AMERICANA RESTAURANTS

THE NUMBER ONE PLATFORM FOR ICONIC RESTAURANT BRANDS

Americana Restaurants International PLC
Annual Report 2022

AMERICANA RESTAURANTS IS THE LEADING RESTAURANT OPERATOR IN THE MENA REGION AND KAZAKHSTAN

www.americanarestaurants.com

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3-27 OVERVIEW

Positioning and Purpose

THE **MILLIONS OF CUSTOMERS WE SERVE EACH** DAY ARE PLACED AT THE HEART OF OUR OMNICHANNEL UNIVERSE

Who we are

Americana Restaurants International PLC ("Americana Restaurants", "the company") is the largest out-of-home dining (OOHD) and quick-service restaurant (QSR) operator, serving 12 countries across the MENA region and Kazakhstan.

With a diverse portfolio of iconic global brands across key categories, including QSR, casual dining, indulgence and coffee concepts, and a dominant regional footprint, we have delivered consistent growth and innovation for over half a century – making us a standout operator in our countries of operation. The millions of customers we serve each day are placed at the heart of our omnichannel universe. Our dedicated team of over 40,000 talented women and men work with pride and purpose to create memorable moments through flavourful food, superior service and exceptional experiences.

In December 2022, we made history when we became the first company to concurrently dual list on the Abu Dhabi Securities Exchange (ADX) and the Saudi Stock Exchange (Tadawul) with fungibility allowing investors to transfer their shares seamlessly between the two markets.

Our vision

To be the fastest-growing and most trusted food operator in the world.

Our mission

To create awesome experiences for internal and external customers and amazing value for shareholders.

As the leading restaurant platform in the MENA region and Kazakhstan, Americana Restaurants provides a growing addressable population of more than 270 million with access to an extensive network of global and iconic restaurant brands. We are the trusted and preferred franchisee in the region for many iconic global brands, including KFC, Pizza Hut, Hardee's, Krispy Kreme and TGI Fridays, amongst others, and also operate two proprietary brands, Wimpy and Chicken Tikka.

Our purpose is to make a difference and create an impact in the restaurants and communities where we operate.

Iconic brands
12
Diversified and relevant portfolio

Years of operation
50+
Trusted franchisee operator for iconic global brands

Number of countries
12
Present in major countries in MENA region and Kazakhstan

Employees*
40,546
Performance and values driven

Stores*
2,183
Serving consistent quality and experience

16-17
Read more about the chicken champion.

22-23
Read more about the sweet sensation.

18-19
Read more about the iconic burger specialist.

20-21
Read more about the pizza leader.

* As at 31 December 2022

2022 Highlights

Financial highlights

Number of stores

2,183 stores

+220 gross new stores in 2022

KFC	54
Hardee's	18
Pizza Hut	46
Krispy Kreme	68
Growth/niche[1]	34
Other[2]	0

Total revenue (USDm)

USD 2,379m

+15.9% (vs. 2021)

KFC	USD 1,455m
Hardee's	USD 403m
Pizza Hut	USD 264m
Krispy Kreme	USD 90m
Growth/niche[1]	USD 145m
Other[2]	USD 21m

Channel revenue %

Dine-in	21.1%
Takeaway	24.1%
Home delivery	39.0%
Drive thru	9.8%
Other[3]	5.9%

Net profit (USDm)[4]

USD 259m

+27.1% (vs. 2021)

2022A	USD 259m
2021A	USD 204m

1 Refers to Baskin Robbins, TGIF, Chicken Tikka, Wimpy, Costa Coffee
2 Refers to Grand Café, Fish Market, Red Lobster (has been exited as of Jun 2022A) and Pavilion
3 Includes Carhops, Catering, Sales Office/Food Supply, Kiosks and other revenues
4 Refers to Net Profit attributable to the shareholders of the Parent Company/Net Parent Investment attributable to Former Parent Company

Record gross new store openings

220

Non-financial highlights

The largest ever consumer IPO

In the Middle East region, raising **USD 1.8 billion.** The first company to be concurrently dual listed in the UAE and Saudi Arabia.

Pizza Hut Saudi Arabia

Launched in Riyadh in June 2022 by introducing a stone oven at the flagship restaurant, offering an elevated range of Artisanal Pizzas.

Krispy Kreme Jordan

Entered the market in October 2022 with a flagship 'Hot Light' store in Amman.

Wimpy UAE

Launched our proprietary brand through a flagship robotics-enabled store in the iconic Dubai Mall in December 2022.

Signing Peet's Coffee

Awarded franchise rights of Peet's Coffee to launch the brand in the GCC markets of the UAE, Saudi Arabia, Kuwait and Qatar.

Gallup Award

Americana Restaurants received the 'Exceptional Workplace' award from Gallup in 2022, placing it at the 78th percentile on the Gallup Global Database.

Americana Restaurants at a Glance

A CULTURE OF PERFORMANCE AND PRIDE

The Company is led by a highly experienced team of professionals from diverse personal and professional backgrounds and nationalities in the global and regional food and restaurant industries, ensuring the successful implementation of our strategy through operational excellence, continuous innovation and effective management of our workforce across the region. Our values are what binds us together as a team; they are at the core of our strong corporate culture. Embodied in our DNA, they guide the decisions we make each day, individually and collectively. Our values foster an environment where leaders of tomorrow are created to fulfil our vision of becoming the most trusted and fastest growing food operator in the world.

Our core values

Integrity
We always do the right thing, even if no one is watching. We are honest and transparent, and inspire trust.

Excellence
We have an unwavering commitment to quality. We strive for excellence in everything that we say and do, and aim to exceed expectations.

Collaboration
We leverage our collective genius. We achieve our best results through teamwork and shared goals.

Customer obsession
We exceed customer expectations every day with quality products and exceptional service.

Agility & innovation
We embrace innovation and change. We operate with a sense of urgency and swiftly adapt to market and customer changes, to remain relevant.

Ownership mindset
We think and act like owners. We monitor our business closely, make difficult decisions, and treat every dollar as if it is our own.

Leadership DNA

This is the guiding framework for all our actions

Trust
Credibility with team

Transparency
Open and honest

Optimism
'Can do' attitude

Courage
Bold and constructive

Humility
Mutual respect

An employer of choice

We are one of the region's leading employers, with over 40,000 employees working each day to serve our customers across MENA and Kazakhstan. We take this responsibility seriously – not only through our commitment to attract, develop, engage and retain talent across our markets, but also to support the health and wellbeing of our workforce and their ability to create positive impact, individually and collectively.

The Company also won the 'Exceptional Workplace' award from Gallup in 2022, placing Americana Restaurants at the 78th percentile on the Gallup Global Database with better engagement scores than 78% of the companies in the entire global Gallup database.

Employees*

40,546

Investing in people

The objective of the Future Leaders' Programme is to strengthen the talent pipeline from top local and regional universities and diverse backgrounds, with a focus on GCC markets, offering participants careers spanning functions, geographies and levels. Given the fast changing business landscape and our ambitious growth plans, investing in talent plays a pivotal role. The programme focuses on attracting, retaining and fast-tracking young talent, in line with the performance-driven culture at Americana Restaurants.

* As at 31 December 2022

Americana Restaurants At a Glance continued

ICONIC BRANDS THAT CUSTOMERS LOVE

Americana Restaurants has been able to serve consistently as a trusted and preferred partner for franchisors through its unique strengths as a multi-brand and multi-region operator. Americana Restaurants' passion for innovation, customer centricity and operations excellence are the key pillars of its attractiveness, distinguishing it as an operator of choice for international brands entering MENA.

Americana Restaurants At a Glance continued

A MARKET-LEADING PRESENCE ACROSS THE MENA REGION AND KAZAKHSTAN

Our ever-expanding footprint of restaurants covers 12 countries stretching from Kazakhstan in the East to Morocco in the West. With unmatched local knowledge and capabilities, we are the dominant player in our core markets, with plenty of headroom to grow.

Leading our industry and markets

Americana Restaurants is on a rapid growth journey to build on an established leadership position by creating sustainable value for our stakeholders and delighting our customers with great food and exceptional experiences.

Wimpy, Dubai Mall

Countries

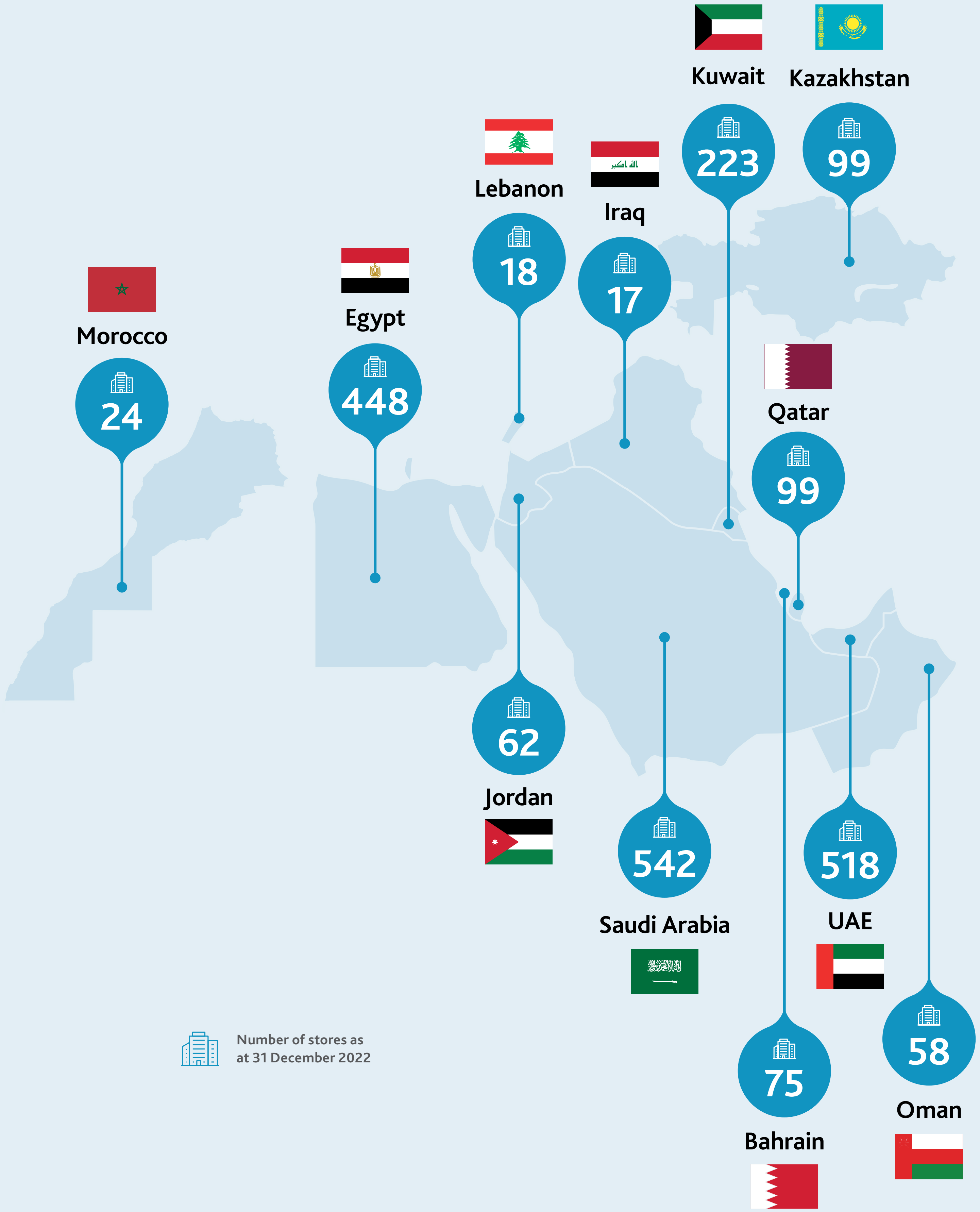
12

Present in major countries in MENA region and Kazakhstan

Stores*

2,183

Serving consistent quality and experience



* As at 31 December 2022

Americana Restaurants' Journey

OVER FIFTY YEARS OF EXPERIENCE OPERATING AS THE TRUSTED AND PREFERRED OPERATOR FOR GLOBAL QSR AND CASUAL DINING BRANDS

1964

1964 Americana Group founded in Kuwait as "The Kuwait Food Company" ("Former Parent Company")

1970

Wimpy launched in Kuwait

1973

KFC launched in Kuwait

Between 1964 and 2016

Added franchise partnerships to include Pizza Hut in 1979, Hardee's in 1980, TGI Fridays in 1994 and Krispy Kreme in 2006

Expanded operations into the UAE in 1979, Saudi Arabia in 1980, Morocco in 2001, Kazakhstan in 2008 and Kurdistan in 2014

1984

Americana Group listed on the Kuwait Stock Exchange

2016

Adeptio AD Investments Ltd acquired a majority stake in the Former Parent Company

2022

Peet's Coffee added to the brand portfolio

In 2022, the Company was converted to a public company, and the Former Parent Company transferred its shareholding to Adeptio AD Investments Ltd.

Subsequently, the Company listed on the ADX and Saudi Exchange in December

Our Brands

KFC

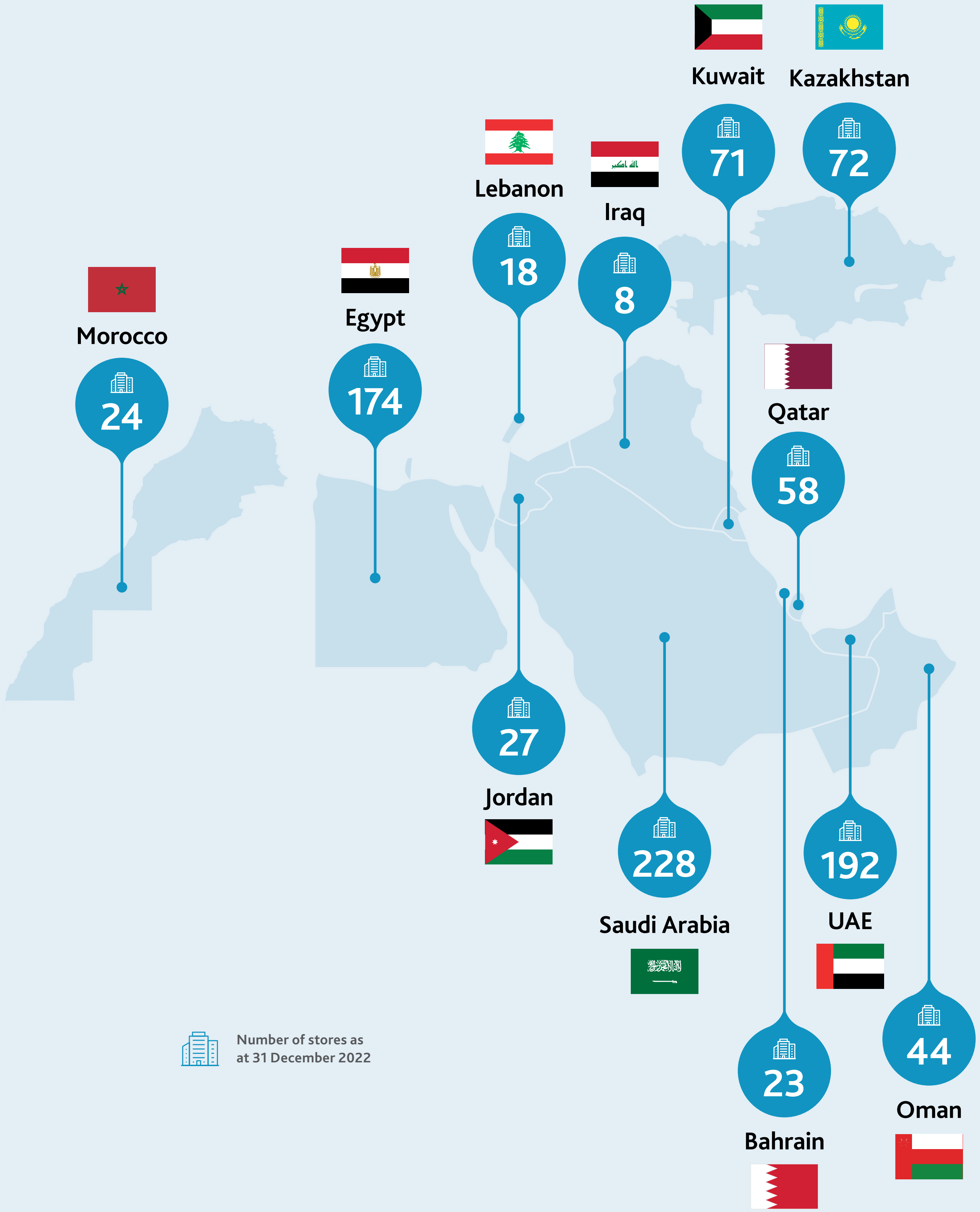
The **chicken champion** with long runway for growth.

