee's brand in the Hardee's Development Areas. (See "*Material Agreements-Hardee's Development Arrangements*"]).

The Group's arrangements with Hardee's collectively generated 17.1 per cent. of the Group's revenues for the year ended 31 December 2021 and 17.7 per cent. of the Group's revenues for the six months ended 30 June 2022.

Under the country-level licence agreements, the initial operating term for each restaurant typically is twenty years, which can be renewed for an unlimited number of 10-year terms subject to compliance with the conditions in the licence agreements. If the Group fails to renew these or if they are renewed on commercially unfavourable terms, this may have a material adverse effect on the Group's business, results of operations and financial condition.

The Hardee's Agreements set out annual targets for the Group to open new Hardee's restaurants. They set out specific payment obligations such as initial licence fees, royalty fees and marketing expenditures proportionate to each restaurant's gross sales. They also require the Group, at its own cost, to maintain certain operational standards which can be unilaterally changed by Hardee's from time-to-time. If the Group is unable to meet new restaurant opening targets or is unable to comply with the Group's payment obligations and operational conditions prescribed by the Hardee's Agreements, Hardee's may terminate one or more of the Hardee's Agreements or revoke certain vital rights of the Group. If any of the Hardee's Agreements are terminated or if certain of the Group's rights thereunder are revoked, the Group may be unable to continue operating its Hardee's businesses which would have a material adverse effect on the Group's business, results of operations and financial condition.

The Group's business depends on the continued success and reputation of its franchisors globally, and any negative impact on these brands, or a failure by the franchisor to protect these brands or their proprietary information may adversely affect the Group's business, results of operations and financial condition.

The Group's success to a large extent is related to the success of its franchisors' businesses and the strength of their brands globally, which depend on their financial condition, marketing strategies, product development and success of their operations amongst competitors, including in jurisdictions and markets where the Group does not operate and which the Group has no influence over. The Group currently engages with its three major franchisors: namely, Yum, Hardee's and Krispy Kreme Doughnut Corporation ("**Krispy Kreme**"), with whom the Group has agreements for a number of their brands including KFC, Pizza Hut, Hardee's and Krispy Kreme among other global brands.

The Group has no control over the management or operations of its franchisors' businesses. As a result, various factors affecting franchisors that are beyond the Group's control could have a material adverse effect on its business. These factors may include, generally, negative publicity and loss of brand reputation, food safety or health issues at restaurants outside the jurisdiction in which the Group operates, legal proceedings against the franchisors and regulatory investigations.

As business performance is a function of, among other things operational and financials capability of the franchisee, it is also effected by the franchisor's global performance combined with regional fit/taste, the Group cannot give assurances that its franchisors will be able to compete effectively with other well-established international competitors, including new brands which may enter the

Group's key markets in the future. As a result, any impairment or damage to the Group's franchisors or their brands could have a material adverse effect on the Group's reputation, business, results of operations and financial condition.

The Group relies on a select group of third parties for logistics services and if they fail to deliver, there may be disruptions or delays in the Group's services, which could have an adverse effect on its business, results of operations and financial condition.

The Group relies on a select group of third parties for logistics services in most of the countries it operates, including for transporting its ingredients and packaging materials from warehouses to restaurants. In such markets, while the Group has contingency distribution plans or emergency business plans with providers in case there is a significant failure, there can be no assurance that these third parties will consistently and reliably fulfil their contractual responsibilities to the Group. The services provided by these third party logistics providers are critical to the Group's supply chain and its ability to manage supply chain risk and distribution costs, as well as maintain control and traceability over products.

The Group also utilises third-party logistics infrastructure including warehouses and transportation. The Group conducts a rigorous assessment process when considering the appointment of any third-party logistics provider and the selected company's facilities and systems are subject to additional franchisor approval. However, third-party logistics providers' ability to provide the Group with these services consistently and effectively is dependent on a number of factors and to the extent that any third-party logistics providers experience any disruptions or delays in operations due to, for example, labour issues or transportation constraints, non-compliance with licensing or permit requirements, breakdowns in transportation or other factors which are beyond the Group and their control such as those affecting road transportation or its infrastructure, political unrest, bad weather conditions and natural disasters. In such cases, the Group's supply chain could be disrupted and its ability to transport ingredients and packaging materials and deliver products to restaurants could be disrupted, which could have a material adverse effect on the Group's reputation, business, results of operations and financial condition.

Any failure, disruption or breaches of the Group's information technology systems or an inability to adapt to newer systems could adversely impact its business and operations.

The Group's business is dependent upon complex and interdependent information technology systems, including internet and cloud-based systems, to support business processes including day to day operations, e-commerce, supply chain and restaurant management. For example, the Group's restaurants use point of sales systems, kiosks, tablet and e-commerce platforms for customer orders across various channels, including dine in, drive through (or "**drive-thru**") and home delivery among others. The Group operates 17 proprietary, brand specific applications across five brand ecosystems SuperApps, to facilitate seamless functioning across Middle East and North Africa ("**MENA**") and Kazakhstan. The Group's restaurants are also reliant on back-office technology solutions which are shared across the Group's brands to manage its sales reporting, inventory and human resources functions.

The complexity of the Group's technology systems makes them potentially vulnerable to breakdown, malicious intrusion and computer viruses or data security breaches that may expose sensitive data to unauthorized persons. The Group has experienced certain rare, minor disruptions to its information technology systems in the past and it cannot assure you that it will not encounter disruptions in the future. These disruptions are typically a result of connectivity / network disruptions, system downtime due to heavy load and/or system failure, third party support issues, cyber-attacks such as malware / ransomware. Any such disruption may result in the loss of key information or disruption of the Group's business processes, which could adversely affect its business, results of operations and financial condition.

In addition, as technology systems are consistently evolving, the Group's operations are partially impacted by its ability to respond to technological advances and emerging industry standards and practices in a cost-effective and timely manner. The Group cannot assure you that it will be able to successfully implement new technologies or adapt its processing systems to evolving customer requirements or emerging industry standards. Changes in technology may make newer solutions more competitive than the Group's or may require the Group to make additional capital expenditure to upgrade its facilities and technology. Any inability by the Group, for technical, legal, financial or other reasons, to adapt in a timely manner to changing market conditions, evolving customer requirements or technological changes, could have a material adverse effect on the Group's reputation, business, results of operations and financial condition.

Any significant disruption in service to the Group's digital ordering applications could prevent the Group from operating its business effectively and affect its operations and reputation.

The Group depends on its network infrastructure, software, and content delivery processes to operate several channels of business, including dine-in, take-out, drive-thru and home delivery. Each channel relies on separate technologies. While individual restaurants can provide dine-in and take-out services independently in the case of technology or network disruptions, the home delivery channel relies heavily on applications, systems and networks.

The Group relies on third-party technology and communications systems, including the internet and mobile networks, to provide access to its ordering applications to consumers, partners and delivery riders. Interruptions in these systems or the Group's infrastructure, software, and processes, whether due to system failures or errors, human errors, malicious software, physical or electronic break-ins, denial-of-service attacks, or otherwise could affect the availability of the Group's services and ordering applications and prevent or hinder the ability of consumers, partners, and riders to access or transact on the Group's ordering applications.

The Group has experienced and may in the future experience interruptions, delays and outages in its technology from time to time due to a variety of factors, including infrastructure changes, human or software errors, public internet, or third party internet provider disruptions. If customers cannot access the Group's ordering applications or navigate and order on or partners do not receive orders or confirm them in a timely manner, this will affect the quality and appeal of the Group's services. If the Group experiences any failure of the internet or mobile network connectivity or its technology across multiple restaurants or an entire market, the Group might not be able to receive customer orders. The Group's business continuity contingency plans might not be adequate to enable it to continue or recommence trading without a loss of business. Interruptions in the availability of the Group's ordering applications could also affect its reputation for reliable service, and harm both its business and its relationship with franchisor partners. Any of the foregoing could have a material adverse effect on the Group's reputation, business, results of operations and financial condition.

The Group is exposed to risks related to data breaches and cyber-attacks.

The Group's facilities and systems, or those of third-party service providers, may be vulnerable to security breaches, acts of cyber-attacks or sabotage, vandalism or theft, computer viruses, loss or corruption of data, programming or human errors or other similar events. Because such attacks are increasing in sophistication and change frequently in nature, the Group and its third-party service providers may be unable to anticipate these attacks or implement adequate preventative measures, and any compromise of the Group's systems, or those of its third-party service providers, may not be discovered and remediated promptly, which could result in a loss of data. A security breach, act of cyber-attack or sabotage, vandalism or theft, computer viruses, loss or corruption of data or programming or human error made by the Group's employees may lead to a breach of employees' and customers' data privacy and security. Any such breach may result in a divulgence of such data to third parties against the will of all affected parties, which could undermine the privacy of such parties and result in reputational harm to the Group. In addition, this could adversely affect the Group's performance due to judicial proceedings or claims initiated against the Group in case it defaulted in preserving the safety and confidentiality of data and in ensuring compliance with the relevant controls on deploying and utilizing data in an accurate and timely manner via the appropriate channels. Any such breach or other similar event may also lead to a change of current and potential consumers' behavior in a way that would impact the Group's ability to retain current customers or attract new customers, which would have an adverse effect on the Group's business, results of operations and financial position.

It should be noted that the Group processes customers' personal data, including names, addresses, email addresses and phone numbers, in the ordinary course of its business. The Group has a number of personal data protection systems, e-commerce systems, and data protection requirements in the countries in which the Group operates. Laws and requirements regarding personal data processing and protection may require the Group to implement privacy policies which incur higher costs for compliance, potentially limiting the Group's profitability. Any failure to comply with applicable laws and regulations regarding the processing of personal data may also lead to enforcement action against the Group, including by regulators which may impose discretionary fines and penalties, or actions by customers requiring the Group to compensate them for any damage, potentially resulting in not only higher costs but also harm to its reputation. The occurrence of any of the above risks could have a material adverse effect on the Group's reputation, business, results of operations and financial condition.

Any adverse development in connection with the Group's relationship with third party food delivery aggregators, as well as the performance of those third party food delivery aggregators, may adversely affect the Group's business, results of operations and financial condition.

The introduction and growth of online ordering and mobile applications, as well as the increasing number and growth of third party food delivery aggregators, have increased the percentage of the Group's revenues from the home delivery channel. The amount of the Group's revenues from delivery as a percentage of Group revenues have increased from 30.2 per cent. for the year ended 31 December 2019 to 42.1 per cent. for the year ended 31 December 2021. For revenues earned through the home delivery channel, the Group is required to pay third-party food delivery aggregators a commission on orders placed through the aggregators' mobile applications. In 2021, approximately 56 per cent. of the Group's revenues from home delivery services were generated through third party food delivery aggregators. The Group typically enters into multi-year agreements with aggregators, which are negotiated on an 'all-country and all-brand' basis and allow aggregators to charge a commission payable by the Group for listing and securing orders from the Group's restaurants. These arrangements have no exclusivity for either party and can be terminated by an aggregator at any time. If faced with resource constraints and profitability pressure some aggregators may restrict the Group's delivery areas or insist on co-funding promotions or levy additional charges on customers, thereby adversely affecting affordability and demand. If the Group's dependance on food delivery through third party aggregators continues to increase, it is possible that footfall in the Group's restaurants could decrease.

It is also possible that the negotiating leverage of food delivery aggregators with respect to their agreements with the Group could increase as their distribution capabilities grow, resulting in the Group paying higher fees or commissions for their services, or in difficulty extending or renewing its agreements with its food delivery partners on commercially acceptable terms, or at all, in the future, especially if the Group fails to continue strengthening its own food delivery services or find alternative means to serve the increasing number of customers who choose to order their food online or through mobile applications.

In addition, in order to win market share, certain delivery aggregators offer significant discounts for their services to their counterparties, including the Group. As their businesses mature, they may choose to discontinue these discounts or otherwise raise their fees, which could result in higher fees or commissions the Group pays for their services. Any adverse development with respect to the food delivery aggregators that the Group uses to deliver its products, its relationship with them or their services, such as their failing to meet the Group's service standards, actions or events attributed to them that impact customer perception of the Group's franchises, or any stoppage of their operations due to financial difficulties or otherwise, could adversely affect the Group's ability to reach customers who choose to order food through delivery aggregators. Any of the foregoing could have a material adverse effect on the Group's business, results of operations and financial condition.

Furthermore, many food delivery aggregators have opened and are expanding so-called cloud kitchens which prepare and offer food to customers, and are less capital intensive than full-service restaraunts, thus increasing competition within the restaurant industry and putting the Group in direct competition with some of its aggregators. Though the Group also operates its own cloud kitchens, the increase in competition from these cloud kitchens may nonetheless have a material adverse effect on the Group's business, results of operations and financial condition.

Changes in consumer preferences and food habits as well as negative perception of the industry could decrease the demand for the Group's products and have a material adverse effect on its business, results of operations and financial condition.

The Group's ability to offer products that are tailored to suit regional tastes and preferences in its various markets and meet customer needs enables it to maintain its competitive position. While franchisors have certain approval rights over branded products, in practice, the Group works with franchisors, on the basis of collaboration and mutual agreement, to create tailored regional products which the Group believes will suit local and regional preferences. For example, to the extent permitted under the Group's material agreements the Group offers a wide range of vegetarian offerings and regionalized products across its restaurants.

While the Group undertakes various measures to assess consumer preferences, and to adapt and provide for changing consumer preferences which are driven by factors including shifts in consumer demographics, economic conditions, dietary habits and trends in food sourcing or food preparation, it cannot assure you that these measures would be viable or successful in identifying consumer trends in the future.

In addition, there is growing concern among consumers, public health professionals and government agencies about the long-term health problems associated with certain conditions, such as obesity, diabetes, cardiovascular disease, high cholesterol, high sodium, high trans-fat, high sugar and hypertension which, have been linked to fast food products such as those marketed by and available at the Group's restaurants. These health concerns could reduce demand for these products and may prompt government regulations that would introduce new or increase existing taxes on fast food products among other measures, which may increase the prices, further affecting the demand. Any sudden changes in the regulatory environment relating to the Group's products as a result of these or other developments could require it to implement changes to its operations that could negatively impact the Group's ability to sell and market its products profitably. Any failure to accurately anticipate and address changing customer preferences and negative public perceptions could have a material adverse effect on the Group's business, results of operations and financial condition.

The QSR industry in the MENA region is highly competitive, and the Group's business and financial results may be adversely affected by actions of its competitors and its inability to respond to competition.

The QSR industry in the MENA region is competitive. The Group competes primarily with international QSR chains operating in the MENA region, such as McDonalds, Burger King and Domino's Pizza, as well as local restaurants and chains in the QSR segment. The Group generally competes on the basis of product and service quality, price and location, and the industry is often also affected by changes in consumer tastes, economic conditions, demographic trends and consumer disposable income. In addition, post the COVID-19 pandemic, cloud kitchens that are designed exclusively for deliveries, have experienced and are expected to continute to see a rapid growth. Longer-term strategies being adopted by the food and beverage industry include opening dark/cloud kitchens to expand footprint at a lower cost. In the event the Group does not successfully adapt to these evolving formats with its own cloud kitchens or other forms of low-cost delivery, or if the Group is required to expend significant resources to do so, it may be unable to remain competitive and maintain or grow its market share effectively.

The Group's ability to compete depends on its ability to develop and launch new products, effectively market and advertise its products and respond to and appeal to changing consumer preferences, including with respect to the value, variety and quality of its products. In addition, the Group's existing or future competitors may offer products that are better priced or more appealing to consumer tastes or have more effective marketing and advertising programs. If as a result of these or other reasons the Group is unable to maintain its competitive position, it could experience downward pressure on prices, lower demand for its products, reduced margins and loss of market share, which could have a material adverse effect on the Group's business, results of operations and financial condition.

The impact of future pandemics on the Group's operations, including its effect on the ability or desire of customers to dine in at restaurants, is uncertain and may be significant.

Future pandemics and government responses to such pandemics could restrict the Group's business, results of operations and financial condition. For example, the outbreak of the COVID-19 pandemic, as well as government measures to reduce the spread of COVID-19, had a substantial impact on the Group's operations across the MENA region and Kazakhstan. The most significant impact related to government restrictions in 2020, which limited the Group's ability to open restaurants and reduced the share of dine-in as a percent of the total sales due to temporary or permanent restaurant closure, reduced dine-in capacity and reduced organic in-restaurant traffic (i.e. malls).

Notwithstanding the government measures the Group has adopted measures to increase safety and hygiene levels, there can be no assurance that footfall for dine-in at the Group's restaurants will fully recover from the impact of restrictions imposed in response to COVID-19 or that may be imposed for future pandemics, and if they do not recover as a result of COVID-19 or other future pandemics, the Group's business, results of operations and financial condition could be significantly and adversely impacted. There can be no certainty that jurisdictions in which the Group operates will not undergo future lockdowns in response to COVID-19 or other future pandemics. In addition, the Group's operations may be impacted if the Group's key managerial personnel or a significant percentage of its workforce is unable to work due to illness, quarantine, limitations on travel or other government restrictions in connection with the COVID-19 or other future pandemics, which could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group may not be able to protect the intellectual property rights and other proprietary information licensed to it by its franchisors, which may affect the reputation of a franchise and the Group's operations.

Under the terms of several material FAs, the Group is required to protect its franchisors intellectual property rights and other proprietary information. In this regard, as a franchisee, the Group's primary responsibility is to notify the franchisor if it becomes aware of infringement of intellectual properties and provide any required support. For instance, the Group may fail to protect its restaurants from trademark or other infringements, and it is possible that other proprietary information, such as the recipes of food products, proposed pricing or product launch information, could be leaked by employees, suppliers, food delivery aggregators and other third-parties. If any of these were to occur, on a sustained, material and unmitigated basis, and if the reputation of one of the Group's franchise partners were to suffer as a result, the Group's competitive position in its markets and its ability to grow its business could be negatively impacted, which would have a material adverse effect on the Group's business, results of operations and financial condition. Any reputational damage to the Group's franchises, whether attributable to the Group or otherwise, could adverse impact the trust placed in that franchise or the Group's reputation and cause existing customers or intermediaries to withdraw or reconsider doing business with the Group.

Failure to obtain or maintain or renew licences, registrations, permits and approvals in a timely manner or at all may adversely affect the Group's business, results of operations and financial condition.

As part of the Group's business and operations, it is required to obtain and maintain various licences and permits from local and government authorities to open new restaurants and to run its existing business. Further, as a preparer of food products for human consumption, the Group is subject to health, safety and environmental laws and regulations, including regulations promulgated and enforced by local and national authorities in the various markets in which it operates. If health, safety and environmental laws and regulations in these jurisdictions change or are made more restrictive in the future, the extent and timing of investments required to maintain compliance may differ from the Group's internal planning, resulting in higher costs.

The Group operates over 2,000 restaurants, which entails obtaining, maintaining and renewing thousands of relevant licences. Given the nature of the Group's business, the most significant restaurant-level permits/approvals include: (i) health and safety, hygiene regulations (including municipality and civil defence approvals), (ii) real estate approvals (e.g., registration of leases, etc.) and (iii) licences issued by the relevant ministries of tourism (in certain jurisdictions). While the Group has a long history of dealing with applications for licences and permits, obtaining licences and permits can be a time-consuming process and subject to frequent delays, especially in new jurisdictions.

In relation to some of the Group's restaurants (particularly those located in shopping malls), the restaurant lease agreements and licence agreements place the obligation of obtaining certain building related approvals on the lessor. As a result, any failure by the lessor to obtain such approvals may adversely affect the Group's related operations of its restaurant at such places, though such approvals would typically be a condition precedent in such agreements and allow the Group to terminate without recourse. The Group's failure to retain or renew its licences and permits or comply with its conditions, each in a timely manner may mean that it becomes subject to fines or sanctions or that it may be required to shut down a restaurant.

Any delay in receipt of such approvals, licences, registrations, permits or their renewals could result in higher costs than anticipated, and result in delays in opening a new restaurant or otherwise adversely affect a given restaurant's operations. In addition, in such circumstances, the relevant authorities may direct the Group to close that restaurant, initiate criminal actions against the Group, restrain its operations, impose fines or penalties or initiate legal proceedings which may result in the Group's inability to renew/ obtain approvals in a timely manner or at all. Any of the foregoing could have a material adverse effect on the Group's business, results of operations and financial condition.

Staff shortages and high employee turnover rates may adversely affect the Group's business, results of operations and financial condition.

The QSR industry traditionally has a higher employee turnover rate than other industries. The Group's headcount as at 30 June 2022 was approximately 40,700, of whom 36,200 were restaurant-level employees, and approximately 4,500 were restaurant support centre employees. The Group had an overall turnover rate of 46 per cent. for the year ended 31 December 2021.

A significant number of the Group's employees are foreign workers, though in many jurisdictions, local workers comprise the overwhelming majority. The Group's supply of foreign workers, while affected during COVID-19 pandemic, was supported by the Group's long-term relationships with vendors deploying labour from the Philippines, India, Pakistan, Egypt, Nepal, and Bangladesh. The Group has managed to consistently hire roughly the same number of foreign workers in the last three years but it can give no assurances that it can continue to hire large number of foreign workers if another crisis such as the COVID-19 pandemic occurs. The Group also closely tracks and follows local employment requirements (e.g., 'Saudization' or 'Emiratization') in its various jurisdictions, which may affect its ability to hire foreign workers. For instance, in the case of Saudization, where Saudi Arabian authorities imposed fees on non-Saudi employees employed at Saudi companies and on residency permits of non-Saudi employees' family members, this led to an increase in living costs which may affect the attractiveness of Saudi Arabian for potential workers seeking to relocate. Consequently, high fees imposed by governments in the jurisdictions where the Group operates and difficulty in maintaining foreign workers may have an adverse effect on the Group's business, results of operations and financial position.

The Group also requires an adequate fleet of delivery rider employees to provide high-quality service to its customers. The number of riders can fluctuate for a number of reasons such as competition from other employers or third party aggregators, extreme weather, seasonal variations, immigration restrictions and local or national events. If the Group is unable to maintain a fleet of delivery riders sufficient to meet customer demand, this may increase the volume of delayed or unfulfilled orders.

Generally, there is no assurance that the Group will not experience difficulties in recruiting and retaining suitable employees in the future. Any inability to recruit and retain qualified individuals in the future may impact everyday operations and could adversely affect the Group's business, results of operations and financial condition.

The Group is dependent on a number of key personnel, and inability to attract or retain skilled professionals could adversely affect its business, results of operations and financial condition.

The Group is dependent on directors and senior management for setting strategic business direction and managing the business. Additionally, the Group's ability to meet continued success and future business challenges depends on its ability to attract, recruit and retain experienced, talented and skilled professionals. Without a sufficient number of skilled employees, the Group's operations could suffer. Competition for qualified personnel with established experience in the industry is intense and costly, both in retaining existing employees and when replacing or finding additional suitable employees. The loss of the services of key personnel, inability to recruit or train a sufficient number of skilled professionals, or the Group's inability to manage the attrition levels in different employee categories may have an adverse affect on its business, results of operations and financial condition.

The Group relies on a fleet of delivery riders to carry out its home delivery business and any reckless behaviour or other misconduct by the riders could have an adverse effect on the Group's reputation, business, results of operations and financial condition.

The Group undertakes direct delivery of meals to its customers, using its own employee drivers, and also has entered into arrangements with delivery aggregators such as Talabat, Deliveroo, and Hunger Station to accept delivery orders placed on their respective mobile applications. During

2021, over 80 per cent. of the Group's delivery orders, including orders from aggregators, were carried out by its own fleet of approximately 7,800 delivery riders. The riders engaged by the Group, or by the delivery aggregators, may engage in food tampering; inappropriate or unsanitary food handling or delivery; assault, battery, theft or other criminal activities; dangerous or reckless driving; or other misconduct in violation of the Group's policies. Such actions may result in traffic accidents, injuries, property damage or loss of life for consumers, partners or other third parties; which may subject the Group to negative publicity, reputational loss or claims of significant liability.

The Group is exposed to risks associated with inflation that could adversely affect its business, results of operations and financial conditions.

Most ingredients used in the Group's products are subject to price increases as a result of inflation, seasonality, global supply and demand, weather conditions, fluctuations in currency exchange rates and tax incentives and other factors. The Group has no control over fluctuations in the price and availability of ingredients, packaging materials or variations in products caused by these factors, any of which could impact the prices imposed by its suppliers, making the cost of ingredients or packaging materials more expensive for the Group and increase the prices of its products for customers. Any such increases may reduce demand and affect the Group's overall financial performance. The Group has limited control over fluctuations in the price and availability of ingredients caused by these factors. Although it engages in long-term contracting and undertakes other measures, including increasing customer prices, to counteract fluctuations in the price of ingredients and packaging materials, there can be no assurance that the Group can completely budget for or predict any increases in these prices, which may have a material adverse effect on the Group's business, results of operations and financial condition.

The Group is exposed to risks related to prices of energy, electricity, water and related services.

The Group operates in several countries in which prices of energy, gas, electricity, water and related services vary and are subject to regular modification, including as a result of regulatory changes. In Saudi Arabia, for example, the Saudi Council of Ministers issued the Resolution No. 95, dated 17/03/1437H (corresponding to 12/28/2015G), to raise regulated energy prices (including fuel and electricity), as well as water and sanitation services tariffs, for residential, commercial and industrial sectors, as part of Saudi Arabia's policies aimed at rationalizing the Government subsidy program. There can be no assurance that other countries in which the Group operates will not implement measures similar to those which Saudi Arabia implemented.

These and similar price increases may lead to a decrease in discretionary spending or income available to customers, reducing their disposable income and potentially resulting in a negative impact on the QSR sector. Such increases could also raise the Group's own expenses or the cost of transporting its ingredients and supplies. Consequently, sales in the Group's stores may be negatively impacted and the Group's operating expenses might increase, which would have a material adverse effect on the Group's business, results of operations and financial position.

The Group is exposed to risks associated with leasing real estate.

A majority of its restaurants operate on leased properties and as a result the Group is exposed to market conditions of the retail rental market. While it may have the option to renew certain leases, the Group typically must renegotiate the terms of renewal and lessors may insist on substantive changes to the terms and conditions of a lease agreement. If a lease agreement is renewed at a rental rate substantially higher than the existing rental rate, or if any existing favourable terms granted by the lessor are not extended, the Group must determine whether it is desirable to renew such modified terms. If the Group is unable to renew leases for restaurant sites on acceptable terms or is unable to renew at all, it will have to close or relocate the relevant restaurants, which would eliminate the sales that those restaurants would have contributed to the Group's revenues during the period of closure, and could subject the Group to construction, renovation and other costs and risks. Any of the foregoing could have a material adverse effect on the Group's reputation, business, results of operations and financial condition.

The Group is involved in certain disputes and legal proceedings, and if they are determined to be unfavourable for the Group, they may have a material adverse effect on its business, results of operations and financial condition.

The Group is involved in certain disputes and legal proceedings, including disputes and legal proceedings initiated by regulatory, competition and tax authorities as well as proceedings with competitors, suppliers, customers, employees and other parties.

In particular, the Group is a party to litigation in relation to the death of a child in July 2015 in the play-pen of a Hardee's restaurant franchised and operated by the Group in Jordan. A Jordanian court found both the Group's Jordanian subsidiary and the restaurant's branch manager guilty of criminal negligence and the branch manager was sentenced to six months in prison along with a 50 JOD fine plus fees. The deceased child's representatives filed a civil wrongful death claim against Hardee's and several affiliated entities in a United States federal district court, which was dismissed on a summary judgement motion in February 2022. The dismissal is under appeal with the hearings expected to commence in the second half of 2022. As per the indemnity provisions in the Hardee's Agreements, the Group is indemnifying Hardee's for any damages and/or costs arising from this claim and accordingly, the Group has made related provisions in its financial statements which it believes will be sufficient to cover any costs to the Group.

In addition, the Egyptian tax authorities have various unresolved sales tax liability claims against the Group's subsidiary, Egyptian Company for International Touristic Projects SAE ("**ECITP**") relating to its restaurants from 1997 to 2017. The disputes centre around alleged improper use by ECITP of certain sales tax exemptions applicable to the Egyptian restaurants not having 'touristic' status. These sales tax exemptions were repealed in 2016 pursuant to a change in Egyptian tax law. A significant amount of the claims made by the Egyptian tax authorities have expired for procedural reasons, such as the statutes of limitation. In respect of potential penalties which remain in force, on 2 November 2021 ECITP received a demand letter from the Egyptian tax authorities claiming $92.6 million in sales tax liability, of which $32.0 million represents the principal payments due and $60.4 million represents penalties. The Group has settled most of these claims with the Egyptian tax authorities in respect of these remaining claims, and seek to rely on an Egyptian retroactive amnesty legislation (which came into effect August 2022) for a waiver of the penalties. ECITP has made related provisions in its financial statements which it believes will be sufficient to cover any costs to the Group.

In respect of the provisions taken by the Group in respect of each of the above claims, there can be no assurance that the costs related to the final outcomes of the aforementioned disputes or proceedings will not be higher than anticipated, and such higher costs may have a material adverse effect on the Group's business, results of operations and financial condition.

The Group may incur tax liabilities as a result of its internal corporate restructuring ahead of the Offering.

Prior to the Offering, the Group and its subsidiaries underwent an internal corporate re-structuring wherein the ultimate beneficial ownership of the Group remained the same. The applicable tax laws and regulations across the Group's jurisdictions are dynamic and do not always provide clear and definitive guidance on the tax treatment of such re-structuring exercises. The Group's tax accounting of its re-structuring exercise was based on the Group's interpretation of the relevant tax laws and regulations guided by the advice of independent tax professionals. If the relevant tax authorities (particular those in Saudi Arabia, Kuwait and Egypt) take a different than expected view of the tax treatment of the Group's re-structuring exercise, the Group may be subject to additional tax liabilities which may have a material adverse effect on its business, results of operations and financial condition.

The Group may be affected by updates to competition law across various jurisdictions in the Middle East, and any adverse application or interpretation of these laws could adversely affect the Group's Business.

While there are competition laws across the jurisdictions that the Group operates in, including Saudi Arabia and the United Arab Emirates, the food services industry is, in general, competitive (unlike, generally, telecom, finance, etc.). Therefore, these laws are generally not pertinent. For example, it is very difficult, and indeed there are very few instances, where QSR players have colluded to price-fix, or divided market-share, or put conditions on sales to end-consumers.

However, in the event of a major merger or acquisition, such transaction would likely be subject to the relevant anti-competition authority's approval (e.g., by The Saudi General Authority for Competition). The Group cannot assure you that it will be able to obtain approval for any future acquisitions on satisfactory terms, or at all, because of the applicability or interpretation of competition law to any merger, amalgamation or acquisition proposed or undertaken by the Group. In addition, changes to competition law in any of the jurisdictions in which the Group operates may make acquisitions of competing businesses more difficult. If the Group is unable to complete acquisitions in the future due to those constraints, its business, results of operations and financial condition could be negatively impacted.

The Group may not be able to set up and profitably operate new restaurants or expand its existing menu offerings, which could impact its ability to achieve its growth strategy and adversely impact its business, results of operations and financial condition.

Key to the Group's business and growth strategies is maintaining the pace of expansion of its physical restaurants, which requires the Group to continually identify suitable and available locations and develop franchisee restaurants at these locations. This process is primarily a function of supply and demand, and to a lesser extent depends on the continued cooperation of third parties such as real estate agents, landlords, developers and lessors. The Group rents most of its restaurants from individual landlords and managing a multitude of such relationships can be challenging. The Group cannot assure you that it will continue to be able to identify and obtain leases for suitable restaurant locations if supply and demand trends fluctuate significantly, nor can it guarantee you that it can effectively manage and grow its network of individual landlords.

The Group's ability to effectively obtain quality retail property to relocate existing restaurants or open new restaurants depends on the availability of retail property that meets its criteria for customer traffic, square footage, lease economics, employee proximity, logistical accessibility, demographics and other factors, including the Group's ability to negotiate terms that meet the Group's financial targets. In addition, rising real estate prices may impact the rent/sales ratio in the financial feasibility of new restaurant economics. Any new restaurant that the Group establishes requires significant resources in terms of fixed lease costs, fit-outs and refurbishments, to align the restaurant with the Group's preferred format. Whether the Group can reduce its payback periods depends on its ability to negotiate commercially reasonable terms, based on the restaurant format and the location for such format, that is subject to both capex expenditure (which can be estimated within a range of certainty), and various assumptions on demand for the Group's products from the demographics at the new location. Furthermore, new restaurant set ups involve substantial costs for hiring new employees, relocating existing employees and setting up the necessary supply chains and it typically takes approximately 12 months for a new restaurant to achieve stable operations. In addition, new restaurants could impact the sales of the Group's existing restaurants nearby, and there can be no assurance that sales cannibalisation will not occur or become more significant in the future as the Group increases its presence in existing markets.

As part of the Group's expansion strategy, it may attempt to expand its restaurants' menus or set up new restaurants to focus on new menu offerings. For example, the Group is currently focused on development of its coffee vertical with the ongoing launch of Peet's Coffee in the UAE, and may in the future also explore a a wider range of coffee options. There can be no assurance that the Group will be able to set up the necessary supply chains or train existing employees in a timely and/or commercially viable manner which can compete with other market participants for any new menu offerings.

Although the Group has substantial data and experience in connection with identifying suitable new restaurant locations, securing leases, hiring and training employees and setting up supply chains, any inability or significant delays in operating new restaurants in a profitable manner, may increase the Group's payback periods, result in restaurant-closures, and have a material adverse effect on the Group's business, results of operations and financial condition.

The Group is exposed to risks related to related party transactions.

In its ordinary course of business, the Group enters into various related party transactions on an arm's length basis, including transactions in respect of the purchase of raw materials, purchase of assets, sales, expenses, payments, miscellaneous returns, assignment of the Company's liabilities, financing and agreements with Shareholders, transfer of balance and collection of zakat and tax amounts. The Group expects to continue related party transactions in the future, in particular with the Former Parent Company and its affiliates, which accounted for 16 per cent. of the Group's Direct Spend for the year ended 31 December 2021. Total value of related party transactions was $109.6 million for the year ended 31 December 2021.

In accordance with the Companies Law, the Company must obtain the approval of the Ordinary General Assembly for transactions in which the Directors have a direct or indirect interest. The Company may fail to obtain the approval of the Ordinary General Assembly on future transactions in which the Directors have a direct or indirect interest. Any such transactions not duly approved may be challenged or invalidated. While the Group believes that all such transactions have been conducted on an arm's length basis, it cannot provide assurance that it could not have obtained more favourable terms had such transactions been entered into with unrelated parties. Further, it is likely that the Group may enter into additional related party transactions in the future. Such related party transactions may potentially involve conflicts of interest. In addition, in the event that related party transactions are not concluded in the future on an arm's length basis, the Company may be adversely affected. Any of the above risks would have a material adverse effect on the Group's business, results of operations and financial condition.

The Group faces foreign exchange risks that could adversely affect its business, results of operation and financial condition.

The Group operates through its subsidiaries across various jurisdictions in MENA and Kazakhstan. As a result, the Group is exposed to currency exchange risks. The Group's financial statements are denominated in US Dollars and the Group is therefore exposed to foreign currency translation risk in reporting its financial results with respect to the Group's subsidiaries which operate using other currencies; particularly currencies that are not stable pegged currencies (such as EGP and KZT). Adverse movements in foreign exchange rates could therefore adversely impact the Group's reported results of operation and financial condition.

In addition, each of the Group's subsidiaries is exposed to transactional exchange rate risk as it generates revenues in local currency but may be required to pay for certain of its operating needs (such as restaurant equipment and certain raw materials, comprising food ingredients) in other currencies, in particular the US Dollar. In such circumstances, an adverse movement in foreign exchange rates can adversely affect the relevant subsidiary's operating profit margins. Additionally, the Group is exposed to a hyperinflationary environment with respect to its operations in Lebanon.

International economic trends may cause any one of the Group's major currencies to depreciate against other relevant foreign currencies. Any significant fluctuation in the value of such currencies, such as the recent strengthening of the US Dollar against many unpegged currencies, may decrease operating profit margins and thereby have a material adverse effect on the Group's business, results of operations and financial condition.

Risks Relating to Geographical, Political and Economic Conditions

Governments in the MENA region have exercised and continue to exercise significant influence over their respective economies, legal and regulatory systems, which may create an uncertain environment for investment and business activities.

The governments in the MENA region, including the UAE, Saudi Arabia and Kuwait, have frequently intervened in the economic, legal and regulatory policies of their respective countries. Interventions have included regulation of market conditions, including foreign investment, foreign trade, financial services and healthcare services. Further changes may include:

- government measures to curb inflation, including through policies such as price controls;
- government actions or interventions, including tariffs, protectionism, foreign exchange and currency controls and subsidies;
- regulatory and legal structure changes, including foreign ownership restrictions, cancellation of contractual rights, expropriation of assets and potential lack of certainty as to title to real estate property;
- changes to the availability of, requirements for, and cost to secure, employment and residence visas for expatriate staff and their dependents;
- income and other taxation;
- policies of nationalisation of assets and requirements to employ local national employees;
- difficulties and delays in obtaining new licences, permits and/or consents for new operations or renewing existing licences, permits and/or consents; and
- an inability to repatriate profits and/or dividends.
- Unexpected changes in these policies or regulations could lead to increased operating or compliance expenses and could have the effect of decreasing the Group's competitiveness. Any such changes could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

Potential instability and unrest in the MENA region, or the escalation of armed conflict, may materially adversely affect the Group's operations.

Since 2011 there has been political unrest in a number of countries in the MENA region. The unrest has ranged from public demonstrations to, in extreme cases, armed conflict and civil war, and has given rise to a number of regime changes and increased political uncertainty in some parts of the region. It is not possible to predict the occurrence of events or circumstances such as war or other hostilities, or the impact that such events or occurrences might have on the jurisdictions in which the Group operates. The MENA region currently is subject to a number of armed conflicts, including those in Yemen and Syria.

The Group's key markets are, and will continue to be, affected by political developments in the wider MENA region, and investors' reactions to developments in any country in the MENA region may affect securities of issuers in other markets. There can be no assurance that extremists or terrorist groups will not continue to initiate terrorist or other violent activity in the jurisdictions in which the Group operates, or that the facilities of the Group will not be impacted by any escalation of regional armed conflict. Any terrorist incidents in or affecting the Group's key markets and increased regional geopolitical instability (whether or not directly involving the UAE, Saudi Arabia or Kuwait), or any heightened levels of military conflict in the region, may have a material adverse effect on the the Group's key markets' attractiveness for foreign investment and capital, their ability to engage in international trade, their tourism industry, and, consequently, their economic, external and fiscal positions, and therefore could have a material adverse effect on the Group's business, results of operations and financial condition.

The developing legal systems and the introduction of new laws and regulations in the jurisdictions in which the Group currently operates or may in the future operate can create an uncertain or changed environment for investment and business activity.

The jurisdictions in which the Group operates or may in the future operate are still developing the legal framework required to support a market economy. The Group's key markets, and other emerging market economies more generally, are characterised by less comprehensive legal and regulatory environments than are found in more developed regions. The rapid evolution of these legal systems in ways that may not always coincide with market developments can result in ambiguities, inconsistencies and anomalies in the law and judicial practice. Any adverse developments in this regard could affect the Group's ability to protect its rights under its licences and contracts, or to defend itself against claims by others, including challenges by regulatory and governmental authorities in relation to the Group's compliance with applicable laws and regulations and could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

Further, as these economies mature, some MENA governments have begun, and are expected to continue, to implement new laws and regulations (such as data privacy laws) that could impact the way the Group conducts its business and have a material adverse effect on its business, prospects, financial condition and results of operations. Changes in investment policies or in the prevailing political climate could result in the introduction of changes to government regulations with respect to:

- price controls;
- export and import controls;
- income and other taxes;
- foreign ownership restrictions;
- foreign exchange and currency controls; and
- labour and welfare benefit policies.

There can be no assurance that the introduction of any changes to current laws would not increase the Group's costs or otherwise materially adversely affect its business, prospects, financial condition and results of operations.

The Group may be affected by general economic, market and political conditions, and the economic impact of COVID-19 and other local or global crises.

The performance of the Group's business is subject to general economic, market and political conditions. A slowdown of, or persistent weakness in, economic activity caused by a deterioration of global market and economic conditions resulting from the ongoing COVID-19 pandemic or other causes, particularly the war in Ukraine, could adversely affect the Group's business. The invasion of Ukraine by Russia has created uncertainty with respect to economic growth and global trade and has increased inflationary pressure from the COVID-19 pandemic and adversely affected global economic growth. Any adverse changes in global market and economic conditions may result in, among other factors, lower levels of employment, lower levels of disposable income, inflation and higher interest rates, which may, in turn, reduce customer demand for the Group's products.

Furthermore, the Group's costs, its suppliers' costs and its customers' ability to spend have been, and may continue to be, adversely affected by a rise in inflation. In the UAE, the annual inflation rate returned to positive territory for the first time since 2018, and rose to 2.5 per cent. by the end of 2021. While the UAE inflation rate is approximately half the inflation rates seen in Europe and around a third of the U.S. inflation rate in 2022, there can be no assurance that it will not continue to rise in response to adverse global economic and political conditions. The Group may not be able to absorb the higher costs of its suppliers or to pass these higher costs on to customers by increasing prices, without losing customers or adversely affecting the Group's operating margins. Furthermore, the Group's labour costs and other non-merchandise costs, such as insurance costs, costs of its IT services and delivery partners and energy costs, have increased and may continue to increase as a result of inflationary pressures. In response to rising inflation levels, the U.S. Federal Reserve has recently approved a 0.75 per cent. raise of interest rates and is expected to set the federal funds rate at 3.40 per cent. by the end of 2022. Due to the UAE Dirham/U.S. dollar peg, the Central Bank of the UAE raised the base rate applicable to its overnight deposit facility by 0.75 per cent., effective from 16 June 2022, and there can be no assurance that it will not continue to follow further U.S. interest rate raises with additional base rate increases.

In addition, a potential prolonged economic slowdown could damage the operations of the Group's suppliers. Rising global shipping costs and delays, labour shortages resulting in increasing cost of labour, supply chain disruptions, price pressures, fluctuating and uncertain demand, raw material availability, as well as fluctuations in the financial markets (including the currency market) may significantly adversely affect the business and financial conditions of some the Group's suppliers.

Any of the above factors could have a material adverse effect on the Group's business, results of operations and financial condition.

Risks Relating to the Offering and to the Offer Shares

After the Offering, the Selling Shareholder will continue to be able to exercise control over the Company, its management and its operations.

As at the date of this Prospectus, the Selling Shareholder holds 96.03 per cent. of the Company's issued share capital and, immediately following the Offering, the Selling Shareholder will continue to control at least 66.03 per cent. of its share capital. As a result, the Selling Shareholder will continue to exercise control over the Group's management and operations and over matters requiring the consent of its shareholders, such as in relation to the payment of dividends and the election of the members of the Board of Directors and other matters. There can be no assurance that the interests of the Selling Shareholder will coincide with the interests of purchasers of the Offer Shares.

Furthermore, the Selling Shareholder's significant ownership of the Shares may: (i) delay or deter a change of control of the Company (including deterring a third-party from making a takeover offer for the Company); (ii) deprive shareholders of an opportunity to receive a premium for their Shares as part of a sale of the Company; and (iii) affect the liquidity of the Shares, any of which could have a material adverse effect on the market price of the Shares. In addition, there may be circumstances where the Group's businesses compete directly or indirectly with other businesses of the Controlling Shareholders, and the Controlling Shareholders may take decisions with respect to those businesses that are adverse to the interests of the Group's other shareholders.

Substantial sales of Shares by the Selling Shareholder could depress the price of the Shares.

Sales of large numbers of the Shares on the market after the completion of the Offering, or the perception that those sales will occur, could adversely affect the market price of the Shares. Upon the successful completion of the Offering, the Selling Shareholders will be subject to a 6 months lockup period starting from Listing, during which they may not dispose of any Shares that they own. The sale of a substantial number of Shares by any of the Selling Shareholders following the 6 months lock-up period could have an adverse effect on the market for the Shares and may result in a lower market price. The Company does not currently intend to issue additional Shares after the end of the Offering. If the Company decides to raise capital by issuing new Shares, the newly issued Shares may adversely affect the value of the Shares in the market, and moreover there may be a decrease in the ownership portion of the actual Shareholders if they do not subscribe to the then newly issued Shares.

The Offering may not result in an active or liquid market for the Shares, and trading prices of the Shares may be volatile and may decline. As the Shares will be listed on both the ADX and the Tadawul, liquidity may migrate from one exchange to the other over time, affecting liquidity in the Shares on each respective exchange.

Prior to the Offering, there has been no public trading market for the Shares. The Group cannot guarantee that an active trading market will develop or be sustained following the completion of the Offering, or that the market price of the Shares will not decline thereafter below the offer price. The trading price of the Shares may be subject to wide fluctuations in response to many factors, as well as stock market fluctuations and general economic conditions or changes in political sentiment that may adversely affect the market price of the Shares, regardless of the Group's actual performance or conditions in the UAE and Saudi Arabia.

The Company has applied for the Shares to be listed on the ADX and the Tadawul. The ADX was established in 2000 and the Tadawul was established in 2001, however their future success and liquidity in these markets for the Shares cannot be guaranteed. In addition, the ADX is substantially smaller in size and trading volume than other established securities markets, such as those in the U.S. and the UK, which may also affect liquidity in the Shares. Brokerage commissions and other transaction costs on the ADX and Tadawul are generally higher than those in Western European countries. As the Shares will be listed on both the ADX and the Tadawul, liquidity may migrate from one exchange to the other over time, affecting liquidity in the Shares on each respective exchange. Future holders of Shares wishing to transfer their Shares from the ADX to the Tadawul (and *vice versa)* will need to comply with certain procedures as required by respective securities depositories, including submitting certain documentation and paying any associated fees. As the process of transferring Shares from the ADX to the Tadawul (and *vice versa)* is new and untested holders of Shares may experience unforeseen delays and incur additional costs in connection with transferring their Shares across exchanges.

These factors could generally decrease the liquidity and increase the volatility of the Shares and impair the ability of a holder of Shares to sell any Shares on the ADX or Tadawul in the desired amount and at the price and time achievable in more liquid markets and adversely affect the value and trading price of the Shares.

Because the Company is a holding company and substantially all of its operations are conducted through its subsidiaries, the Company's ability to pay dividends on the Shares depends on its ability to obtain cash dividends or other cash payments or obtain loans from such entities.

The Company currently conducts all of its operations through its subsidiaries, and such entities generate substantially all of its operating income and cash flow. Because the Company has no direct operations or significant assets other than the capital stock of these entities, the Company relies on those subsidiaries for cash dividends, investment income, financing proceeds and other cash flows to pay dividends, if any, on the Shares and, in the long term, to pay other obligations at the holding company level that may arise from time to time.

The ability of such entities to make payments to the Company depends largely on their financial condition and ability to generate profits. In addition, because the Company's subsidiaries are separate and distinct legal entities, they will have no obligation to pay any dividends or to lend or advance it funds and may be restricted from doing so by contract, including other financing arrangements, charter provisions, other shareholders or applicable laws and regulations of the various countries in which they operate. Similarly, because of the Company's holding company structure, claims of the creditors of its subsidiaries, including trade creditors, banks and other lenders, effectively have priority over any claims that the Company may have with respect to the assets of these entities. Further, the Company cannot be certain that, in the long term, its subsidiaries will generate sufficient profits and cash flows, or otherwise prove willing or able, to pay dividends or lend or advance to it sufficient funds to enable the Company to meet its obligations and pay interest, expenses and dividends, if any, on the Shares.

The inability of one or more of these entities to pay dividends or lend or advance the Company funds and currency control restrictions and restrictions on the repatriation of dividends imposed on the Company or its subsidiaries may adversely affect not only the Company's ability as a holding company to pay dividends, but also its business, results of operations, financial condition and cash flows.

While the Company intends to pay dividends in respect of the Shares, there can be no assurance that it will do so. Any decision to declare and pay dividends in the future will be made at the discretion of the Board of Directors and will depend on, among other things, applicable laws and regulations, results of operations, financial condition, cash requirements, contractual restrictions, the Company's future projects and plans and other factors that the Board of Directors may deem relevant. As a result, you may not receive any return on an investment in the Shares unless you sell your Shares for a price greater than that which you paid for them (see "*Dividend Policy*").

Holders of the Shares in certain jurisdictions outside of the UAE, including the U.S., may not be able to exercise their pre-emptive rights if the Company increases its share capital.

Under the Company's Articles of Association to be adopted in connection with the Offering, holders of the Shares generally have the right to subscribe and pay for a sufficient number of the Company's ordinary shares to maintain their relative ownership percentages prior to the issuance of any new ordinary shares in exchange for cash consideration. U.S. holders of the Shares may not be able to exercise their pre-emptive rights unless a registration statement under the Securities Act is effective with respect to such rights and the related ordinary shares or an exemption from the registration requirements of the Securities Act is available. Similar restrictions exist in certain other jurisdictions outside the UAE. The Company currently does not intend to register the Shares under the Securities Act or the laws of any other jurisdiction, and no assurance can be given that an exemption from such registration requirements will be available to enable U.S. or other holders of the Shares to exercise their pre-emptive rights or, if available, that the Company will utilize such exemption. To the extent that the U.S. or other holders of the Shares are not able to exercise their pre-emptive rights, the pre-emptive rights would lapse and the proportional interests of such U.S. or other holders would be reduced.

Prior to the Offering, there was no existing market for trading in the Shares.

There is currently no market for trading in the Shares, and there may be no active and sustainable market for the Shares following the Offering. If an active, continuous and liquid stock market is not available, it may adversely affect the trading price of the Shares.

The Final Offer Price has been determined based on several factors including the Company's financial position, future prospects, and the market in which it competes, as well as the evaluation of operational and financial results of the Company. Factors such as variation of financial results, general circumstances, general economic conditions, the regulatory environment within which the Company operates and other factors that are beyond the Company's control could cause significant volatility in the trading liquidity and the price of the Shares in the market.

Following the Offering, the price of the Shares on the ADX and the Tadawul may differ from the Final Offer Price and could be adversely affected by several factors.