KFC stores* located across 12 countries

939

Revenues for the year ended 31 December 2022

USD 1,455m



* As at 31 December 2022

Our Brands continued

HARDEE’S

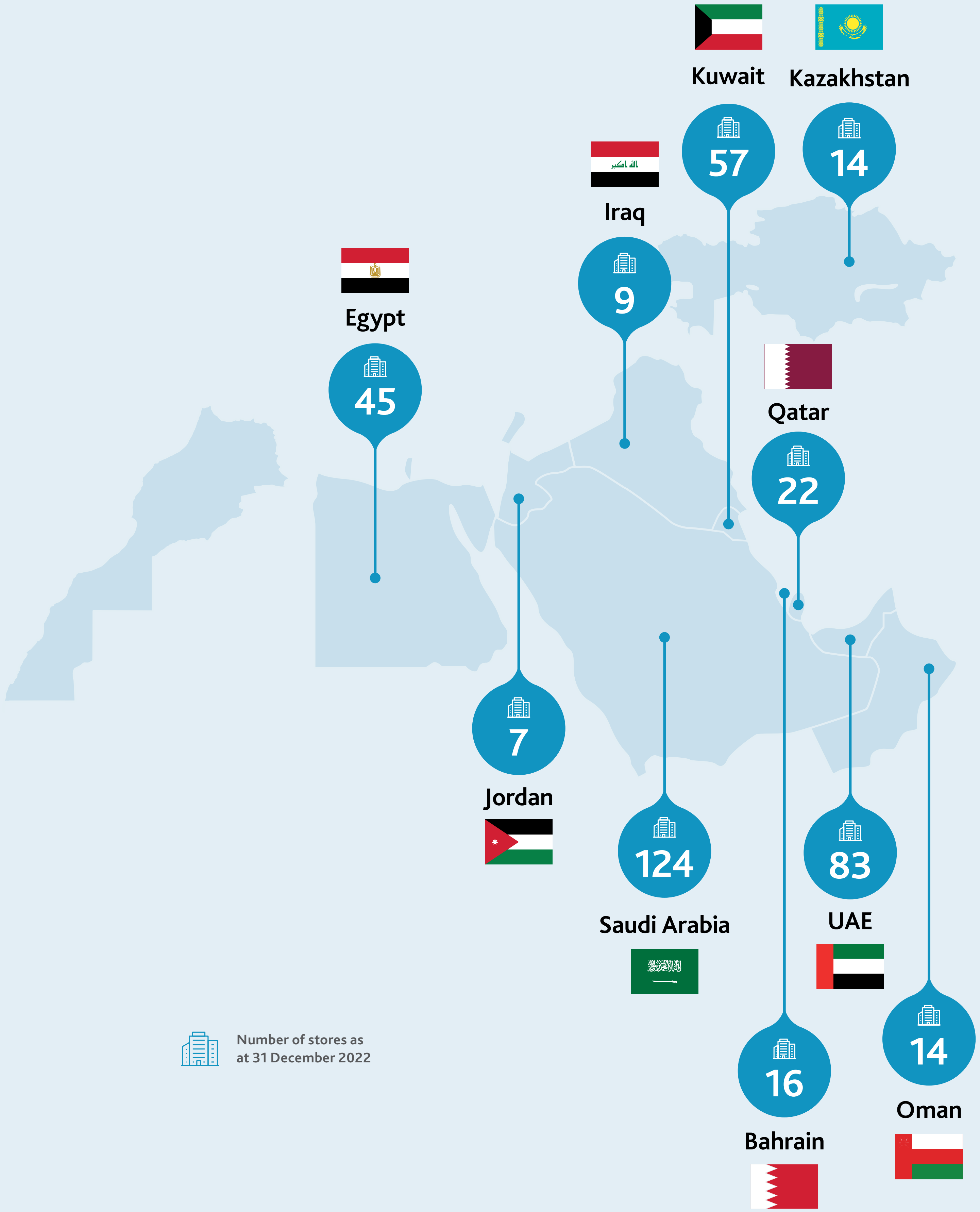
The **iconic burger specialist** on a transformational path to clear category leadership.

Hardee’s stores* located across 10 countries

391

Revenues for the year ended 31 December 2022

USD 403m



* As at 31 December 2022

Our Brands continued

PIZZA HUT

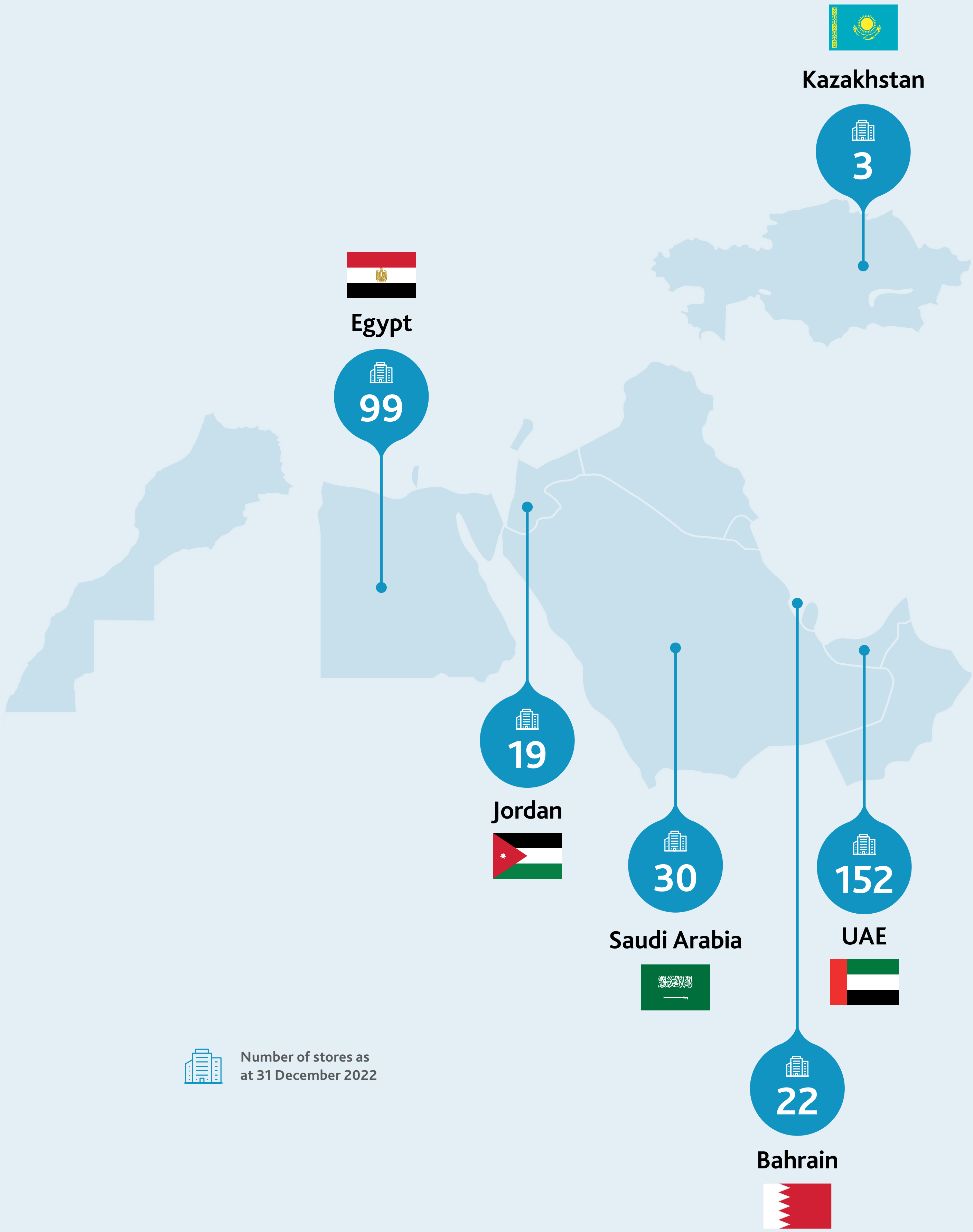
The **pizza leader** with expanding footprint across region's key markets.

Pizza Hut stores* located across six countries

325

Revenues for the year ended 31 December 2022

USD 264m



Number of stores as at 31 December 2022

* As at 31 December 2022

Our Brands continued

KRISPY KREME

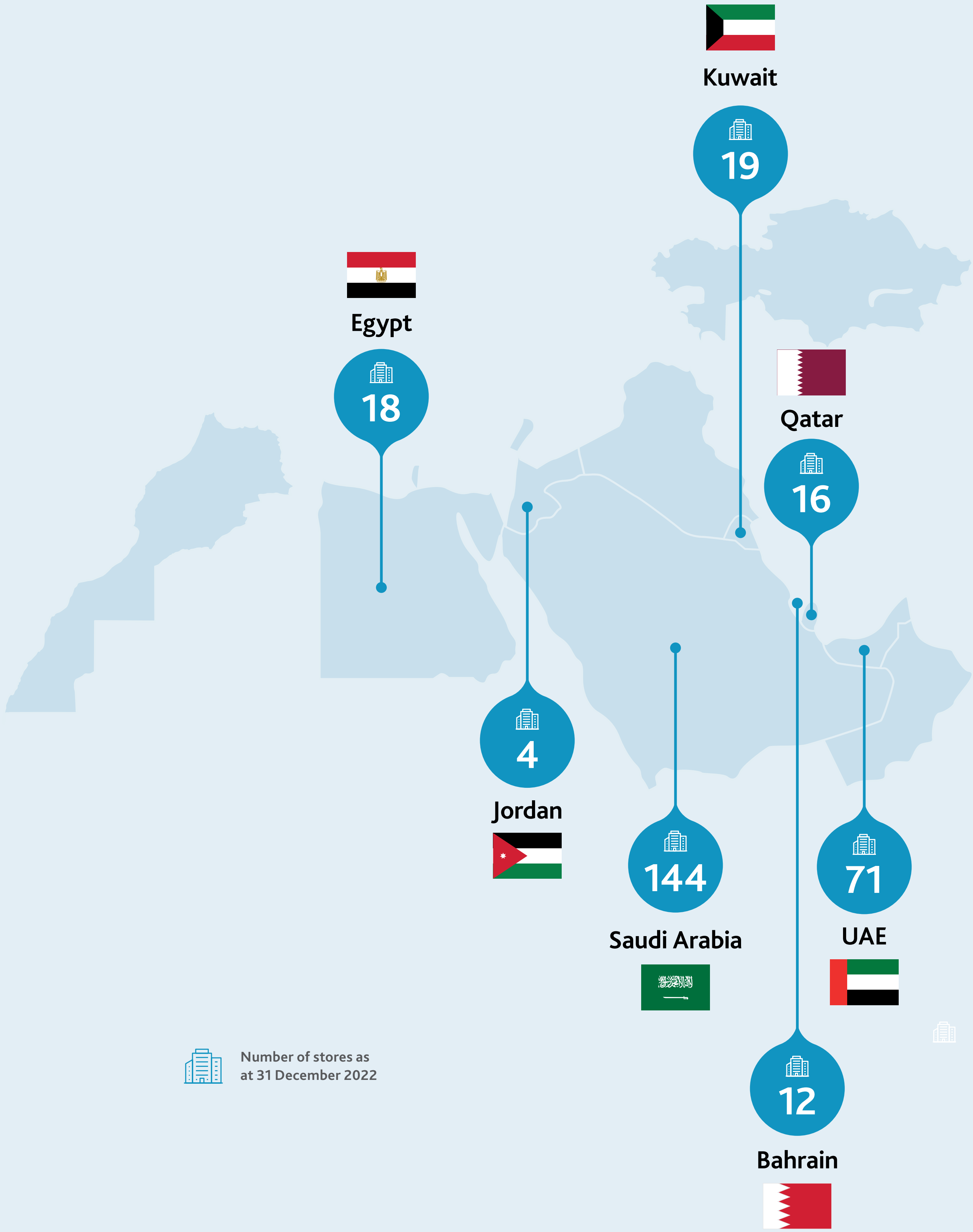
The **sweet sensation** in the Middle East accelerating on its journey to win in Indulgence.

Krispy Kreme stores* located across seven countries

284

Revenues for the year ended 31 December 2022

USD 90m



* As at 31 December 2022

Our Brands continued

Our other franchise brands

In addition to the Power Brands (KFC, Hardee's, Pizza Hut, Krispy Kreme), Americana Restaurants operates other franchise brands, which accounted for around 7% of the Company's revenues in 2022.

TGI Fridays
Americana Restaurants operates 49 stores* across the region. The brand focuses on introducing local flavours to complement its iconic American-style cuisine served in a modern and stylish dining environment.

Costa Coffee
We operate 69 Costa Coffee stores* across Egypt, Kazakhstan and Jordan. The brand focuses on barista expertise as well as menu innovation, such as introducing plant-based alternatives to its classic coffees and treats.