The Final Offer Price may not be indicative of the price at which the Shares will be traded on the ADX and/or the Tadawul following completion of the Offering. Investors may not be able to resell their Offer Shares at or above the Final Offer Price or may not be able to sell them at all. The price of shares on the ADX and/or the Tadawul following the Offering may be adversely affected by several factors, including, but not limited to, the following:

- negative fluctuations in the Group's operating performance and improved performance of its competitors;
- actual or anticipated fluctuations in quarterly or annual operating results;
- securities analysts publishing research reports about the Group or its competitors or the QSR service sector;
- the public reaction to the Company's press statements and other public announcements;
- the Company or its competitors being contrary to analysts' expectations;
- resignation of the key employees;
- the Company or its competitors taking important and strategic decisions or existence of changes in the business strategy;
- regulatory environment changes affecting the Group or the QSR sector;
- changes in accounting regulations and policies adopted.

It may be difficult for shareholders to enforce judgments against the Company in the UAE, or against its directors and senior management.

The Company is a public company limited by shares incorporated in the UAE. All of its directors and all of its officers reside outside the United States and the EEA. In addition, all of its assets and the majority of the assets of its directors and senior management are located outside the United States, the United Kingdom and the EEA. As a result, it may not be possible for investors to effect service of process outside the UAE upon the Company or its directors and senior management or to enforce judgments obtained against them in courts outside the UAE, including judgments predicated upon the civil liability provisions of the securities laws of the United States, the United Kingdom or the EEA.

The ADX and the Tadawul have different characteristics which could affect the trading price of the Shares. Liquidity on the Tadawul may reduce over time.

The ADX and the Tadawul have different trading days and hours, trading characteristics (including trading volume and liquidity), trading currency, trading and listing rules and investor bases (including different levels of retail and institutional participation). As a result of these differences, among other factors, the trading price of the Shares on the ADX and the Tadawul may not be the same at any given time. Fluctuations in the Share price on the ADX could materially and adversely affect the Share price on the Tadawul (and *vice versa)*. In addition, investors who have not taken appropriate steps, including satisfaction of applicable Saudi Arabia securities regulation (including, if relevant, QFI Rules (as defined below)) and the establishment of securities accounts capable of receiving Tadawul listed shares settled through Edaa, and adherence to the Tadawul Listing Rules, may face restrictions on moving Shares and/or capital between the ADX and the Tadawul. Accordingly, unless appropriate steps are taken, the marketability of the Shares cross-border from the ADX to the Tadawul may be impacted and liquidity on the Tadawul may reduce over time should shareholders choose to reposition their Shares from the Tadawul to the ADX.

The Company may be a PFIC, which could result in materially adverse U.S. federal income tax consequences to U.S. investors in the Offer Shares.

Based on the nature of the Group's business, the composition of the Company's gross income and assets, and projections as to the value of our equity, the company does not expect to be a passive foreign investment company for U.S. federal income tax purposes (a "**PFIC**") for the current taxable year or in the foreseeable future. However, the Company's PFIC status depends on facts that generally are not determinable until after the close of the taxable year. In addition, the Company's current expectation that it is not a PFIC is based in part upon the expected market value for the Offer Shares. Accordingly, the Company could be a PFIC notwithstanding its expectation, particularly if there is a substantial decline in the value of the Offer Shares. If the Company is a PFIC for any taxable year during which a U.S. Holder (as defined in "*Certain U.S. Federal Income Tax Consequences*") holds the Offer Shares, materially adverse U.S. federal income tax consequences could apply to such U.S. Holder.

UAE Taxation

The following comments are general in character and are based on the current applicable tax *regime in the UAE and the current practice of the UAE authorities as at the date of this Prospectus. The comments do not purport to be a comprehensive analysis of all the tax consequences applicable to all types of shareholders and do not relate to any taxation regime outside the UAE. Each shareholder is responsible for its own tax position and, if you are in any doubt as to your own tax position, you should seek independent professional advice without delay.*

Taxation of the Companies and Individuals

Currently there is no corporate tax legislation at the federal UAE level. However, corporate tax legislation has been enacted in some of the Emirates (including Abu Dhabi) through their own decrees. These tax decrees are currently only enforced on foreign oil companies and branches of foreign banks.

In accordance with the above practice, the Company is not currently subject to corporate income tax in the UAE or in Abu Dhabi.

As per the aforementioned announcement and Frequently Asked Questions published, the federal tax system is applicable to all businesses and commercial activities operating within the seven emirates, with the exception of:

- businesses operating in the extraction of natural resources. These will continue to be subject to the tax decrees issued by the respective Emirate;
- individuals earning income in their personal capacity (i.e. salary, investment income) as long as the income generating activity does not require a commercial license; and
- businesses registered in Free Trade Zones, provided they comply with all the regulatory requirements, and that do not conduct business with Mainland UAE.

The announced UAE CIT regime introduces a tier system with three rates:

- all annual taxable profits that fall under AED 375,000 shall be subject to the zero rate;
- all annual taxable profits above AED 375,000 shall be subject to 9 per cent rate; and
- all MNEs that fall under the scope of Pillar 2 of the BEPS 2.0 framework (i.e. consolidated global revenues in excess of AED 3.15 billion) shall be subject to different rates as per the OECD Base Erosion and Profit-Sharing rules.

Taxable profits are the accounting profits subject to certain adjustments.

The announced UAE CIT regime confirmed the following income shall be in general exempt from income tax:

- capital gains and dividend income earned by UAE company from its qualifying shareholdings (to be defined in the law);
- profits from group reorganization (further details awaited);
- profits from Intra-group transactions (further details awaited);
- foreign investor’s income from dividends, capital gains, financing expenses, royalties and other investment returns.

There will be no UAE withholding tax on domestic and cross-border payments.

The UAE CT law has not yet been released.

Proposed Corporate Tax in the UAE

On 31 January 2022, the UAE Ministry of Finance announced a federal corporation tax to be implemented in the UAE for effective financial years commencing on or after 1 June 2023.

There is currently no personal tax levied on individuals in the UAE.

Taxation of purchase of Offer Shares

Completion of the Offering is likely to be characterised for UAE tax purposes as a purchase of Offer Shares by the shareholders. If a shareholder is a tax resident outside the UAE and/or is subject to tax in another jurisdiction, the Offering may be characterised differently and may be subject to tax in that other jurisdiction.

There are no transfer taxes in the UAE on the purchase of Offer Shares. Accordingly, the purchase of Offer Shares should not result in any UAE tax liabilities for shareholders who are individuals or corporations tax resident in the UAE. Non-UAE tax residents, or dual tax residents, individuals and corporations, may be subject to taxation in jurisdictions outside the UAE with respect to the ownership of, or income derived in connection with, the Offer Shares based on local tax regulations.

Taxation of dividends and capital gains on sale

Based on the tax practice within the UAE outlined above, the purchase of Offer Shares should not result in any UAE corporate tax and transfer tax liabilities for shareholders who are individuals or corporations tax resident in the UAE, provided they are not subject to corporate tax in the UAE by virtue of them being a foreign oil company or branch of a foreign bank. Non-UAE tax residents, or dual tax residents, individuals and corporations, may be subject to taxation in jurisdictions outside the UAE with respect to the ownership of, or income derived in connection with, the Offer Shares based on local tax regulations.

Based on the same principles outlined above, UAE resident shareholders who are not subject to tax in the UAE or jurisdictions outside the UAE (both corporate and individual) should not currently be taxed on the receipt of dividend income and gains on the future sale of the Offer Shares.

Shareholders who are subject to tax in the UAE by virtue of being a foreign oil company or branch of a foreign bank, or tax resident in jurisdictions outside the UAE, as well as shareholders tax resident in the UAE but also subject to tax in jurisdictions outside the UAE (both corporate and individual), should consult their own tax advisers as to the taxation of dividend income and gains on the future sale of the Offer Shares under the relevant applicable local laws in those jurisdictions.

There is currently no withholding tax in the UAE and as such, any dividend payments made by the Company should be made free of any UAE or Abu Dhabi withholding tax, unless the applicable tax regime changes.

It is important to note that the UAE corporate tax treatment applicable to foreign oil companies or branches of a foreign bank referred to above, applies to Emirate level (Abu Dhabi, Dubai, Sharjah, Ras Al Khaimah, Fujairah, Um Al Quwain, Ajman) taxation only. In this regard, a new corporate Federal tax law was under discussion, however the UAE Ministry of Finance has not announced any further guidance on the introduction of such law.

UAE VAT

The UAE has adopted an Excise tax on selected goods, which was effective on 1 October 2017, and implemented VAT, which was effective on 1 January 2018. The Excise Tax Laws and Regulations impose a 50 per cent tax on carbonated beverages and a 100 per cent tax on tobacco products and energy drinks. On 27 August 2017, the VAT Law was published on the website of the Federal Tax Authority. The executive regulations of the VAT Law were issued on 28 November 2017 under Cabinet decision No. 52 of Federal Decree Law No. (8). The Executive Regulations of VAT Law provide more details about the supply of products and services are subject to VAT and which are zero-rated or exempted; the Executive Regulations of the VAT Law outline the conditions and parameters of such VAT treatment.

The GCC VAT Framework Agreement, which is a country level agreement between all the GCC states, sets out broad principles that should be followed by all the GCC countries in their VAT Laws while providing individual member states some discretion to adopt a different VAT treatment in respect of certain matters. Each GCC country will enact its own domestic VAT legislation based on the underlying principles in this common framework. VAT applies on the sale of goods and services in the UAE and on imports into the UAE. VAT will apply at the standard rate. The standard VAT rate in the UAE is 5 per cent. Unless the supply of goods and services falls within a category that is specifically exempt or is subject to the zero rate of VAT.

The mandatory registration threshold is AED 375,000 and the voluntary registration threshold is AED 187,500. Businesses must register for VAT if they have annual turnover that exceeds the mandatory registration threshold (or if it is anticipated that total value of supplies will exceed it in the next thirty days) and an option to register for VAT is available if the taxable supply and imports are below the mandatory registration threshold but exceed the voluntary registration threshold.

The supply of goods or services by VAT registered businesses will be subject to VAT at either the standard rate or zero rate. Businesses are entitled to claim a credit for VAT paid on their purchases if they relate to a supply that is standard rated or zero-rated. However, any VAT incurred in connection with a supply that is exempt from VAT cannot be reclaimed.

Article 42 of the Executive Regulations outlines the scope of financial services classified as exempt and, on this basis, no VAT would be applied on any transfer of Offer Shares. However, it should be noted that fees relating to the transfer of ownership of Offer Shares would be standard rated at 5 per cent.

Lock-up Arrangements

Pursuant to the terms of the Underwriting Agreement, subject to certain exceptions, the Company and the Selling Shareholder contractually agreed, for a period of 6 months from the date of Listing, not to: (i) directly or indirectly, issue, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant, or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of, directly or indirectly, any Shares or other shares of the Company, or securities convertible or exchangeable into or exercisable for any Shares or warrants or other rights to purchase Shares or any security or financial product whose value is determined directly or indirectly by reference to the price of the Shares, or file any registration statement under the US Securities Act or any similar document with any other securities regulator, stock exchange, or listing authority with respect to any of the foregoing; (ii) enter into any swap, or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Shares, in each case, whether any such transaction is to be settled by delivery of Shares or other securities, in cash or otherwise; or (iii) publicly announce such an intention to effect any such transaction, in each case, without the prior written consent of the Joint Lead Managers, such consent not to be unreasonably withheld or delayed.

Third Section: Financial disclosures

Summary of the Company's Financial Statements and a Summary of Key Notes and Key Financial Indicators as of and for the three Years Ended 31 December 2019, 2020 and 2021 and for the six month period ended 30 June 2022

The following discussion and analysis should be read in conjunction with the Company's Special Purpose Carve-Out Financial Statements, including the notes thereto, included in this Prospectus as of and for the years ended 31 December 2019, 2020, and 2021 and the reviewed Condensed Interim Carve-Out Financial Statements as at and for the six month period ended 30 June 2022 (inclusive of comparative information for the six months ended 30 June 2021) included in this Prospectus. Investors should also read certain risks associated with the purchase of Offer Shares in the section entitled "Investment Risks".

EBITDA, Adjusted EBITDA and Adjusted EBITDA margin are Non-IFRS measures and were calculated by the Company based on data derived from the Company's Financial Statements.

1. Carve-Out Financial Information and Operating Data

The Carve-Out financial information set forth below shows our historical Carve-Out financial information and other operating information as at and for the years ended 31 December 2019, 2020 and 2021 and for the six-month periods ended 30 June 2022.

The financial information set forth below under the captions ''Statement of Income Data and other Comprehensive Income Data", ''Statement of Financial Position Data", and ''Statement of Cash Flow Data" has been derived from, and should be read in conjunction with, the Carve-Out Financial Statements included elsewhere in this Prospectus.

1. Statement of Financial Position Data

	US Dollars'000			
	31-Dec-2019	**31-Dec-2020**	**31-Dec-2021**	**30-June-2022**
ASSETS				
Non-current assets				
Property and equipment	244,334	207,887	221,919	235,988
Right of use assets	459,665	371,547	361,975	338,984
Loan to a related party	-	-	51,200	-
Investment properties	8,007	7,521	9,341	7,465
Intangible assets	32,987	37,692	42,623	40,728
Derivative financial instrument	-	-	7,512	8,295
Deferred tax asset	150	1,599	2,150	2,624
Total non-current assets	**745,143**	**626,246**	**696,720**	**634,084**
Current assets				
Inventories	93,886	97,093	107,297	144,683
Trade and other receivables	89,943	95,980	94,034	106,212
Due from related parties	1,713	696	1,189	2,830
Loan to a related party	-	-	12,800	-
Derivative financial instrument	-	-	1,878	2,370
Cash and cash equivalents	169,878	196,347	173,996	250,039
Total current assets	**355,420**	**390,116**	**391,194**	**506,134**
Total assets	**1,100,563**	**1,016,362**	**1,087,914**	**1,140,218**
LIABILITIES AND EQUITY				
Non-current liabilities				
Lease liability	318,945	263,630	248,136	229,872
Provision for employees' end of service benefits	81,231	80,413	76,260	70,499
Trade and other payables	49,470	46,265	50,195	64,387
Deferred gain on derivative financial instrument	-	-	7,512	6,573
Deferred tax liabilities	827	-	-	4
Total non-current liabilities	**450,473**	**390,308**	**382,103**	**371,335**
Current liabilities				
Bank facilities	13,631	24,563	7,073	13,670
Deferred gain on derivative financial instrument	-	-	1,878	1,878
Lease liability	148,780	139,809	136,463	123,267
Income tax, zakat and other deductions payable	10,552	8,636	12,614	9,862
Trade and other payables	314,469	321,702	352,326	385,030
Due to related parties	14,382	22,419	23,683	28,515
Provisions for legal, tax and other claims	12,889	22,310	32,062	51,915
Total current liabilities	**514,703**	**539,439**	**566,099**	**614,137**
Total liabilities	**965,176**	**929,747**	**948,202**	**985,472**
Equity				
Share capital	-	-	-	168,473
Merger reserve	-	-	-	(1,608)
Accumulated net contribution from the Parent Company	119,951	89,789	148,984	-
Foreign currency translation reserve	(1,448)	(12,683)	(20,429)	(21,520)
Equity/ Net Parent Investment attributable to Parent Company	118,503	77,106	128,555	145,345
Non-controlling interests	16,884	9,509	11,157	9,401
Total equity	**135,387**	**86,615**	**139,712**	**154,746**
Total liabilities and equity	**1,100,563**	**1,016,362**	**1,087,914**	**1,140,218**

2. Statement of Income Data

	US Dollars'000				
	For the year ended 31 December			For the six months ended 30 June	
	2019	2020	2021	2021	2022
Revenues	1,890,219	1,577,795	2,051,747	968,149	1,151,929
Cost of revenues	(902,821)	(773,853)	(970,351)	(458,886)	(546,122)
Gross profit	**987,398**	**803,942**	**1,081,396**	**509,263**	**605,807**
Selling and marketing expenses	(646,018)	(578,882)	(679,603)	(327,702)	(360,342)
General and administrative expenses	(165,113)	(157,849)	(176,989)	(80,896)	(90,402)
Other income	12,990	32,017	15,478	9,849	9,429
Monetary gain from hyperinflation	-	38,818	3,043	3,093	547
Reversal of impairment/ (impairment losses) of non-financial assets	(248)	(21,298)	1,179	(2,403)	(1,035)
Net impairment allowance on financial assets	50	(1,644)	(1,454)	(810)	(1,182)
Fair value gains on financial assets at fair value through profit or loss	-	-	-	-	1,275
Tax claim charge	-	-	-	-	(25,482)
Operating profit	**189,059**	**115,104**	**243,050**	**110,394**	**138,615**
Finance income	589	822	2,208	802	1,146
Finance costs	(28,411)	(29,864)	(23,118)	(11,505)	(10,431)
Profit before income tax, zakat, and KFAS	**161,237**	**86,062**	**222,140**	**99,691**	**129,330**
Income tax, zakat, and contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS")	(9,138)	(6,281)	(15,732)	(6,058)	(6,119)
Net profit for the year	**152,099**	**79,781**	**206,408**	**93,633**	**123,211**
Attributable to:					
Net Parent Investment attributable to Parent Company	151,070	80,826	203,917	93,324	121,266
Non-controlling interests	1,029	(1,045)	2,491	309	1,945
	152,099	**79,781**	**206,408**	**93,633**	**123,211**

3. Statement of Cash Flow Data

	US Dollars'000				
	For the year ended 31 December			For the six months ended 30 June	
	2019	2020	2021	2021	2022
Cash flows from operating activities					
Profit before income tax and zakat for the period	160,445	85,492	221,059	99,206	129,330
Adjustments for:					
Depreciation and amortisation	220,054	214,747	208,629	101,920	102,528
Provision for employees' end of service benefits, net of transfers	13,522	8,001	10,074	6,539	5,164
Impairment allowance on financial assets	(50)	1,644	1,454	810	1,182
Provision for obsolete, slow moving, and defective inventories	1,855	3,159	1,387	720	878
Impairment losses/ (Reversal of Impairment) of non-financial assets	248	21,298	(1,179)	2,403	1,035
Loss on disposal of property and equipment and intangible assets	7,174	3,240	1,224	382	1,048
Gain on rent concessions	-	(28,113)	(6,978)	(4,662)	(667)
Finance income	(589)	(822)	(2,208)	(802)	(1,146)
Finance cost	28,411	29,864	23,118	11,505	10,431
Recognition of deferred gain on derivative financial instrument in other income	-	-	-	-	(939)
Fair value gains on financial assets at fair value through profit or loss	-	-	-	-	(1,275)
Tax claim charge	-	-	-	-	25,482
Hyperinflation impact	-	(33,136)	1,348	(2,680)	505
Operating cash flows before changes in working capital	**431,070**	**305,374**	**457,928**	**215,341**	**273,556**
Payments of employees' end of service benefits	(14,317)	(17,333)	(13,535)	(5,604)	(5,505)
Income tax paid	(5,183)	(5,501)	(6,971)	(4,835)	(6,062)
Changes in working capital:					
Trade and other receivables	(1,851)	(9,129)	(62)	(3,023)	(13,860)
Due from related parties	26,033	1,017	(493)	(223)	(1,641)
Inventories	12,883	(6,214)	(11,274)	(5,173)	(38,055)
Due to related parties	(7,605)	8,037	1,264	2,713	4,832
Trade and other payables, other liabilities and taxes	70,206	7,865	41,992	9,290	28,066
Net cash generated from operating activities	**511,236**	**284,116**	**468,849**	**208,486**	**241,331**
Cash flows from investing activities					
Purchase of property and equipment	(67,843)	(39,933)	(91,510)	(18,840)	(44,573)
Proceeds from sale of property and equipment	3,274	779	1,438	916	1,038
Purchase of intangible assets	(6,529)	(5,073)	(8,303)	(2,561)	(1,912)
Payments for key money	(779)	(1,744)	(1,401)	(516)	(1,216)
Interest received on short term deposits	589	822	2,208	802	1,146
Loans to a related party	-	-	(64,000)	(64,000)	(36,000)
Repayments of loans to a related party	-	-	-	-	100,000
Net cash (used in)/generated from investing activities	**(71,288)**	**(45,149)**	**(161,568)**	**(84,199)**	**18,483**
Cash flows from financing activities					
Payments of finance costs	(1,623)	(1,178)	(1,455)	(1,119)	(574)
Dividends paid to non-controlling interests	(2,288)	(1,139)	(826)	(825)	(3,215)
Acquisition of additional shares in subsidiary from non-controlling interests	-	(14,712)	(184)	(184)	(705)
Lease payments	(133,535)	(110,748)	(160,363)	(78,257)	(83,745)
Distributions to the Intermediate Parent Company	(105,941)	(59,949)	(129,817)	(72,410)	(83,089)
Movement in payments and impact of capital reorganisation with the Intermediate Parent Company	(133,248)	(35,476)	(15,222)	(15,258)	(25,903)
Proceeds from issuance of share capital	-	-	-	-	10
Net cash used in financing activities	**(376,635)**	**(223,202)**	**(307,867)**	**(168,053)**	**(197,221)**
Net change in cash and cash equivalents	63,313	15,765	(586)	(43,766)	62,593
Foreign currency translation differences	(2,554)	(228)	(4,275)	(94)	6,853
Cash and cash equivalents at the beginning of the period	95,488	156,247	171,784	171,784	166,923
Cash and cash equivalents at the end of the period	**156,247**	**171,784**	**166,923**	**127,924**	**236,369**

4. Dividend Policy

The Company's ability to pay dividends is dependent on a number of factors, including the availability of distributable reserves, the Company's capital expenditure plans, any future credit rating considerations and other cash requirements in future periods, and there is no assurance that the Company will pay dividends or, if a dividend is paid, what the amount of such dividend will be.

See "**Risk Factors—Risks Relating to the Offering and to the Shares**"—Because we are a holding company and substantially all of our operations are conducted through our subsidiaries, our ability to pay dividends on the Shares depends on our ability to obtain cash dividends or other cash payments or obtain loans from such entities" – and – "While the Company intends to pay dividends in respect of the Shares, there can be no assurance that it will do so. Any decision to declare and pay dividends in the future will be made at the discretion of the Board of Directors and will depend on, among other things, applicable laws and regulations, results of operations, financial condition, cash requirements, contractual restrictions, the Company's future projects and plans and other factors that the Board of Directors may deem relevant. As a result, you may not receive any return on an investment in the Shares unless you sell your Shares for a price greater than that which you paid for them".

Any level or payment of dividends will depend on, among other things, market conditions, future profits and the business plan of the Company, at the discretion of the Board of Directors, and will be subject to the approval of the general assembly.

The Group intends to maintain a robust dividend policy and is targeting a partial dividend distribution of approximately 75 per cent. of the Net Profit, attributable to parent for the six months ended 31 December 2022. The Group intends to pay dividends in cash and this dividend cash distribution is envisaged to take place in the six months ended 30 June 2023.

From 2023 onwards, the Company expects to adopt an annual dividend distribution policy. The Company intends to distribute a minimum of 50 per cent. Of the Net Profit attributable to parent to shareholders, with intention to further distribute any cash not specifically reserved for general corporate purposes, growth investment or M&A activity. The first full year dividend for the year ended 31 December 2023 would be payable in the six months ended 30 June 2024.

In addition, the Company expects that when deciding on dividend distribution, the Board will also consider market conditions, the then current operating environment in the markets in which the Company operates, and the outlook for the Group's business.

Material events and contracts concluded by the Company (including related party agreements)

The material agreements referred to in this Material Agreements section have, where the Former Parent Company (and/or its non-Group subsidiaries) is the contractual party, been novated to the Group.

Franchisor Agreements

KFC Development Agreements

On 1 January 2019, Kuwait Food Company (Americana) K.S.C.C. signed a development agreement with Yum Restaurants International (MENAPAK) Co SPC (now novated to KFC MENAPAKT FZ-LLC) and Kentucky Fried Chicken International Holdings L.L.C. (as amended from time to time, "**2019 KFC MENA DA**"). A new development agreement was subsequently signed by Kuwait Food Company (Americana) K.S.C.C., KFC MENAPAKT FZ-LLC and Kentucky Fried Chicken International Holdings L.L.C. effective from 1 January 2023 (as amended from time to time, "**2022 KFC MENA DA**", and together with the 2019 KFC MENA DA, "**KFC MENA DAs**"). The Caspian International Restaurants Company Limited Liability Partnership signed a development agreement with KFC MENAPAKT FZ-LLC (as amended from time to time, "**KFC KAZ DA**" and together with the KFC MENA DAs, "**KFC DAs**"). The KFC DAs set forth the arrangements between the Group, KFC MENAPAKT FZ-LLC and Kentucky Fried Chicken International Holdings L.L.C with respect to developing KFC restaurants in Saudi Arabia, the UAE, Bahrain, Egypt, Jordan, the Kurdistan region of Iraq, Iraq: Baghdad (under negotiation), Kuwait, Lebanon, Morocco, Oman, Qatar and Kazakhstan (collectively, "**Yum KFC Development Areas**").

As per the 2019 KFC MENA DA, the Group is required to upgrade a certain number of existing KFC restaurants in the Yum KFC Development Areas (excluding Kazakhstan) between 1 January 2022 and 31 December 2022. As per the 2022 KFC MENA DA, the Group is required to open a certain number of new KFC restaurants and upgrade a specified number of existing KFC restaurants in the Yum KFC Development Areas (excluding Kazakhstan) between 1 January 2023 and 31 December 2027. As per the KFC KAZ DA, the Group is required to open a certain number of new KFC restaurants and upgrade a specified number of existing KFC restaurants in Kazakhstan by 31 December 2024. Each KFC restaurant opened subject to a KFC DA is established pursuant to a standard form franchise agreement (as described below).

Provided that the Group meets its new restaurant opening and restaurant upgrade targets and is otherwise in compliance with its obligations under the KFC DAs and the franchise agreements related to KFC, during the term of the KFC DAs, if KFC MENAPAKT FZ-LLC and Kentucky Fried Chicken International Holdings L.L.C. (or a third party authorised by them) considers a location appropriate for development, Yum will not develop nor franchise to a third-party the right to development the new outlet without first offering such rights to the Group (the "**Right of First Refusal**").

The 2019 KFC MENA DA is valid until 31 December 2022 and the 2022 KFC MENA DA is valid until 31 December 2027. The KFC KAZ DA is valid until 31 December 2024. Among other things, the KFC DAs can be terminated by KFC MENAPAKT FZ-LLC and Kentucky Fried Chicken International Holdings L.L.C by failure by the Group to meet its new restaurant opening and upgrade targets including non-adherence to expansion criteria thereunder, upon breach by the Group of certain provisions therein and under the franchise agreements or by the liquidation or bankruptcy of the relevant Group entities. Termination of any of the KFC DAs does not affect the validity of any existing franchise agreements between the Group, KFC MENAPAKT FZ-LLC and Kentucky Fried Chicken International Holdings L.L.C. as long as the Group entities are in compliance with the terms of such franchise agreements.

Pizza Hut Development Agreements

On 28 September 2021, Al Ahlia Restaurant Company LLC signed a development agreement with Pizza Hut Menapakt FZ-LLC (as amended from time to time, "**PH Saudi Arabia DA**") and on 1 July 2022, Egyptian Company for International Touristic Projects SAE, Kuwait Food Company (Americana) LLC, Touristic Projects and International Restaurants (Americana) LLC, Gulf and Arab World Restaurant Company WLL and The International Company of World Restaurants signed a development agreement with Pizza Hut Menapakt FZ-LLC (as amended from time to time, "**PH MENA DA**"). On 16 September 2019, The Caspian International Restaurants Company Limited Liability Partnership signed a development agreement with Pizza Hut MENAPAK S.à.r.l (as amended from time to time, "**PH KAZ DA**" together with the PH Saudi Arabia DA and the PH MENA DA, "**PH DAs**" and together with the KFC DAs, "**Yum DAs**"), with respect to the Pizza Hut brand. The PH DAs set forth the arrangements between the Group and Pizza Hut Menapakt FZ-LLC with respect to developing Pizza Hut restaurants in Saudi Arabia, the UAE, Bahrain, Egypt, Jordan and Kazakhstan (collectively, "**Yum PH Development Areas**" and together with the Yum KFC Development Areas, the Yum Development Areas.

As per the PH Saudi Arabia DA, the Group is required to open a certain number of new Pizza Hut restaurants in Saudi Arabia between 1 April 2022 and 31 March 2025. As per the PH MENA DA, the Group is required to open a certain number of new Pizza Hut restaurants in the UAE, Bahrain, Egypt and Jordan between 1 January 2023 and 31 December 2027. As per the PH KAZ DA, the Group is required to open a certain number of new Pizza Hut restaurants in Kazakhstan by 31 December 2022. Each Pizza Hut restaurant opened subject to a PH DA is established pursuant to a standard form franchise agreement (as described below).

Provided that the Group meets the restaurant opening and upgrade targets and is otherwise in compliance with its obligations under the PH DAs and the franchise agreements related to Pizza Hut, the Group has a Right of First Refusal in relation to the opening of any new Pizza Hut restaurant in the Yum PH Development Areas by Pizza Hut Menapakt FZ-LLC (or by a third party authorised by Yum) during the period of the PH DAs.

Among other things, the Yum PH DAs can be terminated by Pizza Hut Menapakt FZ-LLC by failure by the Group to meet the restaurant opening and upgrade targets including non-adherence to expansion criteria thereunder, upon breach by the Group of certain provisions therein and under the franchise agreements or by the liquidation or bankruptcy of the relevant Group entities. Termination of any of the PH DAs does not affect the validity of any existing franchise agreements between the Group and Yum.

Yum Franchise Agreements

Each KFC or Pizza Hut restaurant opened and/or operated by the Group in the Yum Development Areas is governed by standard form franchise agreements (each a “**Yum FA**” and collectively, “**Yum FAs**”). The salient features of the Yum FAs are as follows:

Overview

Each Yum FA licences the specific franchisee to use the trademarks, the system and the system property developed by Yum for the preparation, marketing and sale of food products in accordance with the KFC and/or Pizza Hut concepts at each KFC and/or Pizza Hut restaurant location operated by the Group.

The licence under each Yum FA also includes the right to use the contents of the manuals, and other similar documents, published or issued from time-to-time by Yum containing the standards, specifications and other requirements, rules, procedures and guidelines relating to the operation of the concepts, as well as the trademarks, service marks, trade names, trade secrets, patents and other similar rights owned by Yum (or its affiliates).

Each Yum FA provides, among other things, that: (i) the franchisee must comply with all standards and manuals issued by Yum and all applicable laws, regulations and other requirements in the conduct of the franchisee’s business; (ii) the franchisee must upgrade, maintain, modify, renovate or replace all or part of any of its restaurants as necessary in order to comply with the standards and the manuals prescribed by Yum or specific upgrade notices issued by Yum; (iii) the franchisee must prepare, market and sell only approved products and services and must purchase supplies, materials, equipment and services only from approved suppliers; (iv) the franchisee must spend, in the manner directed by Yum, in writing from time to time, an amount equal to a specified percentage of the franchisee's Revenues (as defined below) on advertising, promoting, marketing and researching the products and services of the concepts; (v) employees of the franchisee must participate in such initial and ongoing training programmes as specified by Yum; (vi) the franchisee must pay annual continuing fees to Yum as set out in the Yum FA; (vii) the franchisee must use Yum's trademarks and systems, only in approved forms and manners; (viii) the franchisee and its employees must keep Yum's standards, manuals and other information related to its trademarks, system and system property in a confidential manner; and (ix) the franchisee must comply with all of the other requirements and restrictions set out in the Yum FA.

Each Yum FA defines 'Revenues' to mean all gross receipts received by the franchisee as payment for the sale of Yum's approved products and for all other goods and services sold at or from each restaurant and all service fees, but excluding sales tax or other tax receipts required by law to be remitted, and in fact remitted by Yum, to any government authority. No adjustment is made for cash shortages from cash registers.

No Yum FA grants a franchisee any exclusive territory, protection or other right in the contiguous space, area or market of any Yum restaurants. Pursuant to the terms of the Yum FAs, Yum reserves the right to use, and to grant to other parties the right to use, all rights associated with the concepts, the system property and the associated trademarks, system and system property associated with the operation of the concepts in any manner and at any other locations.

Term

Each Yum FA has a term of 10 years from its date of grant, renewable at the franchisee's option for a further 10 years under identical financial terms, provided that, the franchisee remains in compliance with the Yum FA (or any other agreement with Yum) and satisfies certain other conditions, including the following: (i) payment of the applicable renewal fee by no later than 90 days prior to the expiration of the initial term; (ii) the franchisee's timely written request; (iii) no guarantor of the Yum FA or an affiliate of the franchisee has violated certain specified terms in the Yum FA; (v) timely payment by the franchisee of all amounts due under the Yum FA; (vi) the franchisee's compliance with all necessary governmental regulations for the renewal; and (vii) upgrades by the franchisee of the renewal restaurant in accordance with Yum's then current Standard prior to the expiration of the initial term.

The standard renewal fee is a specified percentage of the initial fee applicable to the franchise as adjusted to reflect changes in the US consumer price index during its term. Current practice under the Yum FAs is to adjust the initial fee for changes in the US consumer price index annually on 1st April.

Initial Fee and Continuing Fee

Before the Yum FA becomes effective the franchisee is required to pay an initial fee to Yum. The franchisee is required to pay a continuing fee to Yum as set out in the Yum FA which will be an agreed percentage of franchisee Revenues (as defined above). Each continuing fee payment must be accompanied by a statement of the franchisee's Revenues for the relevant period in the form required by Yum from time to time. The Group has separately agreed with Yum to change the continuing fees applicable to Yum FAs in relation to the Group's KFC restaurants across all markets to a different specified percentage of franchisee Revenues following the Offering.

Manuals and Standards

Each franchisee is required to comply with all of the manuals and standards issued by Yum from time to time. Though Yum may at any time change any of the manuals or standards or introduce new manuals or standards, in the event of any inconsistency, the Yum FA provisions prevail. The relevant manuals provide specific terms relating to market development policies, product excellence policies, marketing and advertising, operational requirements, global franchise partnering policies, human resources and training, finance and administration and insurance. These provisions may be unilaterally changed by Yum. In order to determine the franchisee's compliance with the manuals and the terms and conditions of the Yum IFAs, Yum and its agents or representatives have the right at all times during opening hours to enter and inspect the franchisee's restaurants without prior notice.

Upgrades

Subject to certain limitations, each franchisee must upgrade, modify, renovate or replace all or part of its restaurants or any of their fittings, fixtures or signage or any of the equipment, systems or inventory used in the restaurant in order to maintain compliance with Yum's then current standards, which may require significant capital expenditures and/or periodic financial commitments by the franchisees.

Approved Products and Supplies

Each franchisee may only prepare, market or sell products and services approved by Yum and must also only use the Yum approved suppliers to supply any ingredients or equipment in KFC or Pizza Hut restaurants. Yum may, by notice to the franchisee, at any time change or withdraw any approved product or add new approved products or the supplier. The franchisee must implement such changes, withdrawals and additions within the period specified in the notice. Yum also has the right to collect certain supply chain contributions from approved suppliers as a percentage of the product costs purchased by the franchisee through approved suppliers.

Advertising and Research

Each franchisee is required to spend, in the manner directed by Yum, in writing from time to time, a percentage of the franchisee's Revenues (as defined below) on advertising, promoting, marketing and researching the products and services. Each franchisee is required to advertise in the manner directed by Yum and may not conduct any advertising or promotional activity in relation to Yum restaurants without Yum's prior written approval. Each franchisee is required to participate in such national and regional advertising, promotions, research and tests as Yum requires from time to time. Yum may direct its franchisees to pay all or any part of the advertising contribution to a national or regional Co-op advertising or marketing fund or to spend all or part of such contribution on local or regional advertising, promotion and research. Yum may also direct its franchisees to pay all or part of the advertising contribution to Yum, to be applied to the costs of national or regional advertising and/or research conducted by Yum in its discretion. The Group has separately agreed with Yum to change the minimum spend on advertising, promotion, marketing and research in relation to the Group's KFC restaurants across all markets to a different specified percentage of franchisee Revenues following the Offering.

Non-competition

During the term of the Yum FA, to preserve the goodwill of the KFC and Pizza Hut brands, neither the franchisee nor any affiliated entity may, without Yum's approval, directly or indirectly, have any interest in, be engaged in or perform any services for any business world-wide involving the wholesale or retail preparation, marketing or sale of any food products, provided that Yum will not unreasonably withhold its approval unless one of the following categories of products individually constitutes more than 20 per cent. of the food products sold in the business: (i) pizza products, (ii) pizza and pasta products sold collectively, (iii) ready-to-eat chicken products, (iv) Mexican food products or (v) beef burger products. In addition, some of the current Yum FAs for the Pizza Hut business and all new Yum FAs that are entered into give Yum the absolute discretion to refuse approval where the business is an aggregator, a delivery business and/or one of the following categories of products individually constitutes more than

20 per cent. of the food products sold in the business: (i) pizza products, (ii) pizza and pasta products sold collectively, (iii) ready-to-eat chicken products, (iv) Mexican food products or (v) beef burger products. In addition, neither the franchisee nor any affiliated entity may be engaged in a business that is: (a) an "affordable casual dining" pizza and/or pasta restaurant chain; (b) a delivery pizza chain; (c) a quick service chicken restaurant chain; or (d) a quick service Mexican restaurant chain, as determined in accordance with the Yum FA.

Restrictions on Charges and Transfers

A franchisee may not charge, pledge or otherwise create any encumbrance, security interest or lien in respect of any interest in or right under a Yum FA. A franchisee may not charge, pledge or otherwise create any encumbrance, security interest or lien in respect of any other interest in or other asset of Yum restaurants without the prior written approval of Yum. A franchisee is not permitted to sell, transfer or gift any Yum FA or any interest therein without the prior written approval of the proposed transferee by Yum. If a franchisee proposes any sale or transfer of a Yum restaurant, any interest in any Yum FA or any interest or share in the franchisee itself, Yum has a right of first refusal, exercisable by Yum or by a nominated third party, to acquire such interest at the same purchase price and otherwise on substantially similar terms and conditions. The Group has agreed with Yum that certain of these provisions will be modified to permit the Offering to proceed.

Insurance and Indemnity

Each franchisee is required at its cost to maintain insurance as prescribed by Yum. Each franchisee is also required to indemnify, and keep indemnified, Yum and its affiliates from and against any claims, liabilities, losses, costs and damages arising directly or indirectly in connection with, or related to, the franchisee's business.

Training

Each franchisee's employees must undertake at the respective franchisee's cost such initial and ongoing training as Yum in its sole discretion considers appropriate. Each franchisee is required to ensure that its restaurant managers have been certified by Yum as having successfully completed Yum's then current management training programmes.

Termination

Yum may terminate a Yum FA in respect of any or all of the Yum restaurants governed thereby when any of the following events occur: (i) a franchisee is unable to pay its debts as and when they become is unable to pay its debts as and when they become due or becomes insolvent or enters into insolvency proceedings; (ii) a franchisee breaches certain specified terms in a Yum FA; (iii) a franchisee commits any crime, offence or act which, in Yum's reasonable judgment, is likely to adversely affect the goodwill of the franchised business, system, associated trademarks or associated system property; (iv) a franchisee knowingly or negligently maintains false records in respect of Yum restaurants or submits any false report to Yum; (v) a franchisee abandons or ceases to operate any of the relevant restaurants for more than three consecutive days without Yum's prior approval; (vi) a franchisee takes any action to prejudice, damage or contest the validity of the franchised trademarks or the system property, the goodwill associated with them or the ownership of them by Yum or its affiliated companies; or (vii) any other specified agreement between the franchisee and Yum (including between their respective affiliated companies) is terminated. Yum may also terminate a Yum FA in case any of the franchisee's affiliates acting as guarantors under the Yum FA are found to be in breach of certain specified provisions. If a Yum FA is terminated in reliance on any of the aforementioned reasons, Yum has the right to take control of the Yum restaurants operated by the franchisee and rectify any breaches by the franchisee.

Offering

The Group has agreed with Yum that as part of the Offering:

- the Yum FAs will be amended so that Yum shall be entitled to terminate the Yum FAs immediately upon notice to the Group where (without Yum's prior written consent): (i) the Principal Owner Group (as defined below): (a) no longer holds a minimum stake of 35 per cent. of the Company's shares and Mr. Alabbar individually no longer holds a minimum stake of 17.5 per cent. of the Company's shares; or (b) ceases to Control (as defined below) the management and operations of the Group's KFC and Pizza Hut restaurants; or (c) if any shareholder (other than the Principal Owner Group) acquires a stake of more than 15 per cent. of the Company's existing shares upon the Offering or a stake of more than 25 per cent. of the Company's shares following the Offering in the Company upon or following the Offering; and

- the Selling Shareholder will pay a one-time 'exit fee' calculated on the basis of a fixed fee multiplied by the number of KFC and Pizza Hut outlets that are open as at the date of Listing, to Yum in relation to the Offering. Furthermore, effective from the date of the Offering, the rate of continuing fees under the Yum FAs applicable to the KFC brand will be a different specified percentage of each franchisee's Revenues (as defined above) and the marketing contributions thereunder will be a different specified percentage of each franchisee's Revenues.

"**Control**" means in relation to the Group (being, the "**Controlled Person**"), being:

- entitled to exercise, or control the exercise of (directly or indirectly) more than 50 per cent. of the voting power at any general meeting of the shareholders, members or other equity holders of the Controlled Person in respect of all or substantially all matters falling to be decided by resolution or meting of such persons; or

- entitled to appoint or remove or control the appointment or removal of directors on the Controlled Person's board of directors or its other governing body who are able (in the aggregate) to exercise more than 50 per cent. of the voting power at meetings of that board or governing body in respect of all or substantially all matters; and/or

- entitled to exercise a dominant influence over the Controlled Person's KFC and Pizza Hut business (otherwise than solely as a fiduciary) by virtue of the provisions contained in the Controlled Person's constitutional documents or pursuant to an agreement with the Controlled Person, other shareholders, partners, members or beneficiaries of the Controlled Person.

Hardee's Development Agreement

Overview

On 1 November 2013, Kuwait Food Company S.A.K. (Americana) signed a development agreement with Hardee's Restaurants LLC (as amended from time to time, the "**Hardee's DA**") with respect to the development of restaurants under the Hardee's brand in Saudi Arabia, the UAE, Bahrain, Egypt, Jordan, Iraq, Kuwait, Lebanon, Oman, Qatar and Kazakhstan. On 24 July 2017, Société Marocaine de Projets Touristiques SARL entered into a development agreement with Hardee's (as amended from time to time, the "**Hardee's Morocco DA**" and together with the Hardee's DA, the Hardee's DAs) with respect to the development of restaurants under the Hardee's brand in Morocco. The Hardee's DAs set forth the arrangements between the Group and Hardee's with respect to developing Hardee's restaurants in the Hardee's Development Areas. (As discussed above, Libya is also part of the Hardee's Development Areas, provided that the Group may not develop and open Hardee's restaurants in Libya unless and until the Group and Hardee's agree to a separate development schedule for Libya and enter into a new development agreement for Libya.)

The Hardee's DA is valid until 31 October 2038 and requires the Group, between 1 November 2013 to 31 October 2038, to open a minimum of 250 new Hardee's restaurants in the Hardee's Development Areas (excluding Iraq, the Kurdistan region of Iraq, and Kazakhstan, which are subject to separate, country-specific development schedules, and Morocco). The Hardee's Morocco DA is valid until 31 July 2024 and requires the Group, between 24 July 2017 to 31 July 2024, to open a minimum of 20 new Hardee's restaurants in Morocco.

The Hardee's DAs prohibit Hardee's from establishing Hardee's restaurants, or issuing licences to open and operate Hardee's restaurants, within the Hardee's Development Areas. In addition, Hardee's and its affiliates are not permitted to operate, or licence a third party to operate, a Carl's Jr. quick-service restaurant within the Hardee's Development Areas, which limitation is only effective during the period in which the owner of the Hardee's system and the owner of the Carl's Jr. system have the same ultimate corporate parent company. Hardee's has expressly reserved rights to: (a) develop, open, and operate, and licence third parties to develop, open and operate, Hardee's restaurants at airports and U.S. military bases/facilities within the Hardee's Development Areas; and (b) merchandise or distribute products containing Hardee's proprietary marks through any other channel of distribution other than at Hardee's restaurants (however, such method or channel of distribution may not include the sale of prepared foods containing Hardee's proprietary marks).

The Hardee's DAs prohibit Hardee's from establishing Hardee's restaurants or issuing licences to open and operate any other Hardee's restaurants within the Hardee's Development Areas. In addition, Hardee's and its affiliates are not permitted to operate, or licence a third-party to operate Carl's Jr. QSRs within the Hardee's Development Areas. This limitation is only effective during the period in which the owner of the Hardee's franchise and the owner of the Carl's Jr. franchise are controlled by the same parent entity. Hardee's has expressly reserved rights to: (1) develop and operate, and licence to third-parties rights to develop and operate, any Hardee's restaurants at airports and U.S. military facilities within the Group's countries of operation; and (2) merchandise or distribute products containing Hardee's proprietary marks through any other channel of distribution other than at Hardee's restaurants (such method or channel of distribution may not include the sale of prepared foods containing Hardee's proprietary marks). However, the Group has rights of first refusal in relation to the exceptions discussed above in case any such opportunities arise.

Among other things, Hardee's may terminate the Hardee's DAs if the Group fails to meet its new restaurant opening targets thereunder for two consecutive years, upon breach by the Group of certain provisions therein or by the liquidation or bankruptcy of the relevant Group entities. Termination of the Hardee's DAs does not affect the validity of any existing Hardee's CLA between a Group affiliate and Hardee's.

The Hardee's DAs mandate that Hardee's and a Group affiliate will enter into a country licence agreement for each country in the Hardee's Development Areas, which agreement will govern the operation of Hardee's restaurants in such country (each, a "**Hardee's CLA**" and together, "**Hardee's CLAs**"). The Group is typically required to pay a one-time training fee of $15,000 to Hardee's on the date of each new CLA.

The Hardee's DAs allow for the Group to proceed with a public offering, exempt offering or private placement of securities or ownership interests in the Group subject to certain conditions.

Hardee's Country Licence Agreements

Overview

Each Hardee's CLA licences the franchisee to, construct, open and operate Hardee's restaurants within the relevant country and use the trademarks, the system and the system property developed by Hardee's for the preparation, marketing and sale of food products in accordance with the Hardee's concepts at each Hardee's restaurant location.

The Hardee's CLA governs the opening and operation of all licensed restaurants in the relevant country, and Hardee's and the franchisee sign a new development rider to the Hardee's CLA for each licensed restaurant, which binds each licensed restaurant to the terms and conditions of the applicable Hardee's CLA. Each Hardee's CLA also typically includes the right to use the contents of the manuals, and other similar documents, published or issued from time-to-time by Hardee's containing the standards, specifications and other requirements, rules, procedures and guidelines relating to the operation of the concepts, as well as the trademarks, service marks, trade names, trade secrets, patents and other similar rights owned by Hardee's (or its affiliates).

Each Hardee's CLA provides, among other things, that: (i) the franchisee must comply with all applicable laws, regulations and other requirements in the conduct of the franchisee's business; (ii) certain employees of the franchisee must participate in such initial and ongoing training programmes as specified by HR; (iii) the franchisee must use HR's trademarks and systems, only in approved forms and manners; (iv) the franchisee and its employees must keep HR's standards, manuals and other information related to its trademarks, system and system property in a confidential manner; and (v) the franchisee must comply with all of the other requirements and restrictions set out in the Hardee's CLA.

Each Hardee's CLA defines 'Gross Sales' to mean any and all proceeds of or income from sales or business transacted at, from or in connection with each licensed restaurant, including sales made by means of electronic commerce or any website, less any sales or value added tax. 'Gross Sales' shall not be limited to the proceeds of or income from food sales, but may include, for example, but without limitation, amounts received in connection with the sale of non-food items, including, but not limited to, those approved for use in connection with marketing campaigns or otherwise; however, 'Gross Sales' shall not include the actual cost of such non-food items that have been approved in advance by HR.

The Hardee's CLAs typically grant certain limited exclusivity rights which are separate from the rights granted in the Hardee's DAs. In particular, Hardee's is not permitted to establish, or licence a third party to establish, a Hardee's restaurant within a 1.5-mile radius from the location of the licensed restaurant operated by the franchisee without the franchisee's prior written consent (subject to certain limited exceptions discussed below). In addition, so long as the franchisee is in full compliance (as defined in the Hardee's CLA), Hardee's and its affiliates are not permitted to establish, or licence a third party to establish, a Carl's Jr. quick-service restaurant within a 1.5-mile radius from the location of the licensed restaurant operated by the franchisee without the franchisee's prior written consent, which limitation is only effective during the period in which the owner of the Hardee's system and the owner of the Carl's Jr. system have the same ultimate corporate parent company. Hardee's has expressly reserved rights to: (a) develop, open, and operate, and issue licences to third parties to develop, open and operate, Hardee's restaurants at airports and on U.S. military bases/facilities within the exclusive radius of a licensed restaurant; and (b) merchandise or distribute products containing Hardee's proprietary marks through any other channel of distribution other than at Hardee's restaurants (provided that, within the exclusive radius of a licensed restaurant, such method or channel of distribution may not include the sale of prepared foods containing Hardee's proprietary marks). However, the Group has rights of first refusal in relation to the exceptions discussed above in case any such opportunities arise.

Term

Each restaurant licence has an initial term of 20 years from the date of the licensed restaurant opening, renewable at the franchisee's option for an unlimited number of ten-year periods. The franchisee must notify Hardee's in writing not less than 180 days prior to expiration of the relevant licence term if it does not wish to renew such licence term, absent which the franchisee will be deemed to have provided Hardee's notice of its desire to continue operating the licensed restaurant for the renewal term. In addition, the franchisee must be in full compliance with all of the following conditions at the end of the applicable licence term: (i) the franchisee pays the applicable renewal fee and executes the renewal licence agreement; (ii) the franchisee is not in default with the relevant Hardee's CLA; (iii) the franchisee is operating the pertinent licensed restaurant in substantial compliance with the Hardee's system and the relevant Hardee's CLA; (iv) the franchisee makes the necessary capital expenditures required to renovate and modernize the pertinent licensed restaurant to conform to the then-current image of the Hardee's system; (v) the franchisee's employees at the pertinent licensed restaurant are in compliance with HR's then-current training requirements; and (vi) the franchisee remains in possession of the location of the pertinent licensed restaurant for the applicable renewal term. A default by the franchisee or its affiliate under any other agreement with Hardee's does not constitute grounds for Hardee's to deny a request to renew the licence term of the licensed restaurant. Each Hardee's CLA is effective until the expiration or earlier termination of the last licence term for the last licensed restaurant thereunder.