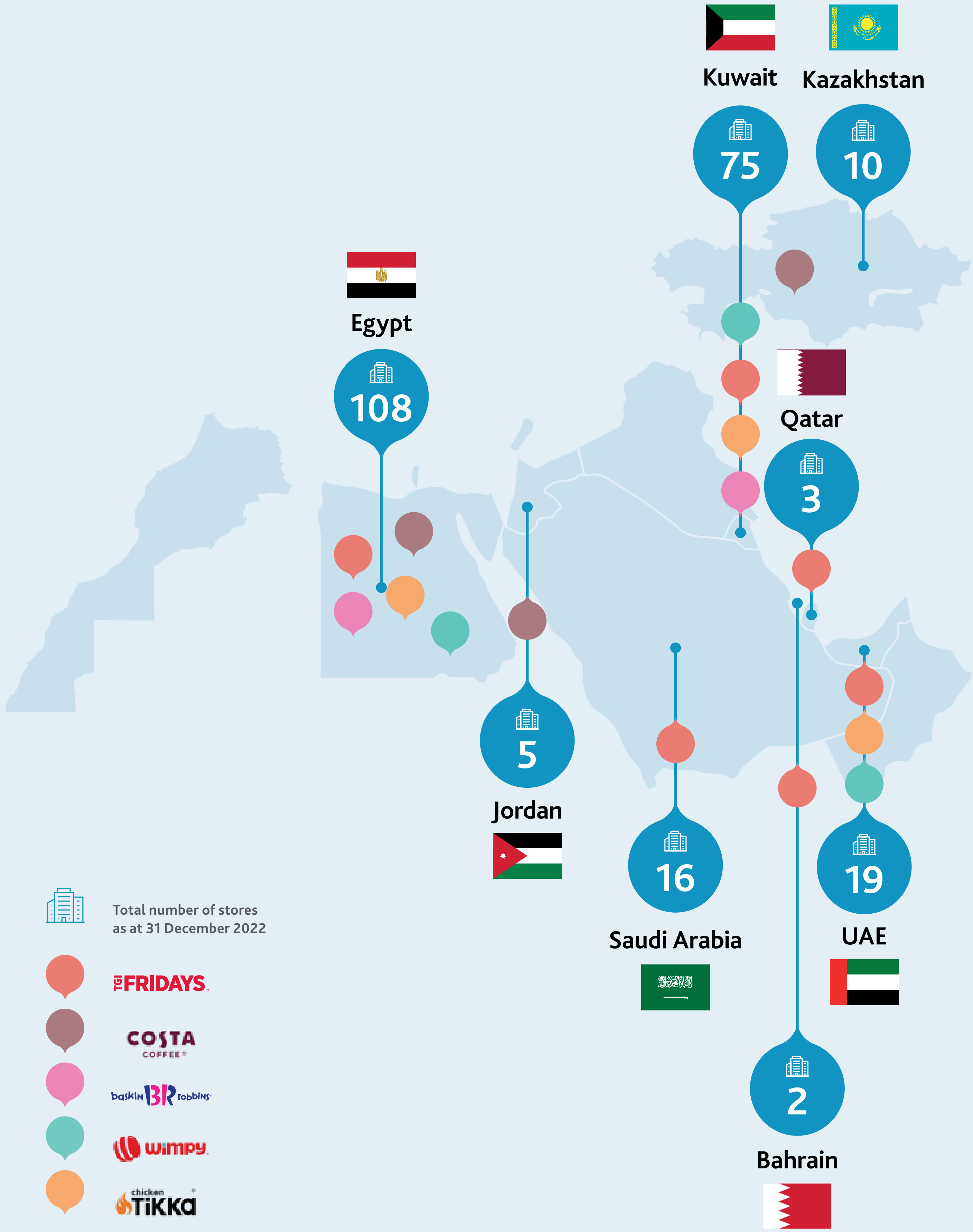
Baskin Robbins
We operate 61 stores* across Kuwait and Egypt.

Our proprietary brands

Americana Restaurants owns two key propriety brands, Wimpy and Chicken Tikka.

Wimpy
We currently have 29 stores* across Kuwait, Egypt and the UAE. Wimpy aims to disrupt the industry with great tasting burgers at affordable prices. All About You is not just the slogan, it's the brand ethos and the way each customer is served from the moment they walk through the doors or click to order online, to the moment they enjoy their food.

Chicken Tikka
We operate 30 stores* across three jurisdictions in the MENA region. Chicken Tikka offers a variety of chicken-based dishes, including grilled whole chicken, chicken sandwiches, wraps and rice bowls.

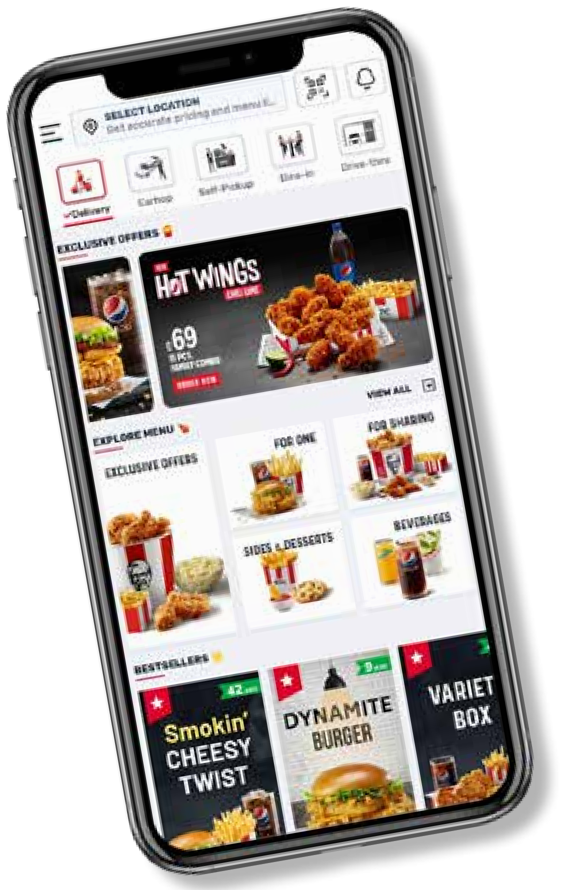


* As at 31 December 2022

Investment Case

SCALED CONSUMER BUSINESS WITH STRONG PERFORMANCE, WORLD-CLASS MANAGEMENT, AND **SIGNIFICANT UPSIDE FOR GROWTH**

Americana Restaurants is a scaled consumer business with strong performance, high-quality and world-class operations and management delivering best-in-class profitability with significant upside for growth. Our substantial investment case is built on our core strengths:



Standout Operator of Iconic Global Brands

with customer-centric operating culture and multiple platform efficiencies

With its proven track-record of success of over 50 years, the platform attracts internationally successful brands. Americana Restaurants' replicates, improves and adapts to local tastes with tried-and-tested dining solutions from some of the world's most popular brands such as KFC, Pizza Hut, Hardee's, Krispy Kreme. Additionally, the Company enjoys multi-decade global brand equity and highly embedded customer trust, appeal and preference.

Market leader

in an attractive region. Supported by structural tailwinds

We are the market leader in the 12 countries in which we operate across the MENA region and Kazakhstan – collectively, this represents a USD 56.1 billion OOHD market in 2021, growing at an estimated CAGR of 13.8% in USD terms over the period 2022-2026, as per Euromonitor International. Americana Restaurants' markets of operation benefit from strong macro and socio-economic tailwinds that are supporting consumer disposable income growth and changing consumption habits, that are giving impetus to further development of the OOHD market and its subsegments.

Powerful digital platform

with an advanced technology stack

Americana Restaurants owns best-in-class digital assets, offering a seamless experience: 'Super Apps' with multi-country functionality. These create a single view of the customer across brands and countries, enabling the Company to serve different occasions and cuisine types backed by a wide offering across categories. The Company also has a strong CRM layer, enabling hyper-personalised marketing campaigns which promote frequency and increase customer life cycle value. Americana Restaurants also operates robust, scalable, back-end technologies that are a key enabler of growth, providing a unified data layer which gives access to data in real time.

Attractive financial model

with strong unit economics and efficient capital deployment

Americana Restaurants is a growth and customer-focused organisation, with a deeply inculcated cost-conscious and frugal culture. This has helped it to improve margins in parallel to significant investments. The Company applies the same rigour and discipline to new store openings that delivers an attractive payback period.

Significant growth potential

in core and new business. Through continued format evolution and rigour in site selection

Our strategy is focused on unlocking our full potential as a leading QSR and OOHD restaurant operator and capturing an increasing share of consumers' wallet by leveraging our unrivalled heritage and scale to expand into new territories and segments. To achieve our vision and mission, we will continue our growth and development through four principal strategic levers: growth in our restaurant portfolio, revenue growth, margin expansion and optionality in the platform.

World-class management

team supported by strong shareholders

Through the support of its shareholders and the efforts of the current management, the Company has seen significant improvements in terms of its portfolio, growth and profitability. Transformational changes introduced by the management have been accompanied by a comprehensive shift towards a values-led culture driven by performance and KPIs.

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STRATEGIC & OPERATIONAL REVIEW

Chairman's Statement

Americana Restaurants retained its undisputed status as the region's **fastest-growing and largest operator** in 2022.

MR. MOHAMED ALI RASHED ALABBAR

Chairman

"As a pioneer with over 50 years of heritage across the Middle East and North Africa, 2022 will be remembered as a landmark year in the history of Americana Restaurants. The Company elevated its global presence as one of the most profitable and growth-oriented diversified food operators."

Leveraging its status as the Middle East and North Africa's leading platform for iconic global restaurant brands, Americana Restaurants pursued and completed a dual public listing on the Abu Dhabi Securities Exchange (ADX) and the Saudi Stock Exchange (Tadawul) on 12 December 2022. Concluding a year that saw the Company deliver remarkable results, the listing raised USD 1.8 billion and was 58 times oversubscribed.

Maximising value

The success of the dual listing – the first ever to take place on the ADX and Tadawul – is testament to Americana Restaurants' reputation as a market leader, its prudent financial model, powerful digital platform and growth potential. These attributes, married with a culture of operating excellence and strong franchisor relations, saw the Company deliver strong financial performance in 2022. The Company posted revenues of USD 2.4 billion, which is a 15.9% increase from 2021. Net profit attributable to the shareholders of the Parent Company is USD 259 million, with a net margin of 10.9%.

The strength of Americana Restaurants' balance sheet is a result of strong unit economics and efficient capital deployment. In 2022, this approach saw the Company pursue portfolio rationalisation and supply chain efficiencies while investing in business-critical digital solutions and 220 gross new store openings. By year-end, the Company operated 2,183 stores up from 2,010 in 2021.

Digital-first approach

At the heart of Americana Restaurants' success in 2022 is a future looking digital framework that supports a holistic omnichannel approach across brands and markets. The Company deployed successive highly innovative technologies throughout the year, including proprietary in-store digital kiosks, omnichannel super-apps, Voice of Customer (VoC) platform and ERP. These investments represent a fundamental differentiator in Americana Restaurants' infrastructure and strategic approach.

Market dynamics

Within the context of fast-growing out-of-home dining (OOHD), Americana Restaurants is a leader and largest operator in the region.

The MENA region remains a uniquely attractive market for chain-restaurant operators, which benefit from multiple macro tailwinds, a growing youth population and soaring urbanisation. These dynamics, alongside the cultural internationalism, provides Americana Restaurants with a powerful backdrop for growth across the Middle East, North Africa and Kazakhstan.

Strategic focus

Americana Restaurants' near-term focus will be to leverage the strength of its balance sheet to drive brand and geographic expansion across existing and new markets. The Company faces multiple opportunities for rapid scalability across its entire portfolio, including the Power Brands of KFC, Hardee's, Krispy Kreme and Pizza Hut, into new and existing markets. The Company will also continue to invest in efficient restaurant designs and new technologies to minimise capital recovery periods and maintain cost discipline.

As the Company continues to take advantage of the opportunities, it must work in parallel to mitigate macroeconomic challenges; in particular, commodity price and supply chain headwinds affecting the OOHD and QSR sectors globally. In addition, Egypt is moving through a prolonged period of exceptionally high inflation that reached 21.3% in December 2022.

The country also grappled with significant currency devaluation in 2022, affecting the price of imports. To navigate these dynamics, fiscal consolidation measures and the redeployment of CAPEX in other high-growth markets will enable the Company to mitigate potential losses while securing growth.

ESG

Underpinning Americana Restaurants' approach to long-term scalability is a risk management, and environment-social-governance framework. This links a responsible business strategy to company practices and processes.

Progress was made in 2022 in the Company's ESG journey, with a focus on carbon emissions, workforce diversity, and Saudisation. The implementation of the Future Leaders' Programme forms part of a comprehensive diversity and inclusion strategy that provides equal opportunities for career development, training and progression. Fundamentally this is part of the Company's employee retention strategy and its broader commitment to building a business governed by a diversity of ideas and outlooks.

The Company also won the "Exceptional Workplace" award from Gallup in 2022, placing Americana Restaurants' at the 78th percentile on the Gallup Global Database with better engagement scores than 78% of the companies in the entire global Gallup database.

Acknowledgements

I express my sincere gratitude to the Board of Directors for their commitment in realising the completion of a historic dual listing and to all our colleagues and franchisors across the business for their contribution to delivering an exceptional year for Americana Restaurants.

On behalf of the Board, I would like to welcome our new shareholders and thank them for putting their trust in Americana Restaurant's unique value proposition. Finally, I would also like to thank the regulators and the exchanges in Saudi Arabia and Abu Dhabi for their assistance in making Americana Restaurant's dual public offering possible.

MR. MOHAMED ALI RASHED ALABBAR
Chairman

Market Overview

A RESILIENT ECONOMY AND AMBITIOUS VISION

2022 was one of the most extraordinary and important chapters in the history of the MENA region. From Expo 2020 in Dubai to the FIFA World Cup in Qatar, market sentiment has never been more positive. While the entire world has gone through an unprecedented couple of years, from the Covid-19 pandemic, through to supply chain and logistical challenges in 2022, the region has shown resilience in managing another crisis-ridden year. The region has its strong foothold underpinned by macroeconomic tailwinds, government-led transformations, and ambitious visions for the years to come.

Strong growth drivers

While Americana Restaurants' markets of operation are geographically, economically, socially and ethnically diverse and distinct from each other, they share common characteristics that differentiate them globally. They are fast-growing economies with relatively high real GDP growth rates, high disposable incomes and growing populations, of which a high percentage are under the age of 45. As per Euromonitor International, the average nominal GDP CAGR of Americana Restaurants' 12 markets is expected to be 6.8% between 2022-2026E. With large government-led economic transformation and diversification projects and high overall level of economic resilience, these countries have high disposable levels of income and have thus been an important enabler of overall out-of-home-dining (OOHD) sector growth and are expected to be a key demand driving factor in near to medium term. As the leading OOHD and quick-service restaurant (QSR) operator in a USD 56.1 billion (as per Euromonitor International) total OOHD market across its geographies in the MENA region and Kazakhstan in 2021, we believe **the company is uniquely positioned to capitalise on the considerable opportunities these developments present, by leveraging the substantive capacity to adapt, innovate and expand.**

Despite the strong drivers of growth, the OOHD market remains underpenetrated, providing significant potential for Americana Restaurants to expand its footprint as addressable population increases, digital capabilities advance, and urbanisation rates increase.

Digital as the next lever of growth

Market and consumer behaviour has evolved since the pandemic, with an increased propensity by consumers to order through digital channels. Home delivery in the MENA and Kazakhstan QSR industry continues to grow due to changing lifestyles and evolving consumer behaviour. Large OOHD and QSR operators like Americana Restaurants are making headway into kitchen robotics (Wimpy UAE 2022), exploring more efficient self-ordering technologies, launching customer care bots, introducing loyalty programs and various other digital initiatives. Technological capabilities are going to be a big driver for QSRs going forward, and we believe our infrastructure and ecosystem thus built over the years is ready to support this revolution.

Average nominal GDP CAGR of Americana Restaurants' 12 markets between 2022-2026E*

6.8%

Total OOHD market size of Americana Restaurants' 12 markets 2021A*

USD 56.1bn

Total OOHD market size of Americana Restaurants' 12 markets 2026E*

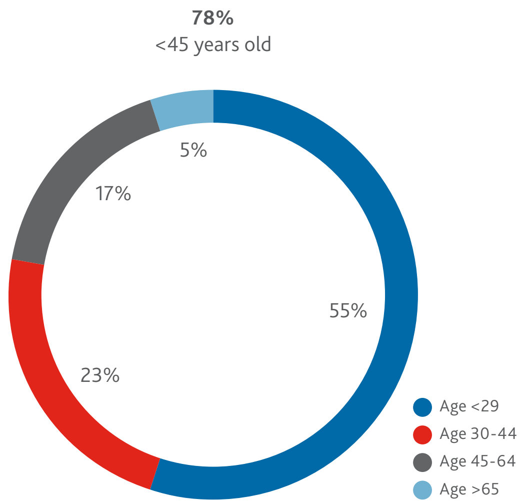
USD 112.4bn

2022-2026E OOHD CAGR of Americana Restaurants' 12 markets*

13.8%

Access to a large, growing and young population base

Our countries of operation have a large and growing addressable population of over 270 million – with more than 78 per cent of the population below the age of 45.



* Out of home dining market comprises quick-service restaurants (QSR), fast service and casual dining restaurants (collectively defined as "casual dining"), coffee shops, indulgence restaurants and other out of home dining restaurants (includes self service cafeterias and street stalls/kiosks)

* Figures as per Euromonitor International

Source: Euromonitor International estimates from Passport Consumer Food Service (2022 G edition) trade interviews and secondary research

1. Refers to Saudi Arabia, UAE, Kuwait, Egypt
2. Refers to Qatar, Bahrain, Oman, Jordan, Lebanon, Morocco, Kazakhstan and Iraq

Our Business Model

OUR STRENGTH IS IN THE **DIVERSITY OF OUR PORTFOLIO**

Americana Restaurants is a dominant restaurant operator in the MENA region and Kazakhstan.

Our strength is in the diversity of our portfolio that replicates, improves and adapts to local tastes the tried-and-tested dining solutions from some of the world's most popular brands, with multi-decade global brand equity and high embedded customer trust, appeal and preference.

Our digital-first mindset and cutting-edge tech capabilities drive better decisions made by our experienced management teams across our business. Our powerful digital platform is underpinned by a payback-driven financial model, robust infrastructure, and best-in-class investments, along with our broad regional reach, strong balance sheet and operating culture.

Iconic global brands

A diverse portfolio of iconic and leading global brands across key food categories that are growing customer share of wallet on a single platform.

- Strong franchisor relationships and top quartile performer for Yum Brands, CKE Holdings, Krispy Kreme Doughnuts, Co.
- Market leading positions

Unrivalled customer experience

A customer-centric operation that aims to exceed customer expectations every day by providing quality products and exceptional service.

- Marketing and product innovation
- Omnichannel multi-format digital platforms

Financial focus

An attractive financial model with efficient capital deployment that competes strongly against international restaurant operators and local peers.

- Healthy portfolio
- Strong revenue growth is driven by strong like-for-like ("LFL") revenues and contributions from new restaurants
- Quick payback period
- Top quartile margins and attractive profitability
- Cash generation

Synergies of scale

An optimised CAPEX process that enables efficient, timely and high-quality project delivery, which ultimately delivers growth.

- Single operational platform
- Strategic supplier partnerships and sourcing synergies, provide bargaining power
- Optimised and lean shared services
- Multi-brand warehousing and last-mile capabilities

Performance-driven culture

A principled performance management framework that motivates and rewards.

- Complaint resolution time
- Speed of service

Our Strategy

TO ACHIEVE OUR VISION AND MISSION, WE WILL **CONTINUE OUR GROWTH AND DEVELOPMENT**

Our strategy is focused on unlocking our full potential as a leading QSR and OOHD restaurant operator and capturing an increasing share of consumer's wallet by leveraging our unrivalled heritage and scale to expand into new territories and segments.

To achieve our vision and mission, we will continue our growth and development through four principal strategic levers: growth in our restaurant portfolio, revenue growth, margin expansion and optionality in the platform.

Strategic pillar one

New restaurant growth

There is significant potential to further roll out restaurants across our portfolio and the region because of low levels of penetration and gaps in brand presence across our markets.

We aim to drive our portfolio development through three vectors: deeper penetration of existing markets, expansion (in existing and new markets) and entry into new categories.

Objectives

- Increase market penetration and segment expansion
- Leverage the platform to drive into new territories
- Launch existing brands in existing countries
- Maximise opportunities within new urban developments, regional mega projects and significant infrastructure investments

Progress/highlights/strategy in action during 2022

- Development of our coffee vertical in the GCC region through signing up of Peet's Coffee for the UAE, Saudi Arabia, Qatar and Kuwait, where the coffee market is booming
- Launch of Pizza Hut in Saudi Arabia
- Launch of Krispy Kreme in Jordan

Strategic pillar two

Drive revenue growth at existing restaurants

We continue to drive revenue growth in our existing restaurants through marketing and pricing, as well as product and service innovation. We have rigorous and regular review processes to evaluate and improve the product, price and experience offerings. A strong value proposition for each of our brands is central to staying ahead of ever-changing consumer needs. Marketing, smart pricing and innovation execution are critical drivers of revenue growth, while we will continue to invest in digitisation to gain additional customer wallet share across our existing footprint.

Objectives

- Leverage the trend to smaller and more efficient restaurants focused on off-premises consumption, as well as new concepts such as drive-thru and carhops
- Drive an omnichannel approach to boost reach, retention and frequency
- Accelerate the shift towards digital and social media marketing
- Launch a digital loyalty programme and enhance our loyalty and retention toolkit

Progress/highlights/strategy in action

- Smart pricing initiatives such as menu reengineering
- Operations excellence and improvement in speed of service
- Actively engaging genre-relevant social influencers, food bloggers and YouTube artists, driving retention, trial, repetition and relevance.

Strategic pillar three

Improve margins with focus on cost optimisation and margin enhancement

We continuously aim to identify opportunities for efficiencies in operating expenses and to drive value through matrixed driver-based budgets, dual ownership and accountability. Expanding profitability margins is a KPI across the business. We focus on cost discipline that is reflected in our zero-based budgeting approach and use of real-time integrated software systems to maintain and strengthen restaurant-level profitability.

Objectives

- Maintain strict discipline on restaurant portfolio quality
- Restaurant management efficiencies such as labour scheduling, demand forecasting

Progress/highlights/strategy in action

- Smaller footprint stores
- Smart pricing
- Well invested G&A

Strategic pillar four

Organic and inorganic avenues for long term platform development

We have the infrastructure, pan-regional presence and know-how to operate in a wide range of occasions and formats and intend to leverage this for other potential additions to the platform in the short-to-medium term.

Objectives

- Assess new potential franchising opportunities on an ongoing basis
- Enter new segments/cuisines such as healthy, Arabic, etc.
- Consolidate brands across existing geographies
- Organically enter new emerging markets with existing brands

Progress/highlights/strategy in action

- Discussions to on board a healthy brand in the portfolio
- Ambitious growth plans for Iraq through launch of KFC (Baghdad) and Pizza Hut (Iraq)

Strategy in Action – Case Studies

TURNAROUND OF THE BRAND WITH LIKE-FOR-LIKE GROWTH OF 12.3% AND STRONG PERFORMANCE IN KEY MARKETS

We operate 391 Hardee's restaurants across the GCC, Egypt, Jordan, Iraq and Kazakhstan, making Hardee's our second largest brand in terms of both stores and revenue.

Americana Restaurants opened the first Hardee's store in the Middle East in 1980 in Kuwait. Since then, we have been steadily expanding the brand into various countries including Kazakhstan and Iraq. We opened the 100th Hardee's store in 2002, and by 2015 reached 307 stores and as of 31 December 2022, we operate 391 Hardee's stores across 10 countries.

Problem statement

Among the customers of the region, Hardee's has high brand awareness across markets, and is perceived as an international brand with strong regional affinity, better quality and bigger portions vis à vis the competition. However, there were some challenges regarding the brand's consideration metrics, its value perception, saliency levels and outreach.

Key brand derailers:
- Low top of mind awareness amongst competition
- No clear brand proposition, in addition to lack of clarity and awareness of key brand differentiators and iconic products
- Perceived as an expensive brand, with the lack of a strong value layer to drive transactions
- Lower promotion intensity than the competition, with lower media spends
- Old real estate assets
- Outdated digital assets

What we set out to do

Hardee's embarked on a transformation journey in 2021. Branded the 'Go All In' transformation project, the objective was to touch upon all the critical elements of people, operations, product, proposition, promotions, assets and our digital platforms to take the brand to the next level.

Total Hardee's stores operating in 10 countries

391

as at 31 December 2022

Key initiatives

Value proposition and our 'right to win'

We defined a clear brand proposition under the 'Go All In' platform that truly manifests how we want to cater to the customer of today.

Proposition: Hardee's aims at being the ultimate destination for craveable quality burgers in the QSR segment.

We ensured that this is met by focusing on:
- Craveable burgers
- Accessibility – Place/Price
- Speed without compromise
- Breakthrough marketing
- Technology-driven
- Seamless service

Hardee's stores provide an extensive menu featuring a range of beef and chicken burgers, in addition to sides, beverages and desserts. Hardee's differentiates itself within the segment through its offering of:
- Chargrilled burgers;
- Premium quality and superior ingredients;
- Bigger portions;
- Bold indulging innovations; and
- A range of staple regional iconic menu items such as the Super Star burgers, Mushroom N Swiss, Big Deluxe, Chicken fillet, Santa Fe and crispy curls that have given Hardee's a unique positioning in the Middle Eastern QSR industry.

People

Through a focus on capability, capacity, and culture, we have improved diversity within teams, and built a talent pipeline for the future. We have invested heavily into hiring top-talent with potential to be future leaders, enabling us to build a strong talent-pool that supports our ambitious growth plans.

In addition, we ensured that we have strong training systems, development centers and opportunities for our people to grow and a strong bench planning process.

Ensuring a strong connect with our teams, we constantly work towards engaging with our front line teams at all times.

Operations

We focused on driving the right operation culture and put rigid metrics in place.

Customer-centric focus

- Hardee's Superstar Service
- Focus on speed of service across channels
- Quality – great product served
- Voice of Customer (VoC) focus

Operation processes

- Restaurant General Manager & Area Coach success routines
- Food safety audits
- Leveraging technology – forecasting, production levels and scheduling to ensure we are cost conscious

Product focus and new product development

- Built a new competitive value layer
- Launched hand breaded chicken across the GCC
- Meticulous focus on product quality and consistency through initiatives such as, transitioning buns from braided to sesame buns, improving beef patty sourcing and quality, and finally enhancing seasoning

Marketing

- Defined a new playbook to truly reflect the new 'Go All In' proposition with clear guidelines on brand look and feel, personality, visual identity and tone of voice
- Revised the media strategy to focus more on digital channels, while defining the best utilisation of other media channels to best serve and reach out to customers
- Set a clear promotion strategy in place that drives sales with immediate effect and builds the brand over time
- Revised customer journeys across all channels and amended our communication strategy to best address the omnichannel

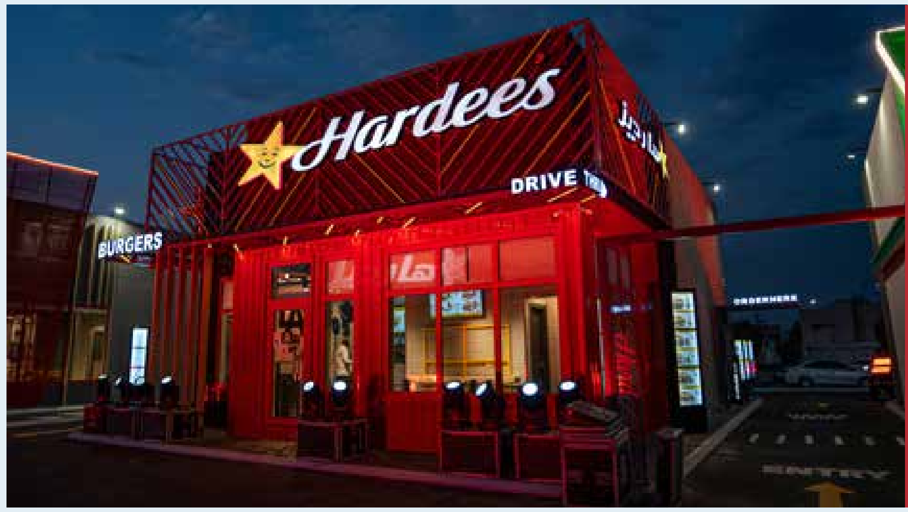
Development

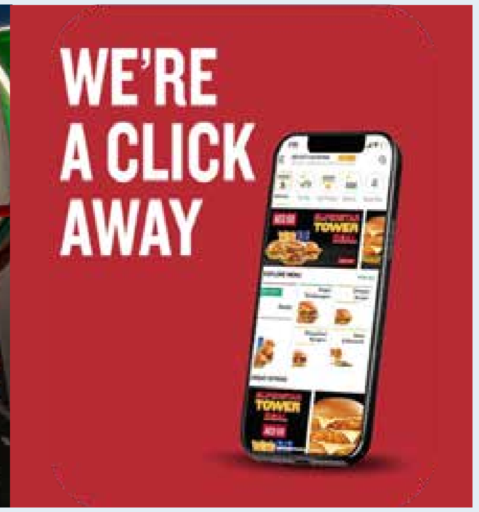
- Focus on small formats, small footprint with drive-through
- Digitally-enabled stores
- Expansion in underpenetrated markets such as the UAE and Saudi Arabia
- Asset upgrade, drive-through upgrade and Unipoles to improve our visibility and accessibility
- Initiated a new décor package to make our stores look younger, fresher and more inviting

Home delivery and off-premise channels

Due to the fast-changing environment during and after the Covid-19 pandemic, there was a greater need to adapt quickly and build off-premise channels. This allowed us to cater for and serve the huge demand through home delivery as well.

- Five new Super Apps launched across Saudi Arabia, UAE, Kuwait, Egypt and Qatar
- Seamless integration with all HD channels (Aggregator, Call Centre and App)
- Last mile order tracking for customers and restaurant teams
- Intelligent order dispatching
- Focus on own assets (App and Call Centre)
- Strategic partnerships with aggregator





Strategy in Action – Case Studies continued

VOICE OF CUSTOMER (VoC)

For us to drive exceptional service to our customers, it is critical that we are actively seeking their feedback and addressing negative feedback in real-time. To that end, Americana Restaurants has pioneered the development of a VoC platform in partnership with Sprinklr, Inc ("Sprinklr"). This platform is a first of its kind in the restaurant industry, and enables our teams to deliver frictionless experiences to our customers.

The Problem

With our customers transacting with us on multiple channels, our ability to address customer grievances and anxieties in real-time have become increasingly complex. In the absence of a singular channel of raising complaints, our customers were using multiple channels to voice their grievances, which in turn took a long time for us to address. Additionally, our restaurant managers wanted real-time access to these grievances so that they can ensure a delightful experience to our customers while the order is live with our customers.

Given the complexity of our operations, and the multitude of touchpoints in the omnichannel sphere, customer complaints can potentially arise through social media, phone calls, emails, or other channels. In addition, the complaints could be related to speed of service, order accuracy, product quality, payment/refund etc., which makes the customer service equation complex to resolve.

Most often, QSR's solve complaints through the customer care and the usual resolution time is approximately 48 hours. Given the long time-frame in the complaint resolution space, most companies are considered "reactive", rather than "proactive".

The Solution

Americana Restaurants took this challenge of becoming pro-active, and set-out on this transformative journey to build a one-of-a-kind tool. We co-developed the VoC platform with Sprinklr, bringing the company closer to its customers and creating frictionless experiences across the omnichannel sphere.