The standard renewal fee for a restaurant licence is 50 per cent. of the greater of the initial licence fee applicable to the licensed restaurant or the initial licence fee then commonly charged by HR. The initial licence fees paid by the franchisee (and its affiliates) for restaurant licenses in the Hardee's Development Areas (excluding Morocco) under Hardee's CLAs entered into after 1 January 2019 is $26,850 per licensed restaurant as adjusted for inflation using the US CPI Index. The initial licence fees paid by the franchisee (and its affiliates) for restaurant licenses in Morocco under the Hardee's CLA with respect to Morocco entered into after 1 January 2019 is $25,850 per licensed restaurant as adjusted for inflation using the US CPI Index.

Initial Licence Fees and Royalty Fees

Pursuant to the Hardee's CLAs in the Hardees Development Areas (excluding Morocco), the franchisee is required to pay certain ongoing royalty fees for each licensed restaurant being operated per the following schedule.

Restaurant Opening Date	Royalty Fees
Before 31 December 2017	4 per cent. of Gross Sales
Between 1 January 2018 and 31 December 2022	4 per cent. of Gross Sales increased by 0.5 per cent. of Gross Sales if, as at 31 December 2017, the average royalty fee paid by the international licensees of Hardee's and affiliates of Hardee's (other than the franchisee and its affiliates) exceeds the royalty fees paid under the applicable Hardee's CLA by at least one per cent. of Gross Sales ("**2018 HR Royalty Fee**")
Between 1 January 2023 and 31 December 2027	The 2018 Hardee's Royalty Fee increased by 0.5 per cent. of Gross Sales if, as at 31 December 2022, the average royalty fee paid by the international licensees of Hardee's and affiliates of Hardee's (other than the franchisee and its affiliates) exceeds the 2018 Hardee's Royalty Fee by at least one per cent. of Gross Sales ("**2023 HR Royalty Fee**")
Between 1 January 2028 and 31 December 2032	The 2023 Hardee's Royalty Fee increased by 0.5 per cent. of Gross Sales if, as at 31 December 2027, the average royalty fee paid by the international licensees of Hardee's and affiliates of Hardee's (other than the franchisee and its affiliates) exceeds the 2023 Hardee's Royalty Fee by at least one per cent. of Gross Sales ("**2028 HR Royalty Fee**")
Between 1 January 2033 and 31 December 2037	The 2028 Hardee's Royalty Fee increased by 0.5 per cent. of Gross Sales if, as at 31 December 2032, the average royalty fee paid by the international licensees of Hardee's and affiliates of Hardee's (other than the franchisee and its affiliates) exceeds the 2028 Hardee's Royalty Fee by at least one per cent. of Gross Sales

In Morocco, the royalty fees are four per cent. of Gross Sales of each restaurant.

Manuals and Standards

The franchisee is required to comply with all of the manuals and standards issued by Hardee's from time to time. Hardee's may at any time change any of the manuals or standards or introduce new manuals or standards. The relevant manuals provide specific terms relating to operational requirements, product excellence policies, and marketing and advertising guidelines. These provisions may be unilaterally changed by HR. In order to determine whether the franchisee is in full compliance with all quality standards, operating procedures, marketing guidelines, and other terms and conditions of the relevant Hardee's CLA, Hardee's or its designees have the right at any reasonable time to enter and inspect the franchisee's licensed restaurants without prior notice.

Upgrades

Subject to certain limitations, not more often than once every five years, each franchisee must make certain extensive structural changes, major remodelling and renovations, and substantial modifications to existing equipment and improvements to modernize and conform the licensed restaurants with HR's then current standards, which may require significant capital expenditures and/or periodic financial commitments by the franchisees.

Approved Products, Supplies and Menu Boards

Each franchisee may only prepare, market or sell products and services approved by HR. Hardee's may, by notice to the franchisee, at any time change or withdraw any approved product or add new approved products. The franchisee must implement such changes, withdrawals and additions within the period specified in the notice. Hardee's also has the right to prescribe the menu boards and formats to be utilized by the franchisee at the licensed restaurants.

Marketing

The franchisee is required to pay Hardee's certain marketing fees for each licensed restaurant which will be mutually agreed upon between the two parties. Furthermore, the franchisee is required to spend an amount equal to five per cent. of each licensed restaurant's Gross Sales (as defined above) in every calendar year on qualified marketing expenditures (as defined in the Hardee's CLA). If the franchisee's qualified marketing expenditures in a given calendar year exceed the required amount, the franchisee is permitted to carry-over up to 10 per cent. of the qualified marketing expenditure in the following calendar year.

Non-Competition

During the term of the Hardee's CLA and for a period of 12 months following the expiration, termination or transfer thereof, neither the franchisee nor any affiliated entity may, without HR's approval, directly or indirectly, own, maintain, operate, engage in, advise, help, make loans to, lease property to, or have any interest in, directly or indirectly, a quick service, fast food restaurant business featuring hamburgers as a primary menu item within a 3-mile radius of the relevant licensed restaurant or within a 1.5-mile radius of another then-existing Hardee's restaurant. This obligation is expressly not applicable to the opening and operation of KFC, Wimpy, Pizza Hut, Fusion, TGI Friday's and certain other restaurant brands enumerated in the Hardee's CLA.

Restrictions on Transfers

A franchisee may not sell, assign or otherwise transfer any interest or partial interest in franchisee, the Hardee's CLA, or in any assets relating to the operations or performance of the franchisee without the prior written consent of HR, which will not be unreasonably withheld. The franchisee or the transferee must meet certain conditions required by Hardee's no later than the effective date of the transfer, as set forth in the Hardee's CLA. If a franchisee receives any *bona fide* offer for a proposed sale or transfer, or otherwise desires to undertake any sale or transfer, Hardee's has a right of first refusal, to acquire such interest at the same terms as in the *bona fide* offer.

Insurance and Indemnity

Each franchisee is required at its cost to maintain insurance as prescribed by HR. Each franchisee is also required to indemnify, defend and hold harmless, Hardee's and its affiliates (along with their respective successors, heirs and assigns) from and against any claim (as defined in the Hardee's CLA) arising out of, in connection with, or related to, the Hardee's CLA, any related agreement, the operation of any licensed restaurant or the franchisee's activities under the Hardee's CLA.

Termination

Hardee's may terminate a Hardee's CLA upon the occurrence of any of the following: (i) certain bankruptcy or insolvency events; (ii) a franchisee breaches certain specified terms in the Hardee's CLA, including the transfer and non-competition obligations, some of which a franchisee has the right to cure; (iii) a franchisee intentionally misleads Hardee's with regard to any material matter or falsifies any report or information that has material consequences; (iv) a franchisee commits repeated defaults within a specified period of time; or (v) a franchisee is convicted of, or pleads no contest to, any felony or equivalent charge regarding any crime involving moral turpitude or any other crime or offense which, in HR's reasonable judgment, is likely to materially adversely affect HR, HR's affiliates, the Hardee's system, associated trademarks, any licensed restaurant or any associated goodwill. Hardee's may also terminate a franchisee's right to operate a specific licensed restaurant under the Hardee's CLA if: (i) a franchisee ceased to continuously operate such restaurant for more than five consecutive days (unless the closing is due to force majeure) without HR's prior written approval; (ii) Hardee's makes a reasonable determination that the continued operation of such restaurant will result in an imminent danger to public health or safety; (iii) a franchisee loses the right to possession of the licensed restaurant through its own fault or its failure to extend the lease for the restaurant; (iv) a transfer of any interest in the licensed restaurant occurs that violates the applicable Hardee's CLA; or (v) the franchisee is in default of certain provisions under the applicable Hardee's CLA, and Hardee's elects to terminate the franchisee's right to operate fewer than all of the licensed restaurants.

Krispy Kreme's Development and Franchise Agreements

Overview

On 1 January 2020, Kuwait Food Co. (Americana) KSCC entered into an international development and franchise agreement with Krispy Kreme Doughnut Corporation ("**Krispy Kreme**") (as amended from time to time, the "**Krispy Kreme's FA**") with respect to the development of factory stores, fresh shops, kiosk, and carts ("**Stores**") and manufacturing facilities for the production of doughnuts ("**Commissary Facilities**") under the Krispy Kreme's brand in the UAE, Saudi Arabia, Qatar, Bahrain, Kuwait. On 13 July 2021, Egyptian Company For Int'l Touristic Projects S.A.E entered into an amendment to the **Krispy Kreme's FA** with Kuwait Food Co. (Americana) KSCC, Adeptio AD Investments Ltd as guarantor, and Krispy Kreme (as amended from time to time, the "**First Amendment**") with respect to the development of Stores and Commissary Facilities under the Krispy Kreme's brand in Egypt. On 16 February 2022, Touristic Projects and International Restaurants Company (Americana) L.L.C. entered into an amendment to the '**Krispy Kreme's FA** with Kuwait Food Co. (Americana) KSCC, Adeptio AD Investments Ltd as guarantor, and Krispy Kreme (as amended from time to time, the "**Second Amendment**" and together with the "Krispy Kreme's FA and the "**First Amendment Krispy Kreme's Egypt FA'**", the "**Krispy Kreme's FAs**"") with respect to the development of Stores and Commissary Facilities under the Krispy Kreme's brand in Jordan.

The 'Krispy Kreme's FAs' set forth the arrangements between the Group and Krispy Kreme with respect to the development of Stores and Commissary Facilities under the Krispy Kreme's brand in the UAE, Saudi Arabia, Qatar, Bahrain, Kuwait, Jordan and Egypt (the "**Development Areas**").

Krispy Kreme's FA is valid until 31 December 2024, the First Amendment until 13 July 2026 and the Second Amendment until 6 February 2027. The Group is required to open a minimum of 266 new Krispy Kreme's Stores and Commissary Facilities in the Development Areas (excluding Jordan and Egypt which are subject to separate, country-specific development requirement, with 11 Stores and Commissary Facilities in Jordan starting 16 February 2022 and 45 Stores and Commissary Facilities in Egypt beginning 13 July 2021).

Each franchisee is required to comply with the manuals and standards issued by Krispy Kreme from time to time. In order to determine the franchisee's compliance with the manuals and the terms and conditions of the Krispy Kreme FAs, Krispy Kreme and its agents or representatives have the right at all times during opening hours to enter and inspect the franchisee's restaurants without prior notice

Krispy Kreme may also require the franchisee, no more often than once every five years and at franchisee's expense, to refurbish each store and commissary site to comply with Company's then-current building design, trade dress, colour schemes, and other standards for new Krispy Kreme Stores. Krispy Kreme may direct that such refurbishment may include structural changes, remodelling, redecoration, and modifications to existing improvements.

Each franchisee is required to contribute to Krispy Kreme's International Brand Fund to support advertising, promotional, marketing, public relations programs and other programs and materials. Franchisees may not execute or conduct any advertising or promotional or marketing activity respecting a Store or the Krispy Kreme products without Company's prior written approval. Before a franchisee uses any advertising, promotional or marketing materials which Krispy Kreme has not prepared or previously approved, it must send samples of all such materials to Krispy Kreme for approval.

Among other things, Krispy Kreme may terminate the Krispy Kreme's FAs if the Group fails to meet its new restaurant opening targets and fails to cure the situation within a year, upon breach by the Group of certain provisions therein or by the liquidation or bankruptcy of the relevant Group entities. Krispy Kreme has rights of first refusal in relation to the transfer of interests in the Krispy Kreme FAs in certain circumstances.

The Group is typically required to pay a one-time initial fee to Krispy Kreme for each Store opened, a development fee and monthly royalty payments.

Product Supply Agreements

Pepsi Agreements

On 20 December 2019, Kuwait Food Company (Americana) K.S.C.C. entered into a beverage supply procurement agreement (as amended from time to time, "**Pepsi BSP Agreement**") with Portfolio Concentrate Solutions UC ("**Pepsi**") for the procurement and supply (from Bottlers, as defined therein) of carbonated and non-carbonated beverages, beverage-related equipment and maintenance services (collectively, "**Pepsi Products**") in Saudi Arabia, UAE, Kuwait, Egypt, Oman, Bahrain Iraq, Jordan, Lebanon, Qatar, Morocco and Kazakhstan ("**Pepsi Territories**"). The Pepsi BSP Agreement is effective until the sale and delivery of a specific target of carbonated soft-drinks by the Bottlers to the Group after 31 December 2019 ("**Volume Target**") but can, in most instances, be terminated by 30-days' written notice by either party with cause. Under the Pepsi BSP Agreement, the rates applicable to Pepsi Products vary for each country and can be unilaterally changed by the Bottlers provided any price changes affecting the Group are also applicable to all other customers purchasing Pepsi Products from the Bottlers in the respective country. The Pepsi BSP Agreement also enables the Group and its restaurants to use the Pepsi brand name, logos and trademarks within the applicable countries.

On 20 December 2019, Kuwait Food Company (Americana) K.S.C.C. also entered into a preferred supply and sales and marketing support agreement (as amended from time to time, the "**Pepsi Supplemental Agreement**" and together with the Pepsi BSP Agreement, the "**Pepsi Agreements**") pursuant to which the Group (i) subject to certain exceptions, has agreed to source all of the Group's Pepsi Products requirements within the Pepsi Territories from the Bottlers designated by Pepsi and (ii) has agreed to advertise the Pepsi brand and Pepsi Products as part of the Group's marketing initiatives, in each case, during the term of the Pepsi Supplemental Agreement. The Pepsi Supplemental Agreement is effective until the sale and delivery of the Volume Target. Immediately upon 85 per cent. of the Volume Target being achieved, the Group is obligated to notify Pepsi and offer Pepsi the right of first refusal to renew the Pepsi Supplemental Agreement on substantially the same terms or on competitive terms as negotiated between the Group and Pepsi in good faith.

National Meats Supply Agreement

On 11 October 2021, Kuwait Food Company (Americana) L.L.C. entered into a supply agreement (as amended from time to time, the "**National Meats Supply Agreement**") with the Former Parent Company and the Former Parent Company's subsidiaries, National Company For Food Industries LLC and Gulf Food Company Americana LLC (collectively, the "**Meat Suppliers**") for the supply of food products (primarily beef, chicken and seafood) in Saudi Arabia, UAE, Oman, Bahrain, Kuwait, Iraq, Jordan, Morocco and Egypt. The National Meats Supply Agreement is effective until 31 December 2022 but can be terminated by the parties by 60-days' written notice without cause or by 30-days' written notice with cause. The Meat Suppliers are obligated to manufacture, pack, supply and deliver food products in accordance with the Group's set specifications on a purchase order basis. The Group provides requirement forecasts to the Meat Suppliers but is not obligated to purchase any specific supplies. The food product prices are periodically negotiated between the parties on an arm's length basis.

Farm Frites Supply Agreement

On 1 January 2022, Kuwait Food Company (Americana) L.L.C. entered into a supply agreement (as amended from time to time, the "**Farm Frites Supply Agreement**") with the Former Parent Company's subsidiary, International Company For Agricultural Development (Farm Frites Egypt) S.A.E. (the "**Frites Supplier**") for the supply of French fries and potato wedges in Saudi Arabia, UAE, Oman, Bahrain, Kuwait, Iraq, Jordan, Morocco and Egypt. The Farm Frites Supply Agreement is valid until 31 December 2023 but can be terminated by the parties by 60-days' written notice without cause or immediately with cause. The Frites Supplier is obligated to manufacture, pack, supply and deliver French fries and potato wedges in accordance with the Group's set specifications on a purchase order basis. The prices per unit are fixed during the term of the Farm Frites Supply Agreement.

Franke Foodservice Systems Agreement

On 20 September 2021, Kuwait Food Company (Americana) L.L.C. entered into a supply agreement (as amended from time to time, the "**Foodservice Systems Supply Agreement**") with Franke Foodservice Systems GmbH ("**Franke Foodservice**") for the procurement and supply of kitchen equipment such as fryers, insulated holding cabinets, chillers, freezers, marinade machines and water filters in Saudi Arabia, UAE, Oman, Kuwait, Egypt, Bahrain Iraq, Jordan, Lebanon, Qatar Morocco and Kazakhstan. The Foodservice Systems Supply Agreement is valid until 31 December 2023 but can be terminated by the parties by six-months' written notice without cause or immediately with cause. Franke Foodservice is obligated to manufacture, pack, supply and deliver the kitchen in accordance with the Group's set specifications on a purchase order basis. The product prices are periodically negotiated between the parties.

Other Agreements

Transitional Services Agreement

On 14 July 2022, the Former Parent Company, still owned by the Group's majority shareholders, signed the TSA with the Company. The TSA sets forth the continuity of certain arrangements between the Former Parent Company and the Company with respect to (i) the continuing usage of "Americana" Corporate brand by the Company, (ii) the assignment of restaurants-specific trademarks currently held by the Former Parent Company to the Company (until these brands are fully transferred to the Company), and (iii) the continuation of certain services being currently provided by the Former Parent Company to the Company. The TSA has a term of five years, in consideration for a fixed fee. The fixed fee is calculated based on the consolidated annual revenues of the Company, and is capped at $7.5 million per year.

The "Americana" corporate brand has been used by the Company historically and is being licensed by the Former Parent Company to the Company through a TSA so that the Company can continue to benefit from its brand equity in the market. There are certain restaurant specific trademarks ("Restaurant Marks") held by the Former Parent Company that are permanently assigned to the Company. The TSA consists of certain support services that have historically been provided by the Former Parent Company employees to the restaurants business in the ordinary course, specifically: (i) strategic advice and guidance to enhance shareholder value; (ii) support the Board and assist in key stakeholder relationships; (iii) assisting in the development of the strategic agenda for inorganic growth / corporate development; (iv) treasury; (v) legal and compliance; and (vi) internal audit. These are services required by the Company will be beneficial to all shareholders whilst ensuring continuity of running the restaurants business. Either party is able to terminate this agreement. The Company, at its discretion, can terminate the services being provided by the Former Parent Company to the Company with a notice period of 120 days. Similarly, the notice period for the termination of licensing "Americana" corporate brand is 12 months. The Former Parent Company can terminate the licensing agreement prior to the termination date if (i) there is material breach by the Company, (ii) the Company challenges ownership of the Americana brand owned by the Former Parent Company, or (iii) a change of control of the Company.

Talabat Agreement

On 13 June 2022, the Group entered into a service agreement (as amended from time to time, the "**Talabat Service Agreement**") with Talabat entities in Saudi Arabia, UAE, Kuwait, Egypt, Bahrain, Oman, Qatar, Jordan and Iraq (collectively, "**Talabat**") for the display and use of the Group's brands on Talabat's website and mobile delivery applications. The Talabat Service Agreement is effective until 31 December 2026 and automatically renews for an additional 5-year term unless either party provides 30-days' written notice. Either party can terminate the Talabat Service Agreement by 90-days' written notice without cause or 30-days' written notice with cause for late payment.

The Talabat Service Agreement sets out two distinct pricing arrangements between the parties – one where food orders are placed through Talabat with delivery fulfilled by the Group, and another where food orders are placed through Talabat with delivery fulfilled by Talabat's service providers as determined by Talabat from time to time. The Talabat Service Agreement also sets out operational standards with certain thresholds for Talabat's marketing activities, the proportion of cancelled/unfulfilled orders and application/website unavailability during operational hours. The Talabat Service Agreement grants Talabat a non-exclusive right to use the Group's brand names, logos and product menus which is revocable at the Group's option.

Fourth Section: Other details

1. Mechanism for adopting a governance system in the Company

The Board of Directors (the "**Board**") is committed to standards of corporate governance that are in line with international best practice. As at the date of this Prospectus, Americana complies, and intends to comply, with the corporate governance requirements of the ADX listing rules.

In this respect, the ADX listing rules provide for the Corporate Governance Guide for Joint Stock Companies issued by the SCA pursuant to Decision No. 3/RM of 2020 (as amended) to apply to all entities listed on the ADX.

Company's Board structure

As at Listing, the Board will consist of 7 Directors of which there are no Executive Directors, 4 Non-Executive Directors, and 3 of whom are independent Directors.

Name	Year of Birth	Nationality	Capacity
Mr. Mohamed Ali Rashed Alabbar	1956	Emirati	Chairman (Non-Executive)
Dr. Abdulmalik Abdullah Alhogail	1973	Saudi	Vice-chairman (Non-Executive)
Mr. Raid Abdullah Ismail	1972	Saudi	Member (Non-Executive)
Mr. Kesri Singh	1966	Singapore	Member (Non-Executive)
Mr. Graham Denis Allan	1955	British	Member (Independent)
Mrs. Tracy Ann Gehlan	1968	British	Member (Independent)
Mr. Arif Abdulla Albastaki	1973	Emirati	Member (Independent)

The management expertise and experience of each Director is set out below:

Mr. Mohamed Ali Rashed Alabbar - Chairman

Mr. Mohamed Ali Rashed Alabbar is the Chairman of the Company's Board and has been the Chairman of the board of the Former Parent Company since June 2017. He is also the Chairman of the Nomination & Remuneration Committee of the Former Parent Company.

In addition to his roles in the Former Parent Company, Mr. Mohamed Ali Rashed Alabbar is the Founder & Managing Director of Emaar Properties, Founder & the vice-chairman of the board of directors of Noon Investments LLC (Noon.com), Director at ANH Holdings Limited, Barakat Vegetable and Fruits Company LLC and the general manager of Eagle Hills Properties LLC, and the chairman of the board of directors of some of its subsidiaries.

In addition to his role of the Former Parent Company, Mr. Mohamed Ali Rashed Alabbar has driven the growth of Noon.com, a leading e-commerce platform in the region. He is also a shareholder in Artstreet Limited, which owns interests in the real estate business, and he is the Chairman of Zand, one of the world's first combined digital corporate and retail banks to launch from the UAE, and Symphony Investment LLC and its subsidiaries and associate companies.

He is a graduate of Finance and Business Administration from Seattle University in the USA. He also holds an Honorary Doctorate from Seattle University, an Honorary Doctorate from the London School of Economics and Political Science, and an Honorary Doctorate from Sun Moon University in South Korea.

Dr. Abdulmalik Al Hogail – Vice Chairman

Dr. Abdulmalik Al Hogail is the Vice Chairman of the Company's Board, a member of its Audit Committee and has been the Vice Chairman of the board of the Former Parent Company since June 2017. He is also a member of the Audit Committee of the Former Parent Company.

He is also the Chairman of the board, the Chairman of the Executive Committee, and a member of the Nomination & Compensation Committee at Al Inma Bank. In addition, he is the Vice Chairman of the board, the Chairman of the Audit Committee, and a member of the Strategy & Investment Committee at Bahri (the National Shipping Company of Saudi Arabia), as well as the Chairman of the Board of Bahri Chemicals (the National Chemical Carriers of Saudi Arabia.

Prior to his current roles, Dr. Abdulmalik Al Hogail was a board member of the Public Pension Agency and chaired the Audit, Risk & Compliance, and Governance Committees. He was a board member at Saudi Electricity, where he chaired the Audit Committee, and was a member of the Risk & Compliance Committee. He was a board member at Al Inma Investment, where he chaired the Audit Committee, and was a member of the Nomination & Compensation Committee. He was also a board member at Accenture Saudi Arabia, Philips Healthcare Saudi Arabia, Arabian International Healthcare Holding (Tibbiyah), and Electronics & Systems Holding. He was a member of the Audit Committee at the Capital Market Authority and a member of the Accounting Standards Committee at the Saudi Organization for Certified Public Accountants.

In addition to his previous executive roles and committee memberships, Dr. Abdulmalik Al Hogail worked as the Vice President & CFO of Al Faisaliah Group, and he was a faculty member at the Institute of Public Education.

He holds a Ph.D. and a Master's degree in Accountancy from Case Western Reserve University in the USA, and a Bachelor of Science in Accounting from King Saud University. He also holds a Certified Public Accountant licence from the USA, a Certified Public Accountant licence from KSA, a Certified Management Accountant licence from the USA, and a Certified in Financial Management licence from the USA.

Mr. Arif Abdulla Abdulrahman Alharmi Albastaki – Director

Mr. Arif Albastaki is an independent member of the Company's Board and the Chairman of the Nomination and Remuneration Committee of the Company.

In addition to his roles in the Company, Mr. Arif Albastaki is the Chief Executive Officer of Amlak Finance PJSC, and he serves on the boards and committees of various companies. He is the Chairman of the board of Amlak Finance and Real Estate Investment in Egypt. He is also a member of the Nomination and Remuneration Committee at Aramex PJSC. He is a board member, the Chairman of the Nomination and Remuneration Committee, and a member of the Executive Committee at Emaar the Economic City in Saudi Arabia. He is a board member, the Chairman of the Executive Committee, a member of the Investment Committee, and a member of the Nomination & Remuneration Committee at Daman (National Health Insurance Company). He is also a board member at Al Salam Bank Algeria.

Prior to his current roles, Mr. Arif Albastaki was the Chairman of the board at EII Capital PJSC (formally Emaar Industries and Investments) and the Chairman of the board at EFS Financial

Services LLC. In addition, he was a board member and a member of the Strategy Committee at Aramex PJSC. He was also the Chairman of the Audit Committee in Daman (National Health Insurance Company).

He was the Vice Chairman of the board, the Chairman of the Investment Committee, and the Vice Chairman of the Audit and Risk Committee at TECOM Group LLC. In addition, he was a board member, the Chairman of the Audit Committee, and a member of the Investment Committee at AWQAF & Minor Affairs Foundation (Government of Dubai). Also, he was the Chairman of the Audit Committee at Al Salam Bank Algeria. He was a member of the board and a member of the Executive Committee at Amlak International for Finance and Real Estate Development in Saudi Arabia. He was a board member, a member of the Risk Committee, and a member of the Nomination & Remuneration Committee at Amlak Finance PJSC.

Mr. Arif Albastaki holds a High Diploma in Banking and Finance from the Higher Colleges of Technology in UAE and a Master of International Business from the University of Wollongong in UAE.

Mr. Raid Abdullah Ismail – Director

Mr. Raid Abdullah Ismail is member of the Company's Board, and a member of the Nomination & Remuneration Committee. He has also been a board member and a member of the Nomination & Remuneration Committee of the Former Parent Company since September 2020.

He is currently a Senior Director – Co-Head of MENA Direct Investments and Head of the Operational Value Creation Group at the Public Investment Fund of Saudi Arabia. He is the Chairman of the boards of GDC Middle East, Tahakom Investments, and The Helicopter Company. He is also a board member of The National Shipping Company of Saudi Arabia (BAHRI), Elm Company, Cruise Saudi, The National Unified Procurement Company (NUPCO) and Aviation Services Company (ASC).

Prior to his current roles and his board and committee roles, Mr. Raid Abdullah Ismail was a Director at ACWA Power from 2018 to 2021, the General Manager of Mawarid Food Company from 2017 to 2018, the Founder and Managing Partner of House of Retail LLC from 2014 to 2017, the CEO of Saudi Tadawi Health Care Group from 2011 to 2013, the General Manager of Olayan Food Services Company from 2010 to 2011, the Director of Finance and Strategy at Olayan Food Services Company from 2009 to 2011, a Secondee of the Corporate Finance Department at the Saudi Capital Market Authority in 2006, and a Senior Manager at the Global Investment Banking Advisory of HSBC from 2003 to 2006.

He holds a Master of Business Administration (MBA) from London Business School in the UK, and a Bachelor degree in Finance from George Mason University in the USA.

Mr. Kesri Singh – Director

Mr. Kesri Singh is a member of the Company’s Board and has been the Group CEO of the Former Parent Company since July 2016.

He has over 23 years of experience in retail across the Middle East and Australasia, including Singapore, UAE, Indonesia, Thailand, Australia, Brunei, and India.

Prior to his current role in the Former Parent Company, Mr. Kesri Singh was the Head of Asia in Al Futtaim Group and the CEO of RSH and Robinsons, a multinational conglomerate specialising in the distribution, retailing, and operation of department stores, fashion, sports, and lifestyle apparel, footwear, and accessories. He began his career in sales and distribution management in India and joined RSH in Singapore back in 1995.

Holds a certificate in the General Management Program from Harvard Business School, a Master of Business Administration from the University of Rajasthan, and a Bachelor of Mechanical Engineering from Bangalore University.

Mr. Graham Denis Allan – Director

Mr. Graham Denis Allan is an independent member of the Company's Board, and a member of its Nomination and Remuneration Committee. He was previously an independent board member of the Former Parent Company from May 2019 until June 2022.

He is a seasoned non-executive director with over 40 years of prior executive experience, including more than 25 years as a CEO and senior executive in major international companies.

Mr. Graham Denis Allan currently serves as the Chairman of Bata Footwear Company, Senior Independent Director at Intertek plc and IHG plc, and non-executive Director of Associated British Foods plc and Ikano Retail Pte Ltd.

Prior to his current roles, Mr. Graham Denis Allan was CEO of Dairy Farm International from 2012 to 2017 where he led the growth of a USD12 billion multi-format retailer with a presence in 12 Asian markets including Hong Kong, Singapore, China, Malaysia, and Indonesia.

Mr. Graham Denis Allan previously served as CEO & President of Yum Restaurants International from 2003 to 2012 where he led the growth of KFC, Pizza Hut, and Taco Bell across the world (outside of USA and China). Mr. Graham Denis Allan previously held other senior roles at Yum Restaurants International (formerly PepsiCo Restaurants) from 1992 to 2003.

His earlier career included roles as a consultant with McKinsey & Co Inc. from 1983 to 1989 in Australia and New York, a consultant at Elders IXL Ltd from 1989 to 1992, and a solicitor at Corrs Australia from 1978 to 1982.

Mr. Allan holds a Bachelor of Economics and a Bachelor of Laws (Hons) from Monash University in Australia, and a Master of Business Administration (Dux (i.e. the highest achieving student) of each year) from the University of Melbourne in Australia.

Mrs. Tracy Ann Gehlan – Director

Mrs. Tracy Ann Gehlan is an independent member of the Company's Board, a member of its Audit Committee. She was previously an independent board member of the Former Parent Company from September 2020 until June 2022.

She is currently the President International at Driven Brands which is the largest automotive services company in North America.

Prior to her current role, Mrs. Tracy Ann Gehlan served as the Senior Vice President EMEA & Chief Operating Officer International at Hertz from September 2018 to June 2020, a Managing Director & CEO of Smashburger UK from September 2016 to August 2018, the Group CEO & a board member of Jatomi Fitness (Pure Health and Fitness) from April 2015 to June 2016, and she was a board member of Scottish Retail Consortium from 2008 to 2011.

She first joined Burger King Corporation as a Market Manager from 2004 to 2007, before getting promoted to Director of Company Operations (UK, Netherlands, and Italy) in 2007, then to a Senior Director in Operations Excellence EMEA in 2010, and then she became the Vice President & COO of Burger King EMEA from 2011 to 2015.

Early in her career, she was an Area Manager at The Restaurant Group and served there from 1995 to 2004.

She holds a degree in Law and Welfare (Family Law) from Newcastle University and an Advanced Food Hygiene Certification from Group Training Techniques GTT.

Senior Management

In addition to the members of the Board, the day-to-day management of the Company's operations are conducted by the senior management team, as follows:

Name	Year of birth	Position	Year of appointment
Amarpal Singh Sandhu	1965	Chief Executive Officer	2022
Harsh Bansal	1986	Chief Financial Officer & Chief Growth Officer	2022
Vishal Bhatia	1975	Chief Operating Officer (Yum Brands)	2022
Ramandeep Virdi	1968	Chief Information Officer	2022
Oksana Staniszewska	1978	Chief People Officer	2022
Dusan Folta	1981	Chief Development Officer	2022

Board Secretary

Saqib Awan	1978	Board Secretary	2022

The management expertise and experience of each of the senior management team and the Board Secretary is set out below.

Mr. Amarpal Singh Sandhu – CEO

Mr. Amarpal Sandhu has been heading the restaurant business of the Former Parent Company since 2019. He joined as the COO of KFC in 2017 to lead the transformation and turnaround of KFC brand, with close to a thousand restaurants across 12 countries. He has also been a director of Reef Technology Middle East Limited since 2021.

As the CEO of the Company, Mr. Amarpal Singh Sandhu leads Americana's multi-brand, multi-country restaurant portfolio across MENA and Kazakhstan.

Before joining the restaurant business of the Former Parent Company, Mr. Amarpal Singh Sandhu served as Vice President and Brand Head, Texas Chicken International for Asia-Pacific, Middle East, and Europe. He was responsible for expansion of the brand in 10 international markets from 2011 to 2017.

During his 17-year career at Wendy's from 1994 to 2011, Mr. Amarpal Singh Sandhu managed both equity and franchise business portfolio for the brand across USA and international markets.

Mr. Amarpal Singh Sandhu holds a Master of Business Administration from the Richard Ivey Business School, University of Western Ontario, Canada.

Mr. Harsh Bansal – CFO & CGO

Mr. Harsh Bansal has been the CFO and CGO of the restaurant business of the Former Parent Company since July 2018. He took on the additional responsibility of CGO (Chief Growth Officer) in September 2021. He has also been a director of Reef Technology Middle East Limited since 2021.

He began his career in the Former Parent Company as a Senior Director and led the Corporate Finance & Strategy function for the wider Group. He was part of the transformation team post-acquisition in 2016. He was promoted to CFO of the restaurant business of the Former Parent Company in July 2018, and in September 2021 he took on the additional responsibility of growth and was also appointed CGO.

Prior to his role in the Former Parent Company, he served as an Associate - Investments at Alabbar Enterprises (Family Office of H.E. Mohamed Alabbar - Investments) in UAE from August 2015 to July 2016 and spearheaded multiple investments, including of the Former Parent Company. He served in Standard Chartered Bank in Mumbai as Analyst - M&A (South Asia) from July 2013 to August 2014, then worked in Standard Chartered Bank in Singapore as Analyst and Associate - M&A (Southeast Asia) from September 2014 to July 2015. He was an Oracle Consultant in Infosys Technologies Ltd in India from June 2008 to June 2010.

Mr. Harsh Bansal holds a Post Graduate Diploma in Business Management from the Indian Institute of Management, Lucknow, India, a CFA level-3 from the CFA Institute in the USA, and a Bachelor of Engineering in Electronics & Communication from Jaypee Institute of Information Technology in India.

Mr Vishal Bhatia - COO Yum Brands

Mr. Vishal Bhatia has been COO of the restaurant business of the Former Parent Company and heading its KFC & Pizza Hut business across MENA since March 2022. Mr. Vishal Bhatia is also responsible for operations and its expansion plans in Iraq. He joined the restaurant business of the Former Parent Company as the COO of KFC in MENA in 2020.

Before joining the restaurant business of the Former Parent Company, Mr. Vishal Bhatia was the CEO for New Supply Business, driving Cloud Kitchens, Private Brands, and Virtual Brands at Swiggy- India's leading food delivery operator.

Prior to Swiggy, Mr Vishal Bhatia held multiple marketing roles across India, Indonesia and the UK in consumer goods companies such as Reckitt, PepsiCo and Britannia.

Mr Vishal Bhatia holds a Master of Business Administration from Management Development Institute, Gurgaon, India, in addition to holding a Bachelor of Engineering in Electrical Engineering from Punjab Engineering College, Chandigarh, India.

Mr. Ramandeep Singh Virdi - CIO

Mr. Ramandeep Singh Virdi joined the restaurant business of the Former Parent Company in 2018 as Chief Information Officer (CIO) for the restaurants business. His global career of more than 23 years spans business domains including retail, airlines, travel, R&D, hotels, business process outsourcing and products.

His last position was Senior Vice President IT with Jubilant Foodworks, the largest overseas franchisee for Dominos, USA. Prior to that he was the Vice President – Group IT for Interglobe Enterprises, a leader in aviation and hospitality.

Mr. Ramandeep Singh Virdi holds a Master of Business Administration from the University of Surrey, UK, and also holds a Master of Technology in Computer Sciences from Georgian Technical University, Tbilisi, Georgia.

Ms. Oksana Staniszewska – CPO

Ms. Oksana Staniszewska joined the restaurant business of the Former Parent Company in April 2021 as the Chief People Officer (CPO). Ms. Oksana Staniszewska created and launched One People Process, covering Employee Life Cycle and Americana University to tap the talent and build future leadership for the restaurant business of the Former Parent Company.

Additionally, Ms. Oksana Staniszewska is a senior coach and consultant at Oxford Group and LSP Leadership. Prior to joining the restaurants business of the Former Parent Company, Ms. Oksana Staniszewska served as Chief People Officer at AmRest Holdings SE, the largest independent chain of restaurant operations in Central and Eastern Europe and was a People Services Provider at WJM Investment LTD from 2020 to 2021. During her 14 year career at AmRest from 2006 – 2020, Ms. Oksana Staniszewska performed multiple roles including Talent Development Director, Chief Administration Officer to Chief Operation Officer for the international AmRest markets of Europe and Russia. Ms. Oksana Staniszewska is also a director at Dijo Fun and Food Sp.Zo.o and OTB Fund.

Ms. Oksana Staniszewska holds a postgraduate qualification in Psychology and neurolinguistics from Kyiv National Linguistic University, and a dual 5-year diploma in Economics Bookkeeping & Audit as well as Linguistics & Pedagogies at the undergraduate level from Kyiv National Linguistic University. Ms Oksana Staniszewska is a practitioner of multiple psychometric tools (EQ, MBTI, OAD, Mindsonar), an ICC certified coach (neuromindfulness coach, team coach, executive coach), and has completed various learning programmes (among others, Artificial Intelligence in Strategy application from MIT) over the years.

Mr. Dusan Folta - CDO

Mr. Dusan Folta joined the restaurant business of the Former Parent Company in early 2021 as Chief Development Officer (CDO) and is responsible for the Development function, including Real Estate, Design, Construction, Maintenance, Sales and Catering, across 12 countries.

Prior to joining the restaurant business of the Former Parent Company, Mr. Dusan Folta worked with AmRest for 19 years, where he went from team member to Shift Supervisor, District Coach, Market President and then to Brand Operations President (Brand COO) of KFC in Europe and Russia. Mr. Dusan Folta is also a founder of EyErne LLC, a US based Social media and e-commerce marketplace which was founded in 2018.

Mr. Dusan Folta holds a Bachelor of Economics and Management from College of Economic Studies in Prague.

Mr. Saqib Awan – Board Secretary

Mr. Saqib Awan is the secretary of the Board of the Company. He continues to be the General Counsel of the Former Parent Company as well as the secretary of its board of directors since July 2018.

In his role, Mr. Saqib Awan managed the corporate governance function of the Former Parent Company along with a number of operating subsidiaries in various jurisdictions where it operates. In addition, he conducted the board appraisal and carried out a number of additional roles managing the legal and regulatory risks and the compliance function of the Former Parent Company and its subsidiaries. Mr. Saqib Awan was also part of a number of initiatives that the Former Parent Company took in various jurisdictions lobbying the company's interest with the various government agencies. He also streamlined the governance control and board appointments across all jurisdictions.

Prior to his current roles, he was a Senior Legal Counsel at the Emirates Investment Authority (EIA) in Abu Dhabi, UAE. He was the Acting Chief Legal Officer at Al Khabeer Capital in KSA. In addition, he was the General Counsel at Unicorn Capital Saudi Arabia, a Senior Legal Consultant at DLA Piper in KSA, and a lawyer at The Alliance Law Firm in KSA. He started his career journey as a Bilingual Research Associate at CARMA International in the UK.

Mr. Saqib Awan holds an LLM in School of Oriental & African Studies from the University of London, a Bachelor's in Art and an LLB (Hon) from the International Islamic University in Pakistan.

Company's Organization Chart

Please refer to Annex 6.

Employment positions of members of the senior executive in the Company's subsidiaries and other public joint stock companies in the UAE

None.

Employment positions of members of the board of directors in the Company's subsidiaries and other public joint stock companies in the UAE

None of the board members hold any Company's subsidiaries and other public joint stock companies, except for Mr. Mohamed Ali Rashed Alabbar who holds the following positions:

1- Managing Director at Emaar Properties PJSC.

2- Executive Board member at Emaar Development PJSC.

3- Non-executive chairman at Dubai Bank PJSC.

Mr. Arif Albastaki hold an executive position in Aramex P.J.S.C. being the chief executive officer.

Conditions of eligibility, election, removal and proposed names of the Company's first Board formation

Board members will be elected by the shareholders in a general meeting by using the cumulative voting system set out in the Articles of Association. The Board of Directors was appointed by the Former Parent Company for a period of 3 years commencing on the date of Listing.

If a position becomes vacant during the term of the Board, then a replacement may be appointed in accordance with the provisions of the Company's Articles of Association. Any such replacement shall serve the remaining term of the director who vacated his or her position.

Director's competencies and responsibilities:

The principal duties of the Board are to provide the Company strategic leadership, to determine the fundamental management policies of the Company and to oversee the performance of the Company's business. The Board is the principal decision-making body for all matters that are significant to the Company, whether in terms of their strategic, financial or reputational implications. The Board has final authority to decide on all issues save for those which are specifically reserved to the general meeting of Shareholders by law or by the Company's Articles of Association.

The key responsibilities of the Board include:

- determining the Company's strategy, budget and structure;
- approving the fundamental policies of the Company;
- implementing and overseeing appropriate financial reporting procedures, risk management policies and other internal and financial controls;
- proposing the issuance of new ordinary shares and any restructuring of the Company;
- appointing executive management;
- determining the remuneration policies of the Company and ensuring the independence of Directors and that potential conflicts of interest are managed; and
- calling Shareholder meetings and ensuring appropriate communication with Shareholders.

2. Board Committees

The Board has an Audit Committee, and a Nomination and Remuneration Committee (each of which will be subject to the composition requirements of the Governance Rules). If the need should arise, and subject to the Articles of Association, the Board may set up additional committees as appropriate. In accordance with the Governance Rules, the Chairperson is not permitted to be a member of either the Audit Committee or the Nomination and Remuneration Committee.

A high-level overview of the mandate of each of these committees, as at Listing upon ADX, is set out below.

Audit Committee

The Audit Committee assists the Board in discharging its responsibilities relating to financial reporting, external and internal audits and controls, including reviewing and monitoring the integrity of our financial statements, reviewing and monitoring the extent of the non-audit work undertaken by external auditors, advising on the appointment of external auditors, overseeing the relationship with our external auditors, reviewing the effectiveness of the external audit process, and reviewing the effectiveness of our internal control review function. The ultimate responsibility for reviewing and approving the annual report and accounts remains with the Board. The Audit Committee will give due consideration to the applicable laws and regulations of the UAE, the ADGM, the SCA and the ADX.

The Audit Committee charter requires that the Audit Committee must comprise at least three members who are Non-Executive Directors of whom at least two of its members must be independent. In addition, at least one member is required to have practical audit and accounting experience. The Audit Committee will be chaired by one of the independent members and will include other members elected by the Board members from time to time. The Audit Committee will meet not less than four times per year.

The Audit Committee will take appropriate steps to ensure that the Company's external auditors are independent of the Company as required by applicable law. We have obtained written confirmation from our auditors that they comply with guidelines on independence issued by the relevant accountancy and auditing bodies.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee assists the Board in setting and overseeing the nomination and remuneration policies in respect of the Board, any committees of the Board and senior management. In such capacity, it is responsible for evaluating the hiring of Americana's executive management, evaluating the balance of skills, knowledge and experience of the Board and committees of the Board and, in particular, monitoring the independent status of the independent Directors. It is also responsible for periodically reviewing the Board's structure and identifying, where relevant, potential independent candidates to be appointed as Directors or committee members as the need may arise. In addition, and subject to the Articles, the Nomination and Remuneration Committee assists the Board in determining its responsibilities in relation to remuneration, including making recommendations to the Board on the Company's policy on executive remuneration, setting the over-arching principles, parameters and governance framework of our remuneration policy and determining the individual remuneration and benefits package of our senior management.

The Nomination and Remuneration Committee must be comprised of at least three Non-Executive Directors, at least two of whom must be independent, in each case within the meaning of those terms in the Governance Rules. The chairperson of the Nomination and Remuneration Committee must be chosen from amongst the independent committee members. The members of the Nomination and Remuneration Committee will be appointed in accordance with the Articles of Association. The Nomination and Remuneration Committee will meet at least twice a year, and otherwise from time to time based on the Company's requirements.

3. Legal matters

The following is a summary of the legal matters that will apply to the Company following its Listing. The legal matters listed below must be read in light of the provisions of the Company's Articles of Association (which are set out in Annex 2 of this Prospectus).

- **Articles of Association**

  The Company's Articles of Association and the Companies Regulations describe the rights and obligations associated with the ownership of the Shares in detail. The full text of the Articles of Association of the Company is annexed in Annex 2 of this Prospectus.

- **The applicability of Governance and the ADGM Companies Regulations**

  The Company decided voluntarily to comply with the governance rules as issued by the Securities and Commodities Authority, as amended from time to time. Accordingly, any contradictions between provisions found in Company's Articles of Association which is based on the ADGM Companies Regulations, the Company shall comply with the governance rules as issued by the Securities and Commodities Authority and in particular, but not limited to the following: 1) the annual general meeting; 2) Board composition and required eligibility for each member; 3) all provisions related to the Board and in particular the remuneration of the Board; 4) permanent committees; 5) provisions for entering into related parties transactions; 6) insiders; 7) The independency requirements in relation to the Board; 8) provisions on the conflict of interest.

- **Attending General Meeting and voting rights**

  Each Shareholder shall have the right to attend the General Meeting and shall have a number of votes equal to the number of their Shares (other than in relation to the election of directors, where Shareholders shall have an additional number of votes in accordance with the cumulative voting system set out in the Articles).

- **Share register**

  Upon listing on the ADX, the Shares will be dematerialized and the share register will be maintained by the ADX.

- **Financial information**

  A Shareholder is entitled to request a copy of the annual audited financial statements of the Company.

- **Financial year**

  The financial year of the Company will start on the 1st of January and end on 31st of December of each year.

- **Dividends and liquidation proceeds**

  The Company shall pay dividends on Shares in compliance with the relevant laws and regulations applicable to the Company. Shareholders shall have the sole right to the profits due on those Shares. In the event of liquidation of the Company, each Shareholder shall be entitled to a part of the Company's assets in accordance with the Company's Articles of Association and applicable law and regulation in the ADGM.

- **General Meeting**

  An annual general meeting shall be held in accordance with the Companies Regulations, at such place or places (including electronic platforms), date and time as may be decided by the Directors.

  The Directors may, whenever they think fit, call a general meeting. The Directors are required to call a general meeting once the Company has received requests from its members to do so in accordance with the Companies Regulations. The Directors shall determine whether a general meeting is to be held as a physical general meeting or an electronic general meeting.

  Notice of general meetings shall include all information required to be included by the Companies Regulations and shall be given to all members other than those members who are not entitled to receive such notices from the Company under the provisions of the Articles.

- **Liability of the Board**

  The members of the Board owe general duties to the Company in accordance with the Companies Regulations (including exercising reasonable care, skill and diligence and acting to promote the success of the Company). The Company may bring a claim against any member of the Board in breach of its directors duties, with available remedies varying depending on the severity of the breach but may include damages, injunctive relief and other remedies.

  Subject to the prior permission of the ADGM court, an eligible shareholder may independently initiate proceedings against any member of the Board if the Company fails to do so in respect of a cause of action arising from an actual or proposed act or omission involving negligence, default, breach of duty or breach of trust by that member of the Board.

So far as may be permitted by the Companies Regulations, every Director, officer, senior manager or alternate director (or former director, officer, senior manager or alternate director) of the Company or of an associated company (as contemplated by section 278 of the Companies Regulations) may be indemnified out of the Company's assets against any liability incurred by them in connection with any negligence, default, breach of duty or breach of trust by them or any other liability incurred by them in the execution of their duties, the exercise of their powers or otherwise in connection with their duties, powers or offices.

- **Appointment of the Chairperson and the Powers of the Chairperson**

  Mr. Mohamed Ali Rashed Alabbar is the chairman of the Board, and is considered the chairperson during Board meetings, and Mr. Abdulmalik Alhogail is the vice-chairman, and in the absence of the chairperson, the vice chairperson shall chair such meetings.

- **Corporate Governance**

  The Company shall be subject to the corporate governance rules as published by SCA and amended from time to time.

4. Supervision and Regulation

Americana is a public company limited by shares incorporated in the ADGM. The ADGM is a financial free zone within the meaning of UAE Federal Law No. 8 of 2004 (the "**Financial Free Zones Law**") and was established pursuant to UAE Federal Decree No. 15 of 2013. As a company incorporated in the ADGM, and in accordance with the Financial Free Zones Law, Americana is not subject to UAE federal civil, and commercial laws. In particular, and without limitation, Americana is not subject to the provisions of the UAE Commercial Companies Law nor a variety of other legislation which applies to companies incorporated 'onshore' in the UAE. Instead, Americana is governed by applicable laws and regulations in the ADGM including the Companies Regulations.

In accordance with the ADGM legal framework applicable to public companies such as Americana, its primary constitutional document is its Articles of Association. Apart from various matters governed by the Companies Regulations and other ADGM rules and regulations, the principal corporate governance and disclosure and transparency rules applicable to Americana are set out in the Companies Regulations, certain provisions of the SCA Governance Guide, the provisions of the Chairman of the UAE Authority's Board of Directors' Decision no. 3 of 2000 concerning the regulations as to disclosure and transparency and in the Articles of Association and related documents (such as charters, policies and procedures adopted by the Board of Directors from time to time). The ADGM Board of Directors and, in certain circumstances, the ADGM Registration Authority has the power and authority to investigate violations of the Companies Regulations, including if it appears to it that there are circumstances suggesting that an ADGM company's affairs are being or have been conducted in a manner which is unfairly prejudicial to some part of its members, and in certain cases to refer such violations to ADGM courts. Shareholders in ADGM companies may also directly seek injunctions from ADGM courts against acts in violation of the Companies Regulations or constitutional documents and can seek to recover damages for such violations from ADGM companies and their directors.

Pursuant to the ADX listing rules, ADX has the authority to approve and supervise the governance rules applicable to financial free zone companies such as Americana that list securities on ADX.

The corporate governance regime applicable to Americana is different from that applicable to entities incorporated under the UAE Commercial Companies Law and regulated by the SCA. Investors should familiarise themselves with applicable ADGM laws and regulations, and the Articles of Association annexed to the Prospectus.