A harbinger of change management, VoC collates customer feedback from multiple sources such as social media, call center, etc., to understand and incorporate customer feedback across Americana Restaurants brands and channels this back to our restaurants for them to address the feedback. The tool has enabled us to understand customer feedback in greater detail, and has reduced complaint resolution time to under 30 minutes.

In its essence, the tool helps us deliver 3 key functions:

Listen:
Customer feedback is collected from multiple sources – store, call center, web, aggregators, social media, chat, email, and is funnelled into our VoC platform.

Act:
A rule-based analysis is performed to make the data more meaningful and actionable for our store operations teams. There are automated workflows that channel the customer feedback to the right stakeholders, empowering them to resolve critical issues in real-time. There also exists an escalation matrix which can take an unresolved complaint up to the CEO's office.

Analyse:
The output here is in the form of a "score" which can be used to compare stores, and for us to understand the drivers of customer grievances across these stores. Based on the scoring, the stores are categorised into three buckets, and corrective action is taken to resolve any friction with the customer under 5 minutes.

Key Highlights:

The tool has enabled our restaurant managers to serve our customers better, and for us to resolve the operational challenges towards gold standard customer service. The early indicators give us huge confidence in our journey, some of the highlights being:

- Reduction in complaint resolution time from 48 hrs to 30 minutes. We strive to achieve our vision to bringing this down to less than 5 minutes.
- Grievance escalation to relevant departments real-time with the capability of taking the complaint to the CEO office, if it goes unresolved.
- Enablement of live chats/bots through direct messages on social media platforms.
- Social listening to understand consumer sentiment and emotions. As an example, we piloted the "no cutlery" policy in one of our countries of operation on our delivery channel, and wanted to truly understand customer sentiment. The VoC tool, told us that 68% consumers are responding well, thereby enabling us to take informed decisions and test our strategies as well.

Vision:

Looking ahead, our vision is to get close enough to our customers, so that we can pre-empt issues and resolve them before the customer raises an escalation. We continue to strive to provide frictionless experience to customers across channels by deriving a deeper understanding of their pain points, and pro-actively addressing their feedback, thereby enhancing their trust with us.

This involves:

- Providing new-age convenient channels for customers to provide feedback
- Listening across channels
- Speedy resolution
- Analytics for actionable customer level insights

Chief Executive Officer's Review

The team is humbled and grateful for the privilege to contribute to the first annual report of Americana Restaurants. The management team shares successes and failures equally – the belief of proportional ownership runs deep in the organisation and is central to our achievements.

Excellence displayed in the restaurants every day is what is deposited in the bank every night. Execution is strategy!

"With our robust paybacks, a healthy forward-looking pipeline of 24 months, **we are on track to deliver on our ambitious target** of 250-300 annual net openings in the medium term."

MR. AMARPAL SINGH SANDHU
Chief Executive Officer

Dear shareholders and fellow stakeholders,

To start, a "Big Thank You" to the 2,200+ restaurant managers and their teams, as well as the support teams across the 12 countries. We firmly believe that "Strategic Plans" and "Annual Operating Plans" are only as good as the passion, excellence and consistency with which we serve every guest in our restaurants. To that end, execution becomes strategy; excellence displayed in the restaurants every day is what is deposited in the bank every night.

2022: A Year of Historic Firsts

On all accounts, 2022 was a historic year for Americana Restaurants. It serves as an inflection point in the post-acquisition transformation journey. Financial and operating results were strong, and new shareholders who believed in the opportunity to transform Americana in 2016, are now beneficiaries of exponential value realised through the ground-breaking IPO; the first ever dual concurrent listing on the Saudi Exchange (Tadawul) and the Abu Dhabi Securities Exchange (ADX) which was over-subscribed by 58 times. More importantly, we made significant progress in advancing our vision to become the fastest growing and most trusted food operator globally. Americana Restaurants consolidated its position as the #1 food platform in MENA and Kazakhstan.

Robust double-digit like-for-like ("LFL") growth versus prior year demonstrates the health and strength of our business and brands. Our flagship brand, KFC, shattered its previous sales record of over USD 1 billion in sales, while Hardee's transformation continued to gather momentum with double-digit sales and transaction growth.

Culture of People & Operating Excellence

Our people culture is distinct and a point of differentiation. We strive for meritocracy and overemphasise the values of ownership, excellence, and collaboration; trust, transparency and humility are table-stakes. Our leadership team stands steadfast in our commitment to promote a diverse and inclusive workplace across Americana Restaurants as we firmly believe it is essential for our continued success and growth. Specifically, our talent scouts play a key role in identifying individuals who have the appropriate balance of intellect, social intelligence, and drive to pursue our bold vision and ambition.

Operating excellence is fundamental to our success. The dedication to provide high-quality meals, fast-friendly service, and frictionless omni-channel experiences for consumers is unwavering. The value proposition for each brand is continuously evaluated and tweaked to stay relevant, and a step ahead of markets and competitors.

Our long-standing relationships with franchisors are a testament to our credibility and operational strength. Americana Restaurants was awarded the rights to Pizza Hut in Saudi Arabia (excluding Jeddah), as well as Krispy Kreme expansion rights for Egypt (2021) and Jordan (2022). Our platform synergies, including our efficient end-to-end value chain, give us bargaining power with real estate owners and global suppliers, enabling us to build technology infrastructure and deploy people resources efficiently across all our brands and countries.

Accelerating Growth

We have continued to ramp up new store builds post-Covid-19 and achieved 220 gross openings last year. While driving penetration with our core brands, we built a pipeline for future growth. Noteworthy examples are launch and scale up of 30 Pizza Hut stores in Saudi Arabia within six months of Yum Brands awarding the franchise rights to Americana Restaurants; record-breaking launch of Krispy Kreme in Jordan and its continued expansion in Egypt; as well as the successful launch of Wimpy in the UAE. In addition, we secured exclusive rights for Peet's Coffee in our core GCC markets.

It is important to mention that incubator brands and new launches will take 24 to 36 months to get to portfolio level margins as we invest in the initial stages of brand building and scale-up.

The strength and diversity of our brands combined with market holding capacity in the region, provides a strong runway for growth. With our robust paybacks, a healthy forward-looking pipeline of 24 months, we are on track to deliver on our ambitious target of 250-300 annual net openings in the medium term.

Innovate. Evolve. Repeat

We believe innovation and transformation are dynamic and never-ending. Our approach to innovation is holistic, enhancing offerings across the entire value chain. We doubled down our technology investments through the Covid-19 period to provide customers omni-channel and frictionless experiences. The principles for investments are: 1. Drive revenue with a focus on capturing incremental share of wallet; 2. Empower consumers to experience Americana Restaurants brands as, when, and how they prefer; 3. Achieve operating efficiencies in restaurants, as well as reduce customer acquisition cost; 4. Provide restaurant managers and support teams with real time data and insights to ensure better and faster decisions.

We are proud pioneers of new and unique offerings to our customers, such as the "Stone Oven Artisanal Pizza" for Pizza Hut, the small format digitally enabled restaurants for KFC and Hardee's, and 20 Super Apps that have been recognised amongst the best in the franchisor's global ecosystems. Moreover, we have also established the ability to create, develop, and grow our own proprietary brands, such as Wimpy.

Looking Ahead

Businesses are facing unprecedented levels of risk in their supply chains. Our business is not sheltered from the potential supply chain disturbances due to external factors like natural disaster, political turmoil, or trade disruptions. In addition, rising labor costs, volatile commodity prices, and increasing transportation costs may, at times, impact our profitability and operational efficiency. Zooming in on Egypt's severe economic crisis in 2022, food prices skyrocketed. While lower agricultural production and higher fuel prices had an influence on local pricing, the devaluation of the Egyptian pound caused a sharp increase in the cost of imported food.

Despite the current economic challenges, we are convinced we have a fantastic opportunity to emerge stronger and leaner through continued focus on growing revenue, reducing costs and streamlining our processes, thanks to our diverse brand-country portfolio and the resilience of our teams.

In closing, we express gratitude to our 40,000+ employees and their families, who work tirelessly to ensure strong performance despite unprecedented challenges, and to our shareholders and Board of Directors, who have supported us through this period. We are also grateful to our customers, who continue to place their trust in us and have been instrumental in the success of Americana Restaurants.

MR. AMARPAL SINGH SANDHU
Chief Executive Officer

Chief Financial Officer's Review

Americana Restaurants continued to maintain strong revenue momentum in 2022, expanded net income margin and cash flow generation despite global geopolitical uncertainty, commodity headwinds and inflationary pressures. With inflationary pressures easing off, we are in a strong position to deliver robust profitable growth in 2023.

The Company targets to open **250-300 net new stores** in 2023.

Gross NSO's
+220

LFL Growth
+13.6%

Transactions growth
+17.4%

"2022 has been a landmark year with Americana Restaurants being the first Company to complete a concurrent dual listing on the Saudi Arabia Exchange (Tadawul) and the Abu Dhabi Securities Exchange (ADX)."

MR. HARSH BANSAL
Chief Financial Officer and Chief Growth Officer

Growth Pillars

Revenue for the year was USD 2,379 million, up 15.9% from USD 2,052 million in 2021. Key drivers for revenue growth have been:

Like-for-like ("LFL") growth – Americana Restaurants achieved LFL revenue growth of 13.6% in 2022 across the existing store base primarily driven by transaction growth. This reflects a significant increase in footfall and loyalty from returning customers. The Company achieved positive LFL growth across major brands and countries highlighting the operating excellence culture and focus on customer experience. We have continued to double down on digital in 2022 which has been a key driver for strong LFL delivery.

New store opening ("NSO") – The Company opened 220 gross new stores (173 net new stores). This is in line with our ambition to build an engine which can deliver 250-300 net new openings per annum in the medium term. Our performance has been strong, and we have seen attractive paybacks for the new store openings. We continue to capture white spaces within our existing brands and countries including Pizza Hut launch in Saudi Arabia, Krispy Kreme in Jordan and Wimpy in the UAE.

Category expansion – Americana Restaurants is a food platform, and we continue to leverage our platform to add new segments. We signed exclusive rights to open Peet's Coffee in the MENA region starting with UAE, Saudi Arabia, Kuwait and Qatar.

Profitability

Net Income for the year was USD 259 million, with a margin expansion of 1.0% and growth of 27.1% compared to 2021.

Navigating inflation

The commodity headwinds that the Company faced in 2022 specially in protein in addition to core ingredients such as sunflower oil resulted in gross margin dilution. However, this impact was significantly mitigated through opening new supply sources via tapping into the global supply chain and using smart pricing techniques. The Company used machine-learning technology platforms to increase prices in a way that did not impact volume growth.

Cost conscious mindset

The Company has continued its journey of a frugal and cost-conscious mindset. Budgets were prepared based on Zero based Budgeting methodology with each cost line being questioned. The Company in addition to digital technology, also continues to invest in automation and digitisation of backend operations. Given these efforts, the Company, was able to expand net income margins despite commodity headwinds.

Strong balance sheet and cash flow generation

The Company maintains a very strong balance sheet with cash and cash equivalents of USD 305 million as of 31 December 2022 with minimal debt. Healthy adjusted free cash flow of USD 179 million despite of growth CAPEX investments towards opening 220 gross new stores. We are meticulous about capital allocation and take a methodical return driven approach to capital allocation between brands and countries.

The Company will be paying dividends of USD 103.5 million (subject to shareholder approval at AGM) for H2 2022 in line with the guidance provided earlier.

Outlook

2022 has been a landmark year with Americana Restaurants being the first Company to complete a concurrent dual listing on the Saudi Arabia Exchange (Tadawul) and the Abu Dhabi Securities Exchange (ADX). The Company enters 2023 with a strong financial position and is committed to grow profitability.

Egypt is a core market for us and we believe in longer term growth potential of Egypt. However, given the macro-economic situation in Egypt and uncertainty around currency, we will be selective about new store growth in Egypt. The Company's multi-market presence allows it to flex between markets, redeploying CAPEX to other high-growth countries earmarked for expansion namely Saudi Arabia, Iraq and Morocco. Our focus is to gain market share through consolidation, better customer service and efficiencies to drive margins and mitigate cost increases.

Despite recessionary pressures given increasing interest rate environment and softening demand; we are well poised to deliver strong financial performance. Focus on digital, customer and operations excellence will continue to drive our LFL growth across markets and brands.

Whilst key commodity prices are still higher than 2021, we are seeing cool down in key commodities compared to 2022 which in addition to cost conscious culture will help the Company to continue to build margins in the second half of 2023.

We have a strong pipeline to deliver 250-300 net new stores annually. We will also focus to further expand segments by entering new categories across our regional footprint. In addition, we will leverage our strong balance sheet for any potential synergistic acquisition opportunities.

In conclusion, I want to thank all stakeholders including employees, shareholders, franchisors, supplier partners for their continued support.

MR. HARSH BANSAL
Chief Financial Officer and Chief Growth Officer

Key Performance Indicators – 2022

Number of stores

2,183

+173
net new restaurants added
(vs. 2021)

Revenue

USD 2,379m

15.9%
growth (vs. 2021)

USD 327m
incremental gain (vs. 2021)

Adjusted EBITDA[1]

USD 536m

15.4%
growth (vs. 2021)

22.5%
adjusted EBITDA margin

Net profit[2]

USD 259m

27.1%
growth (vs. 2021)

10.9%
net profit margin

Net working capital

-7.9%

as a % of revenue

Adjusted free cash flow (FCF)[3]

USD 179m

-21.8%
growth (vs. 2021)

"Resilient bottom-line with **expanding margins at net profit level**, negative net working capital and disciplined capital deployment supporting strong free cash flows."

1 Adjusted EBITDA post IFRS-16 is defined as Net profit for the year plus finance cost (net), plus income tax and zakat and contribution to Kuwait Foundation for the Advancement of Science ("KFAS"), plus depreciation and amortisation expenses and other adjustments such as tax provisions, staff restructuring cost and a Lebanon IAS 29 adjustment.
2 Refers to Net Profit attributable to the shareholders of the Parent Company/Net Parent Investment attributable to Former Parent Company.
3 Adj. Free Cash Flow (FCF) defined as Adjusted EBITDA post IFRS-16 less capital expenditure, income tax and zakat and contribution to KFAS, change in net working capital, change in non current portion of trade payables and lease payments (including both principal and interest on lease liabilities).

Business Review

Americana Restaurants is a leading restaurant platform delivering double-digit top-line growth and generating strong revenues in 2022 underpinned by its iconic global Power Brands franchises.

Double-digit top-line growth with revenue momentum

Americana Restaurants delivered 15.9% year-on-year top-line growth in 2022. It has maintained strong revenue momentum, with a 17.4% growth in transactions and LFL sales growth of 13.6%. Key contributors to the double-digit LFL growth across MENA and Kazakhstan include its Power Brands KFC (+17.6%), Hardee's (+12.3%) and Pizza Hut (+3.9%).

Expanding footprint

In 2022, the Company opened 220 gross new stores – a record number – increasing its total number of outlets to 2,183 by end of the year. As part of its growth strategy, in 2022, the Company also successfully launched Pizza Hut in Saudi Arabia, Krispy Kreme in Jordan, and Wimpy in the UAE. To tap into the region's booming coffee market, we signed with Peet's Coffee to launch the brand in the GCC markets of the UAE, Saudi Arabia, Kuwait and Qatar. These expansions are aimed at further penetrating the markets we operate in with existing and new portfolio brands.