5. ADGM No Objection

The ADGM Registration Authority has issued a certificate of no objection to the Listing and the Offering in accordance with Article 33 of SCA Decision No. 11 of 2016 concerning the Regulation of Offering and Issuing Shares in Public Joint Stock Companies (as amended by the SCA Decision No. 25/RM/2020).

6. Independent Auditors

PricewaterhouseCoopers Limited undertook the task of auditing the Company's special purpose carve-out financial statements for the years ended 31 December 2021, 2020, and 2019 and the Condensed Interim Carve-Out Financial Statements for the 6 months ended 30 June 2022 and nine months ended 30 September 2022 (inclusive of comparative information for the 6 months ended 30 June 2021).

Address: DIFC, Unit 801, Al Fattan Currency House, Tower 1, Dubai, United Arab Emirates.

Phone Number: +971 (0) 4 304 3100

7. Details of any Employee Ownership Scheme

Not applicable. The Company does not have any employee share ownership schemes.

Annex 1 – Financial Statements

Americana Restaurants

Special purpose carve-out financial statements of Kuwait Food Company (Americana) K.S.C.C. - Americana Restaurants (subsequently known as Americana Restaurants LTD)

for the years ended 31 December 2021, 2020 and 2019

Contents

Independent auditor's report to the Directors of Adeptio AD Investments Ltd

Report on the audit of the special purpose carve-out financial statements

Our opinion

In our opinion, the special purpose carve-out financial statements present fairly, in all material respects, the financial position of Kuwait Food Company (Americana) K.S.C.C. - Americana Restaurants ("Americana Restaurants") as at 31 December 2021, 2020 and 2019 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

What we have audited

Americana Restaurants' special purpose carve-out financial statements comprise:

- the special purpose carve-out statements of financial position as at 31 December 2021, 2020 and 2019;
- the special purpose carve-out statements of comprehensive income for the years then ended;
- the special purpose carve-out statements of changes in equity for the years then ended;
- the special purpose carve-out statements of cash flows for the years then ended; and
- the notes to the special purpose carve-out financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the special purpose carve-out financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of Americana Restaurants in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the financial statements in the Dubai International Financial Centre. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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PricewaterhouseCoopers Limited is registered with the Dubai Financial Services Authority

Independent auditor's report to the Directors of Adeptio AD Investments Ltd (continued)

Emphasis of matter – Basis of accounting

We draw attention to the fact that, as described in Note 1 to the special purpose carve-out financial statements, Americana Restaurants has not operated as a separate entity during the years presented. These special purpose carve-out financial statements are, therefore, not necessarily indicative of the future results of the Americana Restaurants business as a separate stand-alone entity.

The special purpose carve-out financial statements are prepared by the management of Americana Restaurants in connection with the listing of Americana Restaurants on the Abu Dhabi Securities Exchange in the United Arab Emirates and the Saudi Stock Exchange (Tadawul) in the Kingdom of Saudi Arabia. As a result, the special purpose carve-out financial statements may not be suitable for another purpose.

Our opinion is not modified in respect of this matter.

Responsibilities of management and those charged with governance for the special purpose carve-out financial statements

Management is responsible for the preparation and fair presentation of the special purpose carve-out financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of special purpose carve-out financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special purpose carve-out financial statements, management is responsible for assessing the Americana Restaurants' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Americana Restaurants or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Americana Restaurants financial reporting process.

Auditor's responsibilities for the audit of the special purpose carve-out financial statements

Our objectives are to obtain reasonable assurance about whether the special purpose carve-out financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose carve-out financial statements.

Independent auditor's report to the Directors of Adeptio AD Investments Ltd (continued)

Auditor's responsibilities for the audit of the special purpose carve-out financial statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose carve-out financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Americana Restaurants' internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Americana Restaurants' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose carve-out financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Americana Restaurants to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the special purpose carve-out financial statements, including the disclosures, and whether the special purpose carve-out financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers Limited
27 July 2022

PricewaterhouseCoopers

Dubai, United Arab Emirates

AMERICANA

Americana Restaurants

Special purpose carve-out statement of financial position as at

	Note	31-Dec-2021	31-Dec-2020	31-Dec-2019	1-Jan-2019
		US Dollars'000			
ASSETS					
Non-current assets					
Property and equipment	5	221,919	207,887	244,334	261,373
Right of use assets	12	361,975	371,547	459,665	484,734
Loan to a related party	18	51,200	-	-	-
Investment properties	6	9,341	7,521	8,007	7,588
Intangible assets	7	42,623	37,692	32,987	30,233
Derivative financial instrument	9	7,512	-	-	-
Deferred tax asset		2,150	1,599	150	1
Total non-current assets		**696,720**	**626,246**	**745,143**	**783,929**
Current assets					
Inventories	8	107,297	97,093	93,886	108,705
Trade and other receivables	9	94,034	95,980	89,943	88,200
Due from related parties	18	1,189	696	1,713	27,746
Loan to a related party	18	12,800	-	-	-
Derivative financial instrument	9	1,878	-	-	-
Cash and cash equivalents	10	173,996	196,347	169,878	106,646
Total current assets		**391,194**	**390,116**	**355,420**	**331,297**
Total assets		**1,087,914**	**1,016,362**	**1,100,563**	**1,115,226**
LIABILITIES AND EQUITY					
Non-current liabilities					
Lease liability	12	248,136	263,630	318,945	339,536
Provision for employees' end of service benefits	13	76,260	80,413	81,231	84,186
Trade and other payables	14	50,195	46,265	49,470	-
Deferred gain on derivative financial instrument	9	7,512	-	-	-
Deferred tax liabilities		-	-	827	879
Total non-current liabilities		**382,103**	**390,308**	**450,473**	**424,601**
Current liabilities					
Bank facilities	11	7,073	24,563	13,631	11,158
Deferred gain on derivative financial instrument	9	1,878	-	-	-
Lease liability	12	136,463	139,809	148,780	121,370
Income tax, zakat and other deductions payable	16	12,614	8,636	10,552	8,481
Trade and other payables	14	352,326	321,702	314,469	280,792
Due to related parties	18	23,683	22,419	14,382	21,987
Provisions for legal, tax and other claims	15	32,062	22,310	12,889	22,154
Total current liabilities		**566,099**	**539,439**	**514,703**	**465,942**
Total liabilities		**948,202**	**929,747**	**965,176**	**890,543**
Equity					
Accumulated net contribution from the Parent Company		148,984	89,789	119,951	208,070
Foreign currency translation reserve		(20,429)	(12,683)	(1,448)	(1,600)
Net Parent Investment attributable to Parent Company		128,555	77,106	118,503	206,470
Non-controlling interests	17	11,157	9,509	16,884	18,213
Total equity		**139,712**	**86,615**	**135,387**	**224,683**
Total liabilities and equity		**1,087,914**	**1,016,362**	**1,100,563**	**1,115,226**

Harsh Bansal	Amarpal Sandhu	Abdulmalik Al Hogail	Mohamed Ali Rashed Alabbar
Chief Financial Officer	Chief Executive Officer	Board Member	Board Member

The accompanying notes form an integral part of these special purpose carve-out financial statements.

Americana Restaurants

Special purpose carve-out statement of income for the year ended 31 December

	Note	2021	2020	2019
		US Dollars'000		
Revenues	19	2,051,747	1,577,795	1,890,219
Cost of revenues	20	(970,351)	(773,853)	(902,821)
Gross profit		1,081,396	803,942	987,398
Selling and marketing expenses	21	(679,603)	(578,882)	(646,018)
General and administrative expenses	22	(176,989)	(157,849)	(165,113)
Other income		15,478	32,017	12,990
Monetary gain from hyperinflation	4	3,043	38,818	-
Reversal of impairment/(impairment losses) of non-financial assets	4	1,179	(21,298)	(248)
Net impairment allowance on financial assets	9	(1,454)	(1,644)	50
Operating profit		243,050	115,104	189,059
Finance income	24	2,208	822	589
Finance costs	24	(23,118)	(29,864)	(28,411)
Profit before income tax, zakat, and KFAS		222,140	86,062	161,237
Income tax, zakat, and contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS")	27	(15,732)	(6,281)	(9,138)
Net profit for the year		206,408	79,781	152,099
Attributable to:				
Net Parent Investment attributable to Parent Company		203,917	80,826	151,070
Non-controlling interests		2,491	(1,045)	1,029
		206,408	79,781	152,099

Americana Restaurant

Special purpose carve-out statement of comprehensive income for the year ended 31 December

	US Dollars'000		
	2021	2020	2019
Net profit for the year	206,408	79,781	152,099
Other comprehensive income items			
Items that will not be reclassified subsequently to special purpose carve-out statement of income:			
Remeasurement of employees' end of service benefits (Note 13)	436	(6,050)	-
Items that may be reclassified subsequently to special purpose carve-out statement of income:			
Exchange differences on translating foreign operations including the effect of hyperinflation	(7,698)	(11,227)	82
Total other comprehensive income items	(7,262)	(17,277)	82
Total comprehensive income for the year	199,146	62,504	152,181
Attributable to:			
Net Parent Investment attributable to Parent Company	196,607	63,541	151,222
Non-controlling interests	2,539	(1,037)	959
	199,146	62,504	152,181

The accompanying notes form an integral part of these special purpose carve-out financial statements.

Americana Restaurants
Special purpose carve-out statement of changes in equity for the year ended 31 December

	Notes	US Dollars'000				
		Net Parent Investment attributable to Parent Company				
	Notes	Accumulated net contribution from the Parent Company	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
Balance at 1 January 2019		208,070	(1,600)	206,470	18,213	224,683
Net profit for the year		151,070	-	151,070	1,029	152,099
Other comprehensive income						
Foreign currencies translation differences		-	152	152	(70)	82
Total comprehensive income		151,070	152	151,222	959	152,181
Changes in non-controlling interest	17	-	-	-	(2,288)	(2,288)
Distributions to the Parent Company		(105,941)	-	(105,941)	-	(105,941)
Net payments and impact of capital reorganisation with the Parent Company		(133,248)	-	(133,248)	-	(133,248)
Balance at 31 December 2019		119,951	(1,448)	118,503	16,884	135,387
Net profit for the year		80,826	-	80,826	(1,045)	79,781
Other comprehensive income						
Remeasurement of employees' end of service benefits		(6,050)	-	(6,050)	-	(6,050)
Hyperinflation adjustment		-	(10,495)	(10,495)	-	(10,495)
Foreign currencies translation differences		-	(740)	(740)	8	(732)
Total comprehensive income		74,776	(11,235)	63,541	(1,037)	62,504
Changes in non-controlling interest	17	(9,513)	-	(9,513)	(6,338)	(15,851)
Distributions to the Parent Company		(59,949)	-	(59,949)	-	(59,949)
Net payments and impact of capital reorganisation with the Parent Company		(35,476)	-	(35,476)	-	(35,476)
Balance at 31 December 2020		89,789	(12,683)	77,106	9,509	86,615
Net profit for the year		203,917	-	203,917	2,491	206,408
Other comprehensive income						
Remeasurement of employees' end of service benefits		436	-	436	-	436
Hyperinflation adjustment		-	6,614	6,614	-	6,614
Foreign currencies translation differences		-	(14,360)	(14,360)	48	(14,312)
Total comprehensive income		204,353	(7,746)	196,607	2,539	199,146
Changes in non-controlling interest	17	(119)	-	(119)	(891)	(1,010)
Distributions to the Parent Company		(129,817)	-	(129,817)	-	(129,817)
Net payments and impact of capital reorganisation with the Parent Company		(15,222)	-	(15,222)	-	(15,222)
Balance at 31 December 2021		148,984	(20,429)	128,555	11,157	139,712

The accompanying notes form an integral part of these special purpose carve-out financial statements.

Americana Restaurants

Special purpose carve-out statement of cash flows for the year ended 31 December

	Note	US Dollars'000 2021	2020	2019
Cash flows from operating activities				
Profit before income tax and zakat for the year		221,059	85,492	160,445
Adjustments for:				
Depreciation and amortisation	23	208,629	214,747	220,054
Provision for employees' end of service benefits, net of transfers	13, 25	10,074	8,001	13,522
Impairment allowance on financial assets	9	1,454	1,644	(50)
Provision for obsolete, slow moving, and defective inventories	8	1,387	3,159	1,855
(Reversal of impairment)/impairment losses of non-financial assets	5,7,12	(1,179)	21,298	248
Loss on disposal of property and equipment and intangible assets		1,224	3,240	7,174
Gain on rent concessions		(6,978)	(28,113)	-
Finance income	24	(2,208)	(822)	(589)
Finance cost	24	23,118	29,864	28,411
Hyperinflation impact		1,348	(33,136)	-
Operating cash flows before changes in working capital		**457,928**	**305,374**	**431,070**
Payments of employees' end of service benefits	13	(13,535)	(17,333)	(14,317)
Income tax paid	16	(6,971)	(5,501)	(5,183)
Changes in working capital:				
Trade and other receivables		(62)	(9,129)	(1,851)
Due from related parties		(493)	1,017	26,033
Inventories		(11,274)	(6,214)	12,883
Due to related parties		1,264	8,037	(7,605)
Trade and other payables, provisions and other taxes		41,992	7,865	70,206
Net cash generated from operating activities		**468,849**	**284,116**	**511,236**
Cash flows from investing activities				
Purchase of property and equipment	5	(91,510)	(39,933)	(67,843)
Proceeds from sale of property and equipment		1,438	779	3,274
Purchase of intangible assets	7	(8,303)	(5,073)	(6,529)
Payments for key money	12	(1,401)	(1,744)	(779)
Interest received on short term deposits		2,208	822	589
Loans to a related party	18	(64,000)	-	-
Net cash used in investing activities		**(161,568)**	**(45,149)**	**(71,288)**
Cash flows from financing activities				
Payments of finance costs		(1,455)	(1,178)	(1,623)
Changes in non-controlling interests		(826)	(1,139)	(2,288)
Acquisition of additional shares in subsidiary from non-controlling interests		(184)	(14,712)	-
Principal elements of lease payments		(160,363)	(110,748)	(133,535)
Distributions to the Parent Company		(129,817)	(59,949)	(105,941)
Movement in payments and impact of capital reorganisation with the Parent Company		(15,222)	(35,476)	(133,248)
Net cash used in financing activities		**(307,867)**	**(223,202)**	**(376,635)**
Net change in cash and cash equivalents		(586)	15,765	63,313
Foreign currency translation differences		(4,275)	(228)	(2,554)
Cash and cash equivalents at the beginning of the year		171,784	156,247	95,488
Cash and cash equivalents at the end of the year	10	**166,923**	**171,784**	**156,247**

1 GENERAL INFORMATION

Kuwait Food Company (Americana) K.S.C.C. was incorporated in the state of Kuwait on 29 December 1963 as a Kuwait Public Shareholding Company (the "Parent Company" or "KFC"). The Parent Company is involved in two main lines of businesses namely the Restaurant Business and the Food Business. The Restaurants Business comprises of operating and managing a number of restaurant chains/brands across the region. The operations extend to the United Arab Emirates, Saudi Arabia, Kuwait, Egypt, Qatar, Kazakhstan, Bahrain, Jordan, Oman, Lebanon, Morocco, and Iraq operated by the various subsidiaries of the Parent Company as detailed in Note 28.

On 2 June 2022, the Board of Directors of KFC approved the transfer of the Restaurant Business of KFC to a newly established entity named Americana Restaurants LTD "Americana Restaurants". Americana Restaurants is an Abu Dhabi Global Market registered entity that was incorporated on 27 May 2022. The registered address is 2428 ResCowork06, 24th Floor, Al Sila Tower, Abu Dhabi Global Market Square, Al Maryah Island, Abu Dhabi, United Arab Emirates.

Americana Restaurants is a fully owned subsidiary of KFC. KFC is 93.42% owned by Adeptio AD investments Ltd (the "Intermediate Parent Company"), which is wholly owned by Adeptio AD Holdings Ltd (the "Ultimate Parent Company"). The 'Ultimate Shareholders' of the Parent Company are Mr. Mohamed Ali Rashed Alabbar and the Saudi Company for Gulf Food Investments ("Gulf Food Investments"), a subsidiary of the Public Investment Fund of the Kingdom of Saudi Arabia. 2.7% of the issued shares of KFC are being held as treasury shares by KFC and remaining 3.9% shares represents the minority shareholding.

The special purpose carve-out financial statements were approved for issue by the Board of Directors of KFC on 13-July-2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The special purpose carve-out financial statements for the years ended 31 December 2021, 2020 and 2019 have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The special purpose financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB). Americana Restaurants has applied IFRS 1, First-Time Adoption of International Financial Reporting Standards ("IFRS 1") in its adoption of IFRS. The transition date ("Transition Date") is 1 January 2019, which is the opening balance sheet date for the year ended 31 December 2019. All entities included in these special purpose carve-out financial statements have issued financial statements in accordance with IFRS for all periods presented in these special purpose carve-out financial statements. Therefore, all assets and liabilities included in these special purpose carve-out financial statements have been measured at the same carrying amounts as in the financial statements of each entity included in these carve-out financial statements. IFRS does not provide guidance for the preparation of carve-out historical financial statements, or for the specific accounting treatment set out below.

These special purpose carve-out financial statements represent consolidation of all assets, liabilities, revenues and expenses of Americana Restaurants as historically reported in the stand-alone financial statements of the subsidiaries of Americana Restaurants as listed in Note 28 by applying the principles underlying the consolidation procedures of IFRS 10 "Consolidated Financial Statements", subject to the following carve-out adjustments:

- Transfer of the separately identifiable assets and liabilities of the Kuwait Restaurants business which was part of KFC under a Business Transfer Agreement ("BTA");
- Transfer of directly attributable income, costs and liabilities specifically in relation to Americana Restaurants historically recorded in KFC;
- Removing certain shared costs recorded historically by Kuwait Food Co. Americana LLC ("UAE Restaurants") which were incurred to support operations of other businesses of KFC and hence did not relate to the Restaurants Business. These allocated costs have been eliminated on a systematic basis representing the estimated usage of these services by the Restaurants Business and other operations not part of the Restaurant Business. The various allocation methods are described in Note 4;
- Removing the financial information pertaining to the investments of the Egyptian Company for International Touristic Projects ("ECITP") in certain entities of KFC's Food Business which are not part of the Restaurants Business and which were disposed off by ECITP during the course of the three years ended 31 December 2021; and
- Removing the financial information pertaining to the investments of United Food Company LLC ("UFC") in a certain entity of KFC's Food Business which is not part of the Restaurants Business and which was disposed off during the year ended 31 December 2021.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Americana Restaurants has never prepared financial statements on the basis of preparation presented herein. These special purpose carve-out financial statements represent the historical operations of Americana Restaurants and have been derived from the Parent Company's historical accounting records and are presented on a carve-out basis. Americana Restaurants has historically operated as part of the Parent Company and not as a separate group of companies. The principal entities included in these special purpose carve-out financial statements have historically prepared their own audited financial statements.

These special purpose carve-out financial statements are the first set of financial statements of Americana Restaurants as the business did not constitute a separate legal entity in any of the periods presented. These special purpose carve-out financial statements have been prepared for the purpose of inclusion in the prospectus in connection with the proposed listing of Americana Restaurants LTD on the Abu Dhabi Securities Exchange in the United Arab Emirates and on the Saudi Stock Exchange (Tadawul) in the Kingdom of Saudi Arabia.

The accounting policies have been consistently applied to all the years presented, unless otherwise stated. The following summarises the accounting and other principles applied in preparing these special purpose carve-out financial statements.

Americana Restaurants comprised of various subsidiaries of the Parent Company and the transfer of subsidiaries to Americana Restaurants represents a capital restructuring. Americana Restaurants is a new reporting entity and has not operated as a separate legal entity throughout the periods presented in these special purpose carve-out financial statements. Americana Restaurants has no share capital and reserves in its own right. Therefore, it is not meaningful to present share capital or an analysis of reserves or components of other comprehensive income, other than foreign currency translation reserve which is separately identifiable. Since the restructuring has been completed and Americana Restaurants has been established as a legal entity after the end of the reporting period, equity presented in these special purpose carve-out financial statements represents the parent's net investment in the new reporting entity.

The special purpose carve-out statement of financial position of Americana Restaurants includes the Parent Company's assets and liabilities that are specifically identifiable or otherwise attributable to Americana Restaurants.

Cash balances of the Parent Company that are specifically identifiable and attributable to Americana Restaurants have been included in these special purpose carve-out financial statements.

All revenues and costs associated with Americana Restaurants are included in these special purpose carve-out financial statements.

Certain expenses including staff costs, selling and marketing expenses and general and administrative expenses, associated with Americana Restaurants have been allocated in these special purpose carve-out financial statements. These represent certain corporate and shared service function historically provided by the Parent Company, including, but not limited to, executive oversight, accounting, treasury, human resources, procurement, information technology, marketing, and other shared services. These expenses have been allocated to Americana Restaurants on a systematic basis representing the estimated usage of these services by the Restaurants Business. The various allocation methods are described in Note 4.

Transactions and balances with related parties in the normal course of business have been included in the special purpose carve-out financial statements of Americana Restaurants. All intercompany balances and transactions within Americana Restaurants entities have been eliminated.

Intercompany balances between the carve-out entities and KFC which are neither expected to be settled nor collected from KFC have been included as part of the parent's net investment in the carve-out reporting entity. As such, the net effect of these balances are either waived in equity or recorded as an equity contribution and reflected as 'Movement in payments and impact of capital reorganisation with the Parent Company' in the special purpose carve-out statement of changes in equity for each of the three years ended 31 December 2021, 2020 and 2019. These intercompany balances are also presented in the special purpose carve-out statement of cash flows as a financing activity.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

These special purpose carve-out financial statements may not necessarily be indicative of the financial position, results of operations or cash flows of the Americana Restaurants, had it operated as a separate legal group during the periods presented. In addition, these special purpose carve-out financial statements do not reflect the financial impact that would arise at the point of separation of the Restaurants Business from the Parent Company.

The special purpose carve-out financial statements have been prepared on a going concern basis under the historical cost convention, except for the defined benefit obligation which is recognised at the present value of future obligations using the projected unit credit method and the revaluation of derivatives. The management believes that Americana Restaurants entities have adequate resources to continue as going concerns in the foreseeable future.

COVID-19

In response to the spread of the novel coronavirus ("COVID-19") during the year ended 31 December 2020 in the Gulf Cooperation Council (GCC) and other territories where Americana Restaurants operates and its resulting disruptions to the social and economic activities in those markets, management had proactively assessed its impacts on its operations and had taken a series of mitigating measures, including the creation of on-going crisis management teams and processes, to ensure the health and safety of its employees, customers, consumers and wider community as well as to ensure the continuity of supply of its products throughout its markets.

There was a substantial negative financial impact on the operations for the year ended 31 December 2020. Many restaurants were temporarily closed and many of the restaurants that remained open had limited operations, such as drive-thru, takeout and delivery (where applicable). The material adverse effects of the COVID-19 pandemic on Americana Restaurants for an extended period has negatively affected the operating results, including reductions in revenue and cash flow and have impacted the recoverability of intangible assets, property and equipment, and right of use assets as of 31 December 2020 (refer to Note 4).

The financial impact on Americana Restaurants for the year ended 31 December 2021 has been insignificant and operations have been normalised in most countries with restaurants remaining open for dine-in guests. However, the capacity was restricted for a limited period. While the management does not know the future impact of COVID-19 on Americana Restaurants in certain territories, management does not expect to see a significant impact due to COVID-19 on the results for the year ending 31 December 2022.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 New standards, amendments and interpretations

(a) Standards issued and adopted

Americana Restaurants applied certain standards, interpretations and amendments for the first time, which are effective for annual periods beginning on or after 1 January 2021. Americana Restaurants has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Standards effective 1 January 2021

Americana Restaurants has applied the following standards and amendments for the first time for its annual reporting period commencing 1 January 2021:

- Interest Rate Benchmark Reform – Phase 2 – amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

On 27 August 2020, Interest Rate Benchmark Reform — Interest Rate Benchmark Reform – Phase 2 – amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (referred to as Phase 2 of IBOR transactions project) was released by the IASB. The areas impacted by the amendments include application of a practical expedient for accounting for modifications of financial assets and financial liabilities when transactions are updated for the new IBOR rates (will not result in derecognition), relief on changes to hedge designations and hedge documentation (a change to hedge designations and hedge documentation required by IBOR reform would not result in discontinuation of hedge accounting) and providing disclosures that enable users to understand nature and extent of risks arising from interest rate benchmark reform to which Americana Restaurants is exposed and how it manages those risks. The amendments are applied retrospectively with no restatement required for prior periods.

Management is currently working on Americana Restaurants transition activities and continues to engage with its counterparties to support an orderly transition and to mitigate the risks resulting from the transition. Americana Restaurants' major exposure as of 31 December 2021 is a loan to a related party with a carrying value of USD 64,000 thousand which is linked and is yet to transition from London Inter-bank Offered Rate ("LIBOR"). As per the latest guidance, Intercontinental Exchange ("ICE") would continue publishing LIBOR till 30th June 2023. Any change of benchmark rate would be economically indifferent to Americana Restaurants and the counterparties, no matter which alternative benchmark is adopted. The management is of the view that the loan agreement might have to be amended sometime before 30th June 2023 to agree on the alternative benchmark once the Loan Market Association ("LMA") has issued concrete guidelines on the recommended alternative benchmark.

- Extension of IFRS 16 COVID-19 Related Rent Concessions Amendment

On 31 March 2021, the IASB published a further amendment to extend the date of the practical expedient from 30 June 2021 to 30 June 2022 in light of the ongoing COVID-19 pandemic. Since Americana Restaurants had already applied the practical expedient in the May 2020 amendment, it is required to continue to apply the practical expedient consistently, to all lease contracts with similar characteristics and in similar circumstances, using the March 2021 amendment. Americana Restaurants has early adopted this amendment on 1 January 2021 and as a result, Americana Restaurants has recognised a gain on the rent concessions amounting to USD 6,978 thousand as 'other income' in the special purpose carve-out statement of income for the year ended 31 December 2021 (2020: USD 28,113 thousand) to reflect changes in lease payments that arise from rent concessions to which they have applied the practical expedient.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 New standards, amendments and interpretations (continued)

(b) Standards issued but not yet effective

The standards, interpretations and amendments that are issued, but not yet effective, up to the date of issuance of the special purpose carve-out financial statements are disclosed below. Management intends to adopt these standards, if applicable, when they become effective.

- IFRS 17, 'Insurance contracts' (effective from 1 January 2022);
- Amendments to IFRS 3 (effective from 1 January 2022); and
- Amendments to IAS 1 and IAS 8 (effective from 1 January 2022).

2.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the special purpose carve-out financial statements of each of Americana Restaurants' entities are measured using the currency of the primary economic environment in which each entity operates ('the functional currency'). The special purpose carve-out financial statements are presented in United States Dollars ("USD") which is the "presentation currency" of Americana Restaurants and the currency in which management measures Americana Restaurants' performance and reports its results.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the special purpose carve-out statement of income.

Foreign exchange gains and losses that relate to borrowings are presented in the special purpose carve-out statement of income, within finance costs. All other foreign exchange gains and losses are presented in the special purpose carve-out statement of income on a net basis within general and administrative expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Foreign currency translation (continued)

(c) Group entities

The results and financial position of all the entities in Americana Restaurants, none of which has the currency of a hyper-inflationary economy (except for one legal entity in Lebanon for the year ended 31 December 2020 and 31 December 2021, refer to Note 4) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities for each special purpose carve-out statement of financial position presented are translated at the closing rate at the date of that carve-out statement of financial position;

(ii) Income and expenses for each special purpose carve-out statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(iii) All resulting exchange differences are recognised in other comprehensive income and in foreign currency translation reserve in the special purpose carve-out statement of financial position.

When a directly held foreign operation is disposed partially or in full, exchange differences that were recorded in equity are recognised in the special purpose carve-out statement of comprehensive income as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate at the date of the special purpose carve-out statement of financial position. Exchange differences arising are recognised in equity in the special purpose carve-out statement of financial position.

2.4 Hyperinflation

The financial statements (including comparative amounts) of Americana Restaurants entities whose functional currencies are the currencies of hyperinflationary economies are adjusted in terms of the measuring unit current at the end of the reporting period.

As the presentation currency of the Americana Restaurants is that of a non-hyperinflationary economy, comparative amounts are not adjusted for changes in the price level in the current year. Differences between these comparative amounts and current year hyperinflation adjusted equity balances are recognised in other comprehensive income. The carrying amounts of non-monetary assets and liabilities are adjusted to reflect the change in the general price index from the date of acquisition to the end of the reporting period. An impairment loss is recognised in the special purpose carve-out statement of income if the restated amount of a non-monetary item exceeds its estimated recoverable amount. On initial application of hyperinflation prior period gains and losses are recognised directly in equity under foreign currency translation reserve.

Gains or losses on the net monetary position are recognised in the special purpose carve-out statement of income. All items recognised in the income statement are restated by applying the change in the general price index from the dates when the items of income and expenses were initially earned or incurred.

At the beginning of the first period of application, the components of equity, are restated by applying a general price index from the dates the components were contributed or otherwise arose. These restatements are recognised in other comprehensive income as a translation adjustment. If on initial application of hyperinflation accounting the restated value of the non-monetary assets exceed their recoverable amount, the initial adjustment is capped at the recoverable amount and the net increase is recorded directly in retained earnings. At the end of the first period and in subsequent periods, all components of equity are restated by applying a general price index from the beginning of the period or the date of contribution, if later.

All items in the special purpose carve-out statement of cash flows are expressed in terms of the general price index at the end of the reporting period.

The Lebanese economy has been classified as hyperinflationary. Accordingly, the results, cash flows and financial position of Americana Restaurants' entity, International Touristic Projects Lebanese Co, has been expressed in terms of the measuring unit current at the reporting date. For further details, refer to Note 4.

2.5 Property and equipment

Property and equipment is stated at cost less accumulated depreciation and impairment, where applicable. The cost of property and equipment is its purchase cost together with any incidental expenses of acquisition. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Americana Restaurants and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the special purpose carve-out statement of income during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method, at rates calculated to reduce the cost of assets to their estimated residual value over their expected useful lives, as follows:

Years	
Leasehold improvements and furniture	5-7
Buildings	7-20
Cold rooms	5
Equipment and tools	4-7
Vehicles	4

Buildings comprise of construction-related amounts (20 years); electrical fitouts (10 years) and building extensions (7 years).

Americana Restaurants depreciates leasehold improvements and furniture, over the lower of the useful life of the assets or the property lease term.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in the special purpose carve-out statement of income.

Capital work-in-progress is stated at cost. When commissioned, capital work-in-progress is transferred to the appropriate category of buildings and equipment and depreciated in accordance with Americana Restaurants' policy.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the special purpose carve-out financial statements, is classified as investment property. Land held under operating leases is classified and accounted for by Americana Restaurants as investment property when the rest of the definition of investment property is met. The investment properties of Americana Restaurants comprise of several lands and buildings.

Investment properties are measured at their cost less depreciation, including related transaction costs and where applicable borrowing costs.

The fair value of the investment properties for disclosure purposes are based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, Americana Restaurants uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. Valuations are performed as of the reporting date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued.

When an investment property is sold, gains and losses on disposal are determined by reference to its carrying amount and are taken into account in determining profit or loss. This is recorded in the special purpose carve-out statement of income as gain or loss on sale of investment properties. Refer to Note 6 for further details.

2.7 Intangible assets

These comprise of franchise agreements with third parties for licensing and operation of restaurant chains. The intangible asset is measured at the cost less amortisation. Amortisation is calculated using the straight-line method to allocate the costs over its estimated useful life of 5 to 10 years. Franchises and agencies are amortised over lower of lease period or franchise agreement.

Amortisation of intangible assets is calculated on the straight-line method, at rates calculated to reduce the cost of assets to their estimated residual value over their expected useful lives, as follows:

Franchises and agencies	lower of 5-10 years or lease period

2.8 Financial assets

(i) Classification

Americana Restaurants classifies its financial assets under the following categories:

- Fair value through profit or loss (FVTPL); and
- Amortised cost.

These classifications are on the basis of business model of the Group for managing the financial assets, and contractual cash flow characteristics.

The Group measures financial asset at amortised cost when it is within the business model to hold assets in order to collect contractual cash flows, and contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For assets measured at fair value, gains and losses will be recorded in the special purpose carve-out statement of income.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Financial assets (continued)

(ii) Recognition and derecognition

At initial recognition, the Americana Restaurants measures financial assets at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transactions costs that are directly attributable to the acquisition of financial asset. Transaction cost of financial assets carried at fair value through profit or loss are expensed in the special purpose carve-out statement of income.

Financial assets are derecognised when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred.

(iii) Subsequent measurement

Debt instruments

Subsequent measurement of financial assets is as follows:

- Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the special purpose carve-out statement of income and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the special purpose carve-out statement of income.

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in the special purpose carve-out statement of income and presented net within other gains/(losses) in the period in which it arises.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Financial assets (continued)

(iv) Impairment

Americana Restaurants assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Trade and other receivables

Americana Restaurants applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. Americana Restaurants has established a provision matrix that is based on Americana Restaurants' historical credit loss experience, and further adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with Americana Restaurants.

Loss allowance on trade receivables is written off when there is no reasonable expectation of recovery. Subsequent recoveries of amounts previously written off are credited against the same line item.

Management assessed the expected credit losses as prescribed by the requirements of IFRS 9 against trade and other receivables. The information is disclosed in Note 9 of the special purpose carve-out financial statements.

2.9 Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.10 Inventories

Inventories are stated at the lower of cost and estimated net realisable value. Cost is determined by the weighted average method and includes all costs incurred in acquiring the inventories and bringing them to their present location and condition. Net realisable value is the estimate of the selling price in the ordinary course of business, less variable selling expenses, if any. Inventories in transit are recognised when the risks and rewards are transferred to Americana Restaurants in accordance with the shipping terms agreed with the suppliers.

2.11 Cash and cash equivalents

For the purpose of presentation in the special purpose carve-out statement of cash flows, cash and cash equivalents comprise of cash on hand, current accounts and term deposits with original maturity of three months or less and net of bank overdrafts. In the special purpose carve-out statement of financial position, bank overdrafts are disclosed separately within current liabilities.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Leases

Americana Restaurant's leasing activities and how these are accounted for

Americana Restaurants leases various office space, accommodation, vehicles, restaurants space, land, warehouses and call centres. Rental contracts are typically made for fixed periods of 1 to 25 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and corresponding liability at the date of which the leased asset is available for use by Americana Restaurants. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the special purpose carve-out statement of income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted based on the incremental borrowing rate determined by Americana Restaurants.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received or receivable, as applicable; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If Americana Restaurants is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the special purpose carve-out statement of income. Short-term leases are leases with a lease term of 12 months or less. Low-value assets generally comprise of office equipment.

Variable lease payments

Estimation uncertainty arising from variable lease payments

Some leases contain variable payment terms that are linked to sales generated from a store. Variable lease payments that depend on sales are recognised in the special purpose carve-out statement of income in the period in which the condition that triggers those payments occurs.

Extension and termination options

Extension and termination options are included in a several properties, land and vehicles leases across Americana Restaurants. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by Americana Restaurants or both parties mutually agreeing on renewed terms and conditions.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Provision for employees' end of service benefits

The liability for employees end of service benefits recognised in the special purpose carve-out statement of financial position in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit plan is unfunded where no plan assets are set aside in advance to provide for future liabilities; instead, the liabilities are met out of Americana Restaurants' own resources as they fall due. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method and in accordance with the labour laws of the countries in which Americana Restaurants operates.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The net interest cost is calculated by applying the discount rate to the defined benefit obligation. This cost is included in finance costs in the special purpose carve-out statement of income.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in the accumulated results in the special purpose carve-out statement of changes in equity and in the carve-out statement of financial position.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the special purpose carve-out statement of income as past service costs.

2.14 Financial liabilities

Americana Restaurants initially recognises debt securities issued on the date that they originated. All other financial liabilities (including liabilities designated as fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument. Americana Restaurants derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. Non-derivative financial liabilities comprise loans and borrowings, sukuk notes and trade and other payables. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

2.15 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.16 Provisions

Provisions are recognised when Americana Restaurants has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the obligation. Increases in provisions due to the passage of time are recognised in the special purpose carve-out statement of income.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in the fair value of derivative instruments are included in the special purpose carve-out statement of income for the year. Americana Restaurants does not apply hedge accounting.

2.18 Revenue from contracts with customers

Americana Restaurants recognises revenue, based on the five-step model as set out in IFRS 15:

Step 1 - Identify the contract with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for each of those rights and obligations.

Step 2 - Identify the performance obligations in the contract: A performance obligation in a contract is a promise to transfer a good or service to the customer.

Step 3 - Determine the transaction price: Transaction price is the amount of consideration to which Americana Restaurants expects to be entitled in exchange for transferring the promised goods and services to a customer, excluding amounts collected on behalf of third parties.

Step 4 - Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, Americana Restaurants will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which Americana Restaurants expects to be entitled in exchange for satisfying each performance obligation.

Step 5 - Recognise revenue as and when Americana Restaurants satisfies a performance obligation.

Revenue is measured at the fair value of consideration received or receivable, taking into account the contractually agreed terms of payment excluding taxes and duties. Americana Restaurants assesses its revenue arrangements against specific criteria to determine if it is acting as principal or an agent and has concluded that it is acting as a principal in all its revenue arrangements.

Revenue is recognised in the special purpose carve-out financial statements to the extent that it is probable that the economic benefits will flow to Americana Restaurants and the revenue and costs, if and when applicable, can be measured reliably. Revenue represents the amounts received from food and beverage sales and rental income.

Revenue is recognised from Americana Restaurants' activities as follows:

(a) Food and beverage

Revenue from food and beverage sales is recognised in the accounting period in which the goods are sold. The revenue is stated net of discounts.

(b) Investment property rental income

Rental income from operating leases is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. It is presented as part of revenue in the special purpose carve-out statement of income.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Finance income and costs

Finance income comprises interest income on short term investments and other bank deposits. Interest income is recognised as it is accrued in the special purpose carve-out statement of income, using the effective interest method.

Finance costs are mainly interest payable on borrowings obtained from financial institutions at normal commercial rates and is recognised as an expense in the special purpose carve-out statement of income in the period in which it is incurred.

2.20 Current and deferred income tax and zakat

The tax expense for the year comprises of current and deferred tax. Tax is recognised in the special purpose carve-out statement of income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In such a case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Americana Restaurants' operations in the Kingdom of Saudi Arabia are subject to zakat in accordance with the regulations of the Zakat, Tax & Customs Authority ("ZTCA"), any amount accrued under these regulations is charged to the special purpose carve-out statement of income.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of the special purpose statement of financial position in the countries where Americana Restaurants' subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the special purpose carve-out financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting, nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by Americana Restaurants and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the special purpose carve-out statement of income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In such a case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Rounding of amounts

All amounts disclosed in the special purpose carve-out financial statements and notes have been rounded off to the nearest thousand currency units unless otherwise stated.

2.22 Royalties

Americana Restaurants has entered into agreements with various international franchisors for the use of the trademarks and business models. The royalty fee payable for the use of trademarks and business models is computed as a percentage of gross sales and is expensed in the year in which it accrues against the revenue recognised.

2.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision makers assess the financial performance and position of Americana Restaurants and makes strategic decisions. The chief operating decision makers consist of the chief executive officer and the chief financial officer.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

Americana Restaurants' activities may expose it to a variety of financial risks: market risk (including foreign exchange risk, price and cash flow and fair value interest rate risk), credit risk and liquidity risk. The management carries out risk assessment for managing each of these risks. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of Americana Restaurants.

Risk management is predominately controlled by a central treasury department of Americana Restaurants under policies approved by the board of directors. The central treasury department identifies, evaluates and hedges financial risks in close co-operation with Americana Restaurants' operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect Americana Restaurants' income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Americana Restaurants' exposure to market risk arises from:

(i) Foreign exchange risk

Americana Restaurants operates in various countries and undertakes transactions denominated in various currencies, other than the functional currency of each of Americana Restaurants' entities. Foreign exchange risk arises from its future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Americana Restaurants is mainly exposed to foreign currency risk as a result of gain or losses from translated assets and liabilities denominated in foreign currencies, such as cash and bank balances, trade and other receivables, trade and other payables, borrowings and bank facilities.

Americana Restaurants is exposed to foreign exchange risk arising from currency exposures, primarily with respect to the Kuwaiti Dinar ("KWD"), Saudi Riyal ("SAR"), UAE Dirham ("AED"), and Egyptian Pound ("EGP"). Foreign exchange risk between KWD, SAR, and AED is limited. Furthermore, with respect to the Lebanese Lira ("LL"), Americana Restaurants is exposed to the hyperinflationary environment on its operations in Lebanon (please refer to Note 4 for the critical accounting estimates used by management). However, the exposure of the exchange rate fluctuation is deemed insignificant to the carve-out for the years ended 31 December 2021, 2020 and 2019.

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

Below is the sensitivity analysis for foreign exchange risk exposed under EGP.

At 31 December 2021, if the EGP had weakened/strengthened by 5% (2020: 5%) against the USD with all other variables held constant, the special purpose carve-out comprehensive income for the year would have been lower/higher by USD 720 thousand (2020: USD 460 thousand, 2019: USD 653 thousand), mainly as a result of foreign exchange gains/losses on translation of EGP-denominated trade payables.

At 31 December 2021, if the EGP had weakened/strengthened by 5% (2020: 5%) against the USD with all other variables held constant, the special purpose carve-out comprehensive income for the year would have been higher/lower by USD 266 thousand (2020: USD 174 thousand, 2019: USD 127 thousand), mainly as a result of foreign exchange gains/losses on translation of EGP-denominated trade receivables.

There are no significant risks from the other currencies as at 31 December 2021, 2020 and 2019.

(ii) Price risk

Americana Restaurants is not exposed to significant price risk as it does not have investments in traded equity securities or similar assets and liabilities.

(iii) Cash flow and fair value interest rate risk

The financial assets and liabilities exposed to interest rate fluctuations are cash deposits and bank facilities.

Americana Restaurants' central treasury ensures that deposits are maintained at the best prevailing market rate at the time of initiating each deposit.

Classification of derivatives

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at fair value through profit or loss. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(b) Credit risk

Credit risk is the risk that Americana Restaurants will incur a loss because of its customer or counterparty failed to discharge their contractual obligation.

The financial instruments exposed to credit risk are as follows:

	US Dollars'000			
	31-Dec-2021	31-Dec-2020	31-Dec-2019	1-Jan-2019
Cash and bank balances excluding cash on hand	169,687	194,569	167,838	104,706
Loan to a related party	64,000	-	-	-
Trade and other receivables*	60,046	54,000	47,982	48,915
Due from related parties	1,189	696	1,713	27,746
	294,922	249,265	217,533	181,367

*Trade and other receivables noted above exclude advances to suppliers and prepaid expenses. There is no official credit rating for trade and other receivables.

(i) Cash and cash equivalents

Americana Restaurants manages credit risk exposure arising from cash at banks by dealing with well-established banks of repute in the countries in which it operates. This is assessed based on Moody's credit rating of the bank with which balances are maintained by Americana Restaurants at the reporting date which primarily ranges from Aa3 to B3.

(ii) Trade and other receivables

The credit quality of the customers is assessed according to their financial positions, past experience and other relevant factors. The utilisation of credit limits and outstanding receivables are regularly monitored. The maximum exposure to credit risk at the reporting date is the carrying value of each class of trade and other receivables mentioned above.

(iii) Loan to a related party and due from related parties

Credit risk on loan to a related party and due from related parties is considered minimal as management monitors and reconciles related party balances on a regular basis and assesses the related parties to ensure they have sufficient resources to settle the obligations and, hence, recoverability is not considered to be doubtful. Management does not expect any losses from non-performance by such related parties. At 31 December 2021, 2020, and 2019, and 1 January 2019 the expected credit loss allowance on loan to a related party and due from related parties was immaterial.

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Americana Restaurants aims to maintain flexibility in funding by keeping committed credit lines available.

The table below analyses the carve-out's financial liabilities into relevant maturity groupings based on the remaining year at the special purpose carve-out statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

	US Dollars'000			
	As on 31-Dec-2021			
	Within 1 year	1 year to 5 years	More than 5 years	Total
Bank facilities	7,073	-	-	7,073
Lease liabilities	138,869	233,796	69,462	442,127
Trade and other payables (excluding value added tax payable and unearned income)	325,212	-	-	325,212
	471,154	233,796	69,462	774,412

	US Dollars'000			
	As on 31-Dec-2020			
	Within 1 year	1 year to 5 years	More than 5 years	Total
Bank facilities	24,563	-	-	24,563
Lease liabilities	144,787	245,432	85,333	475,552
Trade and other payables (excluding value added tax payable and unearned income)	295,995	-	-	295,995
	465,345	245,432	85,333	796,110

	US Dollars'000			
	As on 31-Dec-2019			
	Within 1 year	1 year to 5 years	More than 5 years	Total
Bank facilities	13,631	-	-	13,631
Lease liabilities	154,531	286,506	104,131	545,168
Trade and other payables (excluding value added tax payable and unearned income)	289,918	-	-	289,918
	458,080	286,506	104,131	848,717

	US Dollars'000			
	As on 1-Jan-2019			
	Within 1 year	1 year to 5 years	More than 5 years	Total
Bank facilities	11,158	-	-	11,158
Lease liabilities	132,230	319,186	131,205	582,621
Trade and other payables (excluding value added tax payable and unearned income)	255,162	-	-	255,162
	398,550	319,186	131,205	848,941

3 FINANCIAL RISK MANAGEMENT (continued)

3.2 Capital risk management

Americana Restaurants' objectives when managing capital are to safeguard Americana Restaurants' ability to continue as a going concern in order to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The capital structure comprises of the equity plus debt.

In order to maintain or adjust the capital structure, Americana Restaurants may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

3.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by Americana Restaurants is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market is based on valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, these instruments are included in level 2. If one or more of the significant inputs is not based on observable market data, these instruments are included in level 3.

As at 31 December 2021, the derivative financial instrument under the agreement with REEF Technology Inc and REEF SPV ME Holdings LLC is held at fair value under level 3. The fair value as at 31 December 2021 is estimated to be USD 9,390 thousand (refer to Note 9). There are no other assets and liabilities measured at fair value as at 31 December 2020 and 2019 and 1 January 2019.

The carrying value less impairment provision of current trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to Americana Restaurants for similar financial instruments. Other receivables and payables approximate their fair values.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these special purpose carve-out financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgements

Control of a subsidiary

The management has concluded that Americana Restaurants controls Bahrain and Kuwait Restaurants Company, even though it holds less than half of the voting rights of this subsidiary. Americana Restaurants, the largest shareholder with a 40% equity interest, has the exclusive right to manage Bahrain and Kuwait Restaurants Company. According to the contractual arrangements in place, Americana Restaurants appoints all key management and makes all the key operating decisions which further suggests it has power over the investee and thus consolidates based on these facts.

Hyperinflation

Americana Restaurants exercises significant judgement in determining the onset of hyperinflation in countries in which it operates and whether the functional currency of its subsidiary is the currency of a hyperinflationary economy.

Various characteristics of the economic environment of each country are taken into account. These characteristics include, but are not limited to, whether:

- the general population prefers to keep its wealth in non-monetary assets or in a relatively stable foreign currency;
- prices are quoted in a relatively stable foreign currency;
- sales or purchase prices take expected losses of purchasing power during a short credit period into account;
- interest rates, wages and prices are linked to a price index; and
- the cumulative inflation rate over three years is approaching, or exceeds, 100%.

Management exercises judgement as to when a restatement of the financial statements of a subsidiary becomes necessary. Following management's assessment, the subsidiary of Americana Restaurants, International Touristic Projects Lebanese Co has been accounted for as entity operating in hyperinflationary economies. The results, cash flows and financial positions of International Touristic Projects Lebanese Co have been expressed in terms of the measuring units current at the reporting date.

The economy of Lebanon was assessed to be hyperinflationary effective September 2020, and hyperinflation accounting has been applied since.

The general price index used as published by the International Monetary Fund is as follows:

Date	Base year	General price index	Inflation rate (%)
31 December 2021	2019	921	759%

The impact of adjusting Americana Restaurants' results for the effects of hyperinflation is set out in the next page:

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Critical judgements

Hyperinflation (continued)

Income statement	Year ended 31 December 2021 USD'000	Year ended 31 December 2020 USD'000
Increase in revenue	4,889	9,305
Monetary gain from hyper inflation	3,043	38,818
Reversal of impairment/(impairment losses) of non-financial assets	1,025	(15,848)
Increase in cost of revenues	(4,718)	(4,831)
Increase in selling and marketing expenses	(1,581)	(9,384)
Increase in general and administrative expenses	(1,100)	(1,111)
Others	(1,881)	339
(Decrease)/increase in profit after tax	**(323)**	**17,288**

Critical accounting estimates and assumptions

Americana Restaurants makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Impairment of non-financial assets

Americana Restaurants has determined that the smallest cash generating units ("CGU") is its Brand-Country level primarily on the basis that Americana Restaurants is required to maintain a minimum number of stores in each country in order to maintain the exclusivity right in line with the franchise agreements. Management also leverages its shared services infrastructure in each country and it has developed financial and operating performance indicators on a brand-country level. Management performs a quarterly study to identify indications of impairment according to IAS 36, Impairment of Assets ("IAS 36"), in which discounted future cash flows are calculated to ascertain whether the value of assets has become impaired. However, a risk exists whereby the assumptions used by management to calculate future cash flows may not be fair based on current conditions and those prevailing in the foreseeable future. The non-financial assets which relate to restaurant outlets, that were assessed for impairment are property and equipment, right-of-use assets and intangible assets amounting to USD 626,517 thousand as at 31 December 2021 (2020: USD 617,126 thousand; 2019: USD 736,986 thousand). The (reversal of impairment)/impairment losses recognised in the special purpose carve-out income statement on these non-financial assets are as follows:

	Year ended 31 December 2021 USD'000	Year ended 31 December 2020 USD'000	Year ended 31 December 2019 USD'000
Property and equipment (Note 5)	(1,356)	12,961	248
Right-of-use assets (Note 12)	292	7,650	-
Intangible assets (Note 7)	(115)	687	-
Total	(1,179)	21,298	248

The following table presents Americana Restaurants' key assumptions and the effect of the sensitivity analysis on the special purpose carve-out statement of comprehensive income on those assumptions:

		Headroom/(Impairment of non-financial assets) US Dollars'000					
	Change in assumption	Year ended 31 December 2021		Year ended 31 December 2020		Year ended 31 December 2019	
Growth rate	+/-0.5%	94	(93)	-	-	72	(105)
Discount rate	+/-0.5%	(17)	18	-	-	(22)	22
Gross margin	+/-1.0%	135	(704)	160	(656)	113	(208)

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Critical accounting estimates and assumptions (continued)

Impairment of non-financial assets (continued)

Key assumptions used in value in use calculations for the years ended 31 December 2021, 2020, and 2019 are as follows:

	CGUs impairment testing: Key assumptions 2021			
	GCC	Lower Gulf	North Africa	Others
Growth rate	3% - 15%	3% - 13%	9% - 14%	(49%) - 29%
Discount rate	7% - 8%	7% - 10%	9% - 11%	9% - 24%
Increase/decrease in gross margin	2% - 3%	2% - 3%	1% - 7%	2% - 100%

	CGUs impairment testing: Key assumptions 2020			
	GCC	Lower Gulf	North Africa	Others
Growth rate	5% - 44%	3% - 34%	10% - 72%	6% - 47%
Discount rate	6%	6% - 10%	8% - 11%	7% - 22%
Increase/decrease in gross margin	2% - 4%	2% - 3%	1% - 8%	1% - 6%

	CGUs impairment testing: Key assumptions 2019			
	GCC	Lower Gulf	North Africa	Others
Growth rate	2% - 10%	2% - 8%	8% - 12%	6% - 12%
Discount rate	6%	6% - 14%	9%-13%	8% - 19%
Increase/decrease in gross margin	2%	2%	2%	2%

Based on the re-assessment of the significant judgements, estimates and assumptions in relation to impairment of the non-financial assets arising as a result of COVID-19, management has concluded that there have been significant changes in the key judgements and estimates as at 31 December 2021 in respect of COVID-19, when compared to those used at 31 December 2020. The COVID-19 restrictions eased and there was gradual recovery during the second half of 2020 which has continued into the year ended 31 December 2021. Whilst management does not know the future impact COVID-19 will have on Americana Restaurants in certain territories, management does not expect to see a significant impact from COVID-19 on the results for the year ending 31 December 2022. The forecasts will be updated depending on latest developments and any changes required will be reflected in future reporting periods.