Easing supply chain disruptions

In a year of global uncertainty, Americana Restaurants has proved resilient despite the global logistics and supply chain disruption, ensuring no outages of ingredients throughout the year. Its revenue management, marketing and operational strategies played a pivotal role in mitigating commodity headwinds through the diligent implementation of smart pricing, menu reengineering and cost savings initiatives.

The Company set days of supply targets in line with the supplier-revised turnaround time and worked with suppliers and global shipping lines to increase free days at ports to reduce congestion. The Company also leveraged long-term partnerships with its leading suppliers and localised parts of the supply chain to mitigate disruptions. We de-risked our supply chain by increasing our network of suppliers across the markets we operate in and also simplified menus and rationalised SKUs to create focused offerings for consumers and reduce supply chain complexity.

Looking ahead, the Company remains ready to capitalise on opportunities to improve profitability by maintaining a sharp focus on revenue and margin growth. It will continue to implement and refine its strategies to ensure continued success.

Power Brands

The Company is the leading diversified, pan-regional platform operator in terms of brand presence across multiple OOHD segments in its 12 markets. It operates restaurants under a portfolio of 12 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 customers share of wallet within a complete, omnichannel ecosystem.

The Company's diverse portfolio of iconic global brands includes KFC (the top global Chicken QSR brand by the 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). The Company's Power Brands (KFC, Pizza Hut, Hardee's and Krispy Kreme) contributed 93.0% of sales in 2022. They all benefit from substantial brand equity, given their longstanding presence, high-quality taste and competitive pricing.

In addition, Americana Restaurants also operates TGI Friday's in the casual dining segment, Costa Coffee and Baskin Robbins in select countries and two proprietary brands, Wimpy and Chicken Tikka.

KFC

KFC is the Company's largest brand, and it continued to grow from strength to strength in the past year. Revenues crossed USD 1 billion for the second time across MENA and Kazakhstan, and more than 100 million transactions were recorded for the first time in MENA in 2022. The brand delivered a strong double-digit like-for-like transaction growth, delivering record revenue growth numbers; further cementing KFC's position as the #1 brand in the chicken segment.

Product innovation

This year, KFC elevated product innovation by addressing all consumer segments. Its partnership with PepsiCo delivered a vital innovation with Lay's Maxx Crunch – a successful campaign bringing together two iconic brands across three segments of its product portfolio. The Company continued to innovate its Twister range and introduced the Dynamite burger – an affordable burger range at attractive price points, thereby keeping the brand approachable and affordable for the masses.

KFC's operational metrics continued to stay strong, with its record independent operating audit scores further improving across all markets. Its speed of service improved, and its operations scored well on labour productivity metrics. It continued to get closer to its consumers with the rollout of a proprietary Voice of Customer programme. The initiative will enable KFC to address consumer escalations through real-time interventions by its restaurant and delivery teams.

New stores

In 2022, KFC opened 54 gross new units, with its footprint expansion primarily focused on Saudi Arabia, Morocco and the UAE. 50% of its new builds are drive-through assets.

Revenue

+17.7%
(vs. 2021)

LFL Growth

+17.6%
(vs. 2021)

HARDEE'S

2022 has been a transformational year for Hardee's, where the brand delivered strong top-and bottom-line results across MENA, growing by 15.2% in total sales vs 2021 and 12.3% in LFL sales vs. 2021. Overall brand sales have reached USD 403 million in 2022. These results have been driven by solid performance across all key markets, with a strong performance in Saudi Arabia, Kuwait and the UAE, where dedicated turnaround projects were put in place to grow sales, transactions and average volume units.

Product innovation

In 2022, we transitioned the brand from braided to sesame buns, improving beef patty sourcing and quality and enhancing seasoning. We launched stronger value-layer items such as the Double Hardee's burger at a competitive price and introduced a diversified range of individual boxes and group bundles across the price pyramid. In October 2022, Hardee's introduced its hand-breaded chicken, followed by a full campaign launch, giving the brand a clear edge on chicken range quality versus its direct competitors.

New stores

Hardee's added 18 gross new stores to its portfolio, reaching a total of 391 stores across its 10 operating markets.

Revenue

+15.2%
(vs. 2021)

LFL Growth

+12.3%
(vs. 2021)

PIZZA HUT

Pizza Hut had another consistent trading year, maintaining our leadership position across our core legacy markets by delivering broad-based growth in each. In a competitive segment, Pizza Hut flourished and remained dominant, navigating a competitive landscape of value offers and high discounting through a mix of enhancing its consumer relevance via communication, data-led segmented offers and elevated product innovation. In addition to using the power of our consumer data to stay competitive, the brand continued to delight customers with innovative products and a consistent home delivery service.

Product innovation

Pizza Hut's core differentiation in the market centers around product innovation; from the one-of-a-kind 1 metre long 'Limo' pizza to the unique and elevated 'Hut Signature' range, our product innovation targets all consumer categories and segments. Pizza Hut also introduced a stone oven in its flagship restaurants in the UAE and Saudi Arabia for the first time worldwide, offering a unique and elevated range of Artisanal Pizzas – a product with premium, exotic toppings delivered on a sourdough base. Other product innovations have centered around the localisation of flavours and toppings in specific markets to ensure the brand remains relevant to the local consumers in its markets of operation.

Revenue

+11.8%
(vs. 2021)

LFL Growth

+3.9%
(vs. 2021)

Business Review continued

Pizza Hut's operational metrics remain very consistent, where the brand strives to deliver operational excellence across its key focus areas – quality products and a fast and frictionless service – be it in the restaurants or home delivery (its largest sales channel). With a relentless culture of strong operations embedded in the brand, Pizza Hut was proud to have one of its teams recognised among the top three in a Yum Brands global operations contest in 2022.

With increased labour productivity measures, Pizza Hut's key speed and consumer feedback metrics reached an all-time high in 2022. Furthermore, we continue to improve our existing world-leading independent operating audit scores. Pizza Hut continues to deliver on its key KPIs of being the easiest, fastest, tastiest and safest pizza brand in the region.

New stores

Americana Restaurants relaunched Pizza Hut in Saudi Arabia in June 2022, as it acquired the rights to operate Pizza Hut in Saudi Arabia (excluding Jeddah). The revamped value proposition of Pizza Hut drives brand relevance for the Saudi consumer through superior quality, pizza innovation, value for money and omnichannel experiences. The brand footprint has grown successfully in the Kingdom, with 30 stores opening in the second half of 2022. Americana Restaurants plans to accelerate Pizza Hut's growth in Saudi Arabia in the coming years.

KRISPY KREME

The brand delivered top-line of USD 90 million, a growth of 22.4% over 2021, supported by its record opening in Jordan and accelerated growth in Egypt.

Product innovation

During 2022, Krispy Kreme enhanced product innovation by collaborating with major confectionary brands such as KitKat and Lotus. The brand continued to leverage all relevant occasions to target families and groups and be present in their gatherings and celebrations.

The franchisee also created locally relevant and innovative campaigns on key yearly events, including Valentine's Day and Halloween, which led to sustaining the #1 position as the most loved brand in Saudi Arabia and the UAE for the second year in a row, as per Krispy Kreme International's Brand Health Tracker.

Operationally in 2022, Krispy Kreme focused on team building, training employees, and implementing software ('Wooqer') that digitises in-store tasks and provides visibility to ensure the highest quality of products at the stores.

New stores

In 2022, Krispy Kreme opened 68 gross new units, with its footprint expansion primarily focused on Saudi Arabia. More than 30% of its new builds are drive-through assets, the fastest-growing channel for Krispy Kreme's strategic target group.

Revenue

+22.4%

(vs. 2021)

LFL Growth

-5.7%

(vs. 2021)

WIMPY

Wimpy is a proprietary Americana Restaurants brand relaunched by the Company in 2021. Wimpy is positioned as a disruptive speciality burger chain, targeting millennials and Gen-Z customers with a range of signature smashed beef burgers and hand-breaded chicken sandwiches.

2022 was the first full year of rebranded and relaunched Wimpy operations. During the year, Wimpy built a loyal customer base (>200k followers across Egypt and Kuwait on social media).

The brand also scaled rapidly in 2022, expanding the store footprint to 29 across its countries of operations, including flagship locations in Tier-1 retail outlets like Dubai Mall, Dubai Hills Mall and Kuwait Avenues Mall. At the Wimpy Dubai Mall location, Americana Restaurants partnered with US-based Miso Robotics, Inc. ("Miso Robotics") to showcase a first-of-its-kind robot (Flippy 2) cooking in the kitchen. Flippy 2 is a customisable robotics solution that can automate various restaurant cooking tasks, supporting consistency and accuracy.

The next stage of the brand's growth is focused on launching signature menu innovations unique to Wimpy around the core categories – cheeseburger and premium chicken – and deepening our connection with our target customers.

TGI Fridays (TGIF)

TGIF has a portfolio of 49 stores spanning six markets: Bahrain, Qatar, Egypt, Kuwait, Saudi Arabia and the UAE. The Company's TGIF brand focuses on introducing local flavours to complement its iconic American-style cuisine and transforming its restaurants physically to provide customers with modern and stylish dining experiences.

In 2022, the Company opened a new flagship location in the iconic Dubai Mall, with one-of-a-kind modern interior and great-tasting food. Through this launch, we set out to create a culinary-inspired menu to exemplify the brand's ability to innovate and evolve to exceed the expectations of our discerning customers.

Product innovation

TGIF launched a new menu in 2022 in the UAE. The franchisor and Americana Restaurants came together to create signature sauces with its much-loved grills, steaks and ribs, and a new spicy signature Blaze Glaze especially formulated for the Middle-East consumer. To further enhance the experience, we've used theatrics of 'sizzler' hot skillets of fajitas passing through the restaurant with a combination of sizzling sounds and delicious aromas. Other changes include the world-famous potato twisters – a mountain of freshly ribboned fried potatoes in homemade Pico de Gallo and hot queso cheese sauce.

We are looking to expand this menu to the rest of the region in 2023.

DIGITAL TECHNOLOGY

In 2022 the Company applied its digital-first mindset to deliver multiple new robotic, cloud-based and in-store solutions. Americana Restaurants has further elevated its position as one of the MENA region's most advanced digitally-driven platforms in the food service industry. After a year of intensive digital development, the Company's digital framework supports a holistic omnichannel approach with multiple customer touchpoints, including mobile apps, online kiosks, QR codes and point-of-sale solutions. These channels are applicable across Americana Restaurants ecosystem, including delivery, drive-thru, carhop, click & collect, takeaway or dine-in.

Super Apps

The Company further enhanced its 20 proprietary, brand-specific customer-facing Super Apps with multi-country and multi-currency functionality. These Super Apps have been downloaded over 18 million times as on 31 December 2022, scoring an average rating of 4.3 (out of 5.0). By the year's close, the KFC Super App was among the top five food apps in the UAE and Saudi Arabia.

The capabilities of Super Apps were enhanced in 2022 with dynamic QRs that automatically identify restaurant locations and the mode of order. The platforms also enhance data collection by tracking user behaviours regarding order history and favourites. This is fundamental to developing hyper-personalised customer services, products and marketing engagement.

In-house technology

The Company has continued to invest in front-of-house technologies, digital menus, carhops and other innovations to create a seamless and efficient customer ordering experience. The Company deployed successive highly innovative technologies throughout the year, including proprietary in-store digital kiosks, while KFC introduced an automated chatbot – KFCare – for KFC Super Apps. Customers can get order status, share feedback and check for offers and discounts via the chat.

Super PWAs

The Company introduced Super PWAs – progressive web apps – in 2022. These offer the best of the web with the best mobile user experience. They represent the next phase of mobile marketing, whereby consumer app and web data are shared seamlessly. Customers don't have to visit an app store; their journeys can be segmented and personalised across multiple channels.

Robotics

The Company entered a ground-breaking partnership with the 'robots-as-a-service' innovator Miso Robotics in 2022. The partnership places a cutting-edge food preparation robot in the Company's inaugural Wimpy store at Dubai Mall. The robot Flippy 2 is a customisable robotics solution that can automate various restaurant cooking tasks, supporting consistency and accuracy.

Voice of Customer

In 2022 we launched Voice of Customer in the UAE, Saudi Arabia, Kuwait, Oman, Egypt and Bahrain to drive the customer centrism agenda. This programme reduces complaint resolution time to under 30 minutes with the goal to ultimately bring it under 5 minutes, bringing the Company closer to its customers and creating a frictionless experience. A harbinger of change management, it enables us to ingest information from a diversity of sources to understand and incorporate customer suggestions across Americana Restaurants brands, thus improving the customer experience.

Coming next

In the coming year, the Company plans to accelerate the shift towards digital and social media marketing and launch a digital loyalty programme to enhance its loyalty and retention toolkit.

Americana Restaurant's risk management culture is **focused on early identification of risks** that may hinder the delivery of our strategic objectives.

Risk management philosophy

We recognise that calibrated risk-taking is an integral part of any business decision – hence building resilience in our operations is vital. This is ever more important given the rapid changes in the political, economic, and social environment both globally and in the MENA region. We view being agile and prepared for any kind of disruption, therefore, as an essential business activity. We consider the full breadth of risks, including financial and non-financial impacts, to improve our risk management preparedness.

Our risk management framework

Risk strategy and appetite	Risk governance	Risk culture	Risk assessment and measurement	Risk management and monitoring	Risk reporting and insights	Data and technology
Linkage to corporate strategy	Board oversight and committee	Knowledge and understanding	Risk definition and taxonomy	Risk mitigation, response and action plans	Risk reporting	Data quality and governance
Risk strategy	Company risk operating structure	Belief and commitment	Risk identification	Testing, validation and management's assurance	Business/ operational requirements	Risk analytics
Risk appetite and tolerance	Risk guidance	Competencies and context	Assessment and prioritisation	Monitoring	Board and senior management requirements	Technology enablement
	Roles and responsibilities	Action and determination	Risk aggregation, correlation and concentration	Risk in projects/ initiatives	External requirements	
	Decision support					

While building our risk management framework and processes we have taken inspiration from broader risk management principles of ISO 31000 and COSO frameworks. Our framework is agile and dynamic and allows us the freedom to adopt the latest risk management techniques. Our framework also provides a guide path for uniform implementation of risk management across our brands, markets and functions.

Oversight

Our Board retains overall responsibility and oversight of risk management of our business and determines the nature and extent of risk we undertake in consultation with the CEO. The Audit Committee nominated by the Board assists the Board in carrying out its oversight role.

Each of our senior leaders are risk owners and are ultimately responsible for identifying, assessing, and managing risks in their respective area of responsibility. The Enterprise Risk Management (ERM) function is led by the ERM Leader who reports to the Board and closely collaborates with senior leaders across our business to help assess and manage risks. The ERM Leader also facilitates regular review of risk mitigation strategies with the Audit Committee.

Risk management process

Americana Restaurants follows a 7-step risk management process which is aligned with ISO 31000 principles. We regularly scan the external and internal operating environment to identify risks that may hinder the achievement of our strategic objectives. All risks are categorised under four major categories: Strategic, Operational, Compliance and Financial Risks. We evaluate the risk based on likelihood (possibility that a risk could occur) and impact (effect of a risk event on the achievement of the company's objectives).

All material risks are recorded in our risk registers along with controls to be implemented, risk mitigation action plan, timelines and assigned to specific risk owners. ERM function tracks progress on risk mitigation actions through the year, and a formal review of existing and emerging risks is performed at least twice every year. The ERM Leader also presents an overview of key risks and mitigation plans at least once a year to the Board, and in each quarter to the Board nominated Audit Committee.