Taxes

Americana Restaurants is subject to corporate income tax and zakat. Significant judgment is required in determining the provision for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Americana Restaurants recognises a liability for anticipated taxes based on estimates of whether additional taxes will be due to be paid. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made (Note 27).

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Critical accounting estimates and assumptions (continued)

Impairment of financial assets

The impairment of trade receivables and other receivables is based on assumptions about risk of default and expected loss rates. Americana Restaurants uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Americana Restaurants' past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Americana Restaurants has reviewed the assumptions on risk of default and expected loss rates against the backdrop of COVID-19 pandemic. Management believes that the changes in the assumptions on risk of default and the expected credit losses rates calculation arising on financial assets will not significantly change the impairment of trade and other receivables as at 31 December 2021, 2020, and 2019 and as at 1 January 2019. Management will continue to monitor the situation and any changes required will be reflected in future reporting periods

Corporate allocations

In the preparation of these special purpose carve-out financial statements in accordance with IFRS, management has made judgements, estimates and assumptions relating to the allocation of certain expenses and income historically maintained by Kuwait Food Company (Americana) K.S.C.C. Such items have been allocated to Americana Restaurants and included in the special purpose carve-out financial statements based on the most relevant allocation method that are considered to be reasonable for the purpose of these special purpose carve-out financial statements. Actual results may differ from these estimates. A 10% increase or decrease change in allocation percentages would result in approximately USD 2.0 million, USD 0.1 million, and USD 0.5 million change in expense allocated to Americana Restaurants for the years ended 31 December 2021, 2020 and 2019, respectively.

The costs as mentioned in Note 2.1 are allocated on the following basis:

Nature of costs	Basis of allocation
Employees related benefits and costs	Allocation is based on the estimated time spent and activities among the Restaurant Business, Food Business, and corporate function.
Rent and utilities	These costs have been allocated based on headcount of the employees from each business utilising the office space.
Professional, legal, and office administrative fees	These costs are identifiable and have been allocated based on the activity

Foreign currency translation - International Touristic Projects Lebanese Co.

For the years ended 31 December 2019 and 2020:

International Touristic Projects Lebanese Co. ("Americana Lebanon") is a wholly owned subsidiary of Americana Restaurants. During the latter part of 2019, Lebanon experienced significant shortages in hard currency. As a result, the banks in Lebanon implemented unofficial foreign exchange controls in the banking sector to manage the shortages. The US Dollar ("USD") has been in wide use and circulation over the last 2 decades or more and against which the Lebanese Pound has been pegged throughout that period at Lebanese Lira ("LL") 1,507.5 per USD ("official exchange rate").

In terms of IFRS, foreign exchange denominated monetary assets and liabilities should be measured using the closing spot rate. In addition, the results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as set out in note 2.4. Determination of the spot rate is complex as availability of USD at the official rate is not always possible due to the exchange controls implemented. As a result of the above situation, an unofficial rate has emerged in the foreign exchange market that is applied by foreign exchange brokers in their currency trades ("parallel rate"). Management has applied their judgement to determine if the parallel rate should be considered a spot rate. Management do not believe the parallel rate is considered a spot rate as this is not considered an official rate for reasons set out below:

- The rates are not quoted daily and may differ significantly from exchange house to exchange house. The rate is considered a hypothetical rate as this rate may also not be available at any given time even between exchange houses; and
- Certain exchange houses are not regulated or licensed to trade and may not be considered a legal exchange mechanism.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Critical accounting estimates and assumptions (continued)

Foreign currency translation - International Touristic Projects Lebanese Co. (continued)

Accordingly, the official exchange rate of USD equals LL 1,507.5 has been used to translate and record the US Dollar denominated transactions and balances. In addition, the official rate was used to translate the Company's operations to the USD presentation currency. If other exchange rates were used, the impact would not be significantly different.

For the year 31 December 2021:

After the launching of an official electronic platform ('Sayrafa') by the Central Bank of Lebanon where the exchange rate is published on a regular basis for the participating banks and for settlement of foreign payables. Management has considered Sayrafa as an alternative official exchange rate, being a more relevant spot rate. As a result, management has used the alternate official exchange rate being the Sayrafa rate to translate Americana Lebanon's operations to the USD presentation currency as at 31 December 2021.

Derivative financial instruments

The fair value of derivative financial instruments that are not traded in an active market are determined using valuation techniques. Americana Restaurants uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

Extension or termination options

Americana Restaurants determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The majority of extension and termination options held are exercisable only by Americana Restaurants or both parties mutually agreeing on renewed terms and conditions. Based on management's assessment they have concluded not to exercise any extension or termination options as it is not reasonably certain.

5 PROPERTY AND EQUIPMENT

	US Dollars'000						
	Land	Leasehold improvements and furniture	Buildings and cold rooms	Equipment and tools	Vehicles	Capital work in progress	Total
Cost							
As at 1 January 2021	32,877	461,548	110,853	284,536	18,456	13,744	922,014
Additions	-	22,001	709	19,591	1,173	48,036	91,510
Disposals	-	(37,441)	(803)	(20,937)	(2,833)	(81)	(62,095)
Hyperinflation adjustment	3,082	4,660	4,498	3,653	232	-	16,125
Transfers	-	27,264	581	4,861	104	(40,606)	(7,796)
Foreign currency translation difference	(16,864)	(27,658)	(26,450)	(21,623)	(1,337)	(128)	(94,060)
As at 31 December 2021	19,095	450,374	89,388	270,081	15,795	20,965	865,698
Accumulated depreciation and impairment							
As at 1 January 2021	7,024	373,628	86,766	231,827	14,882	-	714,127
Charge for the year	-	37,219	3,742	16,413	1,233	-	58,607
Disposals	-	(36,648)	(804)	(19,687)	(2,804)	-	(59,943)
Hyperinflation adjustment	-	4,559	3,928	3,497	232	-	12,216
Transfers	-	26	(102)	(30)	4	-	(102)
Reversal of impairment	(490)	(87)	(605)	(170)	(4)	-	(1,356)
Foreign currency translation difference	(6,534)	(28,061)	(23,781)	(20,049)	(1,345)	-	(79,770)
As at 31 December 2021	-	350,636	69,144	211,801	12,198	-	643,779
Net book amount							
As at 31 December 2021	19,095	99,738	20,244	58,280	3,597	20,965	221,919

Capital work in progress mainly comprises of outlets under construction and equipment under assembly.

Property and equipment with a carrying amount of USD 19,746 thousand as on 31 December 2021 (2020: USD 16,140 thousand, 2019: USD 19,361 thousand, 1 January 2019: USD 22,683 thousand) are pledged as security for a borrowing held by the Parent Company.

5 PROPERTY AND EQUIPMENT (continued)

	US Dollars'000						
	Land	Leasehold improvements and furniture	Buildings and cold rooms	Equipment and tools	Vehicles	Capital work in progress	Total
Cost							
As at 1 January 2020	19,806	461,615	94,671	262,911	16,213	19,627	874,843
Additions	-	10,950	312	6,773	2,231	19,667	39,933
Disposals	-	(29,397)	(4,313)	(13,430)	(2,459)	(1)	(49,600)
Hyperinflation adjustment	12,995	17,696	18,810	14,666	946	-	65,113
Transfers	-	2,174	1,202	14,422	1,509	(25,413)	(6,106)
Foreign currency translation difference	76	(1,490)	171	(806)	16	(136)	(2,169)
As at 31 December 2020	32,877	461,548	110,853	284,536	18,456	13,744	922,014
Accumulated depreciation and impairment							
As at 1 January 2020	-	353,412	68,271	197,630	11,196	-	630,509
Charge for the year	-	45,963	4,420	20,422	1,192	-	71,997
Disposals	-	(26,886)	(4,016)	(12,675)	(2,435)	-	(46,012)
Hyperinflation adjustment	-	16,569	15,225	13,315	941	-	46,050
Transfers	-	(16,598)	476	12,144	3,962	-	(16)
Impairment charge	7,024	2,250	2,262	1,415	10	-	12,961
Foreign currency translation difference	-	(1,082)	128	(424)	16	-	(1,362)
As at 31 December 2020	7,024	373,628	86,766	231,827	14,882	-	714,127
Net book amount							
As at 31 December 2020	25,853	87,920	24,087	52,709	3,574	13,744	207,887

Capital work in progress mainly comprises of outlets under construction and equipment under assembly.

5 PROPERTY AND EQUIPMENT (continued)

	US Dollars'000						
	Land	Leasehold improvements and furniture	Buildings and cold rooms	Equipment and tools	Vehicles	Capital work in progress	Total
Cost							
As at 1 January 2019	19,637	443,615	93,545	254,548	35,764	10,639	857,748
Additions	43	19,978	1,636	7,782	2,185	36,219	67,843
Disposals	-	(28,181)	(2,733)	(4,501)	(21,700)	(17)	(57,132)
Transfers	(17)	22,034	595	3,218	(242)	(27,306)	(1,718)
Foreign currency translation difference	143	4,169	1,628	1,864	206	92	8,102
As at 31 December 2019	19,806	461,615	94,671	262,911	16,213	19,627	874,843
Accumulated depreciation and impairment							
As at 1 January 2019	-	322,312	64,679	181,531	27,853	-	596,375
Charge for the year	-	49,790	4,723	21,702	1,177	-	77,392
Disposals	-	(23,962)	(1,653)	(3,907)	(17,730)	-	(47,252)
Transfers	-	2,648	(141)	(2,801)	(272)	-	(566)
Impairment charge	-	211	-	37	-	-	248
Foreign currency translation difference	-	2,413	663	1,068	168	-	4,312
As at 31 December 2019	-	353,412	68,271	197,630	11,196	-	630,509
Net book amount							
As at 31 December 2019	19,806	108,203	26,400	65,281	5,017	19,627	244,334

Capital work in progress mainly comprises of outlets under construction and equipment under assembly.

6 INVESTMENT PROPERTIES

	US Dollars'000		
	2021	2020	2019
Balance as at 1 January	7,521	8,007	7,588
Transfers from property and equipment	2,454	-	150
Foreign currency translation difference	12	156	869
Depreciation	(646)	(642)	(600)
Balance as at 31 December	9,341	7,521	8,007

The fair value for disclosure purposes is determined by professionally qualified external valuers once every year.

A formal external valuation of the investment property was undertaken by independent qualified appraisers, on an open market basis at 31 December 2021, 2020 and 2019. Based on such valuation, the fair value of Americana Restaurants' investment at that date was determined at USD 31,958 thousand (2020: USD 24,217 thousand; 2019: USD 26,583 thousand).

The lease income recognised during the year ended 31 December 2021 is USD 2,764 thousand (2020: USD 2,618 thousand; 2019: 2,489 thousand). Refer to Note 19. Minimum lease payments under non-cancellable operating leases of investment properties not recognised in the special purpose carve-out financial statements are receivable as follows:

	US Dollars'000			
	31-Dec-2021	31-Dec-2020	31-Dec-2019	1-Jan-2019
Within one year	2,868	2,143	2,276	1,561
Between 1 and 2 years	2,581	1,876	2,028	1,607
Between 2 and 3 years	2,151	1,563	1,690	1,339
Between 3 and 4 years	1,291	938	1,014	804
Between 4 and 5 years	2,581	1,875	2,028	1,607
Later than 5 years	4,302	3,361	4,236	3,639
	15,774	11,756	13,272	10,557

Revaluation of investment property

The fair valuation for the leased properties for disclosure purpose was done using the 'Income approach' which involves determination of the value of the investment property by calculating the net present value of expected future earnings. The valuation method adopted for these properties is based on inputs that are not based on observable market data (that is, unobservable inputs - Level 3). The valuation method adopted for these properties fall under level 3.

For vacant investment property, the 'Market approach' was used to determine the fair value. This involves determination of the value of the asset with reference to comparable market transactions for assets in close proximity. These values are adjusted for differences in key attributes such as size, gross floor area and location (that is, significant observable input – Level 3).

The significant unobservable inputs used and related sensitivity analysis are as follows:

Year ended 31 December	Assumption	Average value of the assumption	Sensitivity analysis
2021	Comparable sales rate	USD 2,577 per m^2	An increase (decrease) of 1% would increase (decrease) the investment properties' fair value by USD 320 thousand.
2020	Comparable sales rate	USD 2,438 per m^2	An increase (decrease) of 1% would increase (decrease) the investment properties' fair value by USD 242 thousand.
2019	Comparable sales rate	USD 2,378 per m^2	An increase (decrease) of 1% would increase (decrease) the investment properties' fair value by USD 266 thousand.

7 INTANGIBLE ASSETS

	US Dollars'000		
	Franchise and agencies	Others	Total
Cost			
At 31 December 2020	75,318	9,455	84,773
Additions	8,303	-	8,303
Transfers	3,397	-	3,397
Hyperinflation adjustment	602	-	602
Disposals	(2,567)	-	(2,567)
Foreign currency translation difference	(3,533)	-	(3,533)
At 31 December 2021	81,520	9,455	90,975
Accumulated amortisation and impairment			
At 31 December 2020	46,084	997	47,081
Amortisation	6,133	-	6,133
Disposals	(2,057)	-	(2,057)
Hyperinflation adjustment	494	-	494
Reversal of impairment	(115)	-	(115)
Foreign currency translation difference	(3,184)	-	(3,184)
At 31 December 2021	47,355	997	48,352
Net book amount			
At 31 December 2021	34,165	8,458	42,623

'Franchise and agencies' comprise of franchise fee paid to third parties for licensing and operation of restaurant chains in line with the related franchise agreements.

7 INTANGIBLE ASSETS (continued)

	US Dollars'000		
	Franchise and agencies	Others	Total
Cost			
At 1 January 2019	59,309	9,557	68,866
Additions	6,529	-	6,529
Transfers	1,051	-	1,051
Disposals	(1,660)	-	(1,660)
Foreign currency translation difference	488	-	488
At 31 December 2019	65,717	9,557	75,274
Additions	5,073	-	5,073
Transfers	4,669	-	4,669
Hyperinflation adjustment	2,363	-	2,363
Disposals	(2,320)	(102)	(2,422)
Foreign currency translation difference	(184)	-	(184)
At 31 December 2020	75,318	9,455	84,773
Accumulated amortisation and impairment			
At 1 January 2019	37,534	1,099	38,633
Amortisation	4,104	-	4,104
Transfers	485	-	485
Disposals	(1,139)	-	(1,139)
Foreign currency translation difference	204	-	204
At 31 December 2019	41,188	1,099	42,287
Amortisation	4,979	-	4,979
Transfers	(581)	-	(581)
Disposals	(1,889)	(102)	(1,991)
Hyperinflation adjustment	1,767	-	1,767
Impairment charge	687	-	687
Foreign currency translation difference	(67)	-	(67)
At 31 December 2020	46,084	997	47,081
Net book amount			
At 31 December 2020	29,234	8,458	37,692
At 31 December 2019	24,529	8,458	32,987

'Franchise and agencies' comprise of franchise fee paid to third parties for licensing and operation of restaurant chains in line with the related franchise agreements.

8 INVENTORIES

	US Dollars'000			
	31-Dec-2021	31-Dec-2020	31-Dec-2019	1-Jan-19
Raw materials	69,528	64,396	65,761	78,627
Filling and packing materials	11,546	9,020	8,653	9,111
Other materials	12,879	13,988	13,163	13,898
Goods in transit	13,425	9,695	5,849	7,746
Spare parts	6,400	6,752	7,243	6,368
	113,778	103,851	100,669	115,750
Provision for obsolete, slow moving and defective inventories	(6,481)	(6,758)	(6,783)	(7,045)
	107,297	97,093	93,886	108,705

The cost of inventories recognised as an expense during the year was USD 623,720 thousand (2020: USD 473,108 thousand; 2019: USD 563,686 thousand) (Note 20).

The movements in the provision for obsolete, slow moving and defective inventories are given below:

	US Dollars'000		
	2021	2020	2019
Balance at 1 January	6,758	6,783	7,045
Net provision for slow moving items	1,387	3,159	1,855
Write-offs against provision for slow moving items	(1,271)	(1,612)	(1,989)
Reclassification	-	(1,503)	(209)
Foreign currency translation difference	(393)	(69)	81
Balance at 31 December	6,481	6,758	6,783

9 TRADE AND OTHER RECEIVABLES

	US Dollars'000			
	31-Dec-2021	31-Dec-2020	31-Dec-2019	1-Jan-2019
Trade receivable	26,800	19,988	16,104	13,610
Less: loss allowance	(1,856)	(1,744)	(842)	(1,097)
	24,944	18,244	15,262	12,513
Prepaid expenses	28,489	34,835	39,586	35,009
Advances to suppliers	5,499	7,145	2,375	4,276
Refundable deposits	18,627	20,139	20,220	22,900
Accrued income	5,304	4,573	4,498	4,386
Insurance receivables	752	1,101	764	1,082
Staff receivables	2,313	1,697	918	805
Others	8,106	8,246	6,320	7,229
	94,034	95,980	89,943	88,200

Americana Restaurants has a broad base of customers with no concentration of credit risk within trade receivables at 31 December 2021, 2020, 2019, and 1 January 2019.

9 TRADE AND OTHER RECEIVABLES (continued)

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable:

	US Dollars'000			
	31-Dec-2021	31-Dec-2020	31-Dec-2019	1-Jan-19
Up to 3 months	25,044	18,221	15,274	9,896
3 to 6 months	561	121	74	2,846
Over 6 months	1,195	1,646	756	868
	26,800	19,988	16,104	13,610

The loss allowance on trade receivables is primarily concentrated in the balances over 6 months which had a expected credit loss allowance of 100% amounting to USD 1,195 thousand (2020: 75% amounting to USD 1,227 thousand; 2019: 92% amounting to USD 697 thousand; and 1 Jan 2019: 98% amounting to USD 851 thousand).

Balances between 3 to 6 months had a expected credit loss allowance of 27% amounting to USD 153 thousand (2020: 57% amounting to USD 69 thousand; 2019: 57% amounting to USD 42 thousand; and 1 Jan 2019: 5% amounting to USD 141 thousand). Balances up to 3 months had a expected credit loss allowance of 2% amounting to USD 508 thousand (2020: 2% amounting to USD 448 thousand; 2019: 1% amounting to USD 103 thousand; and 1 Jan 2019: 1% amounting to USD 105 thousand)

Movement in the loss allowance on trade receivables during the year:

	US Dollars'000		
	2021	2020	2019
Balance at 1 January	1,744	842	1,097
Charge/(reversal) during the year	1,454	1,644	(50)
Write-offs against the loss allowance on trade receivables	(1,319)	(382)	(172)
Reclassification	(26)	(359)	(38)
Foreign currency translation differences	3	(1)	5
Balance at 31 December	1,856	1,744	842

The other classes within trade and other receivables do not contain impaired assets and are not exposed to significant credit risk.

9 TRADE AND OTHER RECEIVABLES (continued)

The carrying amounts of Americana Restaurants' trade receivables are denominated in the following currencies:

	US Dollars'000			
	31-Dec-2021	31-Dec-2020	31-Dec-2019	1-Jan-2019
UAE Dirham	8,563	5,431	5,605	3,462
Saudi Riyal	4,455	4,026	3,396	5,757
Egyptian Pound	5,316	3,472	2,546	1,928
Kuwaiti Dinar	4,151	3,916	2,115	1,570
US Dollar	54	-	9	158
Other	4,261	3,143	2,433	735
	26,800	19,988	16,104	13,610

The carrying value less loss allowance on trade and other receivables is assumed to approximate their fair values due to the short-term nature of trade receivables.

Agreement with REEF Technology Inc and REEF SPV ME Holdings LLC:

Americana Restaurants entered into an agreement on 9 December 2021 with a third party to operate cloud kitchens in the region through an investment in REEF Technology Middle East Limited (the "Entity"). Americana Restaurants acquired 25% shares in the Entity in exchange for loan notes of USD 28,500 thousand which are non-interest bearing and have a non-recourse against Americana Restaurants. As per the agreement, the loan notes are to be settled against the future cash flows (i.e., dividends) received from the investment of Americana Restaurants. Americana Restaurants neither bear any significant risk or rewards until the loan notes have been fully settled nor additional liability in case the Entity fails to generate sufficient cash flows to cover the loan notes. Moreover, Americana Restaurants contributed a working capital loan of USD 1,000 thousand towards the Entity which is non-interest bearing and has no fixed repayment terms. The working capital loan is recorded as a part of other receivables.

Under the same Agreement, the put option and call option is provided to both parties that is exercisable after 9 December 2024. Management has estimated the fair valuation of the stake along with the underlying derivative instrument to be USD 9,390 thousand and accordingly recorded the derivative financial instrument with the corresponding deferred gain as at 31 December 2021.

10 CASH AND CASH EQUIVALENTS

	US Dollars'000			
	31-Dec-2021	31-Dec-2020	31-Dec-2019	1-Jan-2019
Cash on hand	4,309	1,778	2,040	1,940
Cash at banks	89,420	122,931	123,747	86,469
Short-term deposits with original maturity of 3 months or less	80,267	71,638	44,091	18,237
Cash and cash equivalents	173,996	196,347	169,878	106,646

Bank balances are held with local and international branches of reputable banks. Management views these banks as having a sound performance history and satisfactory credit ratings. Deposits are presented as cash equivalents only if they have a maturity of three months or less from the date of acquisition or are readily convertible to known amounts of cash which are subject to insignificant risk of changes in value.

Cash and cash equivalents include the following for the purpose of the special purpose carve-out statement of cash flows:

	US Dollars'000			
	31-Dec-2021	31-Dec-2020	31-Dec-2019	1-Jan-2019
Cash and cash equivalents	173,996	196,347	169,878	106,646
Less: Bank overdraft (Note 11)	(7,073)	(24,563)	(13,631)	(11,158)
Balances per special purpose carve-out statement of cash flows	166,923	171,784	156,247	95,488

11 BANK FACILITIES

	US Dollars'000			
	31-Dec-2021	31-Dec-2020	31-Dec-2019	1-Jan-2019
Short term				
Bank overdraft	7,073	24,563	13,631	11,158

	US Dollars'000			
Maturity of bank facilities are as follows:	31-Dec-2021	31-Dec-2020	31-Dec-2019	1-Jan-2019
Within one year	7,073	24,563	13,631	11,158

12 LEASES

(i) Amounts recognized in the special purpose carve-out statement of financial position

	US Dollars'000				
	Building and Leasehold	Vehicles	Land	Key money	Total
Right of use assets					
Cost					
As at 1 January 2021	596,590	21,220	8,249	10,871	636,930
Additions	125,884	6,589	414	1,401	134,288
Hyperinflation adjustment	1,987	-	-	467	2,454
Disposal	(5,731)	(150)	(95)	(1,980)	(7,956)
Transfers	-	-	-	1,843	1,843
Foreign currency translation difference	(11,954)	38	(102)	(2,637)	(14,655)
As at 31 December 2021	706,776	27,697	8,466	9,965	752,904
Accumulated depreciation and impairment					
As at 1 January 2021	245,749	12,202	2,317	5,115	265,383
Charge for the year	132,361	7,933	1,167	1,782	143,243
Hyperinflation adjustment	442	-	-	467	909
Impairment charges	292	-	-	-	292
Disposal	(3,961)	(44)	-	(1,980)	(5,985)
Foreign currency translation difference	(10,245)	9	(61)	(2,616)	(12,913)
As at 31 December 2021	364,638	20,100	3,423	2,768	390,929
Net book amount					
Balance as at 31 December 2021	**342,138**	**7,597**	**5,043**	**7,197**	**361,975**

The additions of right-of-use assets is a non-cash investing activity.

12 LEASES (continued)

(i) Amounts recognised in the special purpose carve-out statement of financial position (continued)

	US Dollars'000				
	Building and Leasehold	Vehicles	Land	Key money	Total
Right of use assets					
Cost					
As at 1 January 2019	456,945	13,107	8,648	6,034	484,734
Additions	96,320	13,838	1,769	779	112,706
Disposal	(3,727)	-	(761)	(1,744)	(6,232)
Transfers	-	-	-	440	440
Foreign currency translation difference	4,411	4	49	238	4,702
As at 31 December 2019	553,949	26,949	9,705	5,747	596,350
As at 1 January 2020	553,949	26,949	9,705	5,747	596,350
Additions	104,342	5,202	350	1,744	111,638
Hyperinflation adjustment	8,534	-	-	1,987	10,521
Disposal	(67,952)	(10,883)	(858)	(72)	(79,765)
Transfers	-	-	-	1,420	1,420
Foreign currency translation difference	(2,283)	(48)	(948)	45	(3,234)
As at 31 December 2020	596,590	21,220	8,249	10,871	636,930
Accumulated depreciation and impairment					
As at 1 January 2019	-	-	-	-	-
Charge for the year	128,533	5,657	1,682	2,086	137,958
Disposals	(309)	-	-	(1,697)	(2,006)
Foreign currency translation difference	549	4	1	179	733
As at 31 December 2019	128,773	5,661	1,683	568	136,685
As at 1 January 2020	128,773	5,661	1,683	568	136,685
Charge for the year	126,825	6,908	1,337	2,059	137,129
Hyperinflation adjustment	4,280	-	-	1,987	6,267
Impairment charges	7,650	-	-	-	7,650
Disposal	(21,259)	(371)	(405)	(72)	(22,107)
Transfers	-	-	-	581	581
Foreign currency translation difference	(520)	4	(298)	(8)	(822)
As at 31 December 2020	245,749	12,202	2,317	5,115	265,383
Net book amount					
Balance as at 31 December 2020	**350,841**	**9,018**	**5,932**	**5,756**	**371,547**
Balance as at 31 December 2019	425,176	21,288	8,022	5,179	459,665

The additions of right-of-use assets is a non-cash investing activity.

	31 December 2021 USD'000	31 December 2020 USD'000	31 December 2019 USD'000	1 January 2019 USD'000
Lease liabilities				
Non-current	248,136	263,630	318,945	339,536
Current	136,463	139,809	148,780	121,370
	384,599	403,439	467,725	460,906

12 LEASES (continued)

(ii) Amounts recognised in the special purpose carve-out statement of income

	2021 USD'000	2020 USD'000	2019 USD'000
Finance costs on lease liabilities (Note 24)	20,713	25,010	26,788

	2021 USD'000	2020 USD'000	2019 USD'000
Other rent expenses			
Expense relating to short-term and low-value leases	45,481	39,959	55,439
Expense relating to variable lease payments not included in lease liabilities	11,437	7,083	9,742
	56,918	47,042	65,181

Americana Restaurants recognised a gain on COVID-19 related rent concessions of USD 6,978 thousand for the year ended 31 December 2021 (2020: USD 28,113 thousand; 2019: NIL) under other income in the special purpose carve-out statement of income.

13 PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS

		2021 USD'000	2020 USD'000	2019 USD'000
At 1 January		80,413	81,231	84,186
Current service cost	25	10,074	8,001	13,522
Interest expense	24	950	3,676	-
Total amount recognised in the special purpose carve-out statement of income		11,024	11,677	13,522
Remeasurement of employees' end of service benefits				
- changes in financial assumptions		(2,846)	6,660	-
- changes in experience / demographic assumptions		2,410	(610)	-
Payments		(13,535)	(17,333)	(14,317)
Transfer to staff accruals		(2)	(1,100)	(2,232)
Foreign currency translation differences		(1,204)	(112)	72
At 31 December		76,260	80,413	81,231

In accordance with the provisions of IAS 19, management has carried out an exercise to assess the present value of its defined benefit obligation as at 31 December 2021 and 2020, using the projected unit credit method, in respect of employees' end of service benefits payable under labour laws prevailing in the countries in which the subsidiaries operate. Under this method, an assessment is made of the employee's expected service life with Americana Restaurants and the expected basic salary at the date of leaving the service. A provision is made, using actuarial techniques, for the full amount of end of service benefits due to the employees in accordance with the local labour law of the country where they are employed, for their year ended of service up to the reporting date. Management's assumptions and sensitivity analysis are provided below.

Below is the maturity analysis of the expected benefit payments:

	US Dollars'000	
	31-Dec-2021	31-Dec-2020
Within one year	15,297	14,540
Between 2 and 5 years	46,722	45,419
Later than 5 years	69,226	63,569

13 PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS (continued)

Actuarial assumptions and sensitivity

	2021	2020	2019
Average discount rate used	1.95%	1.58%	2.53%
Average salary growth rate	1.69%	1.69%	1.69%
Salary growth effective date during the year	April	April	April
Withdrawal rates per annum	20%	10%-20%	15%-20%
Employee retirement age	60	60	60
Average duration	4-5 years	4-5 years	4-5 years

Sensitivity of the key actuarial assumptions
US Dollars '000
Increase/(decrease) of employees' end of service benefits as on

	Change in assumption	31 December 2021		31 December 2020		31 December 2019	
Discount rate	+/-1.0%	(4,717)	1,312	(2,905)	3,189	(2,974)	3,256
Salary growth rate	+/-1.0%	1,448	(4,899)	3,305	(3,071)	3,408	(3,172)

14 TRADE AND OTHER PAYABLES

	US Dollars'000			
	31-Dec-2021	31-Dec-2020	31-Dec-2019	1-Jan-2019
Trade payables	126,543	107,230	118,158	90,401
Non-trade payables	40,250	33,206	27,977	34,908
Accrued expenses	95,944	92,172	108,489	88,322
Unearned income	71,303	64,470	66,677	18,994
Accrued staff benefits	46,903	16,489	20,384	20,922
Value added tax payable	6,006	7,502	7,344	6,636
Deposits	2,979	4,137	4,555	4,304
Other payables	12,593	42,761	10,355	16,305
	402,521	367,967	363,939	280,792

Analysed as follows:

	US Dollars'000			
	31-Dec-2021	31-Dec-2020	31-Dec-2019	1-Jan-2019
Current portion	352,326	321,702	314,469	280,792
Non-current portion*	50,195	46,265	49,470	-
	402,521	367,967	363,939	280,792

* Non-current portion pertains to the portion of unearned income with a performance obligation expected to be satisfied and recognised within a period exceeding 12 months.

15 PROVISIONS FOR LEGAL, TAX AND OTHER CLAIMS

	US Dollars'000			
	31-Dec-2021	31-Dec-2020	31-Dec-2019	1-Jan-2019
Legal cases	9,430	7,737	3,966	2,432
Provision for termination and closure	5,060	3,849	2,450	13,755
Tax	13,781	7,906	4,135	3,796
Other provisions	3,791	2,818	2,338	2,171
	32,062	22,310	12,889	22,154

15 PROVISIONS FOR LEGAL, TAX AND OTHER CLAIMS (continued)

	2021 (USD'000)				
	Legal cases	Provision for termination and closure	Tax	Other provisions	Total
Balance at the beginning of the year	7,737	3,849	7,906	2,818	22,310
Charged/(credited) to profit or loss					
Additional provisions recognised	3,671	3,774	10,799	2,235	20,479
Unused amounts reversed	(1,072)	(3,935)	(38)	(202)	(5,247)
Amounts used during the year	(210)	(1,242)	(1,895)	(2,938)	(6,285)
Foreign currency translation difference	(396)	(207)	(1,008)	-	(1,611)
Others	(300)	2,821	(1,983)	1,878	2,416
Balance at the end of the year	**9,430**	**5,060**	**13,781**	**3,791**	**32,062**

	2020 (USD'000)				
	Legal cases	Provision for termination and closure	Tax	Other provisions	Total
Balance at the beginning of the year	3,966	2,450	4,135	2,338	12,889
Charged/(credited) to profit or loss					
Additional provisions recognised	4,417	9,247	2,872	1,982	18,518
Unused amounts reversed	(166)	(4,363)	-	-	(4,529)
Amounts used during the year	(2,221)	(3,476)	(2,874)	(2,111)	(10,682)
Foreign currency translation difference	(1)	(9)	150	37	177
Others	1,742	-	3,623	572	5,937
Balance at the end of the year	7,737	3,849	7,906	2,818	22,310

	2019 (USD'000)				
	Legal cases	Provision for termination and closure	Tax	Other provisions	Total
Balance at the beginning of the year	2,432	13,755	3,796	2,171	22,154
Charged/(credited) to profit or loss					
Additional provisions recognised	1,245	1,567	929	717	4,458
Unused amounts reversed	-	(146)	-	-	(146)
Amounts used during the year	(231)	(12,795)	(1,122)	(776)	(14,924)
Foreign currency translation difference	5	41	28	226	300
Others	515	28	504	-	1,047
Balance at the end of the year	3,966	2,450	4,135	2,338	12,889

Legal cases

The provision consists of the total amount provided to meet specific legal claims against Americana Restaurants from external parties. Management believes that after obtaining appropriate legal advice, the outcome of such legal claims will not substantially exceed the value of the provision as at 31 December 2021.

Provision for termination and closure

The provision relates to the closure and termination charges along with other related costs which are expected to be incurred for the closure of stores over the upcoming period.

15 PROVISIONS FOR LEGAL, TAX AND OTHER CLAIMS (continued)

Tax and other provisions

Other provisions include of ongoing assessments by the relevant authorities for open years dispute in relation to taxes, zakat and NLST. Management believes that provision for probable future tax assessments is adequate based upon previous years' tax examinations and past interpretations of the tax laws and that the position taken in tax returns will be sustained upon examination by the relevant tax authorities (Note 29). The other provisions also comprise of restructuring expenses and expected claims from external parties in relation to Americana Restaurants' activities. The management reviews these provisions on a yearly basis, and the allocated amount is adjusted according to the latest developments, discussions and agreements with such parties.

16 INCOME TAX, ZAKAT AND OTHER DEDUCTIONS PAYABLE

	31-Dec-2021 USD'000	31-Dec-2020 USD'000	31-Dec-2019 USD'000	1-Jan-2019 USD'000
Other taxes payable within one year comprise:				
Income Tax	6,018	4,124	5,063	3,591
Zakat	3,310	1,429	3,060	2,170
Income tax and zakat payable	**9,328**	**5,553**	**8,123**	**5,761**
Property and other taxes	829	792	41	430
Other taxes payable	2,457	2,291	2,388	2,290
Income tax, zakat and other deductions payable	**12,614**	**8,636**	**10,552**	**8,481**

The movement of income tax and zakat payable is as follows:

	2021 USD'000	2020 USD'000	2019 USD'000
At 1 January	5,553	8,123	5,761
Income tax and zakat of subsidiaries	14,651	5,711	8,346
Payments	(6,971)	(5,501)	(5,183)
Others	(3,905)	(2,780)	(801)
At 31 December	9,328	5,553	8,123

17 NON-CONTROLLING INTERESTS

	US Dollars'000		
	31-Dec-2021	31-Dec-2020	31-Dec-2019
Balance as at 1 January	9,509	16,884	18,213
Share from net profit of the year	2,491	(1,045)	1,029
Other comprehensive income item:			
Foreign currency translation differences	48	8	(70)
Other changes in non-controlling interests:			
Effects of acquisition of additional shares in a subsidiary	(65)	(5,199)*	-
Cash dividends paid by subsidiaries	(826)	(1,139)	(2,288)
Total other changes in non-controlling interests	(891)	(6,338)	(2,288)
Balance as at 31 December	**11,157**	**9,509**	**16,884**

* During the year ended 31 December 2020, Americana Restaurants acquired an additional 9.14% stake in its subsidiary Egyptian Company for International Touristic Projects ("ECITP") through a mandatory takeover in Egyptian Exchange market for USD 14.7 million (EGP 231,078,090, equivalent to EGP 6.32 per share), increasing the shareholding to 99.24% with 0.55% as treasury shares and remaining shares as non-controlling interest. As this transaction does not change Americana Restaurants' control status of ECITP, the difference between the total consideration paid and the identified net assets attributable to the non-controlling interest acquired amounting to USD 9.5 million has been charged to accumulated net contribution from parent in equity on the basis that this is considered a shareholder's transaction in accordance with Americana Restaurants' accounting policy. Hence, this does not result in the recognition of any additional non-current asset.

18 RELATED PARTIES TRANSACTIONS AND BALANCES

Related parties represent shareholders who have representatives in the Boards of Directors, members of the Boards of Directors, Senior Management and the companies which are controlled by the major shareholders. In the ordinary course of business, Americana Restaurants has entered into arms-length transactions with related parties during the year. The following are the transactions and balances resulting from these transactions:

	US Dollars'000		
	31-Dec-2021	31-Dec-2020	31-Dec-2019
Transactions with fellow subsidiaries			
Purchases of raw materials	107,168	87,565	120,502
Interest income from loan to a related party	1,502	-	-
Investment property rental income	383	330	304
Delivery and payment support	587	251	85
Key management personnel			
Short term employee benefits	4,656	1,689	2,487
Termination benefits	113	73	85

18 RELATED PARTIES TRANSACTIONS AND BALANCES (continued)

Due from related parties

Name	Place of incorporation	USD'000 31-Dec-2021	31-Dec-2020	31-Dec-2019	1-Jan-2019
Fellow subsidiaries:					
Americana Food Investment Group Company	UAE	457	-	-	-
Gulf Food Industries (California Garden)	UAE	68	-	76	11,053
Gulf Food Co. Americana LLC	UAE	-	-	866	884
Americana Group for Food and Touristic Projects	Egypt	-	-	21	171
Others		574	469	568	1,448
Division of the Parent Company:					
Kuwait Foods Divisions (Meat, Cake, Agencies)	Kuwait	-	-	2	14,190
Entity controlled by a major shareholder:					
Noon E Commerce Solutions	UAE	-	143	-	-
Nshmi Development LLC	UAE	90	84	180	-
		1,189	**696**	**1,713**	**27,746**

Due to related parties

Name	Place of incorporation	USD'000 31-Dec-2021	31-Dec-2020	31-Dec-2019	1-Jan-2019
Fellow subsidiaries:					
National Food Industries Co.	KSA	7,110	9,474	9,965	9,691
The International Co. for Agricultural development ('Farm Frites')	Egypt	6,261	4,403	1,592	1,136
Senyorita Co. for Food Industries	Egypt	2,551	-	-	-
Gulf Food Co. Americana LLC	UAE	2,295	1,591	-	-
Gulf Food Industries (California Garden)	UAE	1,467	1,208	-	-
Cairo poultry Company	Egypt	1,213	1,885	1,920	2,213
Americana Group for Food and Touristic Projects	Egypt	-	2	-	1,571
Others		162	803	798	233
Division of the Parent Company:					
Kuwait Foods Divisions (Meat, Cake, Agencies)	Kuwait	2,282	3,008	-	114
Entities controlled by a major shareholder:					
Noon E Commerce Solutions	UAE	-	-	97	7,029
Noon AD Holdings	UAE	274	31	10	-
Noon Payments Digital Limited	KSA	68	14	-	-
		23,683	**22,419**	**14,382**	**21,987**

	US Dollars'000 31-Dec-2021	31-Dec-2020	31-Dec-2019	1-Jan-2019
Loan to a related party				
Americana Foods Investments Group Company LLC	64,000	-	-	-

On 21 March 2021, Americana Prime Investments Limited (an entity of Americana Restaurants) entered into an agreement with Americana Foods Investments Group Company LLC, a fellow subsidiary, to provide a loan of USD 64,000 thousand for a period of 5 years ending on 21 March 2026 and repayable in five equal annual instalments of USD 12,800 thousand. As at 31 December 2021, the loan carries an interest set at arms-length of LIBOR plus margin payable quarterly commencing immediately after the drawdown date (i.e 21 March 2021). Accordingly, USD 12,800 thousand has been classified as current and USD 51,200 thousand has been classified as non-current due from related parties. Subsequently, the related party loan of USD 64,000 thousand has been early settled by Americana Foods Investments Group Company LLC on 20 April 2022.

19 REVENUES

	US Dollars'000		
	2021	2020	2019
Food and beverage	2,048,983	1,575,177	1,887,730
Investment properties rental income	2,764	2,618	2,489
	2,051,747	1,577,795	1,890,219

20 COST OF REVENUES

	US Dollars'000		
	2021	2020	2019
Cost of inventory (Note 8)	623,720	473,108	563,686
Staff costs (Note 25)	121,101	104,265	124,765
Royalties	105,773	79,812	93,519
Depreciation and amortisation	75,623	77,144	78,109
Rent (Note 26)	21,612	17,377	23,737
Others	22,522	22,147	19,005
	970,351	773,853	902,821

21 SELLING AND MARKETING EXPENSES

	US Dollars'000		
	2021	2020	2019
Staff costs (Note 25)	207,772	178,161	213,604
Depreciation and amortisation	117,308	122,053	129,209
Advertisement and business development	89,828	64,543	80,372
Home delivery and transportation	76,493	53,769	37,929
Utilities and communication	62,040	51,880	61,664
Maintenance and other operating expenses	48,521	40,327	42,017
Rent (Note 26)	23,317	22,533	23,920
Licenses and insurance charges	7,790	7,309	8,593
Call centre expenses	9,219	9,636	7,708
Others	37,315	28,671	41,002
	679,603	578,882	646,018

22 GENERAL AND ADMINISTRATIVE EXPENSES

	US Dollars'000		
	2021	2020	2019
Staff costs (Note 25)	95,593	71,815	92,527
Depreciation and amortisation	15,698	15,550	12,736
Provision for tax and legal claims	14,557	23,897	1,611
Rent (Note 26)	8,965	5,287	7,821
Repairs and maintenance	5,867	5,265	3,510
Utilities	5,375	5,919	6,073
Professional and legal	4,146	3,089	8,516
Travel and accommodation	2,118	1,402	2,327
Office administrative	2,116	612	1,803
Loss/(gains) on foreign exchange	2,905	1,515	(1,239)
Others	19,649	23,498	29,428
	176,989	157,849	165,113

23 DEPRECIATION AND AMORTISATION

	US Dollars'000		
	2021	2020	2019
Property and equipment (Note 5)	58,607	71,997	77,392
Intangible assets (Note 7)	6,133	4,979	4,104
Right of use assets (Note 12)	143,243	137,129	137,958
Investment property (Note 6)	646	642	600
	208,629	214,747	220,054

24 FINANCE COSTS - NET

	US Dollars'000		
	2021	2020	2019
Finance income	2,208	822	589
Finance costs on bank facilities	1,455	1,178	1,623
Finance costs on lease liabilities (Note 12)	20,713	25,010	26,788
Interest on employees' end of service benefit* (Note 13)	950	3,676	-
Finance costs	23,118	29,864	28,411
Finance costs – net	20,910	29,042	27,822

*Actuarial valuation was performed from 2020, therefore nil amount in 2019.

25 STAFF COSTS

	US Dollars'000		
	2021	2020	2019
Salaries and other benefits	414,392	346,240	417,374
End of service benefits (Note 13)	10,074	8,001	13,522
	424,466	354,241	430,896

Allocation of staff costs:

	US Dollars'000		
	2021	2020	2019
Cost of revenues (Note 20)	121,101	104,265	124,765
Selling and marketing expenses (Note 21)	207,772	178,161	213,604
General and administrative expenses (Note 22)	95,593	71,815	92,527
	424,466	354,241	430,896

26 RENT

	US Dollars'000		
	2021	2020	2019
Cost of revenues (Note 20)	21,612	17,377	23,737
Selling and marketing expenses (Note 21)	23,317	22,533	23,920
General and administrative expenses (Note 22)	8,965	5,287	7,821
Vehicle rent included under home delivery cost (Note 21)	3,024	1,845	9,703
	56,918	47,042	65,181

Rent includes USD 56,918 thousand (2020: USD 47,042 thousand; 2019: USD 65,181 thousand) pertaining to expenses on short term and low value leases and variable lease payments not included in lease liability (Note 13).

27 INCOME TAX, ZAKAT, AND CONTRIBUTION TO KFAS

	US Dollars'000		
	2021	2020	2019
Current tax			
Current tax of subsidiaries on taxable profits for the year	10,666	5,313	6,052
Zakat of subsidiaries	3,985	398	2,294
Total income tax and zakat	14,651	5,711	8,346
KFAS	1,081	570	792
Income tax, zakat, and KFAS	15,732	6,281	9,138

The effective tax rate on 31 December 2021 is 7% (2020: 7%; 2019: 6%).

Provision for income tax is made in accordance with relevant tax laws and regulations of countries where Americana Restaurants has business operations. Tax laws and regulations are subject to interpretations by the tax authorities. Tax returns are filed periodically but the profits or losses declared for tax purposes remain provisional until such time as the tax authorities examine the returns and the records of the taxpayer and a final assessment is issued. Management believes that provision for probable future tax assessments is adequate based upon previous years' tax examinations and past interpretations of the tax laws and that the position taken in tax returns is expected to be adequate upon examination by the relevant tax authorities (Note 29).

27 INCOME TAX, ZAKAT, AND CONTRIBUTION TO KFAS (continued)

Reconciliation between the tax expense and profit or loss multiplied by applicable tax rate

The income tax rate applicable to the income of subsidiaries ranges from 1% to 31%. A reconciliation between the expected and the actual taxation charge is provided below.

	2021 USD'000	2020 USD'000	2019 USD'000
Profit before income tax, zakat, and KFAS	**222,140**	**86,062**	**161,237**
Theoretical tax charge at each subsidiaries' statutory rate	8,754	5,778	5,914
Tax effect of items which are not deductible or assessable for taxation purposes:			
- Income which is exempt from taxation	(55,502)	(29,295)	(36,611)
- Non-deductible expenses	26,224	(6,206)	4,688
- Income subject to withholding tax	28,475	33,080	-
- Carried forward losses	(2,721)	(2,359)	-
Taxable profit	**218,616**	**81,282**	**129,314**
Current tax of subsidiaries on taxable profits for the year	**10,666**	**5,313**	**6,052**
Zakat of subsidiaries	**3,985**	**398**	**2,294**
KFAS	**1,081**	**570**	**792**

28 ENTITIES

The entities included in the special purpose carve-out financial statements are as reflected below:

Company's Name	Activity	Place of incorporation
Americana Restaurants Investments Group Company LLC	Holding Company	United Arab Emirates
Americana Kuwait Company Restaurants WLL	Restaurants	Kuwait
Americana Holding for UAE Restaurants LTD	Holding Company	United Arab Emirates
Americana Holding for Egyptian Restaurants LTD	Holding Company	United Arab Emirates
Americana Company for Restaurants Holding LTD	Holding Company	United Arab Emirates
Americana Holding for KSA Restaurants LTD	Holding Company	United Arab Emirates
Americana Holding for Restaurants LTD	Holding Company	United Arab Emirates
Kuwait Food Company Americana LLC	Restaurants	United Arab Emirates
Egyptian Company for International Touristic Projects SAE	Restaurants	Egypt
Egyptian International Company for Food Industries SAE	Restaurants	Egypt
Al Ahlia Restaurants Company LLC	Restaurants	Saudi Arabia
United Food Company LLC	Others	Saudi Arabia
Americana Prime Investments Limited	Others	United Arab Emirates
International Tourism Restaurants Company LLC	Restaurants	Oman
The Caspian International Restaurants Company LLP	Restaurants	Kazakhstan
Gulf & Arab World Restaurant WLL	Restaurants	Bahrain
Bahrain & Kuwait Restaurant Co. WLL	Restaurants	Bahrain
Lebanese International Touristic Projects Company LLC	Restaurants	Lebanon
Qatar Food Company WLL	Restaurants	Qatar
Ras Buabboud Trading Company WLL	Restaurants	Qatar
Almusharaka for Touristic Restaurants Services, General Trading, Import & Export Company Ltd.	Restaurants	Iraq - Kurdistan
Société Marocaine De Projects Touristiques SARL	Restaurants	Morocco
Touristic Projects & International Restaurants Co. (Americana) LLC	Restaurants	Jordan
Jordanian Restaurants Company for Fast Food LLC	Restaurants	Jordan
The International Co. for World Restaurants Limited	Restaurants	United Arab Emirates

29 CONTINGENT LIABILITIES, OPERATING AND CAPITAL COMMITMENTS

	US Dollars'000			
	31-Dec-2021	31-Dec-2020	31-Dec-2019	1-Jan-2019
Contingent liabilities				
Letters of guarantee	12,839	12,206	12,791	9,385

Taxes

Americana Restaurants operates in several different countries, Note 28 indicates Americana Restaurants' structure and the countries in which it operates), and thus its operations are subject to various types of taxes. The significant impacts of the various types of taxes are concentrated in the State of Kuwait, Kingdom of Saudi Arabia and Arab Republic of Egypt as follows:

State of Kuwait:

Americana Restaurants' operations in the State of Kuwait are subject to various types of taxes and deductions as follows:

- Zakat at 1% of profit attributable to owners of the Parent Company, less permitted deductions.
- KFAS contribution at 1% of profit attributable to owners of the Parent Company, less permitted deductions.