Step 1
Define and clarify objectives

Step 2
Identify internal and external conditions

Step 3
Identify the risks

Step 4
Analyse and evaluate the risks

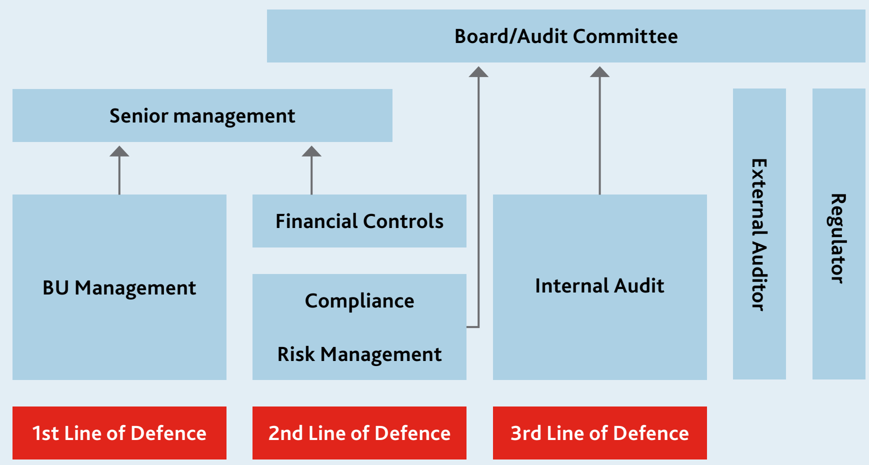
Step 5
Determine risk tolerance and management actions

Step 6
Complete the risk register

Step 7
Monitor and report

Three Lines of Defence

Americana Restaurants uses the 'Three Lines of Defence' principle for implementing risk governance.



Management and our employees form the first line of defence as they are ultimately responsible for identifying and managing risks as part of their accountability for achieving their strategic goals. We have implemented requisite board approved policies and management approved guidelines, SOPs and Delegation of Authority (DoA) matrices to establish strong guardrails and minimise risks to our operations.

Financial Controls, Compliance and Enterprise Risk Management (ERM) forms our second line of defence. We have a robust compliance program which includes regular training and education for employees, and a system for reporting and addressing potential violations.

Our ERM team conducts ongoing monitoring and reporting of potential risks and risk mitigation strategies.

Internal Audit is our third line of defence.

Americana Restaurants has an Independent Internal Audit function that follows a risk-based audit approach and reports directly to the Board nominated Audit Committee. Internal Audit provides independent review and assurance on adequacy of controls and governance to the management and the Board and provides a quarterly update on the control environment to the Audit Committee.

Food safety and workplace safety

Given the nature of our business, the Company's management maintains high degree of focus on Quality, Food Safety and Health & Safety related controls to protect our customers, our employees, and our brand. We have a Quality Assurance team that monitors and enforces food safety practices and compliance across our markets.

Our Health & Safety advisors are National Examination Board in Occupational Safety and Health (NEBOSH), UK or Institution of Occupational Safety and Health (IOSH), UK certified. Within our stores we are governed by our franchisor requirements who enforce their own food safety and health and safety standards and employ audit companies to complete inspections in our stores, central production facilities and distribution centres.

In our supply chain, our food & beverage suppliers comply with either an international third-party scheme recognised by GFSI, or the brand's bespoke standards, e.g., Yum Brands FSA and QSA standards. As a result, many of the suppliers have GFSI-recognised food safety certification in place (e.g., FSSC 22000 standards). Our multi-brand commissaries are franchisor certified and in addition a majority have FSSC 22000 or ISC 22000 certification.

All of the Company's Power brands are recognised as top quartile performers by their respective franchisors. For instance, the Company's score from its latest Yum Brands restaurant operations compliance check ("ROCC") audit in 2022 was 92 per cent, which was further improvement from top-quartile 90% ROCC score in the previous year.

Risk Management continued

Key risks and mitigating factors

The following table is an assessment of our principal and emerging risks. The table also summarises at a high-level the mitigating actions undertaken and our approach to manage these risks:

Risk	Description	Mitigating factors
Type: Strategic		
Reliance on franchisors	The Company's business operations are dependent on its agreements with key franchisors and any related issues could materially impact the Company's performance.	We have partnered with leading global franchisors, and our portfolio of partnerships continues to grow. The Company has a 100 per cent International Franchise Agreement ("IFA") retention record (other than brands which it exited voluntarily and intentionally). The Company has a long-standing relationship spanning several decades with Yum Brands and CKE Holdings, and more recently since the year 2006 with Krispy Kreme Doughnuts, Co. These partnerships are inter-dependent and symbiotic, with Americana Restaurants being the largest global franchisee for CKE Holdings, the largest and dominant franchisee operator in MENA for Yum Brands, and the sole operator in MENA for Krispy Kreme.
Competition	The QSR industry in the MENA region is highly competitive, and the Company's performance may be adversely affected by actions of its competitors	Although we are the leading OOHD and QSR operator in the MENA region and Kazakhstan, there is significant headroom for growth in the markets we operate in. For instance, penetration in the overall number of OOHD outlets per 10,000 population is more than three times lower in the Company's core markets versus developed markets, and more than eight times lower in terms of outlet penetration in the chained QSR segment on a similar measure. (Source: Euromonitor International Report). We also undertake various measures to assess changes in consumer preferences in the markets we operate and collaborate with our franchisors to create tailored product offerings suiting local and regional tastes.
Aggregators	Any deterioration in the company's relationship with third party food delivery aggregators, as well as the performance of those aggregators, may adversely affect Company's business.	Typically, we have long term (typically 5-year contracts) with strategic aggregator partners. We work with aggregator partners to ensure food safety and efficiency of deliveries. Nearly 80 per cent of our home delivery orders placed on either aggregator platforms or our SuperApps and call-centers were fulfilled by our home delivery channel directly (2022).
Type: Operational		
Supply chain	Failure of suppliers to provide adequate or timely delivery of quality ingredients may adversely affect the Company's operations.	We have a global network of suppliers. Suppliers are typically shortlisted in partnership with our franchisors and evaluated on their ability to meet brand standards. We use mix of in-house and third-party 3PL/4PL providers for logistics and distribution, and annually assess the Business Continuity Planning (BCP) readiness of these providers to meet our standards. We are implementing ERP which will further strengthen the efficiency of our supply chain.
Key employees retention	Inability to attract or retain skilled professionals could adversely affect our business operations.	We have holistic human capital initiatives on promoting employee engagement and leadership development. We won the "Exceptional Workplace" award by Gallup in 2022. Our engagement standing is at 78th percentile on Gallup Global Database i.e., Americana Restaurants has better engagement scores than 78% of the companies in the Gallup overall database.

Risk	Description	Mitigating factors
Type: Operational		
Cyber security	Major cybersecurity breaches or inability to protect sensitive data could result in litigation, reputational harm or loss of consumer confidence.	Our 24x7 Safety Operation Center (SOC) monitors all Americana Restaurants systems for cyber threats. Our IT team has also implemented end-user protection controls on our IT assets and proactively performs periodic vulnerability assessment and penetration testing across the Company's network to identify and mitigate potential cybersecurity threats and vulnerabilities.
Type: Compliance		
Health and safety	Real or perceived health concerns arising from food quality could have an adverse effect on the Company's reputation and its business.	The Company has comprehensive food safety systems in place which are enforced by a dedicated quality assurance team across markets. The Company's stores are audited, often multiple times each year, by franchisors as well as inhouse quality teams. All of the Company's Power Brands are recognised as top quartile performers in operational compliance checks by their respective franchisors.
Type: Financial		
Foreign exchange exposure	Foreign exchange volatility in overseas markets may affect the Company's profits and investments.	Operations in stable or dollar pegged currencies account for over 80% of our revenues in 2022. In partnership with our franchisors, we are also pursuing a concerted strategy of localisation to build higher resilience in our supply chain and reduce net forex exposures in exposed markets. The finance team monitors, manages and reports such exposures.
Other financial exposure	The Company is exposed to risks associated with inflation that could adversely affect its business and results of operations.	The Company continues to sustain growth and profitability in face of inflationary headwinds. This has been achieved through a twin strategy of calibrated pricing actions, as well increased localisation, especially in markets experiencing high inflation.

Stakeholder Engagement

OUR BUSINESS MODEL IS DESIGNED TO **CREATE VALUE FOR OUR STAKEHOLDERS**, WE COLLABORATE AND UNDERSTAND THEIR CHANGING NEEDS TO CREATE INCLUSIVE PROGRESS

Empowering our employees, engaging with our customers and suppliers, and with the support of our franchisors and investors, we create value for our stakeholders while meeting our business objectives.

Customers

We never stop innovating to consistently deliver memorable dining or takeaway experiences. We go above and beyond on quality and great value, bringing people together to share their love for all our brands.

Employees

We invest in our people because they define us. We want them to live and breathe our culture. We embrace diversity and encourage fresh thinking to drive innovation that breaks new boundaries.

Community

Long-term sustainable growth is a key priority. We are fully transparent about our performance, priorities and progress. We champion sustainable choices for people and the environment, and every decision we take assesses the impact on the communities we serve.

Franchisors

We are committed to nurturing long-term relationships and working collaboratively with franchisors on ideas to reach our shared ambitions to grow successfully.

OUR VISION IS TO BECOME **THE MOST TRUSTED FOOD OPERATOR IN THE WORLD**

Our vision is to become the most trusted food operator in the world, and as such, ESG is a core part of our business model as we strive to achieve long-term sustainable growth for all our stakeholders. We have implemented a sustainability roadmap anchored by clear targets that will deliver meaningful and strategic ESG objectives.

Our ESG roadmap helps us identify and monitor material ESG issues that align with Americana Restaurants' growth as a restaurant operator. It is underpinned by a robust governance model. We have identified the critical areas of focus to set a pathway to abide by our four pillars – people, food, customers and the environment.

Our people

Our people strategy is at the helm of everything we do and an integral driver of all our initiatives. We have always endeavoured to build an agile, diverse organisation with an embedded culture that creates the leaders of tomorrow to fulfil our vision.

Americana Restaurants is a place to learn, lead and love, where people can not only flourish but also develop the social acumen to think beyond the confines of the business. We have strived to propagate a culture of choice, one that is embodied in the DNA of the organisation, to act as a guiding framework for all our actions, ensuring that we do right by all our stakeholders.

Diversity and inclusion

We are committed to ensuring a diverse and inclusive work environment that supports employee happiness and career growth while enabling our talent to perform to their true potential and contribute to the success of our business. We have implemented a raft of initiatives, including the Future Leaders' Programme (FLP), to further our agenda on diversity and inclusion. As of 31 December 2022, we have hired 1,139 Saudi nationals in Saudi Arabia, of whom 37.4% are women, as part of our Saudisation strategy.

Health and well-being

We want our people to thrive at work. We want them to be fit, well and happy. We want to support colleagues through everyday challenges, help them make healthy choices and take care of their well-being. By doing so, we can create the perfect conditions for everyone to not only grow but truly flourish and feel part of our ongoing success – and we have multiple initiatives to cater for the health and well-being of our employees. They include:

- Regular wellness and awareness sessions, such as mental health and breast cancer awareness, to ensure the well-being of our employees.
- Regular health check-ups for staff.
- Tie-ups with a hospital/clinic to provide free dental and medical check-ups for store-level employees in the company-provided accommodation.
- Celebrating Fitness Month every year for one month in the UAE with a wide range of activities to promote fitness, involving participation across levels in the organisation. We also engage our teams in multiple sports activities such as football, basketball and yoga sessions.
- Our office in Kazakhstan celebrates a one-month-long 'Americana's Got Talent' challenge, providing a platform where employees can showcase their talent.

Case studies

Taqdeer

The Taqdeer Award, honoured by His Highness Shaikh Hamdan Al Maktoum, is a prestigious recognition bestowed on large organisations that exhibit the highest standards of Employee Experience practices for their non-management staff.

The award is based on a scoring system, which involves a series of audits by the Ministry of HR and Taqdeer Award office assessors. The audit includes assessments of HR policies and procedures at the store level, as well as the quality of facilities provided, such as accommodation and transportation.

Following the audit, they conducted multiple location visits, including inspections of the staff accommodation and physical office facilities and confidential random discussions with employees. Each of the above has a detailed score given, leading to the award of one to five stars. Our score secured us four stars.

Out of over 300 eligible companies for this award, only ten companies achieved four and five stars on the Taqdeer Award scoring system, making our score a highly coveted achievement in the industry.

The award was given to us by the Minister of Human Resources and Emiratisation along with the Deputy Director-General of the General Directorate of Residency and Foreigners Affairs and the Chairman of the Taqdeer Award.

Our food

Food safety and quality are of paramount importance to Americana Restaurants, and as such, we have rigorous procedures in place to ensure safe and high-quality products through a well-defined quality management system.

We maintain comprehensive food health and safety standards and all regulatory requirements are based on hazard analysis and critical control point (HACCP) principles. Standards are also aligned across franchisors and with global industry best practices throughout the life cycle of products – from concept and development through to manufacturing and production, marketing, distribution, use and consumption.

Supply chain safety and quality

We work together with our suppliers, supply chain operations, manufacturing facilities and restaurants to ensure the safety and quality of our products. If a specific product fails to meet our food safety standards at any point in its life cycle, our quality assurance team takes immediate steps to recall the product or withdraw it from the system.

Key highlights

- We require all suppliers and supply chain operations to be compliant with global food safety requirements through audits or certification to an internationally accepted standard recognised by the Global Food Safety Initiative (GFSI).
- All our food in the MENA region is halal, and all our vendors are halal certified.
- Food vendors are required to have a comprehensive food safety management system in place, determined by a product risk assessment.
- We comply with regulations regarding microbiological limits, prohibited chemicals, pesticide residue limits, and the use of safe potable water during processing.
- Each vendor of fresh produce is expected to comply with Global GAP for its farms or the farms it sources from.
- We ensure that local regulations relating to food labelling requirements are met.
- Supplier audits are undertaken based on the results of an internal risk matrix that includes product evaluations, complaints, delivery issues and performance assessments.
- Random samples are taken periodically from various stages in the supply chain – and from restaurants – for product quality assessment across all our markets.
- We have an effective customer complaint management process to ensure the issue is addressed effectively.
- All stores are audited annually by a third party or internally by the Americana Restaurants Quality Assurance team to monitor compliance with food safety and brand operating standards. In 2022 alone, we audited 7,460 stores.

Sustainability Report continued

Our customers

Customer relations are crucial to our development and growth. While we ensure that we follow the requisite health, safety, and product protocols, we also highly value the importance of customer feedback – it generates valuable insights, which in turn allows us to take steps to improve our operations and their experience.

Our analysis shows that most companies are reactive rather than proactive when it comes to getting customer feedback. However, we believe the goal should be to derive actionable insights to improve operations and to reduce friction with customers. To drive this agenda, we co-developed the Voice of Customer ('VoC') platform with Sprinklr. This platform brings the Company closer to its customers and helps create frictionless experiences. It also enables us to ingest information from a variety of sources to understand and incorporate customer suggestions across Americana Restaurants brands.

The platform's key highlights are:

- Reduces complaint resolution time from 48 hrs to 30 minutes (target to bring it under five minutes).
- Escalates complaints to relevant departments in real time with the capability of taking the complaint to the CEO's office.
- Enablement of live chats/bots through direct messages on social media platforms.
- Social listening to understand consumer sentiment and emotions.
- Increases our reachability and brings us closer to our consumers.