Arab Republic of Egypt:

Americana Restaurants' operations in Egypt are subject to various types of taxes, especially income tax, sales tax, salary tax and others.

Kingdom of Saudi Arabia:

Americana Restaurants' operations are subject to Zakat in the Kingdom of Saudi Arabia.

Americana Restaurants assesses the tax position of each subsidiary separately, in light of the years that have been inspected, the inspection results, the received tax claims, the legal advice of its external tax advisor on these claims and the legal situation of any existing dispute between the respective entity and the relevant official authorities with respect to these claims. Further, Americana Restaurants takes in consideration the contingent liabilities for the years that have not been inspected yet.

The tax claims and contingent tax liabilities, at Americana Restaurants' level, are amounted to USD 94,628 thousand as at 31 December 2021 (2020: USD 20,095 thousand; 2019: USD 58,859 thousand).

Considering tax claims which fully settled previously in past years were significantly less than initial tax claims submitted by the Tax Administration, and based on the opinion of the external consultants, Americana Restaurants' management believes that the provisions made for this purpose are adequate and sufficient.

	US Dollars'000			
	31-Dec-2021	31-Dec-2020	31-Dec-2019	1-Jan-2019
Operating lease commitments – Lessee				
Less than one year	45,481	39,959	55,439	104,280
	45,481	39,959	55,439	104,280

	US Dollars'000			
	31-Dec-2021	31- Dec-2020	31-Dec-2019	1-Jan-2019
Capital commitments				
Letters of credit	12,719	6,853	3,879	1,468
Projects in progress	13,896	1,690	5,778	1,060

30 FINANCIAL INSTRUMENTS BY CATEGORY

	US Dollars'000			
	31-Dec-2021	31-Dec-2020	31-Dec-2019	1-Jan-2019
Financial assets				
Financial assets at amortised cost				
Cash and cash equivalents (Note 10)	173,996	196,347	169,878	106,646
Loan to a related party (Note 18)	64,000	-	-	-
Trade and other receivables (excluding prepayments, advances to suppliers) (Note 9)	60,046	54,000	47,982	48,915
Due from related parties (Note 18)	1,189	696	1,713	27,746
	299,231	251,043	219,573	183,307
Financial assets at fair value				
Derivative financial instrument	9,390	-	-	-
	308,621	251,043	219,573	183,307
Financial liabilities				
Other financial liabilities at amortised cost				
Trade and other payables (excluding value added tax payable and unearned income) (Note 14)	325,212	295,995	289,918	255,162
Bank facilities (Note 11)	7,073	24,563	13,631	11,158
Lease liabilities (Note 12)	384,599	403,439	467,725	460,906
	716,884	723,997	771,274	727,226

31 NET DEBT RECONCILIATION

	US Dollars'000			
	31-Dec-2021	31-Dec-2020	31-Dec-2019	1-Jan-2019
Cash and cash equivalents (Note 10)	173,996	196,347	169,878	106,646
Bank facilities (Note 11)	(7,073)	(24,563)	(13,631)	(11,158)
Lease liabilities (Note 12)	(384,599)	(403,439)	(467,725)	(460,906)
Net debt	(217,676)	(231,655)	(311,478)	(365,418)

	US Dollars'000			
	31-Dec-2021	31-Dec-2020	31-Dec-2019	1-Jan-2019
Cash and cash equivalents	173,996	196,347	169,878	106,646
Net debt – variable interest rates	(391,672)	(428,002)	(481,356)	(472,064)
Net debt	(217,676)	(231,655)	(311,478)	(365,418)

31 NET DEBT RECONCILIATION (continued)

	US Dollars'000		
	Liabilities from financing activities	Other assets	
	Leases	Cash/bank overdraft	Total
Net debt as at 1 January 2021	(403,439)	171,784	(231,655)
Foreign currencies translation differences	3,128	(4,275)	(1,147)
Others	(18,742)	-	(18,742)
Principal elements of lease payments	160,363	-	160,363
Gain on rent concessions	6,978	-	6,978
Acquisition of leases	(132,887)	-	(132,887)
Cash flows, net	-	(586)	(586)
Net debt as at 31 December 2021	(384,599)	166,923	**(217,676)**

	US Dollars'000		
	Liabilities from financing activities	Other assets	
	Leases	Cash/bank overdraft	Total
Net debt as at 1 January 2020	(467,725)	156,247	(311,478)
Foreign currencies translation differences	2,671	(228)	2,443
Others	32,648	-	32,648
Principal elements of lease payments	110,748	-	110,748
Gain on rent concessions	28,113	-	28,113
Acquisition of leases	(109,894)	-	(109,894)
Cash flows, net	-	15,765	15,765
Net debt as at 31 December 2020	(403,439)	171,784	(231,655)

	US Dollars'000		
	Liabilities from financing activities	Other assets	
	Leases	Cash/bank overdraft	Total
Net debt as at 1 January 2019	(460,906)	95,488	(365,418)
Foreign currencies translation differences	(5,818)	(2,554)	(8,372)
Others	(22,609)	-	(22,609)
Principal elements of lease payments	133,535	-	133,535
Acquisition of leases	(111,927)	-	(111,927)
Cash flows, net	-	63,313	63,313
Net debt as at 31 December 2019	(467,725)	156,247	(311,478)

32 SEGMENT REPORTING

Americana Restaurants is organized into operating segments based on geographical location. The results are reported to the top executive management in Americana Restaurants. In addition, the revenue, profit, assets, and liabilities are reported on a geographic basis and measured in accordance with the same accounting basis used for the preparation of the special purpose carve-out financial statements. There are three major reportable segments: the Major Gulf Cooperation Council countries which include KSA, Kuwait and UAE, Lower Gulf countries (comprising of Qatar, Oman and Bahrain) and North Africa (Egypt and Morocco). All other operating segments that are not reportable segments are combined under "Others" (Kazakhstan, Iraq, Lebanon and Jordan).

The segments are concentrated in the restaurants sector which include operating all kinds of restaurants, representing international franchises.

Following is the segment information which is consistent with the internal reporting presented to management for the years ended:

	Reportable segments		Intercompany transactions		Total	
	31 December		31 December		**31 December**	
Revenues	2021	2020	2021	2020	**2021**	**2020**
	USD'000		USD'000		**USD'000**	
Major GCC	1,365,447	1,042,940	(1,433)	(979)	1,364,014	1,041,961
Lower Gulf	251,574	204,380	(32,906)	(26,240)	218,668	178,140
North Africa	273,601	201,360	-	-	273,601	201,360
Others	195,464	156,334	-	-	195,464	156,334
Total	2,086,086	1,605,014	(34,339)	(27,219)	2,051,747	1,577,795

	Reportable segments	
	31 December	
Net profits	2021	2020
	USD'000	
Major GCC	179,560	97,485
Lower Gulf	16,225	13,605
North Africa	8,061	(40,098)
Others	21,199	16,585
Total	**225,045**	**87,577**
Unallocated:		
Income tax, zakat and other deductions	(15,732)	(6,281)
Losses of foreign exchange	(2,905)	(1,515)
Net profit for the year	**206,408**	**79,781**

	Reportable segments	Intercompany transactions	Total
	31 December	31 December	31 December
Revenues	2019	2019	2019
	USD'000	USD'000	USD'000
Major GCC	1,255,117	(1,389)	1,253,728
Lower Gulf	231,499	(27,499)	204,000
North Africa	244,581	-	244,581
Others	187,910	-	187,910
Total	1,919,107	(28,888)	1,890,219

32 SEGMENT REPORTING (continued)

	Reportable segments
Net profits	31 December 2019
	USD'000
Major GCC	133,198
Lower Gulf	19,570
North Africa	(5,672)
Others	12,902
Total	159,998
Unallocated:	
Income tax, zakat and other deductions	(9,138)
Gain of foreign exchange	1,239
Net profit for the year	**152,099**

	31 December 2021 USD'000				
	Major GCC	Lower Gulf	North Africa	Others	**Total**
Assets	685,325	139,980	145,590	117,019	1,087,914
Liabilities	648,573	105,210	123,324	71,095	948,202

	31 December 2020 USD'000				
	Major GCC	Lower Gulf	North Africa	Others	**Total**
Assets	630,532	132,176	130,004	123,650	1,016,362
Liabilities	619,985	98,453	136,771	74,538	929,747

	31 December 2019 USD'000				
	Major GCC	Lower Gulf	North Africa	Others	**Total**
Assets	706,032	136,979	125,163	132,389	1,100,563
Liabilities	680,921	98,536	98,336	87,383	965,176

	1 January 2019 USD'000				
	Major GCC	Lower Gulf	North Africa	Others	**Total**
Assets	729,596	128,800	128,943	127,887	1,115,226
Liabilities	627,623	88,624	89,594	84,702	890,543

32 SEGMENT REPORTING (continued)

Below is the analysis of the revenue (before eliminations) and related non-current assets for the significant geographical locations:

	2021 USD'000			
	UAE	KSA	Kuwait	Egypt
Revenues	598,455	434,869	330,689	247,711
Non-current assets	161,601	134,967	93,078	90,852

	2020 USD'000			
	UAE	KSA	Kuwait	Egypt
Revenues	476,333	340,373	225,255	187,741
Non-current assets	152,667	141,758	92,128	75,706

	2019 USD'000			
	UAE	KSA	Kuwait	Egypt
Revenues	540,144	405,494	308,090	225,786
Non-current assets	177,128	195,834	109,214	78,989

Americana Restaurants LTD

Condensed interim carve-out financial statements and independent auditor's review report for the six month period ended 30 June 2022

Contents

Review report on condensed interim carve-out financial statements to the Board of Directors of Adeptio AD Investments Ltd

Introduction

We have reviewed the accompanying condensed interim carve-out statement of financial position of Americana Restaurants LTD and its subsidiaries (the ‘Group’) as at 30 June 2022 and the related condensed interim carve-out statements of income, comprehensive income, changes in equity and cash flows for the six-month period ended 30 June 2022 and notes, comprising a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of this condensed interim carve-out financial statements in accordance with International Accounting Standard 34 ‘Interim Financial Reporting’ (IAS 34). Our responsibility is to express a conclusion on these condensed interim carve-out financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of interim financial statements performed by the independent auditor of the entity'. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Emphases of matter

We draw attention to Note 2 to the condensed interim carve-out financial statements, which describes the basis of accounting. In addition, we draw attention to the fact that, Americana Restaurants LTD and its subsidiaries have not operated as a separate group of entities for the period up to 27 June 2022, the date of transfer of the Restaurant business into the Group. These condensed interim carve-out financial statements are, therefore, not necessarily indicative of the future results of Americana Restaurants LTD and its subsidiaries as a Group.

The condensed interim carve-out financial statements are prepared by the management of Americana Restaurants LTD in connection with the listing of Americana Restaurants LTD on the Abu Dhabi Securities Exchange in the United Arab Emirates and the Saudi Stock Exchange (Tadawul) in the Kingdom of Saudi Arabia. As a result, the condensed interim carve-out financial statements may not be suitable for another purpose.

Our conclusion is not modified in respect of these matters.

Review report on condensed interim carve-out financial statements to the Board of Directors of Adeptio AD Investments Ltd (continued)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim carve-out financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 “Interim Financial Reporting.”

PricewaterhouseCoopers Limited
12 August 2022

Dubai, United Arab Emirates

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Americana Restaurants LTD

Condensed interim carve-out statement of financial position as at

	Note	30-June-2022 (Consolidated)	31-December-2021 (Carve-out)
		US Dollars'000	
ASSETS			
Non-current assets			
Property and equipment	5	235,988	221,919
Right of use assets	10	338,984	361,975
Loan to a related party	14	-	51,200
Investment properties		7,465	9,341
Intangible assets	6	40,728	42,623
Derivative financial instrument		8,295	7,512
Deferred tax asset		2,624	2,150
Total non-current assets		**634,084**	**696,720**
Current assets			
Inventories		144,683	107,297
Trade and other receivables	7	106,212	94,034
Due from related parties	14	2,830	1,189
Loan to a related party	14	-	12,800
Derivative financial instrument		2,370	1,878
Cash and cash equivalents	8	250,039	173,996
Total current assets		**506,134**	**391,194**
Total assets		**1,140,218**	**1,087,914**
LIABILITIES AND EQUITY			
Non-current liabilities			
Lease liability	10	229,872	248,136
Provision for employees' end of service benefits		70,499	76,260
Trade and other payables		64,387	50,195
Deferred gain on derivative financial instrument		6,573	7,512
Deferred tax liabilities		4	-
Total non-current liabilities		**371,335**	**382,103**
Current liabilities			
Bank facilities	9	13,670	7,073
Deferred gain on derivative financial instrument		1,878	1,878
Lease liability	10	123,267	136,463
Income tax, zakat and other deductions payable		9,862	12,614
Trade and other payables		385,030	352,326
Due to related parties	14	28,515	23,683
Provisions for legal, tax and other claims	11	51,915	32,062
Total current liabilities		**614,137**	**566,099**
Total liabilities		**985,472**	**948,202**
Equity			
Share capital	12	168,473	-
Merger reserve	12	(1,608)	-
Accumulated net contribution from the Intermediate Parent Company		-	148,984
Foreign currency translation reserve		(21,520)	(20,429)
Equity attributable to owners of the Parent Company		145,345	128,555
Non-controlling interests	13	9,401	11,157
Total equity		**154,746**	**139,712**
Total liabilities and equity		**1,140,218**	**1,087,914**

Harsh Bansal	Amarpal Sandhu	Abdulmalik Al Hogail	Mohamed Ali Rashed Alabbar
Chief Financial Officer	Chief Executive Officer	Board Member	Board Member

The accompanying notes form an integral part of these condensed interim carve-out financial statements.

Americana Restaurants LTD

Condensed interim carve-out statement of income for the period ended 30 June

	Note	US Dollars'000 2022	US Dollars'000 2021
Revenues	15	1,151,929	968,149
Cost of revenues		(546,122)	(458,886)
Gross profit		**605,807**	**509,263**
Selling and marketing expenses		(360,342)	(327,702)
General and administrative expenses		(90,402)	(80,896)
Other income		9,429	9,849
Monetary gain from hyperinflation		547	3,093
Impairment losses on non-financial assets		(1,035)	(2,403)
Net impairment allowance on financial assets	7	(1,182)	(810)
Fair value gains on financial assets at fair value through profit or loss		1,275	-
Tax claim charge	16	(25,482)	-
Operating profit		**138,615**	**110,394**
Finance income		1,146	802
Finance costs		(10,431)	(11,505)
Profit before income tax, zakat, and KFAS		**129,330**	**99,691**
Income tax, zakat, and contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS")		(6,119)	(6,058)
Net profit for the period		**123,211**	**93,633**
Attributable to:			
The shareholder of the Parent Company/ Net Investment attributable to Intermediate Parent Company		121,266	93,324
Non-controlling interests		1,945	309
		123,211	**93,633**
Earnings per share			
Basic and diluted earnings per share	22	**0.001**	**0.001**

Americana Restaurant LTD

Condensed interim carve-out statement of comprehensive income for the period ended 30 June

	US Dollars'000	
	2022	2021
Net profit for the period	123,211	93,633
Other comprehensive income items		
Items that will not be reclassified subsequently to Condensed interim carve-out statement of income		
Remeasurement of employees' end of service benefits	5,726	-
Items that may be reclassified subsequently to Condensed interim carve-out statement of income		
Exchange differences on translating foreign operations including the effect of hyperinflation	(1,061)	(11,848)
Total other comprehensive income items	4,665	(11,848)
Total comprehensive income for the period	127,876	81,785
Attributable to:		
The shareholder of the Parent Company/ Net Investment attributable to Intermediate Parent Company	125,901	81,428
Non-controlling interests	1,975	357
	127,876	81,785

The accompanying notes form an integral part of these condensed interim carve-out financial statements.

Americana Restaurants LTD
Condensed interim carve-out statement of changes in equity for the period ended 30 June

	US Dollars'000				
	Net Investment attributable to Intermediate Parent Company				
	Accumulated net contribution from the Intermediate Parent Company	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
Balance at 1 January 2021	**89,789**	**(12,683)**	**77,106**	**9,509**	**86,615**
Net profit for the period	93,324	-	93,324	309	93,633
Other comprehensive income					
Hyperinflation adjustment	-	(138)	(138)	-	(138)
Foreign currencies translation differences	-	(11,758)	(11,758)	48	(11,710)
Total comprehensive income	**93,324**	**(11,896)**	**81,428**	**357**	**81,785**
Changes in non-controlling interest	(119)	-	(119)	(890)	(1,009)
Distributions to the Intermediate Parent Company	(72,410)	-	(72,410)	-	(72,410)
Net payments and impact of capital reorganisation with the Intermediate Parent Company	(15,258)	-	(15,258)	-	(15,258)
Balance at 30 June 2021	**95,326**	**(24,579)**	**70,747**	**8,976**	**79,723**

Americana Restaurants LTD

Condensed interim carve-out statement of changes in equity for the period ended 30 June

		US Dollars'000						
		Equity attributable to owners of the Parent Company						
	Notes	Share capital	Merger reserve	Accumulated net contribution from the Intermediate Parent Company	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
Balance at 1 January 2022		**-**	**-**	**148,984**	**(20,429)**	**128,555**	**11,157**	**139,712**
Net profit for the period		-	-	121,266	-	121,266	1,945	123,211
Other comprehensive income								
Remeasurement of employees' end of service benefits		-	-	5,726	-	5,726	-	5,726
Hyperinflation adjustment		-	-	-	986	986	-	986
Foreign currencies translation differences		-	-	-	(2,077)	(2,077)	30	(2,047)
Total comprehensive income		**-**	**-**	**126,992**	**(1,091)**	**125,901**	**1,975**	**127,876**
Changes in non-controlling interest	13	-	-	(129)	-	(129)	(3,731)	(3,860)
Distributions to the Intermediate Parent Company		-	-	(83,089)	-	(83,089)	-	(83,089)
Net payments and impact of capital reorganisation with the Intermediate Parent Company		-	-	(25,903)	-	(25,903)	-	(25,903)
Issuance of shares		10	-	-	-	10	-	10
Capitalisation of shares	12	168,463	(1,608)	(166,855)	-	-	-	-
Balance at 30 June 2022		**168,473**	**(1,608)**	**-**	**(21,520)**	**145,345**	**9,401**	**154,746**

The accompanying notes form an integral part of these condensed interim carve-out financial statements.

Americana Restaurants LTD

Condensed interim carve-out statement of cash flows for the period ended 30 June

	Note	US Dollars'000 2022	2021
Cash flows from operating activities			
Profit before income tax and zakat for the period		129,330	99,206
Adjustments for:			
Depreciation and amortisation		102,528	101,920
Provision for employees' end of service benefits, net of transfers		5,164	6,539
Impairment allowance on financial assets	7	1,182	810
Provision for obsolete, slow moving, and defective inventories		878	720
Impairment losses of non-financial assets	5,6,10	1,035	2,403
Loss on disposal of property and equipment and intangible assets		1,048	382
Gain on rent concessions		(667)	(4,662)
Finance income		(1,146)	(802)
Finance cost		10,431	11,505
Recognition of deferred gain on derivative financial instrument in other income		(939)	-
Fair value gains on financial assets at fair value through profit or loss		(1,275)	-
Tax claim charge	16	25,482	-
Hyperinflation impact		505	(2,680)
Operating cash flows before changes in working capital		**273,556**	**215,341**
Payments of employees' end of service benefits		(5,505)	(5,604)
Income tax paid		(6,062)	(4,835)
Changes in working capital:			
Trade and other receivables		(13,860)	(3,023)
Due from related parties		(1,641)	(223)
Inventories		(38,055)	(5,173)
Due to related parties		4,832	2,713
Trade and other payables, other liabilities and taxes		28,066	9,290
Net cash generated from operating activities		**241,331**	**208,486**
Cash flows from investing activities			
Purchase of property and equipment		(44,573)	(18,840)
Proceeds from sale of property and equipment		1,038	916
Purchase of intangible assets	6	(1,912)	(2,561)
Payments for key money		(1,216)	(516)
Interest received on short term deposits		1,146	802
Loans to a related party	14	(36,000)	(64,000)
Repayments of loans to a related party	14	100,000	-
Net cash generated from/(used in) investing activities		**18,483**	**(84,199)**
Cash flows from financing activities			
Payments of finance costs		(574)	(1,119)
Dividends paid to non-controlling interests	13	(3,215)	(825)
Acquisition of additional shares in subsidiary from non-controlling interests		(705)	(184)
Lease payments – principal element		(74,481)	(67,871)
Lease payments – interest on lease liabilities		(9,264)	(10,386)
Distributions to the Intermediate Parent Company		(83,089)	(72,410)
Movement in payments and impact of capital reorganisation with the Intermediate Parent Company		(25,903)	(15,258)
Proceeds from issuance of share capital		10	-
Net cash used in financing activities		**(197,221)**	**(168,053)**
Net change in cash and cash equivalents		62,593	(43,766)
Foreign currency translation differences		6,853	(94)
Cash and cash equivalents at the beginning of the period		166,923	171,784
Cash and cash equivalents at the end of the period	8	**236,369**	**127,924**

The accompanying notes form an integral part of these condensed interim carve-out financial statements.

1 GENERAL INFORMATION

Americana Restaurants LTD ("Americana Restaurants" or the "Parent") is an Abu Dhabi Global Market registered entity that was incorporated on 27 May 2022 under registered number 000007712. The registered address is 2428 ResCowork06, 24th Floor, Al Sila Tower, Abu Dhabi Global Market Square, Al Maryah Island, Abu Dhabi, United Arab Emirates.

Americana Restaurants is a wholly owned subsidiary of Kuwait Food Company (Americana) K.S.C.C. ("KFC" or the "Intermediate Parent Company"). KFC is 93.42% owned by Adeptio AD investments Ltd which is wholly owned by Adeptio AD Holdings Ltd (the "Ultimate Parent Company"). The 'Ultimate Shareholders' of KFC are Mr. Mohamed Ali Rashed Alabbar and the Saudi Company for Gulf Food Investments ("Gulf Food Investments"), a subsidiary of the Public Investment Fund of the Kingdom of Saudi Arabia. 2.7% of the issued shares of KFC are being held as treasury shares by KFC and remaining 3.9% shares represents the minority shareholding.

KFC is involved in two main lines of businesses namely the Restaurant Business and the Food Business. The Restaurants Business comprises of operating and managing a number of restaurant chains/brands across the region. The operations extend to the United Arab Emirates, Saudi Arabia, Kuwait, Egypt, Qatar, Kazakhstan, Bahrain, Jordan, Oman, Lebanon, Morocco, and Iraq operated by the various subsidiaries of KFC. On 2 June 2022, the Board of Directors of KFC approved the transfer date of the Restaurant Business and entities as detailed in Note 17 to Americana Restaurants (together referred to as "the Group") to be 27 June 2022.

The Condensed interim carve-out financial statements were approved for issue by the board of directors on 5 August 2022.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

The Condensed interim carve-out financial statements for the six month period ended 30 June 2022 have been prepared in accordance with IAS 34, 'Interim financial reporting'. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Condensed interim carve-out financial position. The Condensed interim carve-out financial statements do not include all the information required for full annual consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS Interpretations Committee ("IFRS IC"). The Condensed interim carve-out financial statements should be read in conjunction with the annual special purpose carve-out financial statements for the years ended 31 December 2021, 2020 and 2019.

2.2 Basis of preparation

The Condensed interim carve-out financial statements have been prepared on a historical cost convention except for the defined benefit obligation which is recognised at the present value of future obligations using the projected unit credit method and the revaluation of derivative financial instrument. The accompanying Condensed interim carve-out financial statements has been prepared for inclusion in the company's Initial Public Offering document to be filed in connection with the listing of Americana Restaurants on the Abu Dhabi Securities Exchange in the United Arab Emirates and the Saudi Stock Exchange (Tadawul) in the Kingdom of Saudi Arabia.

The preparation of Condensed interim carve-out financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of complexity, or areas where assumptions and estimates are significant to the Condensed interim carve-out financial statements are disclosed in Note 4. These have been applied consistently for all periods presented.

The transfer of the Restaurant Business and its entities to Americana Restaurants represents a capital reorganisation, whereby the Condensed interim carve-out financial statements of the Group are presented as a continuation of Americana Restaurants. The financial information as at 30 June 2022 constitutes a condensed consolidated interim financial statements of Americana Restaurants under IFRS 10 post restructuring. The financial information for the periods presented in these Condensed interim carve-out financial statements represent the financial results and financial position of Americana Restaurants before the incorporation date of the Parent Company as if the Parent Company had historically operated as a group of entities. Therefore, the transfer represents the predecessor method of accounting and retrospective presentation is used whereby:

- Assets and liabilities of the transferred entities are stated at their predecessor carrying values and fair value measurement is not required.
- The entities' results and financial position are incorporated as if they had always been combined with the Parent Company. Therefore, the comparative information for the six month period ended 30 June 2021 and as at 31 December 2021 in these Condensed interim carve-out financial statements represent the financial results and financial position of the Restaurant business. The comparatives for the period ended 30 June 2021 and as at 31 December 2021 have been prepared on a carve-out basis according to the basis of preparation and accounting policies set out in the annual carve-out financial statements for the years ended 31 December 2021, 2020 and 2019.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Seasonality of operations

Currently, the Group has no seasonality of operations.

2.4 New standards, amendments, and interpretations

The following new and revised IFRS, which became effective for annual periods beginning on or after 1 January 2022, have been adopted in these Condensed interim carve-out financial statements. The application of these revised IFRS, except where stated, have not had any material impact on the amounts reported for the current and prior periods:

- amendment to IFRS 3 (effective 1 January 2022);
- amendment to IAS 37 (effective 1 January 2022);
- amendment to IAS 16 (effective 1 January 2022); and
- annual improvements to IFRS 9 and IFRS 16 (effective 1 January 2022).

New and revised IFRS issued but not yet effective and not early adopted

- IFRS 17, 'Insurance contracts' (deferred until accounting periods starting on 1 January 2023);
- amendments to IAS 12 (effective 1 January 2023);
- amendments to IAS 1 (effective 1 January 2023); and
- amendments to IAS 8 (effective 1 January 2023).

The Group is currently assessing the impact of these standards, and amendments on the future Condensed interim carve-out financial statements of the Group and intends to adopt these, if applicable, when they become effective.

2.5 Accounting policies

The same accounting policies and methods of computation have been followed in these Condensed interim carve-out financial statements as compared with the Group's recent annual carve-out financial statements for the years ended 31 December 2021, 2020 and 2019.

2.6 Basis of consolidation

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method of accounting to account for business combinations, except for acquisitions involving entities under common control, which are accounted for using the predecessor method. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group.

The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interests in the acquiree either at fair value or at the non-controlling interests' proportionate share of the acquiree's net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in the Condensed interim carve-out statement of income. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in the Condensed interim carve-out statement of income.

The excess of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interests recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the Condensed interim carve-out statement of income.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Basis of consolidation (continued)

(a) Subsidiaries (continued)

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Condensed interim carve-out statement of income, Condensed interim carve-out statement of comprehensive income, Condensed interim carve-out statement of changes in equity and the Condensed interim carve-out statement of financial position respectively.

The Condensed interim carve-out financial statements comprises the Condensed interim carve-out financial statements of the Parent and its subsidiaries that were transferred to it by KFC.

The subsidiaries of the Parent were transferred to it under a capital reorganisation during the six-month period ended 30 June 2022. The transfer is treated as a capital reorganisation under common control and the predecessor method of accounting and retrospective presentation is used.

Items included in the Condensed interim carve-out financial statements of each of Americana Restaurants' entities are measured using the currency of the primary economic environment in which each entity operates ('the functional currency'). The Condensed interim carve-out financial statements are presented in United States Dollars ("USD") which is the "presentation currency" of Americana Restaurants and the currency in which management measures Americana Restaurants' performance and reports its results

(b) Transactions eliminated on consolidation

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) Changes in interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant shares acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(d) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in the Condensed interim carve-out statement of income. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the condensed interim carve-out statement of income.

2.7 Merger reserve

The merger reserve is related to the capital reorganisation wherein the Restaurant Business was transferred from the Intermediate Parent to Americana Restaurants LTD during the six month period ended 30 June 2022. The difference between the accumulated net contribution from the Intermediate Parent Company and the consideration provided to the Intermediate Parent Company for the transfers (being the value of share capital issued) is recorded as a merger reserve in equity as it represents the difference between the carrying value of the net assets transferred and the fair value of the consideration provided.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the number of shares issued to existing investors, on formation of the combined legal structure. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the number of shares on formation for the effects of all dilutive potential ordinary shares. The denominator has been adjusted retrospectively in calculating historical EPS for the period ended 30 June 2021 by using the number of shares issued on formation of the combined legal structure.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities may expose it to a variety of financial risks: market risk (including foreign exchange risk, price and cash flow and fair value interest rate risk), credit risk and liquidity risk. The management carries out risk assessment for managing each of these risks. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is predominately controlled by a central treasury department of the Group under policies approved by the board of directors. The central treasury department identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

The Condensed interim carve-out financial statements does not include all financial risk management information and disclosures required in the annual consolidated financial statements; they should be read in conjunction with the Group's annual carve-out financial statements for the years ended 31 December 2021, 2020 and 2019. There have been no changes in the risk management department or in any risk management policies since the year end.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in funding by keeping committed credit lines available.

There are no other significant changes on the liquidity risk from the Group's annual carve-out financial statements for the years ended 31 December 2021, 2020 and 2019.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these Condensed interim carve-out financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In preparing these Condensed interim carve-out financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's annual carve-out financial statements for the years ended 31 December 2021, 2020 and 2019.

Critical judgements

Control of a subsidiary

The management has concluded that the Group controls Bahrain and Kuwait Restaurants Company, even though it holds less than half of the voting rights of this subsidiary. The Group is the largest shareholder with a 40% equity interest and has the exclusive right to manage Bahrain and Kuwait Restaurants Company. According to the contractual arrangements in place, the Group appoints all key management and makes all the key operating decisions which further suggests it has power over the investee and thus consolidates based on these facts.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Critical judgements (continued)

Hyperinflation

Americana Restaurants exercises significant judgement in determining the onset of hyperinflation in countries in which it operates and whether the functional currency of its subsidiary is the currency of a hyperinflationary economy.
Various characteristics of the economic environment of each country are taken into account. These characteristics include, but are not limited to, whether:
• the general population prefers to keep its wealth in non-monetary assets or in a relatively stable foreign currency;
• prices are quoted in a relatively stable foreign currency;
• sales or purchase prices take expected losses of purchasing power during a short credit period into account;
• interest rates, wages and prices are linked to a price index; and
• the cumulative inflation rate over three years is approaching, or exceeds, 100%.

Management exercises judgement as to when a restatement of the financial statements of a subsidiary becomes necessary. Following management's assessment, the subsidiary of the Group, International Touristic Projects Lebanese Co has been accounted for as entity operating in hyperinflationary economies. The results, cash flows and financial positions of International Touristic Projects Lebanese Co have been expressed in terms of the measuring units current at the reporting date.

The economy of Lebanon was assessed to be hyperinflationary effective September 2020, and hyperinflation accounting has been applied since.

The general price index used as published by the International Monetary Fund is as follows:

Date	Base year	General price index	Inflation rate (%)
30 June 2022	2019	1271	1085%
31 December 2021	2019	921	759%
30 June 2021	2019	415	287%

The impact of adjusting Americana Restaurants' results for the effects of hyperinflation is set out below:

Income statement	Period ended 30 June 2022 USD'000	Period ended 30 June 2021 USD'000
Increase in revenues	974	2,063
Monetary gain from hyperinflation	547	3,093
Impairment losses on non-financial assets	(982)	(954)
Increase in cost of revenues	(471)	(1,186)
Increase in selling and marketing expenses	(639)	(687)
Decrease/(increase) in general and administrative expenses	17	(476)
Others	(933)	(127)
(Decrease)/increase in profit after tax	**(1,487)**	**1,726**

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Critical accounting estimates and assumptions (continued)

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Impairment of non-financial assets

The Group has determined that the smallest cash generating units ("CGU") is its Brand-Country level primarily on the basis that the Group is required to maintain a minimum number of stores in each country in order to maintain the exclusivity right in line with the franchise agreements. Management also leverages its shared services infrastructure in each country and it has developed financial and operating performance indicators on a brand-country level.

Management performs a quarterly study to identify indications of impairment according to IAS 36, Impairment of Assets ("IAS 36"), in which discounted future cash flows are calculated to ascertain whether the value of assets has become impaired. However, a risk exists whereby the assumptions used by management to calculate future cash flows may not be fair based on current conditions and those prevailing in the foreseeable future. The non-financial assets which relate to restaurant outlets, that were assessed for impairment are property and equipment, right-of-use assets and intangible assets amounting to USD 615,700 thousand as at 30 June 2022 (31 December 2021: 626,517 thousand, 30 June 2021: USD 574,038 thousand). The (reversal of impairment)/impairment losses recognised in the carve-out income statement on these non-financial assets are as follows:

	Six month period ended 30 June 2022 USD'000	**Year ended 31 December 2021 USD'000**
Property and equipment (Note 5)	554	(1,356)
Right-of-use assets (Note 10)	470	292
Intangible assets (Note 6)	11	(115)
Total	1,035	(1,179)

The following table presents Americana Restaurants' key assumptions and the effect of the sensitivity analysis on the carve-out statement of comprehensive income on those assumptions:

		Headroom/(Impairment of non-financial assets) US Dollars'000			
	Change in assumption	Period ended 30 June 2022		Period ended 30 June 2021	
Growth rate	+/-0.5%	31	(54)	157	(154)
Discount rate	+/-0.5%	(8)	8	(30)	30
Gross margin	+/-1.0%	31	(92)	240	(249)

Key assumptions used in value in use calculations for the period ended 30 June 2022 and 2021 are as follows. Refer to Note 21 for the list of countries included in each segment

	CGUs impairment testing: Key assumptions 30 June 2022			
	Major GCC	Lower Gulf	North Africa	Others
Growth rate	5% - 12%	3% - 15%	6% - 13%	(48%) - 19%
Discount rate	9%	9% - 11%	10% - 13%	10% - 27%
Increase/decrease in gross margin	2% - 5%	2% - 4%	2% - 11%	2% - 220%

	CGUs impairment testing: Key assumptions 30 June 2021			
	Major GCC	Lower Gulf	North Africa	Others
Growth rate	5% - 45%	3% - 26%	10% - 45%	6% - 121%
Discount rate	8%	8% - 10%	9% - 12%	9% - 24%
Increase/decrease in gross margin	1% - 3%	1% - 4%	1% - 7%	1% - 9%

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Critical accounting estimates and assumptions (continued)

Taxes

The Group is subject to corporate income tax and zakat. Significant judgment is required in determining the provision for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises a liability for anticipated taxes based on estimates of whether additional taxes will be due to be paid. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made (Note 18).

Impairment of financial assets

The impairment of trade receivables and other receivables is based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Americana Restaurants has reviewed the assumptions on risk of default and expected loss rates against the backdrop of COVID-19 pandemic. Management believes that the changes in the assumptions on risk of default and the expected credit losses rates calculation arising on financial assets will not significantly change the impairment of trade and other receivables as at 30 June 2022. Management will continue to monitor the situation and any changes required will be reflected in future reporting periods

Corporate allocations

In the preparation of the Condensed interim carve-out statement of income for the period ended 30 June 2021 in accordance with IFRS, management has made judgements, estimates and assumptions relating to the allocation of certain expenses and income historically maintained by Kuwait Food Company (Americana) K.S.C.C. Such items have been allocated to the Group based on the most relevant allocation method that are considered to be reasonable and based on the policies applied to the Group's annual carve-out financial statements for the years ended 31 December 2021, 2020 and 2019. Actual results may differ from these estimates. A 10% increase or decrease change in allocation percentages would result in approximately USD 240 thousand change in expense allocated to Americana Restaurants for the period ended 30 June 2021.

The expenses as mentioned above are allocated on the following basis:

Nature of costs	Basis of allocation
Employees related benefits and costs	Allocation is based on the estimated time spent and activities among the Restaurant Business, Food Business, and corporate function.
Rent and utilities	These costs have been allocated based on headcount of the employees from each business utilising the office space.
Professional, legal, and office administrative fees	These costs are identifiable and have been allocated based on the activity

Foreign currency translation - International Touristic Projects Lebanese Co.

International Touristic Projects Lebanese Co. ("Americana Lebanon") is a wholly owned subsidiary of the Group. During the previous year, the banks in Lebanon implemented unofficial foreign exchange controls in the banking sector to manage the shortages. The US Dollar ("USD") has been in wide use and circulation over the last 2 decades or more and against which the Lebanese Pound has been pegged throughout that period at Lebanese Lira ("LL") 1,507.5 per USD ("official exchange rate").

In terms of IFRS, where a country has multiple exchange rates, judgement is required to determine which exchange rate qualifies as a spot rate that can be used for the translation of foreign operations. Factors to determine this include whether the currency is available at an official exchange rate. After the launching of an official electronic platform ('Sayrafa') by the Central Bank of Lebanon where the exchange rate is published on a regular basis for the participating banks and for settlement of foreign payables, management has considered Sayrafa as an alternative official exchange rate, being a more relevant spot rate. As a result, management has used the alternate official exchange rate being the Sayrafa rate to translate Americana Lebanon's operations to the USD presentation currency as at 30 June 2022.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Critical accounting estimates and assumptions (continued)

Derivative financial instruments

The fair value of derivative financial instruments that are not traded in an active market are determined using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

Extension or termination options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The majority of extension and termination options held are exercisable only by the Group or both parties mutually agreeing on renewed terms and conditions. Based on management's assessment they have concluded not to exercise any extension or termination options as it is not reasonably certain.

5 PROPERTY AND EQUIPMENT

	US Dollars'000						
	Land	Leasehold improvements and furniture	Buildings and cold rooms	Equipment and tools	Vehicles	Capital work in progress	Total
Cost							
As at 1 January 2022	19,095	450,374	89,388	270,081	15,795	20,965	865,698
Additions	-	15,140	573	16,097	814	23,837	56,461
Disposals	-	(19,080)	(2,228)	(8,292)	(1,064)	-	(30,664)
Hyperinflation adjustment	141	63	192	122	9	-	527
Transfers	-	13,144	326	3,105	-	(17,868)	(1,293)
Foreign currency translation difference	(2,511)	(9,788)	(3,563)	(4,650)	(427)	(370)	(21,309)
As at 30 June 2022	16,725	449,853	84,688	276,463	15,127	26,564	869,420
Accumulated depreciation and impairment							
As at 1 January 2022	-	350,636	69,144	211,801	12,198	-	643,779
Charge for the period	-	16,948	1,691	9,553	755	-	28,947
Disposals	-	(18,759)	(1,396)	(7,989)	(1,060)	-	(29,204)
Hyperinflation adjustment	-	85	234	177	8	-	504
Transfers	-	(99)	(67)	141	-	-	(25)
Impairment	-	518	(20)	56	-	-	554
Foreign currency translation difference	-	(5,678)	(2,224)	(2,958)	(263)	-	(11,123)
As at 30 June 2022	-	343,651	67,362	210,781	11,638	-	633,432
Net book amount							
As at 30 June 2022	16,725	106,202	17,326	65,682	3,489	26,564	235,988

Capital work in progress mainly comprises of outlets under construction and equipment under assembly.

Property and equipment with a carrying amount of USD 23,429 thousand as on 30 June 2022 (31 December 2021: USD 19,746 thousand) are pledged as security for a borrowing held by the Intermediate Parent Company.

5 PROPERTY AND EQUIPMENT (continued)

	US Dollars'000						
	Land	Leasehold improvements and furniture	Buildings and cold rooms	Equipment and tools	Vehicles	Capital work in progress	Total
Cost							
As at 1 January 2021	32,877	461,548	110,853	284,536	18,456	13,744	922,014
Additions	-	22,001	709	19,591	1,173	48,036	91,510
Disposals	-	(37,441)	(803)	(20,937)	(2,833)	(81)	(62,095)
Hyperinflation adjustment	3,082	4,660	4,498	3,653	232	-	16,125
Transfers	-	27,264	581	4,861	104	(40,606)	(7,796)
Foreign currency translation difference	(16,864)	(27,658)	(26,450)	(21,623)	(1,337)	(128)	(94,060)
As at 31 December 2021	19,095	450,374	89,388	270,081	15,795	20,965	865,698
Accumulated depreciation and impairment							
As at 1 January 2021	7,024	373,628	86,766	231,827	14,882	-	714,127
Charge for the year	-	37,219	3,742	16,413	1,233	-	58,607
Disposals	-	(36,648)	(804)	(19,687)	(2,804)	-	(59,943)
Hyperinflation adjustment	-	4,559	3,928	3,497	232	-	12,216
Transfers	-	26	(102)	(30)	4	-	(102)
Reversal of impairment	(490)	(87)	(605)	(170)	(4)	-	(1,356)
Foreign currency translation difference	(6,534)	(28,061)	(23,781)	(20,049)	(1,345)	-	(79,770)
As at 31 December 2021	-	350,636	69,144	211,801	12,198	-	643,779
Net book amount							
As at 31 December 2021	19,095	99,738	20,244	58,280	3,597	20,965	221,919

Capital work in progress mainly comprises of outlets under construction and equipment under assembly.

6 INTANGIBLE ASSETS

	US Dollars'000		
	Franchise and agencies	Others	Total
Cost			
At 31 December 2020	75,318	9,455	84,773
Additions	8,303	-	8,303
Transfers	3,397	-	3,397
Hyperinflation adjustment	602	-	602
Disposals	(2,567)	-	(2,567)
Foreign currency translation difference	(3,533)	-	(3,533)
At 31 December 2021	81,520	9,455	90,975
Additions	1,912	-	1,912
Transfers	1,406	-	1,406
Hyperinflation adjustment	3	-	3
Disposals	(2,058)	-	(2,058)
Foreign currency translation difference	(1,967)	-	(1,967)
At 30 June 2022	80,816	9,455	90,271
Accumulated amortisation and impairment			
At 31 December 2020	46,084	997	47,081
Amortisation	6,133	-	6,133
Disposals	(2,057)	-	(2,057)
Hyperinflation adjustment	494	-	494
Reversal of impairment	(115)	-	(115)
Foreign currency translation difference	(3,184)	-	(3,184)
At 31 December 2021	47,355	997	48,352
Amortisation	3,281	-	3,281
Transfers	63	-	63
Disposals	(1,432)	-	(1,432)
Hyperinflation adjustment	30	-	30
Impairment	11	-	11
Foreign currency translation difference	(762)	-	(762)
At 30 June 2022	48,546	997	49,543
Net book amount			
At 30 June 2022	32,270	8,458	40,728
At 31 December 2021	34,165	8,458	42,623

'Franchise and agencies' comprise of franchise fee paid to third parties for licensing and operation of restaurant chains in line with the related franchise agreements.

7 TRADE AND OTHER RECEIVABLES

	US Dollars'000	
	30-June-2022	31-December-2021
Trade receivable	27,995	26,800
Less: loss allowance	(2,417)	(1,856)
	25,578	24,944
Prepaid expenses	36,498	28,489
Advances to suppliers	7,746	5,499
Refundable deposits	18,521	18,627
Accrued income	5,298	5,304
Insurance receivables	758	752
Staff receivables	2,258	2,313
Others	9,555	8,106
	106,212	94,034

The Group has a broad base of customers with no concentration of credit risk within trade receivables at 30 June 2022 and 31 December 2021.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable:

	US Dollars'000	
	30-June-2022	31-December-2021
Up to 3 months	25,931	25,044
3 to 6 months	580	561
Over 6 months	1,484	1,195
	27,995	26,800

The loss allowance on trade receivables is primarily concentrated in the balances over 6 months which had an expected credit loss allowance of 93% amounting to USD 1,383 thousand (31 December 2021: 100% amounting to USD 1,195 thousand).

Balances between 3 to 6 months had an expected credit loss allowance of 45% amounting to USD 263 thousand (31 December 2021: 27% amounting to USD 153 thousand). Balances up to 3 months had an expected credit loss allowance of 3% amounting to USD 771 thousand (31 December 2021: 2% amounting to USD 508 thousand).

Movement in the loss allowance on trade receivables during the period/year:

	US Dollars'000	
	30-June-2022	31-December-2021
Balance at 1 January	1,856	1,744
Charge during the period/year	1,182	1,454
Write-offs against the loss allowance on trade receivables	(14)	(1,319)
Reclassification	(509)	(26)
Foreign currency translation differences	(98)	3
	2,417	1,856

The other classes within trade and other receivables do not contain impaired assets and are not exposed to significant credit risk.

7 TRADE AND OTHER RECEIVABLES (continued)

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

	US Dollars'000	
	30-June-2022	31-December-2021
UAE Dirham	8,334	8,563
Saudi Riyal	7,563	4,455
Egyptian Pound	3,277	5,316
Kuwaiti Dinar	3,063	4,151
US Dollar	43	54
Other	5,715	4,261
	27,995	26,800

The carrying value less loss allowance on trade and other receivables is assumed to approximate their fair values due to the short-term nature of trade receivables.

Agreement with REEF Technology Inc and REEF SPV ME Holdings LLC:

Americana Restaurants entered into an agreement on 9 December 2021 with a third party to operate cloud kitchens in the region through an investment in REEF Technology Middle East Limited (the "Entity"). Americana Restaurants acquired 25% shares in the Entity in exchange for loan notes of USD 28,500 thousand which are non-interest bearing and have a non-recourse against Americana Restaurants. As per the agreement, the loan notes are to be settled against the future cash flows (i.e., dividends) received from the investment of Americana Restaurants. Americana Restaurants neither bear any significant risk or rewards until the loan notes have been fully settled nor additional liability in case the Entity fails to generate sufficient cash flows to cover the loan notes. Moreover, Americana Restaurants contributed a working capital loan of USD 1,000 thousand towards the Entity which is non-interest bearing and has no fixed repayment terms. The working capital loan is recorded as a part of other receivables as at 30 June 2022 and 31 December 2021.

Under the same Agreement, the put option and call option is provided to both parties that is exercisable after 9 December 2024. Management has estimated the fair valuation of the stake along with the underlying derivative instrument to be USD 9,390 thousand as at 31 December 2021 and accordingly recorded the derivative financial instrument with the corresponding deferred gain as at 31 December 2021.

The Group has revalued the derivative financial instrument and estimated the fair value to be USD 10,665 thousand as at 30 June 2022. The valuation methodology utilised is consistent with the prior year valuation, being the binomial lattice model with key assumptions as at 30 June 2022 being an expected life of 4.5 years, an asset volatility of 19%, and a risk free interest rate of 3%. The difference on revaluation is recorded in the Condensed interim carve-out statement of income.

8 CASH AND CASH EQUIVALENTS

	US Dollars'000		
	30-June-2022	31-December-2021	30-June-2021
Cash on hand	4,996	4,309	2,836
Cash at banks	99,090	89,420	114,461
Short-term deposits with original maturity of 3 months or less	145,953	80,267	19,930
Cash and cash equivalents	250,039	173,996	137,227

8 CASH AND CASH EQUIVALENTS (continued)

Bank balances are held with local and international branches of reputable banks. Management views these banks as having a sound performance history and satisfactory credit ratings. Deposits are presented as cash equivalents only if they have a maturity of three months or less from the date of acquisition or are readily convertible to known amounts of cash which are subject to insignificant risk of changes in value.

Cash and cash equivalents include the following for the purpose of the Condensed interim carve-out statement of cash flows:

	US Dollars'000		
	30-June-2022	31-December-2021	30-June-2021
Cash and cash equivalents	250,039	173,996	137,227
Less: Bank overdraft (Note 9)	(13,670)	(7,073)	(9,303)
Balances per Condensed interim carve-out statement of cash flows	236,369	166,923	127,924

9 BANK FACILITIES

	US Dollars'000		
	30-June-2022	31-December-2021	30-June-2021
Short term			
Bank overdraft	13,670	7,073	9,303

	US Dollars'000		
Maturity of bank facilities are as follows:	30-June-2022	31-December-2021	30-June-2021
Within one year	13,670	7,073	9,303

10 LEASES

(i) Amounts recognized in the Condensed interim carve-out statement of financial position

	US Dollars'000				
	Building and Leasehold	Vehicles	Land	Key money	Total
Right of use assets					
Cost					
As at 1 January 2021	596,590	21,220	8,249	10,871	636,930
Additions	125,884	6,589	414	1,401	134,288
Hyperinflation adjustment	1,987	-	-	467	2,454
Disposal	(5,731)	(150)	(95)	(1,980)	(7,956)
Transfers	-	-	-	1,843	1,843
Foreign currency translation difference	(11,954)	38	(102)	(2,637)	(14,655)
As at 31 December 2021	706,776	27,697	8,466	9,965	752,904
Additions	56,617	2,397	-	1,216	60,230
Hyperinflation adjustment	(638)	-	-	23	(615)
Disposal	(17,203)	(135)	(129)	(82)	(17,549)
Transfers	-	-	-	49	49
Foreign currency translation difference	(14,476)	(92)	30	(957)	(15,495)
As at 30 June 2022	731,076	29,867	8,367	10,214	779,524
Accumulated depreciation and impairment					
As at 1 January 2021	245,749	12,202	2,317	5,115	265,383
Charge for the year	132,361	7,933	1,167	1,782	143,243
Hyperinflation adjustment	442	-	-	467	909
Impairment charges	292	-	-	-	292
Disposal	(3,961)	(44)	-	(1,980)	(5,985)
Foreign currency translation difference	(10,245)	9	(61)	(2,616)	(12,913)
As at 31 December 2021	364,638	20,100	3,423	2,768	390,929
Charge for the period	65,004	3,365	590	1,036	69,995
Hyperinflation adjustment	(216)	-	-	23	(193)
Impairment charges	470	-	-	-	470
Disposal	(13,211)	(100)	(9)	(82)	(13,402)
Foreign currency translation difference	(6,444)	(65)	17	(767)	(7,259)
As at 30 June 2022	410,241	23,300	4,021	2,978	440,540
Net book amount					
As at 30 June 2022	**320,835**	**6,567**	**4,346**	**7,236**	**338,984**
As at 31 December 2021	**342,138**	**7,597**	**5,043**	**7,197**	**361,975**

The additions of right-of-use assets is a non-cash investing activity.

	30-June-2022 USD'000	31-December-2021 USD'000
Lease liabilities		
Non-current	229,872	248,136
Current	123,267	136,463
	353,139	384,599

10 LEASES (continued)

(ii) Amounts recognised in the Condensed interim carve-out statement of income

	30-June-2022 USD'000	30-June-2021 USD'000
Finance costs on lease liabilities	9,264	10,386

	30-June-2022 USD'000	30-June-2021 USD'000
Other rent expenses		
Expense relating to short-term and low-value leases	25,528	25,679
Expense relating to variable lease payments not included in lease liabilities	7,017	4,751
	32,545	30,430

Americana Restaurants recognised a gain on COVID-19 related rent concessions of USD 667 thousand for the period ended 30 June 2022 (30 June 2021: USD 4,662 thousand) under other income in the Condensed interim carve-out statement of income.

11 PROVISIONS FOR LEGAL, TAX AND OTHER CLAIMS

	US Dollars'000	
	30-June-2022	31-December-2021
Legal cases	5,270	9,430
Provision for termination and closure	4,889	5,060
Tax	37,795	13,781
Other provisions	3,961	3,791
	51,915	32,062

	2022 (USD'000)				
	Legal cases	**Provision for termination and closure**	**Tax**	**Other provisions**	**Total**
Balance at 1 January 2022	9,430	5,060	13,781	3,791	32,062
Charged/(credited) to profit or loss					
Additional provisions recognised	394	495	24,450	1,768	27,107
Unused amounts reversed	(1,183)	(4)	-	-	(1,187)
Amounts used during the period	(2,129)	(660)	(154)	(727)	(3,670)
Foreign currency translation difference	(105)	(2)	(282)	(200)	(589)
Others	(1,137)	-	-	(671)	(1,808)
Balance at 30 June 2022	5,270	4,889	37,795	3,961	51,915

11 PROVISIONS FOR LEGAL, TAX AND OTHER CLAIMS (continued)

	2021 (USD'000)				
	Legal cases	Provision for termination and closure	Tax	Other provisions	Total
Balance at 1 January 2021	7,737	3,849	7,906	2,818	22,310
Charged/(credited) to profit or loss					
Additional provisions recognised	3,671	3,774	10,799	2,235	20,479
Unused amounts reversed	(1,072)	(3,935)	(38)	(202)	(5,247)
Amounts used during the year	(210)	(1,242)	(1,895)	(2,938)	(6,285)
Foreign currency translation difference	(396)	(207)	(1,008)	-	(1,611)
Others	(300)	2,821	(1,983)	1,878	2,416
Balance at 31 December 2021	**9,430**	**5,060**	**13,781**	**3,791**	**32,062**

Legal cases
The provision consists of the total amount provided to meet specific legal claims against Americana Restaurants from external parties. Management believes that after obtaining appropriate legal advice, the outcome of such legal claims will not substantially exceed the value of the provision as at 30 June 2022 and 31 December 2021.

Provision for termination and closure
The provision relates to the closure and termination charges along with other related costs which are expected to be incurred for the closure of stores over the upcoming period.

Tax and other provisions
Other provisions include of ongoing assessments by the relevant authorities for open years dispute in relation to taxes, zakat and NLST. Management believes that provision for probable future tax assessments is adequate based upon previous years' tax examinations and past interpretations of the tax laws and that the position taken in tax returns will be sustained upon examination by the relevant tax authorities (Note 18). The other provisions also comprise of restructuring expenses and expected claims from external parties in relation to Americana Restaurants' activities. The management reviews these provisions on a periodic basis, and the allocated amount is adjusted according to the latest developments, discussions and agreements with such parties.

12 SHARE CAPITAL AND MERGER RESERVE

(i) Share capital

As at 30 June 2022, the Parent Company's authorized, issued and paid up capital is USD 168,472,662 comprising of 168,472,662 shares with nominal value of USD 1 each. 10,000 shares are issued in cash and 168,462,662 shares are issued through a share-for-share exchange for the transfer of the Restaurant Business from the Intermediate Parent Company. The Intermediate Parent Company owns 100% of the Parent Company's issued share capital.

(ii) Merger reserve

	US Dollars'000	
	30-June-2022	31-December-2021
Beginning balance	-	-
Transfer from accumulated net contribution from the Intermediate Parent Company	(1,608)	-
	(1,608)	-

The merger reserve is related to the capital reorganisation wherein the Restaurant Business was transferred from the Intermediate Parent Company to Americana Restaurants LTD during the six month period ended 30 June 2022.

13 NON-CONTROLLING INTERESTS

	US Dollars'000	
	30-June-2022	31-December-2021
Beginning balance	11,157	9,509
Share from net profit of the period	1,945	2,491
Other comprehensive income item:		
Foreign currency translation differences	30	48
Other changes in non-controlling interests:		
Effects of acquisition of additional shares in a subsidiary	(516)	(65)
Cash dividends paid by subsidiaries	(3,215)	(826)
Total other changes in non-controlling interests	(3,731)	(891)
	9,401	**11,157**

14 RELATED PARTIES TRANSACTIONS AND BALANCES

Related parties represent shareholders who have representatives in the Boards of Directors, members of the Boards of Directors, Senior Management and the companies which are controlled by the major shareholders. In the ordinary course of business, Americana Restaurants has entered into arms-length transactions with related parties during the year. The following are the transactions and balances resulting from these transactions:

	US Dollars'000	
	30-June-2022	30-June-2021
Transactions with fellow subsidiaries		
Purchases of raw materials	61,396	51,390
Interest income from loan to a related party	670	494
Investment property rental income	178	187
Delivery and payment support	570	163
Key management personnel		
Short term employee benefits	2,886	2,243
Termination benefits	60	51

Due from related parties

		USD'000	
Name	Place of incorporation	30-June-2022	31-December-2021
Fellow subsidiaries:			
Americana Holding for KSA Food	UAE	2,113	1
Gulf Food Industries (California Garden)	UAE	11	68
Americana Food Investment Group Company	UAE	-	457
The International Co. for Agricultural development ('Farm Frites')	Egypt	379	-
Americana Group for Food and Touristic Projects	Egypt	74	-
Others		226	573
Entity controlled by a major shareholder:			
Nshmi Development LLC	UAE	27	90
		2,830	**1,189**

14 RELATED PARTIES TRANSACTIONS AND BALANCES (continued)

Due to related parties

Name	Place of incorporation	USD'000 30-June-2022	USD'000 31-December-2021
Fellow subsidiaries:			
National Food Industries Co.	KSA	11,575	7,110
The International company for Agricultural production and processing	Egypt	5,825	11
Cairo poultry Company	Egypt	1,627	1,213
The International Co. for Agricultural development ('Farm Frites')	Egypt	995	6,261
Senyorita Co. for Food Industries	Egypt	8	2,551
Gulf Food Co. Americana LLC	UAE	3,217	2,295
Gulf Food Industries (California Garden)	UAE	2,282	1,467
Others		-	151
Division of the Intermediate Parent Company:			
Kuwait Foods Divisions (Meat, Cake, Agencies)	Kuwait	2,427	2,282
Entities controlled by a major shareholder:			
Noon AD Holdings	UAE	322	274
Barakat Vegetables and Fruits Co. LLC	UAE	142	-
Noon Payments Digital Limited	KSA	95	68
		28,515	**23,683**

	US Dollars'000 30-June-2022	US Dollars'000 31-December-2021
Loan to a related party		
Americana Foods Investments Group Company LLC	-	64,000

On 21 March 2021, Americana Prime Investments Limited (an entity of Americana Restaurants) entered into an agreement with Americana Foods Investments Group Company LLC, a fellow subsidiary, to provide a loan of USD 64,000 thousand for a period of 5 years ending on 21 March 2026 and repayable in five equal annual instalments of USD 12,800 thousand. As at 31 December 2021, the loan carries an interest set at arms-length of LIBOR plus margin payable quarterly commencing immediately after the drawdown date (i.e. 21 March 2021). Accordingly, USD 12,800 thousand has been classified as current and USD 51,200 thousand has been classified as non-current due from related parties as on 31 December 2021.

On 11 March 2022, Americana Prime Investments Limited entered into an additional agreement with Americana Foods Investments Group Company LLC to provide a loan of USD 36,000 thousand for a period of 4 years ending on 11 March 2026, the loan carries an interest set at arms-length of LIBOR plus margin payable quarterly commencing immediately after the drawdown date (i.e. 11 March 2022). On 20 April 2022, both related party loans have been early settled in full by Americana Foods Investments Group Company LLC.

15 REVENUES

	USD'000 30-June-2022	USD'000 30-June-2021
Food and beverage	1,149,987	966,775
Investment properties rental income	1,942	1,374
	1,151,929	968,149

16 TAX CLAIM CHARGE

Tax claim charge is a non-recurring provision to settle an indirect tax claim relating to the historical period 2000-2017. Prior to 2016, restaurants not having a 'touristic' status benefited from an exemption to sales tax. This exemption law was repealed in 2016 pursuant to a change in tax law. The revised tax laws have been applied going forward.

During 2022, the Group has entered into settlement discussions for historical periods with tax authorities and expect to benefit from the new amnesty legislation to partially waive penalties. Management believes the provisions provided are adequate to cover the expected settlement amount and penalties.

17 SUBSIDIARIES

The Group's subsidiaries overall ownership structure as at 30 June 2022 is as reflected below. The subsidiaries were transferred to the Group during the six month period ended 30 June 2022 (Note 1):

Company's Name	Activity	Place of incorporation	Effective Ownership (%) 30-June-2022
Americana Restaurants Investments Group Company LLC	Holding Company	United Arab Emirates	100%
Americana Kuwait Company Restaurants WLL	Restaurants	Kuwait	100%
Americana Holding for UAE Restaurants LTD	Holding Company	United Arab Emirates	100%
Americana Holding for Egyptian Restaurants LTD	Holding Company	United Arab Emirates	100%
Americana Company for Restaurants Holding LTD	Holding Company	United Arab Emirates	100%
Americana Holding for KSA Restaurants LTD	Holding Company	United Arab Emirates	100%
Americana Holding for Restaurants LTD	Holding Company	United Arab Emirates	100%
Kuwait Food Company Americana LLC	Restaurants	United Arab Emirates	100%
Egyptian Company for International Touristic Projects SAE	Restaurants	Egypt	99.90%
Egyptian International Company for Food Industries SAE	Restaurants	Egypt	100%
Al Ahlia Restaurants Company LLC	Restaurants	Saudi Arabia	100%
United Food Company LLC	Others	Saudi Arabia	100%
Americana Prime Investments Limited	Others	United Arab Emirates	100%
International Tourism Restaurants Company LLC	Restaurants	Oman	100%
The Caspian International Restaurants Company LLP	Restaurants	Kazakhstan	100%
Gulf & Arab World Restaurant WLL	Restaurants	Bahrain	94.00%
Bahrain & Kuwait Restaurant Co. WLL	Restaurants	Bahrain	40.00%
Lebanese International Touristic Projects Company LLC	Restaurants	Lebanon	100%
Qatar Food Company WLL	Restaurants	Qatar	100%
Ras Bu abboud Trading Company WLL	Restaurants	Qatar	99.00%
Almusharaka for Touristic Restaurants Services, General Trading, Import & Export Company Ltd.	Restaurants	Iraq - Kurdistan	90.00%
Société Marocaine De Projects Touristiques SARL	Restaurants	Morocco	100%
Touristic Projects & International Restaurants Co. (Americana) LLC	Restaurants	Jordan	67.44%
Jordanian Restaurants Company for Fast Food LLC	Restaurants	Jordan	67.44%
The International Co. for World Restaurants Limited	Restaurants	United Arab Emirates	51.00%
Americana Restaurants India Private Limited	Others	India	100%

18 CONTINGENT LIABILITIES, OPERATING AND CAPITAL COMMITMENTS

	US Dollars'000	
	30-June-2022	31-December-2021
Contingent liabilities		
Letters of guarantee	12,683	12,839

Taxes

The Group operates in several different countries, Note 17 indicates the Group's structure and the countries in which it operates), and thus its operations are subject to various types of taxes. The significant impacts of the various types of taxes are concentrated in the Kingdom of Saudi Arabia and Arab Republic of Egypt as follows:

Arab Republic of Egypt:

Americana Restaurants' operations in Egypt are subject to various types of taxes, especially income tax, sales tax, salary tax and others.

Kingdom of Saudi Arabia:

Americana Restaurants' operations are subject to Zakat in the Kingdom of Saudi Arabia.

Americana Restaurants assesses the tax position of each subsidiary separately, in light of the years that have been inspected, the inspection results, the received tax claims, the legal advice of its external tax advisor on these claims and the legal situation of any existing dispute between the respective entity and the relevant official authorities with respect to these claims. Further, Americana Restaurants takes in consideration the contingent liabilities for the years that have not been inspected yet.

The tax claims and contingent tax liabilities, at Americana Restaurants' level, are amounted to USD 92,640 thousand as at 30 June 2022 (31 December 2021: USD 94,628 thousand).

Considering tax claims which fully settled previously in past years were significantly less than initial tax claims submitted by the Tax Administration, and based on the opinion of the external consultants, Americana Restaurants' management believes that the provisions made for this purpose are adequate and sufficient.

	US Dollars'000	
	30-June-2022	31-December-2021
Operating lease commitments – Lessee		
Less than one year	25,528	45,481

	US Dollars'000	
	30-June-2022	31-December-2021
Capital commitments		
Letters of credit	10,964	12,719
Projects in progress	7,721	13,896

19 FINANCIAL INSTRUMENTS BY CATEGORY

	US Dollars'000	
	30-June-2022	31-December-2021
Financial assets		
Financial assets at amortised cost		
Cash and cash equivalents (Note 8)	250,039	173,996
Loan to a related party (Note 14)	-	64,000
Trade and other receivables (excluding prepayments, advances to suppliers) (Note 7)	61,968	60,046
Due from related parties (Note 14)	2,830	1,189
	314,837	299,231
Financial assets at fair value		
Derivative financial instrument	10,665	9,390
	325,502	308,621
Financial liabilities		
Other financial liabilities at amortised cost		
Trade and other payables (excluding value added tax payable and unearned income)	354,757	325,212
Bank facilities (Note 9)	13,670	7,073
Lease liabilities (Note 10)	353,139	384,599
	721,566	716,884

20 NET DEBT RECONCILIATION

	US Dollars'000	
	30-June-2022	31-December-2021
Cash and cash equivalents (Note 8)	250,039	173,996
Bank facilities (Note 9)	(13,670)	(7,073)
Lease liabilities (Note 10)	(353,139)	(384,599)
Net debt	(116,770)	(217,676)

	US Dollars'000	
	30-June-2022	31-December-2021
Cash and cash equivalents	250,039	173,996
Net debt – variable interest rates	(366,809)	(391,672)
Net debt	(116,770)	(217,676)

	US Dollars'000		
	Liabilities from financing activities	Other assets	
	Leases	Cash/bank overdraft	Total
Net debt as at 1 January 2022	(384,599)	166,923	(217,676)
Foreign currencies translation differences	11,179	6,853	18,032
Others	(5,117)	-	(5,117)
Lease payments of principal and interest	83,745	-	83,745
Gain on rent concessions	667	-	667
Additions of leases	(59,014)	-	(59,014)
Cash flows, net	-	62,593	62,593
Net debt as at 30 June 2022	(353,139)	236,369	(116,770)

20 NET DEBT RECONCILIATION (continued)

	US Dollars'000		
	Liabilities from financing activities	Other assets	
	Leases	Cash/bank overdraft	Total
Net debt as at 1 January 2021	(403,439)	171,784	(231,655)
Foreign currencies translation differences	3,128	(4,275)	(1,147)
Others	(18,742)	-	(18,742)
Lease payments of principal and interest	160,363	-	160,363
Gain on rent concessions	6,978	-	6,978
Additions of leases	(132,887)	-	(132,887)
Cash flows, net	-	(586)	(586)
Net debt as at 31 December 2021	(384,599)	166,923	**(217,676)**

21 SEGMENT REPORTING

Americana Restaurants is organized into operating segments based on geographical location. The results are reported to the top executive management in Americana Restaurants. In addition, the revenue, profit, assets, and liabilities are reported on a geographic basis and measured in accordance with the same accounting basis used for the preparation of the carve-out financial statements. There are three major reportable segments: the Major Gulf Cooperation Council countries which include KSA, Kuwait and UAE, Lower Gulf countries (comprising of Qatar, Oman and Bahrain) and North Africa (Egypt and Morocco). All other operating segments that are not reportable segments are combined under "Others" (Kazakhstan, Iraq, Lebanon and Jordan).

The segments are concentrated in the restaurants sector which include operating all kinds of restaurants, representing international franchises.

Following is the segment information which is consistent with the internal reporting presented to management for the periods ended:

	Reportable segments		**Intercompany transactions**		**Total**	
	30 June		30 June		**30 June**	
Revenues	2022	2021	2022	2021	**2022**	**2021**
	USD'000		USD'000		**USD'000**	
Major GCC	783,433	646,731	-	(716)	783,433	646,015
Lower Gulf	146,492	115,225	(21,092)	(14,845)	125,400	100,380
North Africa	146,552	121,253	-	-	146,552	121,253
Others	96,544	100,501	-	-	96,544	100,501
Total	**1,173,021**	**983,710**	**(21,092)**	**(15,561)**	**1,151,929**	**968,149**

	Reportable segments	
	30 June	
Net profits	2022	2021
	USD'000	
Major GCC	139,673	86,294
Lower Gulf	12,472	6,782
North Africa	(33,127)	(524)
Others	11,577	9,641
Total	**130,595**	**102,193**
Unallocated:		
Income tax, zakat and other deductions	(6,119)	(6,058)
Losses of foreign exchange	(1,265)	(2,502)
Net profit for the period	**123,211**	**93,633**

21 SEGMENT REPORTING (continued)

	30 June 2022 USD'000				
	Major GCC	Lower Gulf	North Africa	Others	**Total**
Assets	766,747	126,934	142,544	103,993	**1,140,218**
Liabilities	674,537	98,470	155,453	57,012	**985,472**

	31 December 2021 USD'000				
	Major GCC	Lower Gulf	North Africa	Others	**Total**
Assets	685,325	139,980	145,590	117,019	**1,087,914**
Liabilities	648,573	105,210	123,324	71,095	**948,202**

Below is the analysis of the revenue (before eliminations) and related non-current assets for the significant geographical locations:

	USD'000			
	UAE	KSA	Kuwait	Egypt
Non-current assets as at 30 June 2022	156,746	138,810	93,839	81,282
Non-current assets as at 31 December 2021	161,601	134,967	93,078	90,852

	USD'000			
	UAE	KSA	Kuwait	Egypt
Revenue for the six-month period ended 30 June 2022	338,962	254,863	189,608	131,381
Revenue for the six-month period ended 30 June 2021	279,263	212,568	154,900	110,914

22 EARNINGS PER SHARE

	30 June 2022	30 June 2021
Earnings		
"Earnings for the purpose of basic and diluted earnings per share (profit for the period attributable to ordinary equity holders of the Parent rounded to the nearest) – *USD thousand*	121,266	93,324
Number of ordinary shares		
Number of ordinary shares – *numbers*	168,472,662	168,472,662
Basic and diluted earnings per share attributable to owners of the Parent rounded to the nearest – *USD thousand*	**0.001**	**0.001**

Americana Restaurants International plc (formerly Americana Restaurants LTD)

Condensed interim carve-out financial statements and independent auditor's review report
for the nine month period ended 30 September 2022

Americana Restaurants International plc (formerly Americana Restaurants LTD)

Contents

Review report on condensed interim carve-out financial statements to the board of directors of Adeptio AD Investments Ltd

Introduction

We have reviewed the accompanying condensed interim carve-out statement of financial position of Americana Restaurants International plc (formerly Americana Restaurants LTD) and its subsidiaries (the 'Group') as at 30 September 2022 and the related condensed interim carve-out statements of income and comprehensive income for the three-month and nine-month periods then ended and the condensed interim carve-out statements changes in equity and cash flows for the nine-month period then ended and notes, comprising a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of this condensed interim carve-out financial statements in accordance with International Accounting Standard 34 'Interim Financial Reporting' (IAS 34). Our responsibility is to express a conclusion on these condensed interim carve-out financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of interim financial statements performed by the independent auditor of the entity'. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Emphases of matter

We draw attention to Note 2 to the condensed interim carve-out financial statements, which describes the basis of preparation and accounting. In addition, we draw attention to the fact that, Americana Restaurants International plc and its subsidiaries have not operated as a separate group of entities for the period up to 27 June 2022, the date of transfer of the Restaurant business into the Group. These condensed interim carve-out financial statements are, therefore, not necessarily indicative of the future results of Americana Restaurants International plc and its subsidiaries as a Group.

The condensed interim carve-out financial statements are prepared by the management of Americana Restaurants International plc in connection with the listing of Americana Restaurants International plc on the Abu Dhabi Securities Exchange in the United Arab Emirates and the Saudi Stock Exchange (Tadawul) in the Kingdom of Saudi Arabia. As a result, the condensed interim carve-out financial statements may not be suitable for another purpose.

Our conclusion is not modified in respect of these matters.

Review report on condensed interim carve-out financial statements to the board of directors of Adeptio AD Investments Ltd (continued)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim carve-out financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting."

PricewaterhouseCoopers Limited
27 October 2022

PricewaterhouseCoopers

Dubai, United Arab Emirates

Americana Restaurants International plc (formerly Americana Restaurants LTD)

Condensed interim carve-out statement of financial position as at

	Note	30-September-2022 (Consolidated) US Dollars'000	31-December-2021 (Carve-out) US Dollars'000
ASSETS			
Non-current assets			
Property and equipment	5	248,183	221,919
Right of use assets	10	394,667	361,975
Loan to a related party	14	-	51,200
Investment properties		7,114	9,341
Intangible assets	6	42,719	42,623
Derivative financial instrument		8,771	7,512
Deferred tax asset		2,861	2,150
Total non-current assets		**704,315**	**696,720**
Current assets			
Inventories		170,798	107,297
Trade and other receivables	7	117,515	94,034
Due from related parties	14	282	1,189
Loan to a related party	14	-	12,800
Derivative financial instrument		2,699	1,878
Cash and cash equivalents	8	273,070	173,996
Total current assets		**564,364**	**391,194**
Total assets		**1,268,679**	**1,087,914**
LIABILITIES AND EQUITY			
Non-current liabilities			
Lease liability	10	258,987	248,136
Provision for employees' end of service benefits		67,584	76,260
Trade and other payables		57,148	50,195
Deferred gain on derivative financial instrument		6,103	7,512
Deferred tax liabilities		3	-
Total non-current liabilities		**389,825**	**382,103**
Current liabilities			
Bank facilities	9	27,397	7,073
Deferred gain on derivative financial instrument		1,878	1,878
Lease liability	10	152,048	136,463
Income tax, zakat and other deductions payable		11,534	12,614
Trade and other payables		395,313	352,326
Due to related parties	14	31,730	23,683
Provisions for legal, tax and other claims	11	31,438	32,062
Total current liabilities		**651,338**	**566,099**
Total liabilities		**1,041,163**	**948,202**
Equity			
Share capital	12	168,473	-
Merger reserve	12	(1,608)	-
Accumulated net contribution from the Intermediate Parent Company		-	148,984
Retained earnings		76,033	-
Foreign currency translation reserve		(26,383)	(20,429)
Equity attributable to owners of the Parent Company		216,515	128,555
Non-controlling interests	13	11,001	11,157
Total equity		**227,516**	**139,712**
Total liabilities and equity		**1,268,679**	**1,087,914**

Harsh Bansal	Amarpal Sandhu	Abdulmalik Al Hogail	Mohamed Ali Rashed Alabbar
Chief Financial Officer	Chief Executive Officer	Board Member	Board Member

The accompanying notes form an integral part of these condensed interim carve-out financial statements.

Americana Restaurants International plc (formerly Americana Restaurants LTD)

Condensed interim carve-out statement of income for the period ended 30 September

		US Dollars'000			
		Three months period ended 30 September		Nine months period ended 30 September	
		2022	2021	2022	2021
	Note				
Revenues	15	619,110	539,771	1,771,039	1,507,920
Cost of revenues		(305,005)	(252,941)	(851,127)	(711,827)
Gross profit		**314,105**	**286,830**	**919,912**	**796,093**
Selling and marketing expenses		(190,795)	(178,464)	(551,137)	(506,166)
General and administrative expenses		(48,680)	(44,253)	(139,082)	(125,149)
Other income		456	2,673	9,885	12,522
Monetary gain from hyperinflation		6,554	3,390	7,101	6,483
Reversal of impairment /(losses) on non-financial assets		158	1,941	(877)	(462)
Net impairment allowance on financial assets	7	527	(95)	(655)	(905)
Fair value gains on derivative financial instrument		805	-	2,080	-
Reversal of tax claim / (charges)	16	582	-	(24,900)	-
Operating profit		**83,712**	**72,022**	**222,327**	**182,416**
Finance income		594	654	1,740	1,456
Finance costs		(6,670)	(5,102)	(17,101)	(16,607)
Profit before income tax, zakat, and KFAS		**77,636**	**67,574**	**206,966**	**167,265**
Income tax, zakat, and contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS")		(1,484)	(4,898)	(7,603)	(10,956)
Net profit for the period		**76,152**	**62,676**	**199,363**	**156,309**
Attributable to:					
The shareholder of the Parent Company/ Net Investment attributable to Intermediate Parent Company		74,550	61,224	195,816	154,548
Non-controlling interests		1,602	1,452	3,547	1,761
		76,152	**62,676**	**199,363**	**156,309**
Earnings per share					
Basic and diluted earnings per share	22	**0.0004**	**0.0004**	**0.0012**	**0.0009**

Americana Restaurants International plc (formerly Americana Restaurants LTD)

Condensed interim carve-out statement of comprehensive income for the period ended 30 September

	US Dollars'000			
	Three months period ended 30 September		Nine months period ended 30 September	
	2022	2021	2022	2021
Net profit for the period	**76,152**	**62,676**	**199,363**	**156,309**
Other comprehensive income items				
Items that will not be reclassified subsequently to condensed interim carve-out statement of income				
Remeasurement of employees' end of service benefits	1,483	2,068	7,209	2,068
Items that may be reclassified subsequently to condensed interim carve-out statement of income				
Exchange differences on translating foreign operations including the effect of hyperinflation	(4,863)	4,771	(5,924)	(7,077)
Total other comprehensive income items	(3,380)	6,839	1,285	(5,009)
Total comprehensive income for the period	**72,772**	**69,515**	**200,648**	**151,300**
Attributable to:				
The shareholder of the Parent Company/ Net Investment attributable to Intermediate Parent Company	71,170	68,061	197,071	149,489
Non-controlling interests	1,602	1,454	3,577	1,811
	72,772	69,515	200,648	151,300

Americana Restaurants International plc (formerly Americana Restaurants LTD)

Condensed interim carve-out statement of changes in equity for the period ended 30 September

	US Dollars'000				
	Net Investment attributable to Intermediate Parent Company				
	Accumulated net contribution from the Intermediate Parent Company	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
Balance at 1 January 2021	**89,789**	**(12,683)**	**77,106**	**9,509**	**86,615**
Net profit for the period	154,548	-	154,548	1,761	156,309
Other comprehensive income					
Remeasurement of employees' end of service benefits	2,068	-	2,068	-	2,068
Hyperinflation adjustment	-	(256)	(256)	-	(256)
Foreign currencies translation differences	-	(6,871)	(6,871)	50	(6,821)
Total comprehensive income	**156,616**	**(7,127)**	**149,489**	**1,811**	**151,300**
Changes in non-controlling interest	(119)	-	(119)	(891)	(1,010)
Distributions to the Intermediate Parent Company	(95,434)	-	(95,434)	-	(95,434)
Net payments and impact of capital reorganisation with the Intermediate Parent Company	(27,690)	-	(27,690)	-	(27,690)
Balance at 30 September 2021	**123,162**	**(19,810)**	**103,352**	**10,429**	**113,781**

Americana Restaurants International plc (formerly Americana Restaurants LTD)

Condensed interim carve-out statement of changes in equity for the period ended 30 September

		US Dollars'000							
		Equity attributable to owners of the Parent Company							
	Note	Share capital	Merger reserve	Accumulated net contribution from the Intermediate Parent Company	Retained earnings	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
Balance at 1 January 2022		**-**	**-**	**148,984**	**-**	**(20,429)**	**128,555**	**11,157**	**139,712**
Net profit for the period		-	-	121,266	74,550	-	195,816	3,547	199,363
Other comprehensive income									
Remeasurement of employees' end of service benefits		-	-	5,726	1,483	-	7,209	-	7,209
Hyperinflation adjustment		-	-	-	-	(1,336)	(1,336)	-	(1,336)
Foreign currencies translation differences		-	-	-	-	(4,618)	(4,618)	30	(4,588)
Total comprehensive income		**-**	**-**	**126,992**	**76,033**	**(5,954)**	**197,071**	**3,577**	**200,648**
Changes in non-controlling interest	13	-	-	(129)	-	-	(129)	(3,733)	(3,862)
Distributions to the Intermediate Parent Company		-	-	(83,089)	-	-	(83,089)	-	(83,089)
Net payments and impact of capital reorganisation with the Intermediate Parent Company		-	-	(25,903)	-	-	(25,903)	-	(25,903)
Issuance of shares		10	-	-	-	-	10	-	10
Capitalisation of shares	12	168,463	(1,608)	(166,855)	-	-	-	-	-
Balance at 30 September 2022		**168,473**	**(1,608)**	**-**	**76,033**	**(26,383)**	**216,515**	**11,001**	**227,516**

The accompanying notes form an integral part of these condensed interim carve-out financial statements.

Americana Restaurants International plc (formerly Americana Restaurants LTD)

Condensed interim carve-out statement of cash flows for the period ended 30 September

	Note	US Dollars'000 2022	2021
Cash flows from operating activities			
Profit before income tax and zakat for the period		206,966	166,474
Adjustments for:			
Depreciation and amortisation		161,259	154,032
Provision for employees' end of service benefits, net of transfers		5,910	12,200
Net impairment allowance on financial assets	7	655	905
Provision for obsolete, slow moving, and defective inventories		897	1,380
Impairment losses of non-financial assets	5,6,10	877	462
Loss on disposal of property and equipment and intangible assets		3,296	1,144
Gain on rent concessions		(667)	(6,097)
Finance income		(1,740)	(1,456)
Finance cost		17,101	16,607
Recognition of deferred gain on derivative financial instrument in other income		(1,409)	-
Fair value gains on financial assets at fair value through profit or loss		(2,080)	-
Tax claim charge	16	24,900	-
Hyperinflation impact		(5,824)	(4,799)
Operating cash flows before changes in working capital		**410,141**	**340,852**
Payments of employees' end of service benefits		(7,767)	(7,862)
Income tax paid		(12,387)	(11,232)
Changes in working capital:			
Trade and other receivables		(25,027)	(5,002)
Due from related parties		907	(506)
Inventories		(64,466)	(16,025)
Due to related parties		8,047	4,960
Trade and other payables, other liabilities and taxes		16,212	31,471
Net cash generated from operating activities		**325,660**	**336,656**
Cash flows from investing activities			
Purchase of property and equipment		(77,896)	(39,346)
Proceeds from sale of property and equipment		5,629	1,023
Purchase of intangible assets	6	(3,626)	(5,164)
Payments for key money		(2,339)	(1,196)
Interest received on short term deposits		1,740	1,456
Loans to a related party	14	(36,000)	(64,000)
Repayments of loans to a related party	14	100,000	-
Net cash used in investing activities		**(12,492)**	**(107,227)**
Cash flows from financing activities			
Payments of finance costs		(1,027)	(1,511)
Dividends paid to non-controlling interests	13	(3,217)	(826)
Acquisition of additional shares in subsidiary from non-controlling interests		(705)	(184)
Lease payments – principal element		(114,144)	(101,752)
Lease payments – interest on lease liabilities		(15,174)	(15,096)
Distributions to the Intermediate Parent Company		(83,089)	(95,434)
Movement in payments and impact of capital reorganisation with the Intermediate Parent Company		(25,903)	(27,690)
Proceeds from issuance of share capital		10	-
Net cash used in financing activities		**(243,249)**	**(242,493)**
Net change in cash and cash equivalents		69,919	(13,064)
Foreign currency translation differences		8,831	5,073
Cash and cash equivalents at the beginning of the period		166,923	171,784
Cash and cash equivalents at the end of the period	8	**245,673**	**163,793**

The accompanying notes form an integral part of these condensed interim carve-out financial statements.

1 GENERAL INFORMATION

Americana Restaurants International plc (formerly Americana Restaurants Ltd) ("Americana Restaurants" or the "Parent") is an Abu Dhabi Global Market registered entity that was incorporated on 27 May 2022 under registered number 000007712. The registered address is 2428 ResCowork06, 24th Floor, Al Sila Tower, Abu Dhabi Global Market Square, Al Maryah Island, Abu Dhabi, United Arab Emirates.

Americana Restaurants business comprises of operating and managing a number of restaurant chains/brands across the region. The operations extend to the United Arab Emirates, Saudi Arabia, Kuwait, Egypt, Qatar, Kazakhstan, Bahrain, Jordan, Oman, Lebanon, Morocco, and Iraq operated by the various subsidiaries of Americana restaurants.

Americana Restaurants business has been operating since 1969. It was owned and operated by Kuwait Food Company (Americana) K.S.C.C. ("KFC" or the "Intermediate Parent Company" or the "Former Parent Company") which is 93.42% owned by Adeptio AD Investments Ltd (the "Parent Company"). On 2 June 2022, the Board of Directors of KFC approved the transfer of the Americana Restaurants business and entities as detailed in Note 17 to Americana Restaurants (together referred to as "the Group") to be effective from 27 June 2022. On 29 August 2022, KFC transferred its shareholding of Americana Restaurants to the Parent Company post approval of the Board of Directors of the KFC and the KFC shareholders' approval in the General Assembly.

Americana Restaurants is 96.03% owned by the Parent Company and remaining 3.97% shares represents the minority shareholding. The Parent Company is a wholly owned subsidiary of Adeptio AD Holdings Ltd (the "Ultimate Parent Company"). The Ultimate Parent Company is equally owned by Mr. Mohamed Ali Rashed Alabbar and the Saudi Company for Gulf Food Investments ("Gulf Food Investments"), a subsidiary of the Public Investment Fund of the Kingdom of Saudi Arabia, being the 'Ultimate Shareholders'.

The condensed interim carve-out financial statements were approved for issue by the board of directors on 26 October 2022.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

The condensed interim carve-out financial statements for the nine month period ended 30 September 2022 have been prepared in accordance with IAS 34, 'Interim financial reporting'. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the condensed interim carve-out financial position. The condensed interim carve-out financial statements do not include all the information required for full annual consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS Interpretations Committee ("IFRS IC"). The condensed interim carve-out financial statements should be read in conjunction with the annual special purpose carve-out financial statements for the years ended 31 December 2021, 2020 and 2019.

2.2 Basis of preparation

The condensed interim carve-out financial statements have been prepared on a historical cost convention except for the defined benefit obligation which is recognised at the present value of future obligations using the projected unit credit method and the revaluation of derivative financial instrument. The accompanying condensed interim carve-out financial statements has been prepared for inclusion in the Americana Restaurants' Initial Public Offering document to be filed in connection with the listing of Americana Restaurants on the Abu Dhabi Securities Exchange in the United Arab Emirates and the Saudi Stock Exchange (Tadawul) in the Kingdom of Saudi Arabia.

The preparation of the condensed interim carve-out financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of complexity, or areas where assumptions and estimates are significant to the condensed interim carve-out financial statements are disclosed in Note 4. These have been applied consistently for all periods presented.

The transfer of the Restaurant Business and its entities to Americana Restaurants represents a capital reorganisation, whereby the condensed interim carve-out financial statements of the Group are presented as a continuation of Restaurant Business. The financial statements as at 30 September 2022 constitutes a condensed consolidated interim financial statements of Americana Restaurants under IFRS 10 following the reorganisation. The financial statements for the periods presented in these condensed interim carve-out financial statements include the financial results of Americana Restaurants before the incorporation date of the Parent as if the Parent had historically operated as a group of entities. Therefore, the transfer of the Restaurant Business and its entities follows the predecessor method of accounting and retrospective presentation is used whereby:

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Basis of preparation (continued)

- Assets and liabilities of the transferred entities are stated at their predecessor carrying values.
- The entities' results and financial position are incorporated as if they had always been combined with the Parent. Therefore, the comparative information for the nine month period ended 30 September 2021 and as at 31 December 2021 in these condensed interim carve-out financial statements represent the financial results and financial position of the Restaurant Business. The comparatives for the period ended 30 September 2021 and as at 31 December 2021 have been prepared on a carve-out basis according to the basis of preparation and accounting policies set out in the annual carve-out financial statements for the years ended 31 December 2021, 2020 and 2019.

2.3 Seasonality of operations

The Group's business is subject to moderate seasonal fluctuations, of which is affected by the holy month of Ramadan and Eid. Average restaurant sales are typically lower in Ramadan and higher during the Eid period. As a result of moderate seasonal fluctuations, results for any quarter are not necessarily indicative of the results that may be achieved for any other quarter or for the full fiscal year.

2.4 New standards, amendments, and interpretations

The following new and revised IFRS, which became effective for annual periods beginning on or after 1 January 2022, have been adopted in these condensed interim carve-out financial statements. The application of these revised IFRS, except where stated, have not had any material impact on the amounts reported for the current and prior periods:

- amendment to IFRS 3 (effective 1 January 2022);
- amendment to IAS 37 (effective 1 January 2022);
- amendment to IAS 16 (effective 1 January 2022); and
- annual improvements to IFRS 9 and IFRS 16 (effective 1 January 2022).

New and revised IFRS issued but not yet effective and not early adopted

- IFRS 17, 'Insurance contracts' (deferred until accounting periods starting on 1 January 2023);
- amendments to IAS 12 (effective 1 January 2023);
- amendments to IAS 1 (effective 1 January 2023); and
- amendments to IAS 8 (effective 1 January 2023).

The Group is currently assessing the impact of these standards, and amendments on the future condensed interim carve-out financial statements of the Group and intends to adopt these, if applicable, when they become effective.

2.5 Accounting policies

The same accounting policies and methods of computation have been followed in these condensed interim carve-out financial statements as compared with the Group's recent annual carve-out financial statements for the years ended 31 December 2021, 2020 and 2019.

2.6 Basis of consolidation

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method of accounting to account for business combinations, except for acquisitions involving entities under common control, which are accounted for using the predecessor method. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Basis of consolidation (continued)

(a) Subsidiaries (continued)

The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interests in the acquiree either at fair value or at the non-controlling interests' proportionate share of the acquiree's net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in the condensed interim carve-out statement of income. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in the condensed interim carve-out statement of income.

The excess of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interests recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the condensed interim carve-out statement of income.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the condensed interim carve-out statement of income, Condensed interim carve-out statement of comprehensive income, condensed interim carve-out statement of changes in equity and the condensed interim carve-out statement of financial position respectively.

The Condensed interim carve-out financial statements comprises the Condensed interim carve-out financial statements of the Parent and its subsidiaries that were transferred to it by KFC.

The subsidiaries of the Parent were transferred to it under a capital reorganisation during the nine-month period ended 30 September 2022. The transfer is treated as a capital reorganisation under common control and the predecessor method of accounting and retrospective presentation is used.

Items included in the condensed interim carve-out financial statements of each of Americana Restaurants' entities are measured using the currency of the primary economic environment in which each entity operates ('the functional currency'). The condensed interim carve-out financial statements are presented in United States Dollars ("USD") which is the "presentation currency" of Americana Restaurants and the currency in which management measures Americana Restaurants' performance and reports its results

(b) Transactions eliminated on consolidation

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) Changes in interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant shares acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Basis of consolidation (continued)

(d) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in the Condensed interim carve-out statement of income. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the condensed interim carve-out statement of income.

2.7 Merger reserve

The merger reserve is related to the capital reorganisation wherein the Restaurant Business was transferred from the Intermediate Parent to Americana Restaurants International plc during the nine month period ended 30 September 2022. The difference between the accumulated net contribution from the Intermediate Parent Company and the consideration provided to the Intermediate Parent Company for the transfers (being the value of share capital issued) is recorded as a merger reserve in equity as it represents the difference between the carrying value of the net assets transferred and the fair value of the consideration provided.

2.8 Earnings per share

The Group presents basic and diluted earnings per share (“EPS”) data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the number of shares issued to existing investors, on formation of the combined legal structure. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the number of shares on formation for the effects of all dilutive potential ordinary shares. The denominator has been adjusted retrospectively in calculating historical EPS for the period ended 30 September 2021 by using the number of shares issued on formation of the combined legal structure.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group’s activities may expose it to a variety of financial risks: market risk (including foreign exchange risk, price and cash flow and fair value interest rate risk), credit risk and liquidity risk. The management carries out risk assessment for managing each of these risks. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is predominately controlled by a central treasury department of the Group under policies approved by the board of directors. The central treasury department identifies, evaluates and hedges financial risks in close co-operation with the Group’s operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

The Condensed interim carve-out financial statements does not include all financial risk management information and disclosures required in the annual consolidated financial statements; they should be read in conjunction with the Group’s annual carve-out financial statements for the years ended 31 December 2021, 2020 and 2019. There have been no changes in the risk management department or in any risk management policies since the year end.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in funding by keeping committed credit lines available.

There are no other significant changes on the liquidity risk from the Group’s annual carve-out financial statements for the years ended 31 December 2021, 2020 and 2019.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these Condensed interim carve-out financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In preparing these Condensed interim carve-out financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's annual carve-out financial statements for the years ended 31 December 2021, 2020 and 2019.

Critical judgements

Control of a subsidiary

The management has concluded that the Group controls Bahrain and Kuwait Restaurants Company, even though it holds less than half of the voting rights of this subsidiary. The Group is the largest shareholder with a 40% equity interest and has the exclusive right to manage Bahrain and Kuwait Restaurants Company. According to the contractual arrangements in place, the Group appoints all key management and makes all the key operating decisions which further suggests it has power over the investee and thus consolidates based on these facts.

Hyperinflation

Americana Restaurants exercises significant judgement in determining the onset of hyperinflation in countries in which it operates and whether the functional currency of its subsidiary is the currency of a hyperinflationary economy.

Various characteristics of the economic environment of each country are taken into account. These characteristics include, but are not limited to, whether:

- the general population prefers to keep its wealth in non-monetary assets or in a relatively stable foreign currency;
- prices are quoted in a relatively stable foreign currency;
- sales or purchase prices take expected losses of purchasing power during a short credit period into account;
- interest rates, wages and prices are linked to a price index; and
- the cumulative inflation rate over three years is approaching, or exceeds, 100%.

Management exercises judgement as to when a restatement of the financial statements of a subsidiary becomes necessary. Following management's assessment, the subsidiary of the Group, International Touristic Projects Lebanese Co has been accounted for as entity operating in hyperinflationary economies. The results, cash flows and financial positions of International Touristic Projects Lebanese Co have been expressed in terms of the measuring units current at the reporting date.

The economy of Lebanon was assessed to be hyperinflationary effective September 2020, and hyperinflation accounting has been applied since.

The general price index used as published by the International Monetary Fund is as follows:

Date	Base year	General price index	Inflation rate (%)
30 September 2022	2019	1,842	1,618%
31 December 2021	2019	921	759%
30 September 2021	2019	595	455%

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Critical judgements (continued)

Hyperinflation

The impact of adjusting Americana Restaurants' results for the effects of hyperinflation is set out below:

Income statement	Period ended 30 September 2022 USD'000	Period ended 30 September 2021 USD'000
Increase in revenues	4,513	3,713
Monetary gain from hyperinflation	7,101	6,483
Impairment losses on non-financial assets	(982)	(1,350)
Increase in cost of revenues	(2,176)	(2,106)
Increase in selling and marketing expenses	(2,340)	(1,484)
Increase in general and administrative expenses	(109)	(1,583)
Others	(1,165)	(224)
Increase in profit after tax	**4,842**	**3,449**

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Impairment of non-financial assets

The Group has determined that the smallest cash generating units ("CGU") is its Brand-Country level primarily on the basis that the Group is required to maintain a minimum number of stores in each country in order to maintain the exclusivity right in line with the franchise agreements. Management also leverages its shared services infrastructure in each country and it has developed financial and operating performance indicators on a brand-country level.

Management performs a quarterly study to identify indications of impairment according to IAS 36, Impairment of Assets ("IAS 36"), in which discounted future cash flows are calculated to ascertain whether the value of assets has become impaired. However, a risk exists whereby the assumptions used by management to calculate future cash flows may not be fair based on current conditions and those prevailing in the foreseeable future. The non-financial assets which relate to restaurant outlets, that were assessed for impairment are property and equipment, right-of-use assets and intangible assets amounting to USD 685,569 thousand as at 30 September 2022 (31 December 2021: USD 626,517 thousand, 30 September 2021: USD 578,207 thousand). The (reversal of impairment)/impairment losses recognised in the carve-out income statement on these non-financial assets are as follows:

	Nine month period ended 30 September 2022 USD'000	Year ended 31 December 2021 USD'000
Property and equipment (Note 5)	575	(1,356)
Right-of-use assets (Note 10)	291	292
Intangible assets (Note 6)	11	(115)
Total	877	(1,179)

The impairment of non-financial assets is as a result of the CGU impairment study performed by management and specific impairment taken on certain assets in Lebanon due to the hyperinflationary environment.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Critical accounting estimates and assumptions (continued)

The following table presents Americana Restaurants' key assumptions and the effect of the sensitivity analysis on the carve-out statement of comprehensive income on those assumptions:

		Headroom/(Impairment of non-financial assets) US Dollars'000			
	Change in assumption	**Period ended 30 September 2022**		**Period ended 30 September 2021**	
Growth rate	+/-0.5%	-	-	157	(154)
Discount rate	+/-0.5%	-	-	(31)	32
Gross margin	+/-1.0%	-	-	282	(239)

Key assumptions used in value in use calculations for the period ended 30 September 2022 and 2021 are as follows. Refer to Note 21 for the list of countries included in each segment

CGUs impairment testing: Key assumptions 30 September 2022

	Major GCC	Lower Gulf	North Africa	Others
Growth rate	5% - 15%	3% - 15%	3% - 22%	(51%) - 22%
Discount rate	11%	11% - 15%	13% - 17%	12% - 29%
Increase/decrease in gross margin	2% - 3%	2% - 3%	1% - 7%	2% - 200%

CGUs impairment testing: Key assumptions 30 September 2021

	Major GCC	Lower Gulf	North Africa	Others
Growth rate	5% - 47%	3% - 20%	10% - 52%	6% - 185%
Discount rate	8%	8% - 10%	9% - 12%	9% - 24%
Increase/decrease in gross margin	1% - 3%	1% - 4%	1% - 7%	1% - 9%

Taxes

The Group is subject to corporate income tax and zakat. Significant judgment is required in determining the provision for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises a liability for anticipated taxes based on estimates of whether additional taxes will be due to be paid. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made (Note 18).

Impairment of financial assets

The impairment of trade receivables and other receivables is based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Americana Restaurants has reviewed the assumptions on risk of default and expected loss rates against the backdrop of COVID-19 pandemic. Management believes that the changes in the assumptions on risk of default and the expected credit losses rates calculation arising on financial assets will not significantly change the impairment of trade and other receivables as at 30 September 2022. Management will continue to monitor the situation and any changes required will be reflected in future reporting periods.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Critical accounting estimates and assumptions (continued)

Corporate allocations

In the preparation of the condensed interim carve-out statement of income for the period ended 30 September 2021 in accordance with IFRS, management has made judgements, estimates and assumptions relating to the allocation of certain expenses and income historically maintained by Kuwait Food Company (Americana) K.S.C.C. Such items have been allocated to the Group based on the most relevant allocation method that are considered to be reasonable and based on the policies applied to the Group's annual carve-out financial statements for the years ended 31 December 2021, 2020 and 2019. Actual results may differ from these estimates. A 10% increase or decrease change in allocation percentages would result in approximately USD 366 thousand change in expense allocated to Americana Restaurants for the period ended 30 September 2021.

The expenses as mentioned above are allocated on the following basis:

Nature of costs	Basis of allocation
Employees related benefits and costs	Allocation is based on the estimated time spent and activities among the Restaurant Business, Food Business, and corporate function.
Rent and utilities	These costs have been allocated based on headcount of the employees from each business utilising the office space.
Professional, legal, and office administrative fees	These costs are identifiable and have been allocated based on the activity

Foreign currency translation - International Touristic Projects Lebanese Co.

International Touristic Projects Lebanese Co. ("Americana Lebanon") is a wholly owned subsidiary of the Group. During the previous year, the banks in Lebanon implemented unofficial foreign exchange controls in the banking sector to manage the shortages. The US Dollar ("USD") has been in wide use and circulation over the last 2 decades or more and against which the Lebanese Pound has been pegged throughout that period at Lebanese Lira ("LL") 1,507.5 per USD ("official exchange rate").

In terms of IFRS, where a country has multiple exchange rates, judgement is required to determine which exchange rate qualifies as a spot rate that can be used for the translation of foreign operations. Factors to determine this include whether the currency is available at an official exchange rate. After the launching of an official electronic platform ('Sayrafa') by the Central Bank of Lebanon where the exchange rate is published on a regular basis for the participating banks and for settlement of foreign payables, management has considered Sayrafa as an alternative official exchange rate, being a more relevant spot rate. As a result, management has used the alternate official exchange rate being the Sayrafa rate to translate Americana Lebanon's operations to the USD presentation currency as at 30 September 2022.

Derivative financial instruments

The fair value of derivative financial instruments that are not traded in an active market are determined using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

Extension or termination options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The majority of extension and termination options held are exercisable only by the Group or both parties mutually agreeing on renewed terms and conditions. Based on management's assessment they have concluded not to exercise any extension or termination options as it is not reasonably certain.

5 PROPERTY AND EQUIPMENT

	US Dollars'000						
	Land	Leasehold improvements and furniture	Buildings and cold rooms	Equipment and tools	Vehicles	Capital work in progress	Total
Cost							
As at 1 January 2022	19,095	450,374	89,388	270,081	15,795	20,965	865,698
Additions	-	21,108	775	28,088	996	39,839	90,806
Disposals	(1,571)	(25,942)	(4,995)	(13,479)	(1,352)	(801)	(48,140)
Hyperinflation adjustment	3,133	4,557	4,553	3,673	234	-	16,150
Transfers	-	18,557	544	4,824	-	(29,329)	(5,404)
Foreign currency translation difference	(2,700)	(12,019)	(4,169)	(5,547)	(513)	(492)	(25,440)
As at 30 September 2022	17,957	456,635	86,096	287,640	15,160	30,182	893,670
Accumulated depreciation and impairment							
As at 1 January 2022	-	350,636	69,144	211,801	12,198	-	643,779
Charge for the period	-	25,305	2,509	14,739	1,108	-	43,661
Disposals	-	(24,969)	(2,952)	(12,858)	(1,350)	-	(42,129)
Hyperinflation adjustment	-	4,429	4,041	3,557	234	-	12,261
Transfers	-	254	-	-	-	-	254
Impairment	423	129	19	4	-	-	575
Foreign currency translation difference	(167)	(6,826)	(2,210)	(3,397)	(314)	-	(12,914)
As at 30 September 2022	256	348,958	70,551	213,846	11,876	-	645,487
Net book amount							
As at 30 September 2022	17,701	107,677	15,545	73,794	3,284	30,182	248,183

Capital work in progress mainly comprises of outlets under construction and equipment under assembly.

Property and equipment with a carrying amount of USD nil as on 30 September 2022 (31 December 2021: USD 19,746 thousand) are pledged as security for a borrowing held by the Intermediate Parent Company.

5 PROPERTY AND EQUIPMENT (continued)

	US Dollars'000						
	Land	Leasehold improvements and furniture	Buildings and cold rooms	Equipment and tools	Vehicles	Capital work in progress	Total
Cost							
As at 1 January 2021	32,877	461,548	110,853	284,536	18,456	13,744	922,014
Additions	-	22,001	709	19,591	1,173	48,036	91,510
Disposals	-	(37,441)	(803)	(20,937)	(2,833)	(81)	(62,095)
Hyperinflation adjustment	3,082	4,660	4,498	3,653	232	-	16,125
Transfers	-	27,264	581	4,861	104	(40,606)	(7,796)
Foreign currency translation difference	(16,864)	(27,658)	(26,450)	(21,623)	(1,337)	(128)	(94,060)
As at 31 December 2021	19,095	450,374	89,388	270,081	15,795	20,965	865,698
Accumulated depreciation and impairment							
As at 1 January 2021	7,024	373,628	86,766	231,827	14,882	-	714,127
Charge for the year	-	37,219	3,742	16,413	1,233	-	58,607
Disposals	-	(36,648)	(804)	(19,687)	(2,804)	-	(59,943)
Hyperinflation adjustment	-	4,559	3,928	3,497	232	-	12,216
Transfers	-	26	(102)	(30)	4	-	(102)
Reversal of impairment	(490)	(87)	(605)	(170)	(4)	-	(1,356)
Foreign currency translation difference	(6,534)	(28,061)	(23,781)	(20,049)	(1,345)	-	(79,770)
As at 31 December 2021	-	350,636	69,144	211,801	12,198	-	643,779
Net book amount							
As at 31 December 2021	19,095	99,738	20,244	58,280	3,597	20,965	221,919

Capital work in progress mainly comprises of outlets under construction and equipment under assembly.

6 INTANGIBLE ASSETS

	US Dollars'000		
	Franchise and agencies	Others	Total
Cost			
At 31 December 2020	75,318	9,455	84,773
Additions	8,303	-	8,303
Transfers	3,397	-	3,397
Hyperinflation adjustment	602	-	602
Disposals	(2,567)	-	(2,567)
Foreign currency translation difference	(3,533)	-	(3,533)
At 31 December 2021	81,520	9,455	90,975
Additions	3,626	-	3,626
Transfers	5,908	-	5,908
Hyperinflation adjustment	571	-	571
Disposals	(4,847)	-	(4,847)
Foreign currency translation difference	(2,401)	-	(2,401)
At 30 September 2022	84,377	9,455	93,832
Accumulated amortisation and impairment			
At 31 December 2020	46,084	997	47,081
Amortisation	6,133	-	6,133
Disposals	(2,057)	-	(2,057)
Hyperinflation adjustment	494	-	494
Reversal of impairment	(115)	-	(115)
Foreign currency translation difference	(3,184)	-	(3,184)
At 31 December 2021	47,355	997	48,352
Amortisation	5,120	-	5,120
Transfers	(3)	-	(3)
Disposals	(1,934)	-	(1,934)
Hyperinflation adjustment	505	-	505
Impairment	11	-	11
Foreign currency translation difference	(938)	-	(938)
At 30 September 2022	50,116	997	51,113
Net book amount			
At 30 September 2022	34,261	8,458	42,719
At 31 December 2021	34,165	8,458	42,623

'Franchise and agencies' comprise of franchise fee paid to third parties for licensing and operation of restaurant chains in line with the related franchise agreements.

7 TRADE AND OTHER RECEIVABLES

	US Dollars'000	
	30-September-2022	31-December-2021
Trade receivables	26,220	26,800
Less: loss allowance	(1,858)	(1,856)
	24,362	24,944
Prepaid expenses	44,121	28,489
Advances to suppliers	7,194	5,499
Refundable deposits	19,941	18,627
Accrued income	7,839	5,304
Insurance receivables	689	752
Staff receivables	2,420	2,313
Others	10,949	8,106
	117,515	94,034

The Group has a broad base of customers with no concentration of credit risk within trade receivables at 30 September 2022 and 31 December 2021.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable:

	US Dollars'000	
	30-September-2022	31-December-2021
Up to 3 months	24,890	25,044
3 to 6 months	250	561
Over 6 months	1,080	1,195
	26,220	26,800

The loss allowance on trade receivables is primarily concentrated in the balances over 6 months which had an expected credit loss allowance of 100% amounting to USD 1,080 thousand (31 December 2021: 100% amounting to USD 1,195 thousand).

Balances between 3 to 6 months had an expected credit loss allowance of 70% amounting to USD 176 thousand (31 December 2021: 27% amounting to USD 153 thousand). Balances up to 3 months had an expected credit loss allowance of 2% amounting to USD 602 thousand (31 December 2021: 2% amounting to USD 508 thousand).

Movement in the loss allowance on trade receivables during the period/year:

	US Dollars'000	
	30-September-2022	31-December-2021
Balance at 1 January	1,856	1,744
Charge during the period/year	655	1,454
Write-offs against the loss allowance on trade receivables	(27)	(1,319)
Reclassification	(504)	(26)
Foreign currency translation differences	(122)	3
	1,858	1,856

The other classes within trade and other receivables do not contain impaired assets and are not exposed to significant credit risk.

7 TRADE AND OTHER RECEIVABLES (continued)

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

	US Dollars'000	
	30-September-2022	31-December-2021
UAE Dirham	7,148	8,563
Saudi Riyal	4,352	4,455
Egyptian Pound	3,242	5,316
Kuwaiti Dinar	3,574	4,151
US Dollar	180	54
Other	7,724	4,261
	26,220	26,800

The carrying value less loss allowance on trade and other receivables is assumed to approximate their fair values due to the short-term nature of trade receivables.

Agreement with REEF Technology Inc and REEF SPV ME Holdings LLC:

Americana Restaurants entered into an agreement on 9 December 2021 with a third party to operate cloud kitchens in the region through an investment in REEF Technology Middle East Limited (the "Entity"). Americana Restaurants acquired 25% shares in the Entity in exchange for loan notes of USD 28,500 thousand which are non-interest bearing and have a non-recourse against Americana Restaurants. As per the agreement, the loan notes are to be settled against the future cash flows (i.e., dividends) received from the investment of Americana Restaurants. Americana Restaurants neither bear any significant risk or rewards until the loan notes have been fully settled nor additional liability in case the Entity fails to generate sufficient cash flows to cover the loan notes. Moreover, Americana Restaurants contributed a working capital loan of USD 1,000 thousand towards the Entity which is non-interest bearing and has no fixed repayment terms. The working capital loan is recorded as a part of other receivables as at 30 September 2022 and 31 December 2021.

Under the same Agreement, the put option and call option is provided to both parties that is exercisable after 9 December 2024. Management has estimated the fair valuation of the stake along with the underlying derivative instrument to be USD 9,390 thousand as at 31 December 2021 and accordingly recorded the derivative financial instrument with the corresponding deferred gain as at 31 December 2021.

The Group has revalued the derivative financial instrument and estimated the fair value to be USD 11,470 thousand as at 30 September 2022. The valuation methodology utilised is consistent with the prior year valuation, being the binomial lattice model with key assumptions as at 30 September 2022 being an expected life of 4.25 years, an asset volatility of 20%, and a risk free interest rate of 4.16%. The difference on revaluation is recorded in the Condensed interim carve-out statement of income.

8 CASH AND CASH EQUIVALENTS

	US Dollars'000		
	30-September-2022	31-December-2021	30-September-2021
Cash on hand	5,167	4,309	2,822
Cash at banks	253,879	89,420	114,406
Short-term deposits with original maturity of 3 months or less	14,024	80,267	61,092
Cash and cash equivalents	273,070	173,996	178,320

8 CASH AND CASH EQUIVALENTS (continued)

Bank balances are held with local and international branches of reputable banks. Management views these banks as having a sound performance history and satisfactory credit ratings. Deposits are presented as cash equivalents only if they have a maturity of three months or less from the date of acquisition or are readily convertible to known amounts of cash which are subject to insignificant risk of changes in value.

Cash and cash equivalents include the following for the purpose of the Condensed interim carve-out statement of cash flows:

	US Dollars'000		
	30-September-2022	31-December-2021	30-September-2021
Cash and cash equivalents	273,070	173,996	178,320
Less: Bank overdraft (Note 9)	(27,397)	(7,073)	(14,527)
Balances per condensed interim carve-out statement of cash flows	245,673	166,923	163,793

9 BANK FACILITIES

	US Dollars'000		
	30-September-2022	31-December-2021	30-September-2021
Short term			
Bank overdraft	27,397	7,073	14,527

	US Dollars'000		
Maturity of bank facilities are as follows:	30-September-2022	31-December-2021	30-September-2021
Within one year	27,397	7,073	14,527

10 LEASES

(i) Amounts recognized in the condensed interim carve-out statement of financial position

	US Dollars'000				
	Building and Leasehold	Vehicles	Land	Key money	Total
Right of use assets					
Cost					
As at 1 January 2021	596,590	21,220	8,249	10,871	636,930
Additions	125,884	6,589	414	1,401	134,288
Hyperinflation adjustment	1,987	-	-	467	2,454
Disposal	(5,731)	(150)	(95)	(1,980)	(7,956)
Transfers	-	-	-	1,843	1,843
Foreign currency translation difference	(11,954)	38	(102)	(2,637)	(14,655)
As at 31 December 2021	706,776	27,697	8,466	9,965	752,904
Additions	154,085	3,427	1	2,339	159,852
Hyperinflation adjustment	1,185	-	-	475	1,660
Disposal	(17,752)	(212)	(121)	(81)	(18,166)
Transfers	-	-	-	49	49
Foreign currency translation difference	(19,078)	(159)	25	(1,521)	(20,733)
As at 30 September 2022	825,216	30,753	8,371	11,226	875,566
Accumulated depreciation and impairment					
As at 1 January 2021	245,749	12,202	2,317	5,115	265,383
Charge for the year	132,361	7,933	1,167	1,782	143,243
Hyperinflation adjustment	442	-	-	467	909
Impairment charges	292	-	-	-	292
Disposal	(3,961)	(44)	-	(1,980)	(5,985)
Foreign currency translation difference	(10,245)	9	(61)	(2,616)	(12,913)
As at 31 December 2021	364,638	20,100	3,423	2,768	390,929
Charge for the period	104,605	4,951	891	1,593	112,040
Hyperinflation adjustment	586	-	-	475	1,061
Impairment charges	291	-	-	-	291
Disposal	(14,022)	(154)	(2)	(81)	(14,259)
Foreign currency translation difference	(7,852)	(112)	15	(1,214)	(9,163)
As at 30 September 2022	448,246	24,785	4,327	3,541	480,899
Net book amount					
As at 30 September 2022	376,970	5,968	4,044	7,685	394,667
As at 31 December 2021	342,138	7,597	5,043	7,197	361,975

The additions of right-of-use assets is a non-cash investing activity.

	30-September-2022 USD'000	31-December-2021 USD'000
Lease liabilities		
Non-current	258,987	248,136
Current	152,048	136,463
	411,035	384,599

10 LEASES (continued)

(ii) Amounts recognised in the Condensed interim carve-out statement of income

	30-September-2022	30-September-2021
	USD'000	USD'000
Finance costs on lease liabilities	15,174	15,096

	30-September-2022	30-September-2021
	USD'000	USD'000
Other rent expenses		
Expense relating to short-term and low-value leases	33,352	35,255
Expense relating to variable lease payments not included in lease liabilities	11,460	7,833
	44,812	43,088

Americana Restaurants recognised a gain on COVID-19 related rent concessions of USD 667 thousand for the period ended 30 September 2022 (30 September 2021: USD 6,097 thousand) under other income in the Condensed interim carve-out statement of income.

11 PROVISIONS FOR LEGAL, TAX AND OTHER CLAIMS

	US Dollars'000	
	30-September-2022	31-December-2021
Legal cases	5,300	9,430
Provision for termination and closure	3,839	5,060
Tax	18,661	13,781
Other provisions	3,638	3,791
	31,438	32,062

	2022 (US Dollars'000)				
	Legal cases	**Provision for termination and closure**	**Tax**	**Other provisions**	**Total**
Balance at 1 January 2022	9,430	5,060	13,781	3,791	32,062
Charged/(credited) to profit or loss					
Additional provisions recognised	448	665	25,161	2,785	29,059
Unused amounts reversed	(1,172)	(386)	-	(171)	(1,729)
Amounts paid during the period	(2,124)	(1,497)	(21,042)	(749)	(25,412)
Foreign currency translation difference	(147)	(3)	(341)	(245)	(736)
Others	(1,135)	-	1,102	(1,773)	(1,806)
Balance at 30 September 2022	5,300	3,839	18,661	3,638	31,438

11 PROVISIONS FOR LEGAL, TAX AND OTHER CLAIMS (continued)

	2021 (USD'000)				
	Legal cases	**Provision for termination and closure**	**Tax**	**Other provisions**	**Total**
Balance at 1 January 2021	7,737	3,849	7,906	2,818	22,310
Charged/(credited) to profit or loss					
Additional provisions recognised	3,671	3,774	10,799	2,235	20,479
Unused amounts reversed	(1,072)	(3,935)	(38)	(202)	(5,247)
Amounts paid during the year	(210)	(1,242)	(1,895)	(2,938)	(6,285)
Foreign currency translation difference	(396)	(207)	(1,008)	-	(1,611)
Others	(300)	2,821	(1,983)	1,878	2,416
Balance at 31 December 2021	9,430	5,060	13,781	3,791	32,062

Legal cases
The provision consists of the total amount provided to meet specific legal claims against Americana Restaurants from external parties. Management believes that after obtaining appropriate legal advice, the outcome of such legal claims will not substantially exceed the value of the provision as at 30 September 2022 and 31 December 2021.

Provision for termination and closure
The provision relates to the closure and termination charges along with other related costs which are expected to be incurred for the closure of stores over the upcoming period.

Tax and other provisions
Other provisions include of ongoing assessments by the relevant authorities for open years dispute in relation to taxes, zakat and NLST. Management believes that provision for probable future tax assessments is adequate based upon previous years' tax examinations and past interpretations of the tax laws and that the position taken in tax returns will be sustained upon examination by the relevant tax authorities (Note 18). The other provisions also comprise of restructuring expenses and expected claims from external parties in relation to Americana Restaurants' activities. The management reviews these provisions on a periodic basis, and the allocated amount is adjusted according to the latest developments, discussions and agreements with such parties.

12 SHARE CAPITAL AND MERGER RESERVE

(i) Share capital

As at 30 September 2022, the Parent Company's authorized, issued and paid up capital is USD 168,472,662 comprising of 168,472,662 shares with nominal value of USD 1 each. 10,000 shares are issued in cash and 168,462,662 shares are issued through a share-for-share exchange for the transfer of the Restaurant Business from the Intermediate Parent Company. On 29 August 2022 the Intermediate Parent Company transferred its shareholding to Adeptio AD Investments Ltd.

(ii) Merger reserve

	US Dollars'000	
	30-September-2022	31-December-2021
Beginning balance	-	-
Transfer from accumulated net contribution from the Intermediate Parent Company	(1,608)	-
	(1,608)	-

The merger reserve is related to the capital reorganisation wherein the Restaurant Business was transferred from the Intermediate Parent Company to Americana Restaurants International plc during the nine month period ended 30 September 2022.

13 NON-CONTROLLING INTERESTS

	US Dollars'000	
	30-September-2022	31-December-2021
Beginning balance	11,157	9,509
Share from net profit of the period	3,547	2,491
Other comprehensive income item:		
Foreign currency translation differences	30	48
Other changes in non-controlling interests:		
Effects of acquisition of additional shares in a subsidiary	(516)	(65)
Cash dividends paid by subsidiaries	(3,217)	(826)
Total other changes in non-controlling interests	(3,733)	(891)
	11,001	11,157

14 RELATED PARTIES TRANSACTIONS AND BALANCES

Related parties represent shareholders who have representatives in the Boards of Directors, members of the Boards of Directors, Senior Management and the companies which are controlled by the major shareholders. In the ordinary course of business, Americana Restaurants has entered into arms-length transactions with related parties during the period. The following are the transactions and balances resulting from these transactions:

	US Dollars'000	
	30-September-2022	30-September-2021
Transactions with fellow subsidiaries		
Purchases of raw materials	94,799	81,321
Interest income from loan to a related party	670	943
Investment property rental income	256	286
Delivery and payment support	832	367
Key management personnel		
Short term employee benefits	4,400	3,437
Termination benefits	92	79

Due from related parties

		USD'000	
Name	Place of incorporation	30-September-2022	31-December-2021
Fellow subsidiaries:			
Americana Holding for KSA Food	UAE	-	1
Gulf Food Industries (California Garden)	UAE	-	68
Americana Food Investment Group Company	UAE	-	457
Americana Group for Food and Touristic Projects	Egypt	53	-
Others		229	573
Entity controlled by a major shareholder:			
Nshmi Development LLC	UAE	-	90
		282	1,189

14 RELATED PARTIES TRANSACTIONS AND BALANCES (continued)

Due to related parties

Name	Place of incorporation	USD'000 30-September-2022	USD'000 31-December-2021
Fellow subsidiaries:			
National Food Industries Co.	KSA	10,750	7,110
The International company for Agricultural production and processing	Egypt	835	11
Cairo poultry Company	Egypt	2,395	1,213
The International Co. for Agricultural development ('Farm Frites')	Egypt	7,877	6,261
Senyorita Co. for Food Industries	Egypt	-	2,551
Gulf Food Co. Americana LLC	UAE	2,388	2,295
Gulf Food Industries (California Garden)	UAE	2,717	1,467
Others		-	151
Division of the Intermediate Parent Company:			
Kuwait Food Company (Americana) K.S.C.C.	Kuwait	4,153	2,282
Entities controlled by a major shareholder:			
Noon AD Holdings	UAE	231	274
Nshmi Development LLC	UAE	66	-
Barakat Vegetables and Fruits Co. LLC	UAE	196	-
Noon Payments Digital Limited	KSA	122	68
		31,730	23,683

	US Dollars'000 30-September-2022	US Dollars'000 31-December-2021
Loan to a related party		
Americana Foods Investments Group Company LLC	-	64,000

On 21 March 2021, Americana Prime Investments Limited (an entity of Americana Restaurants) entered into an agreement with Americana Foods Investments Group Company LLC, a fellow subsidiary, to provide a loan of USD 64,000 thousand for a period of 5 years ending on 21 March 2026 and repayable in five equal annual instalments of USD 12,800 thousand. As at 31 December 2021, the loan carries an interest set at arms-length of LIBOR plus margin payable quarterly commencing immediately after the drawdown date (i.e. 21 March 2021). Accordingly, USD 12,800 thousand has been classified as current and USD 51,200 thousand has been classified as non-current due from related parties as on 31 December 2021.

On 11 March 2022, Americana Prime Investments Limited entered into an additional agreement with Americana Foods Investments Group Company LLC to provide a loan of USD 36,000 thousand for a period of 4 years ending on 11 March 2026, the loan carries an interest set at arms-length of LIBOR plus margin payable quarterly commencing immediately after the drawdown date (i.e. 11 March 2022). On 20 April 2022, both related party loans have been early settled in full by Americana Foods Investments Group Company LLC.

15 REVENUES

	USD'000 30-September-2022	USD'000 30-September-2021
Food and beverage	1,768,212	1,505,803
Investment properties rental income	2,827	2,117
	1,771,039	1,507,920

16 TAX CLAIM CHARGE

The tax claim charge is a non-recurring provision to settle an indirect tax claim relating to the historical period 2000-2017. Prior to 2016, restaurants not having a 'touristic' status benefited from an exemption to sales tax. This exemption law was repealed in 2016 pursuant to a change in tax law. The revised tax laws have been applied going forward.

In August 2022, the Group has entered into settlement agreements with the tax authorities to settle the tax claims for the period from 2005 to 2017 which has been adequately provided for during the period.

17 SUBSIDIARIES

The Group's subsidiaries overall ownership structure as at 30 September 2022 is as reflected below. The subsidiaries were transferred to the Group during the nine month period ended 30 September 2022 (Note 1):

Company's Name	Activity	Place of incorporation	Effective Ownership (%) 30-September-2022
Americana Restaurants Investments Group Company LLC	Holding Company	United Arab Emirates	100%
Americana Kuwait Company Restaurants WLL	Restaurants	Kuwait	100%
Americana Holding for UAE Restaurants LTD	Holding Company	United Arab Emirates	100%
Americana Holding for Egyptian Restaurants LTD	Holding Company	United Arab Emirates	100%
Americana Company for Restaurants Holding LTD	Holding Company	United Arab Emirates	100%
Americana Holding for KSA Restaurants LTD	Holding Company	United Arab Emirates	100%
Americana Holding for Restaurants LTD	Holding Company	United Arab Emirates	100%
Kuwait Food Company Americana LLC	Restaurants	United Arab Emirates	100%
Egyptian Company for International Touristic Projects SAE	Restaurants	Egypt	99.90%
Egyptian International Company for Food Industries SAE	Restaurants	Egypt	100%
Al Ahlia Restaurants Company LLC	Restaurants	Saudi Arabia	100%
United Food Company LLC	Others	Saudi Arabia	100%
Americana Prime Investments Limited	Others	United Arab Emirates	100%
International Tourism Restaurants Company LLC	Restaurants	Oman	100%
The Caspian International Restaurants Company LLP	Restaurants	Kazakhstan	100%
Gulf & Arab World Restaurant WLL	Restaurants	Bahrain	94.00%
Bahrain & Kuwait Restaurant Co. WLL	Restaurants	Bahrain	40.00%*
Lebanese International Touristic Projects Company LLC	Restaurants	Lebanon	100%
Qatar Food Company WLL	Restaurants	Qatar	100%
Ras Bu abboud Trading Company WLL	Restaurants	Qatar	99.00%
Almusharaka for Touristic Restaurants Services, General Trading, Import & Export Company Ltd.	Restaurants	Iraq - Kurdistan	90.00%
Société Marocaine De Projects Touristiques SARL	Restaurants	Morocco	100%
Touristic Projects & International Restaurants Co. (Americana) LLC	Restaurants	Jordan	67.44%
Jordanian Restaurants Company for Fast Food LLC	Restaurants	Jordan	67.44%
The International Co. for World Restaurants Limited	Restaurants	United Arab Emirates	51.00%
Americana Restaurants India Private Limited	Others	India	100%

*Management has concluded that Americana Restaurants controls the entity, as it is the largest shareholder with a 40% equity interest and has the exclusive right to manage Bahrain and Kuwait Restaurants Company.

18 CONTINGENT LIABILITIES, OPERATING AND CAPITAL COMMITMENTS

	US Dollars'000	
	30-September-2022	31-December-2021
Contingent liabilities		
Letters of guarantee	13,002	12,839

Taxes

The Group operates in several different countries, Note 17 indicates the Group's structure and the countries in which it operates), and thus its operations are subject to various types of taxes. The significant impacts of the various types of taxes are concentrated in the Kingdom of Saudi Arabia and Arab Republic of Egypt as follows:

Arab Republic of Egypt:

Americana Restaurants' operations in Egypt are subject to various types of taxes, especially income tax, sales tax, salary tax and others.

Kingdom of Saudi Arabia:

Americana Restaurants' operations are subject to Zakat in the Kingdom of Saudi Arabia.

Americana Restaurants assesses the tax position of each subsidiary separately, in light of the years that have been inspected, the inspection results, the received tax claims, the legal advice of its external tax advisor on these claims and the legal situation of any existing dispute between the respective entity and the relevant official authorities with respect to these claims. Further, Americana Restaurants takes in consideration the contingent liabilities for the years that have not been inspected yet.

The tax claims and contingent tax liabilities, at Americana Restaurants' level, are amounted to USD 473 thousand as at 30 September 2022 (31 December 2021: USD 94,628 thousand).

Considering tax claims which fully settled previously in past years were significantly less than initial tax claims submitted by the Tax Administration, and based on the opinion of the external consultants, Americana Restaurants' management believes that the provisions made for this purpose are adequate and sufficient.

	US Dollars'000	
	30-September-2022	31-December-2021
Operating lease commitments – Lessee		
Less than one year	33,352	45,481

	US Dollars'000	
	30-September-2022	31-December-2021
Capital commitments		
Letters of credit	7,170	12,719
Projects in progress	16,181	13,896

19 FINANCIAL INSTRUMENTS BY CATEGORY

	US Dollars'000	
	30-September-2022	31-December-2021
Financial assets		
Financial assets at amortised cost		
Cash and cash equivalents (Note 8)	273,070	173,996
Loan to a related party (Note 14)	-	64,000
Trade and other receivables (excluding prepayments, advances to suppliers) (Note 7)	66,200	60,046
Due from related parties (Note 14)	282	1,189
	339,552	299,231
Financial assets at fair value		
Derivative financial instrument	11,470	9,390
	351,022	308,621
Financial liabilities		
Other financial liabilities at amortised cost		
Trade and other payables (excluding value added tax payable and unearned income)	364,186	325,212
Bank facilities (Note 9)	27,397	7,073
Lease liabilities (Note 10)	411,035	384,599
	802,618	716,884

20 NET DEBT RECONCILIATION

	US Dollars'000	
	30-September-2022	31-December-2021
Cash and cash equivalents (Note 8)	273,070	173,996
Bank facilities (Note 9)	(27,397)	(7,073)
Lease liabilities (Note 10)	(411,035)	(384,599)
Net debt	(165,362)	(217,676)

	US Dollars'000	
	30-September-2022	31-December-2021
Cash and cash equivalents	273,070	173,996
Net debt – variable interest rates	(438,432)	(391,672)
Net debt	(165,362)	(217,676)

	US Dollars'000		
	Liabilities from financing activities	Other assets	
	Leases	Cash/bank overdraft	Total
Net debt as at 1 January 2022	(384,599)	166,923	(217,676)
Foreign currencies translation differences	12,359	8,831	21,190
Others	(11,267)	-	(11,267)
Lease payments of principal and interest	129,318	-	129,318
Gain on rent concessions	667	-	667
Additions of leases	(157,513)	-	(157,513)
Cash flows, net	-	69,919	69,919
Net debt as at 30 September 2022	(411,035)	245,673	(165,362)

20 NET DEBT RECONCILIATION (continued)

	US Dollars'000		
	Liabilities from financing activities	Other assets	
	Leases	Cash/bank overdraft	Total
Net debt as at 1 January 2021	(403,439)	171,784	(231,655)
Foreign currencies translation differences	3,128	(4,275)	(1,147)
Others	(18,742)	-	(18,742)
Lease payments of principal and interest	160,363	-	160,363
Gain on rent concessions	6,978	-	6,978
Additions of leases	(132,887)	-	(132,887)
Cash flows, net	-	(586)	(586)
Net debt as at 31 December 2021	(384,599)	166,923	(217,676)

21 SEGMENT REPORTING

Americana Restaurants is organized into operating segments based on geographical location. The results are reported to the top executive management in Americana Restaurants. In addition, the revenue, profit, assets, and liabilities are reported on a geographic basis and measured in accordance with the same accounting basis used for the preparation of the carve-out financial statements. There are three major reportable segments: the Major Gulf Cooperation Council countries which include KSA, Kuwait and UAE, Lower Gulf countries (comprising of Qatar, Oman and Bahrain) and North Africa (Egypt and Morocco). All other operating segments that are not reportable segments are combined under "Others" (Kazakhstan, Iraq, Lebanon and Jordan).

The segments are concentrated in the restaurants sector which include operating all kinds of restaurants, representing international franchises.

Following is the segment information which is consistent with the internal reporting presented to management for the periods ended:

	Reportable segments		**Intercompany transactions**		**Total**	
	30 September		30 September		30 September	
Revenues	2022	2021	2022	2021	2022	2021
	USD'000		USD'000		USD'000	
Major GCC	1,186,874	1,000,303	-	-	1,186,874	1,000,303
Lower Gulf	227,943	180,656	(36,710)	(23,533)	191,233	157,123
North Africa	234,117	202,335	-	-	234,117	202,335
Others	158,815	148,159	-	-	158,815	148,159
Total	1,807,749	1,531,453	(36,710)	(23,533)	1,771,039	1,507,920

	Reportable segments	
	30 September	
Net profits	2022	2021
	USD'000	
Major GCC	191,806	132,923
Lower Gulf	17,478	11,742
North Africa	(26,642)	6,578
Others	26,362	19,215
Total	209,004	170,458
Unallocated:		
Income tax, zakat and other deductions	(7,603)	(10,956)
Losses of foreign exchange	(2,038)	(3,193)
Net profit for the period	199,363	156,309

21 SEGMENT REPORTING (continued)

	30 September 2022 USD'000				
	Major GCC	Lower Gulf	North Africa	Others	Total
Assets	876,473	138,169	141,773	112,264	1,268,679
Liabilities	720,780	107,301	150,043	63,039	1,041,163

	31 December 2021 USD'000				
	Major GCC	Lower Gulf	North Africa	Others	Total
Assets	685,325	139,980	145,590	117,019	1,087,914
Liabilities	648,573	105,210	123,324	71,095	948,202

Below is the analysis of the revenue (before eliminations) and related non-current assets for the significant geographical locations:

	USD'000			
	UAE	KSA	Kuwait	Egypt
Revenue for the nine-month period ended 30 September 2022	512,743	392,125	282,007	206,862
Revenue for the nine-month period ended 30 September 2021	430,928	323,859	245,515	183,971

	USD'000			
	UAE	KSA	Kuwait	Egypt
Non-current assets as at 30 September 2022	175,887	165,922	102,251	79,189
Non-current assets as at 31 December 2021	161,601	134,967	93,078	90,852

22 EARNINGS PER SHARE

	US Dollars'000			
	Three months period ended 30 September		Nine months period ended 30 September	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
Earnings				
"Earnings for the purpose of basic and diluted earnings per share (profit for the period attributable to ordinary equity holders of the Parent rounded to the nearest) – *USD thousand*	74,550	61,224	195,816	154,548
Number of ordinary shares				
Number of ordinary shares – *numbers*	168,472,662	168,472,662	168,472,662	168,472,662
Basic and diluted earnings per share attributable to owners of the Parent rounded to the nearest – *USD thousand*	**0.0004**	**0.0004**	**0.0012**	**0.0009**

Annex 3 -Receiving Banks' Branches

First Abu Dhabi Bank – Participating Branches

Branch name	Branch Location-Area	Customer Timing	IPO Subscription Timings	Branch Address
Business Park, Abu Dhabi	Abu Dhabi	08:00 am to 02:00 pm (Monday-Thursday);	8 am to 1 pm - Mon - Thurs.	Khalifa Park Al Qurm
		08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	
		08:00 am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturday)	
FAB One Tower, Abu Dhabi	Abu Dhabi	08:00 am to 02:00 pm (Monday-Thursday);	8 am to 1 pm - Mon - Thurs.	Intersection of Shaikh Khalifa Street and Baniyas street
		08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	
		08:00 am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturday)	
Al Ain New	Al Ain - Abu Dhabi	08:00 am to 02:00 pm (Monday-Thursday);	8 am to 1 pm - Mon - Thurs.	Al Ain
		08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	
		08:00 am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturday)	
Bur Dubai	Dubai	08: am to 02:00 pm (Monday-Thursday);	8 am to 1 pm - Mon - Thurs.	Abdulla Al Rostamani Building, Khalid Bin Walid Road, Bur Dubai
		08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	
		08:00 am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturday)	

Branch name	Branch Location-Area	Customer Timing	IPO Subscription Timings	Branch Address
Khubaira	Abu Dhabi	08:00 am to 02:00 pm (Monday-Thursday); 08:00 am to 12:30 pm (Friday) 08:00 am to 02:00 pm (Saturday)	8 am to 1 pm - Mon - Thurs. 08:00 am to 12:00 pm (Friday) 08: am to 01:00 pm (Saturday)	Near Spinneys Khalidya Street Abu Dhabi
Jumeirah Branch	Dubai	08:00 am to 02:00 pm (Monday-Thursday); 08:00 am to 12:30 pm (Friday) 08:00 am to 02:00 pm (Saturday)	8 am to 1 pm - Mon - Thurs. 08:00 am to 12:00 pm (Friday) 08: am to 01:00 pm (Saturday)	Link International Building, Jumeirah Beach Road Umm suqeim
Deira Branch (ABS)	Dubai	08:00 am to 02:00 pm (Monday-Thursday); 08:00 am to 12:30 pm (Friday) 08:00 am to 02:00 pm (Saturday)	8 am to 1 pm - Mon - Thurs. 08:00 am to 12:00 pm (Friday) 08: am to 01:00 pm (Saturday)	Abu Baker Al Siddique Rd, Deira
Jabal Ali Branch	Dubai	08:00 am to 02:00 pm (Monday-Thursday); 08:00 am to 12:30 pm (Friday) 08:00 am to 02:00 pm (Saturday)	8 am to 1 pm - Mon - Thurs. 08:00 am to 12:00 pm (Friday) 08: am to 01:00 pm (Saturday)	Near Gate No.5, Adjacent to Dubai Chamber Office
RAK (LNBAD)	Ras Al Khaimah	08:00 am to 02:00 pm (Monday-Thursday);	8 am to 1 pm - Mon - Thurs.	FAB RAK (LNBAD) , Corniche Al Qawasim

Branch name	Branch Location-Area	Customer Timing	IPO Subscription Timings	Branch Address
		08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	Road , Near to NMC Royal Medical Center , RAK
		08:00 am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturday)	
Fujairah	Fujairah	08:00 am to 02:00 pm (Monday-Thursday);	8 am to 1 pm - Mon - Thurs.	Opposite to Plaza Theatre Hamdan Bin Abdulla street
		08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	
		08:00 am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturday)	
Sharjah	Sharjah	08:00 am to 02:00 pm (Monday-Thursday);	8 am to 1 pm - Mon - Thurs.	Al Reem Plaza, Ground floor Buheira Corniche, Sharjah
		08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	
		08:00 am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturday)	
Umm Al Quwain	Umm Al Quwain	08:00 am to 02:00 pm (Monday-Thursday);	8 am to 1 pm - Mon - Thurs.	Building No 211, King Faisal Road Al Maidan Area, Umm Al Quwain
		08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	
		08:00 am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturday)	
Ajman	Ajman	08:00 am to 02:00 pm (Monday-Thursday);	8 am to 1 pm - Mon - Thurs.	Lulu Center, Al Ittihad street, Downtown, Ajman

Branch name	Branch Location-Area	Customer Timing	IPO Subscription Timings	Branch Address
		08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	
		08:00 am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturday)	
Corniche	Abu Dhabi	08:00 am to 02:00 pm (Monday-Thursday);	8 am to 1 pm - Mon - Thurs.	Corniche Road
		08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	
		08:00 am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturday)	
Oud Al Touba	Al Ain - Abu Dhabi	08:00 am to 02:00 pm (Monday-Thursday);	8 am to 1 pm - Mon - Thurs.	Oud Al Touba Area, National housing loans bulding, Ali Bin Abi Talieb street, Al Ain.
		08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	
		08:00 am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturday)	
Ruwais	Ruwais - Abu Dhabi	08:00 am to 02:00 pm (Monday-Thursday);	8 am to 1 pm - Mon - Thurs.	Central Market, ADNOC Housung complex, Ruwaise
		08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	
		08:00 am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturday)	
Al Batin	Abu Dhabi	08:00 am to 02:00 pm (Monday-Thursday);	8 am to 1 pm - Mon - Thurs.	

Branch name	Branch Location-Area	Customer Timing	IPO Subscription Timings	Branch Address
		08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	Street No. 9 Next to Bateen Bus Terminal and Al Bateen Mall
		08:00 am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturday)	
Sheikh Rashid Road Branch	Abu Dhabi	08:00 am to 02:00 pm (Monday-Thursday);	8 am to 1 pm - Mon - Thurs.	Airport Street – Ramy Hotel Building – Abu Dhabi
		08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	
		08:00 am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturday)	

Abu Dhabi Islamic Bank - Participating Branches

Branch name	Branch Location-Area	Customer Timing (Monday -Saturday)	Customer Timing (Friday)	IPO Subscription Timings (Monday - Saturday)	IPO Subscription Timings (Friday)	Branch Address
Al Bateen Branch	Abu Dhabi	8:00 AM to 2:00 pm	8:00 AM to 12:00 PM	9:00 AM to 1:00 PM	08:00 AM to 11:00 AM	Abu Dhabi - Al Bateen king Abdulla bin AbdulAziz Al Sauod Street - near UAE Central Bank
Najda Street Branch	Abu Dhabi	8:00 AM to 2:00 pm	8:00 AM to 12:00 PM	9:00 AM to 1:00 PM	08:00 AM to 11:00 AM	Next to Al Mariah Mall (on the intersection of Al Najda street and Hamdan Street).
Abu Dhabi Police GHQ Branch	Abu Dhabi	8:00 AM to 2:00 pm	8:00 AM to 12:00 PM	9:00 AM to 1:00 PM	08:00 AM to 11:00 AM	Abu Dhabi police general head quarter- Al Saada Street, opposite Sheikh Khalifah University
Sheikh Zayed Main Branch	Abu Dhabi	8:00 AM to 2:00 pm	8:00 AM to 12:00 PM	9:00 AM to 1:00 PM	08:00 AM to 11:00 AM	Sheikh Rashid Bin Saeed St(Old Airport Road) opposite to Hilton Capital Grand Hotel

Abu Dhabi Judiciary Branch	Abu Dhabi	8:00 AM to 2:00 pm	8:00 AM to 12:00 PM	9:00 AM to 1:00 PM	08:00 AM to 11:00 AM	Al Khaleej Al Arabi Street – Judicial Department Building –Ground Floor Office (GR-A-051)
Sheikh Khalifa Energy Complex Branch	Abu Dhabi	8:00 AM to 3:00 pm	8:00 AM to 12:00 PM	9:00 AM to 1:00 PM	08:00 AM to 11:00 AM	Sheikh Khalifa Eneregy complex - Corniche Street
Marina Mall Branch	Abu Dhabi	10:00 AM to 10:00 Pm	04:00 PM to 10:00 PM	10:00 AM to 2:00 PM 04:00 PM to 09:00 PM	04:00 PM to 09:00 PM	Corniche Street - Marina Mall - First floor, next to Yas Perfumes
Nation Towers Branch	Abu Dhabi	10:00 AM to 10:00 pm	04:00 PM to 10:00 PM	10:00 AM to 2:00 PM 04:00 PM to 09:00 PM	04:00 PM to 09:00 PM	Nation Towers Galleria – Corniche Road, First Floor
Baniyas Branch	Abu Dhabi	8:00 AM to 2:00 pm	8:00 AM to 12:00 PM	9:00 AM to 1:00 PM	08:00 AM to 11:00 AM	Al Mafraq –Dubai Road opposite Al Mafraq Hospital - Baniyas
Mussafah Branch	Abu Dhabi	8:00 AM to 2:00 pm	8:00 AM to 12:00 PM	9:00 AM to 1:00 PM	08:00 AM to 11:00 AM	Industrial Area-M9
Khalifa A City Branch	Abu Dhabi	8:00 AM to 2:00 pm	8:00 AM to 12:00 PM	9:00 AM to 1:00 PM	08:00 AM to 11:00 AM	Khalifa A city, street # 16/21 south west.
Shahama Branch	Abu Dhabi	8:00 AM to 2:00 pm	8:00 AM to 12:00 PM	9:00 AM to 1:00 PM	08:00 AM to 11:00 AM	Old Shahama area near Police Station
Al Silaa Branch	Abu Dhabi West (Gharbiya)	08:00 am to 02:00 pm	8:00 AM to 12:00 PM	9:00 AM to 1:00 PM	08:00 AM to 11:00 AM	Al Sila'a Area, opposite Al Areej School

Madinat Zayed Branch	**Abu Dhabi West (Gharbiya)**	**08:00 am to 02:00 pm**	**8:00 AM to 12:00 PM**	**9:00 AM to 1:00 PM**	**08:00 AM to 11:00 AM**	**Madinat Zayed City - Western Region**
Ghayathi Branch	**Abu Dhabi West (Gharbiya)**	**08:00 am to 02:00 pm**	**8:00 AM to 12:00 PM**	**9:00 AM to 1:00 PM**	**08:00 AM to 11:00 AM**	**Ghayathi Area-Western Region**
Al Marfaa Branch	**Abu Dhabi West (Gharbiya)**	**08:00 am to 02:00 pm**	**8:00 AM to 12:00 PM**	**9:00 AM to 1:00 PM**	**08:00 AM to 11:00 AM**	**Al Marfaa Area - Western Region**
Ruwais Mall Branch	**Abu Dhabi West (Gharbiya)**	**10:00 am to 10:00 pm**	**04:00 PM to 10:00 PM**	**10:00 AM to 2:00 PM 04:00 PM to 09:00 PM**	**04:00 PM to 09:00 PM**	**First Floor of Ruwais Mall , Ruwais Area**
Bawadi Mall Branch	**Al Ain**	**10:00 am to 3:30 pm 04:00 pm to 09:00 pm**	**04:00 PM to 10:00 PM**	**10:00 am to 2:00 PM 04:00 pm to 09:00 PM**	**04:00 PM to 09:00 PM**	**Al Ain City - Al Bawadi Mall, Ground Floor, Mizyad Area**
Al Ain Branch	**Al Ain**	**08:00 am to 02:00 pm**	**8:00 AM to 12:00 PM**	**9:00 AM to 1:00 PM**	**08:00 AM to 11:00 AM**	**Al Ain City - Central District - Shaikh Zayed Bin Sultan Street - Near Clock Tower**
Al Yahar Branch	**Al Ain**	**08:00 am to 02:00 pm**	**8:00 AM to 12:00 PM**	**9:00 AM to 1:00 PM**	**08:00 AM to 11:00 AM**	**Al Ain City - Al Yahar Main Street**
Al Qusais Branch	**Dubai**	**08: 00am to 02:00 pm**	**8:00 AM to 12:00 PM**	**9:00 AM to 1:00 PM**	**08:00 AM to 11:00 AM**	**Al Qusais Area -Al Wasl Building**
Second of December Branch	**Dubai**	**08: 00am to 02:00 pm**	**8:00 AM to 12:00 PM**	**9:00 AM to 1:00 PM**	**08:00 AM to 11:00 AM**	**Jumeirah beach street, Dubai**
Sheikh Zayed Road Branch	**Dubai**	**08: 00am to 02:00 pm**	**8:00 AM to 12:00 PM**	**9:00 AM to 1:00 PM**	**08:00 AM to 11:00 AM**	**Emarat Atrium Building, Sheikh Zayed Road**

Nad Al Sheba Branch	Dubai	10:00am to 05:00pm	04:00 PM to 10:00 PM	11:00 AM to 04:00 PM	05:00 PM to 09:00 PM	Avenue Mall - Nad Al Sheba - Nad Al Sheba 2 - Dubai
Dubai Internet City - Arenco Branch	Dubai	08: 00am to 02:00 pm	8:00 AM to 12:00 PM	9:00 AM to 1:00 PM	08:00 AM to 11:00 AM	Arenco Tower, Dubai Internet City
Fujairah Branch	East Coast	08: 00am to 02:00 pm	8:00 AM to 12:00 PM	9:00 AM to 1:00 PM	08:00 AM to 11:00 AM	Shaikh Hamad Bin Abdulla Street
Ras Al Khaimah Branch	East Coast	08: 00am to 02:00 pm	8:00 AM to 12:00 PM	9:00 AM to 1:00 PM	08:00 AM to 11:00 AM	Opposite Al Manar Mall, Al Muntasir Road
Dibba Branch	East Coast	08: 00am to 02:00 pm	8:00 AM to 12:00 PM	9:00 AM to 1:00 PM	08:00 AM to 11:00 AM	Sheikh Zayed Street, Opposite Dibba Police Station - Fujairah
Kalba Branch	East Coast	08: 00am to 02:00 pm	8:00 AM to 12:00 PM	9:00 AM to 1:00 PM	08:00 AM to 11:00 AM	Al Wahda Street - Khamis Khalfan Al Zahmi Building - Block No:19
Al Dhaid Branch	East Coast	08: 00am to 02:00 pm	8:00 AM to 12:00 PM	9:00 AM to 1:00 PM	08:00 AM to 11:00 AM	Al Dhaid Expo Center
Khorfakkan Branch	East Coast	08: 00am to 02:00 pm	8:00 AM to 12:00 PM	9:00 AM to 1:00 PM	08:00 AM to 11:00 AM	Corniche Road, Banks Area
Umm Al Quwain Branch	Sharjah North East Area	08: am to 02:00 pm	8:00 AM to 12:00 PM	9:00 AM to 1:00 PM	08:00 AM to 11:00 AM	King Faisal Street opposite Umm Al Quwain Mall
Sharjah Main Branch	Sharjah North East Area	08: am to 02:00 pm	8:00 AM to 12:00 PM	9:00 AM to 1:00 PM	08:00 AM to 11:00 AM	Al Mussala Area opposite Etisalat building
Al Rahmania Mall Branch	Sharjah North East Area	10:00 am to 10:00 pm	04:00 PM to 10:00 PM	10:00 AM to 2:00 PM	04:00 PM to 09:00 PM	Al Rahmania Mall - First Floor

				04:00 PM to 09:00 PM		
Zawaya Walk Branch	Sharjah North East Area	08: 00AM to 08:00 PM	08:00 AM to 12:00 PM	09:00 AM to 2:00 PM 03:00 PM to 07:00 PM	08:00 AM to 11:00 AM	Zawaya Walk Area

Maryah Bank - Participating Branches

Branch name	Branch Location-Area	Customer Timing (Monday to Saturday)	Customer Timing (Friday)	IPO Subscription Timings (Monday to Saturday)	IPO Subscription Timings (Friday)	Branch Address
Al Maryah Community Bank, Innovation Hub	Abu Dhabi	Mon-Sat: 8AM to 10PM	Mon-Sat: 8 AM to 10 PM	Mon-Sat: 8AM to 10PM	Mon-Sat: 8 AM to 10 PM	Al Maryah Community Bank, Innovation Hub, 454 Shakbout Bin Sultan Street, Abu Dhabi, UAE
Al Maryah Community Bank, Mall of the Emirates	Dubai	Mon-Sat: 10AM to 10PM	Mon-Sat: 10AM to 10PM	Mon-Sat: 10AM to 10PM	Mon-Sat: 10AM to 10PM	Al Maryah Community Bank, Level 1, Ski Dubai Entrance, Mall of the Emirates, Dubai, UAE

Annex 4 – Company's Investments in the Subsidiaries[1] of the Company

	Company's Name	Place of incorporation
1-	Americana Restaurants Investments Group Company LLC	United Arab Emirates
2-	Americana Kuwait Company for Restaurants WLL	Kuwait
3-	Americana Holding for UAE Restaurants LTD	United Arab Emirates
4-	Americana Holding for Egyptian Restaurants LTD	United Arab Emirates
5-	Americana Company for Restaurants Holding LTD	United Arab Emirates
6-	Americana Holding for KSA Restaurants LTD	United Arab Emirates
7-	Americana Holding for Restaurants LTD	United Arab Emirates
8-	Kuwait Food Co. Americana LLC	United Arab Emirates
9-	Kuwait Food Co Americana Main Office One Person Company LLC	United Arab Emirates
10-	Reef Technology Middle East Limited	United Arab Emirates
11-	Egyptian Company for International Touristic Projects SAE	Egypt
12-	Egyptian International Company for Food Industries SAE	Egypt
13-	Al Ahlia Restaurants Company	Saudi Arabia
14-	United Food Company One Person Company	Saudi Arabia
15-	Americana Prime Investments Limited	United Arab Emirates
16-	International Tourism Restaurants Company LLC	Oman
17-	The Caspian International Restaurants Company LLP	Kazakhstan
18-	Gulf & Arab World Restaurant Co. WLL	Bahrain
19-	Bahrain & Kuwait Restaurant Co. WLL	Bahrain
20-	Lebanese International Touristic Projects Company LLC	Lebanon
21-	Qatar Food Company	Qatar
22-	Ras Buabboud Trading Company	Qatar
23-	Almusharaka for Touristic Restaurants Services, General Trading, Import & Export Company Ltd.	Iraq - Kurdistan
24-	Societe Marocaine De Projets Touristiques	Morocco
25-	Touristic Projects & International Restaurants Co. (Americana)	Jordan
26-	Jordanian Restaurants Company for Fast Food	Jordan
27-	The International Company for World Restaurants Limited	United Arab Emirates
28-	The International Company for World Restaurants Limited	Branch- Iraq
29-	Americana Restaurant (India) Private Limited	India

[1] Subsidiaries are entities in which the Company holds at least 50 per cent. of its share capital

Annex 5 – List of Company's Affiliates[2]

S No.	Name	Place of Incorporation
1.	Reef Technology Middle East Limited	United Arab Emirates
2.	Bahrain Kuwait Restaurants WLL	Bahrain
3.	Ras Bu Abboud Trading Company	Qatar

[2] Affiliates are entities in which the Company holds at least 25 per cent. but less than 50per cent. of its share capital.

Annex 6 – Company's Organization Chart