Information security policy

Our information security policy establishes minimum requirements for the management of information security risk introduced by people, systems environments and processes by malicious internal or external threats. The policy protects customers' data with the goal of confidentiality, integrity, and availability.

Data security policy

This policy ensures a consistent approach to protecting Americana Restaurants' electronic information as well as information in a non-electronic format. Essential requirements of the policy are:

- **Data classification:** based on the confidentiality of data.
- **Data protection and handling:** approved access controls in place, complying with Americana Restaurants' information security policy and access management policy.
- **Digital storage and handling:** for sharing of data over emails and storage-enabled devices.
- **Disposal of Americana Restaurants information:** disposing of stored data either in electronic or physical form.
- **Decommissioning of digital storage media:** an audit trail must include critical information for data security.
- **Accountabilities, roles, and responsibilities** for the classification of data, authorising access to data and reviewing approvals for data movement.

Our environment

We are committed to minimising our environmental impact by ensuring resource efficiency and reducing energy use, waste, pollution and carbon footprint within our restaurants. Over the years, we have rolled out various environmental initiatives (some of them are listed below), and continue to build a pipeline of initiatives to ensure the highest levels of sustainability throughout our value chain.
We have a dedicated Energy Management team that constantly explores the best technologies in the market to ensure that our stores are more efficient, such as the utilisation of IoT and automation, thus creating a net positive impact on the environment.

Key initiatives

- Low flow pre-rinse valves have been installed to save water in 1,137 stores, saving 150 litres per store per day.
- All our cooking oil is recycled into biodiesel, which is starting to be used for our delivery vehicles; further, we are also working on converting chicken food waste to be converted to biodiesel.
- 1,116 stores have installed lights with lower voltage (from 80 W to 36 W) to reduce electricity consumption.
- All pizza deliveries use recyclable paper boxes.
- The plastic reduction drives at Krispy Kreme outlets, including the removal of cutlery and plastic bags for takeout.
- Lockable smart AC thermostats are being installed in new stores to reduce excess electricity use, and programmable lighting is being introduced to ensure optimal usage.
- We have put significant work into reducing the amount of packaging used, and in 2022 we reduced it by 817 metric tonnes; we have also targeted ourselves to reduce this by an additional 10% per user in the future. Initiatives in 2022 included deployment of value engineering and innovation techniques, such as clamshells to foil wraps for burgers, fries boxes, boat trays, pizza boxes, paper bags, napkins aimed at plastic usage reduction and natural resource conservation.

Case studies

CSR Label

The CSR Label, awarded by the Dubai Chamber of Commerce, recognises organisations that make a positive impact on the community and support initiatives in the UAE. In 2022, the Employee Experience team took several steps to support the community. They organised four blood donation drives in different locations, which were attended by over 230 participants in coordination with the Sharjah Blood Donation Centre. Additionally, the team collaborated with the Al-Ihsan charity organisation to invite children for a tour of our Krispy Kreme commissary, where they had the opportunity to see the production process, create their own doughnuts, and enjoy a lunch provided by KFC.

We also supported the community by joining the Dubai Police in their food distribution campaign during Ramadan. Our team went to the streets to offer meals to those in need, in coordination with some charity organisations. These efforts demonstrated our commitment to corporate social responsibility and were noticed and recognised by the Dubai Chamber of Commerce within very few companies in the UAE.

Our communities

Our ultimate purpose is to make a difference and create an impact in the restaurants and communities where we operate. Consequently, focusing on our communities' long-term sustainability and growth is essential.

Key community initiatives

- We comply with all our franchisors' global regulations on human rights and ethics in our end-to-end supply chain. All our vendors and suppliers go through a rigorous vetting process.
- On World Down Syndrome Day in Saudi Arabia, KFC provided 200 meals for the adults, and Hardee's provided 400 kids meals with drinks, balloons, and toys for the children.
- In April, Americana Restaurants Saudi Arabia's KFC, Hardee's and Krispy Kreme provided meals to orphan children in Jeddah.
- Americana Restaurants Egypt distributed 45,000 Ramadan meals from KFC and Pizza Hut as part of a collaboration with the TAHYA MISR foundation.
- Kindness Week in Kazakhstan is celebrated every year, and we participate in various social activities such as food for veterans, food for orphans and food for homeless dogs and cats.
- In April 2022, the Kazakhstan team participated in the 'Courage to be First' half marathon to support the development of sports facilities and events for disabled children.
- In April 2022, we conducted blood donation and breast cancer awareness initiatives in the UAE.

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CORPORATE GOVERNANCE

Introduction

GOOD CORPORATE GOVERNANCE IS OUR **STAKEHOLDERS' CORNERSTONE AND SHARED FOUNDATION.**

Americana Restaurants International PLC (the "**Company**" or "**Americana Restaurants**"), recognises that good corporate governance is our stakeholders' cornerstone and shared foundation, and is key to stakeholder confidence. As such, the Company and its board of directors (the "**Board**") are committed to implementing and adhering to corporate governance best practices and requirements, including the decision of the chairman of the Securities and Commodities Authority No. (03/RM) of 2020 on the standards of the Corporate Governance Manual of Public Joint Stock Companies (as amended from time to time, the "**SCA CG Regulations**").

The Company was incorporated in the Abu Dhabi Global Markets ("**ADGM**") as a free zone entity on 27 May 2022 as a private company (registered under the name of 'Americana Restaurants LTD'), then converted on 29 August 2022 into a public company limited by shares (a free zone company), under license number (000007712). The Company is subject to the ADGM Companies Regulations 2020 (as amended, the "**ADGM Companies Regulations**"). Although the Company is ADGM domiciled (i.e., non-Saudi) and subject to the ADGM Companies Regulations and SCA CG Regulations, it is (albeit with limited exceptions) also subject to the Corporate Governance Regulations issued pursuant to Saudi Capital Markets Authority ("**CMA**") Board Resolution No. 8-16-2017, dated 16/05/1438H, as amended pursuant to the CMA's Board Resolution No. 1-94-2022 dated 24/01/1444H (corresponding to 22/08/2022G) (as amended, "**CMA CG Regulations**"). However, the Company is not subject to the Companies Law of the Kingdom of Saudi Arabia ("**KSA**").

This corporate governance report (the "**CG Report**") for the year ended 31 December 2022, is presented by the Board to the Company's shareholders in accordance with Applicable Laws (as defined below). This CG Report, published as required by law, provides an overview of the Company's corporate governance systems as of 31 December 2022, including an overview of the Company's policies and governance mechanisms, its Board and committees, senior management, audit and internal control systems, and other general information.

Implementation of Governance Rules

THE COMPANY CG FRAMEWORK IS **REVIEWED ANNUALLY.**

The Company's 12 December 2022 concurrent, dual initial public offering (the "**2022 Public Offering**") occurred on the Abu Dhabi Securities Exchange ("**ADX**") in the United Arab Emirates ("**UAE**"), and on the Saudi Stock Exchange (Tadawul) ("**Tadawul**") in the KSA, following the approvals of the Securities and Commodities Authority in the UAE ("**SCA**") and the Capital Market Authority in the KSA ("**CMA**"). Therefore, the Company's corporate governance framework (including its committees, policies and other corporate governance mechanisms, the "**Company CG Framework**") was designed to meet the: (i) ADGM Companies Regulations, (ii) SCA CG Regulations and (iii) CMA CG Regulations (together, "**Applicable Laws**").

The Company CG Framework was reviewed and revised throughout 2022, ahead of the 2022 Public Offering. It was the result of a collaboration between multiple internal and external stakeholders including legal, risk, audit and compliance specialists, senior management and the Board. The Company CG Framework is reviewed annually, and any amendments are subject to Board approval.

The Company CG Framework's ultimate objective is to protect all stakeholders' rights, enhance fairness, competitiveness and transparency on the ADX and Tadawul. It does so by, among other things, establishing rules and procedures to facilitate decision-making processes and regulating relationships between the Board, executive management, shareholders and other stakeholders.

The Company implemented all provisions of the CMA CG Regulations, except for the provisions listed in Appendix A to this CG Report. Where it has not complied with such provisions, the Company has provided brief explanations.

Corporate Governance Framework

The Company is governed by Applicable Laws, its articles of association ("**Articles of Association**") and the Company CG Framework and its policies. The Company's principal decision-making constituents are its shareholders and the Board, pursuant to the Company CG Framework.

The Board, the Company Secretary, and members of the Audit Committee and NRC (each as defined below) were appointed by shareholder resolution on 25 August 2022 when the Company was owned by its former parent company, Kuwait Food Company (Americana) K.S.C.C. ("**Former Parent Company**"). Following the restructuring and business transfers outlined in the *Company Material Events* in 2022 section below, the Company's majority shareholder, Adeptio AD Investments LTD, convened the first shareholders assembly and the Board, its committees, senior management and the Company CG Framework policies (detailed below), were each endorsed and approved by the shareholders on 06 October 2022.

Articles of Association

The Articles of Association, approved by the Company's shareholders upon conversion of the Company into a public company limited by shares on 29 August 2022, is the Company's constitutional document that outlines the governance of the organisation, including decision making by shareholders (e.g., voting at general meetings) and Board matters (e.g., director appointments, powers and responsibilities).

The Board

The Board was formed in accordance with Applicable Laws and the Articles of Association, and is also governed by the Company CG Framework.

Upon the Company's incorporation the board of directors consisted of three members, Mr. Kesri Singh, Mr. Faisal Bari and Mr. Saqib Awan. On 24 June 2022, a shareholders resolution was passed: (i) accepting the resignation of two directors, Mr. Faisal Bari and Mr. Saqib Awan; and (ii) appointing Mr. Mohamed Alabbar, Dr. Abdulmalik Al Hogail, Raid Ismail, Tracy Gehlan and Graham Allen as directors in the Company. When the Company was converted into a public company limited by shares pursuant to a shareholders resolution dated 25 August 2022, all the board members (with the addition of Mr. Arif AlBastaki) were appointed to the board of the Company as the first board of a public company limited by shares.

One of the Board's responsibilities is establishing and ensuring the Company is managed in an efficient manner consistent with best corporate governance practices. Highlighted below are a few key Board level policies falling under the Company CG Framework:

- A **Corporate Governance Handbook**, which provides, among other things: Board members (each a "**Director**") and employees of the Company and its subsidiaries with an understanding of the governance framework within which the Company operates, as well as outlining the supporting policies and process documents; sets out an overview of the Company's Board and committee structure (and the role and responsibilities of each); includes mechanisms to regulate the various relationships between the Board, Directors, shareholders and stakeholders, by establishing rules and procedures to facilitate the decision making process and add transparency and credibility to it with the objective of protecting the rights of shareholders and stakeholders and achieving fairness, competitiveness and transparency on the ADX and Tadawul;
- An **Insider Trading Policy**, which provides guidelines for 'Insiders' who have access to Insider Information, with respect to transactions in the Company's securities. It identifies the Company's procedures on all important matters relating to insider trading while in possession of 'Insider Information'. The policy aims at preserving the reputation and integrity of the Company as well as that of all persons affiliated with the Company;
- A **Conflicts of Interest and Related Party Policy**, which sets out policies aimed at protecting the Company from the negative consequences of the relevant interested party, where they may be conflicted. This policy has been developed to provide guidance in the following areas to 'Relevant Decision Makers', in complying with their obligations to take all reasonable steps to avoid actual, potential or perceived conflict of interest; and
- A **Dividends Distribution Policy**, as detailed below, setting out the Company's policy for the distribution of profits to shareholders in such a manner that, inter alia, achieves interests of the Company and shareholders, and provides guidance on the Company and its subsidiaries' dividend distribution philosophy and principles. It provides a clear policy statement on the determination of how much dividend to pay, the frequency of payments and the approval model.

Delegation of Authority Framework

Pursuant to Applicable Laws and the Articles of Association, the Board may, to facilitate the Company's effective management, delegate certain duties to its committees or to the Company's management. Such delegations may be by way of a delegation of authority ("**DOA**") or power of attorney ("**POA**") based on functional requirements, and may be further limited and/or sub-delegated. Further, such delegations would include clear authorisation guidelines and limitations, such as a limited duration, and are intended to be working documents, revised in accordance with changes in the Company structure or its commercial needs. During 2022, the Board delegated: (i) certain banking authorisations for one year to its KSA management to address certain KSA banking requirements; and (ii) certain authorities to Dr. Abdulmalik Al Hogail (Director) and Mr. Harsh Bansal (CFO and Chief Growth Officer) through a board resolution in relation to completing the 2022 Public Offering (these authorities lapsed upon the listing of the Company on 12 December 2022).

Board Committees

To ensure the Company's efficient operation and to facilitate decision-making on key issues, the Board has delegated specific responsibilities to the Audit Committee and Nomination and Remuneration Committee ("**NRC**"). Each committee is governed by specific terms of reference which set out the relevant committee's purpose, responsibilities, composition, and any reporting requirements.

These committees are discussed further below.

Corporate Governance Policies

In addition to the policies set out above, the Company CG Framework has a number of other corporate governance policies that are necessary for the functioning of the Company and Board.

The following policies were approved by the shareholders on 06 October 2022: (1) Annual General Meeting Protocols; (2) Anti-Money Laundering; (3) Anti-Bribery and Corruption Policy; (4) Board Evaluation Policies; (5) Corporate Governance Handbook; (6) Conflict of Interest and Related Parties Policy; (7) Crisis Communication Policy; (8) Data Security Standards Policy; (9) Disclosure and Transparency Policy; (10) Dividends Distribution Policy; (11) Enterprise Risk Management Policy and Process; (12) Fraud Risk Management Policy; (13) Gender Equality and Diversity Policy; (14) Insider Trading Policy; (15) Internal Audit Charter; (16) Investor Relations Policy; (17) Sanctions Policy; (18) Corporate Social Responsibility; (19) Standards and Procedures for Board Membership; and (20) Whistleblower Policy.

Further details of the dividends policy, certain risk management and internal control policies are set out below.

Dividends Distribution Policy

The Company's Dividends Distribution Policy governs the Company's procedures related to its dividend distribution. The Dividends Distribution Policy has been prepared in such a manner that achieves the interests of both the Company and its shareholders, in accordance with Applicable Laws and the Articles of Association.

Pursuant to this policy, the Company shall endeavour to pay a minimum dividend of 50% of the relevant current year net income. Dividend payments are subject to the Board's discretion and the shareholders' approval. The Board may recommend increasing or decreasing the dividend depending on several factors including annual profits, cash flow requirements (short and long term) and availability, business needs, investment opportunities, capital structure, funding requirements, market or economic conditions, or other financial or non-financial conditions that may impact the dividend distribution. The Board intends to recommend (for the approval of the annual general assembly) the payment of 75% of net income as dividend distribution for the half year ended 31 December 2022 in its first meeting in 2023.

The Board will endeavor to distribute dividends when possible. However, there are many factors affecting the Company's performance which are beyond its control and there can be no guarantee that in any given year a dividend will be proposed or declared.

In accordance with the Articles of Association and Applicable Laws, the Board shall implement the decision passed at the general assembly or Board meeting (in case of interim dividends), where the distribution of profits to the registered shareholders is decided.

The Company, as of 31 December 2022, has not yet paid any dividends.

Controls and Risk Management Policies

The Company CG Framework also includes a number of control and risk management policies, including:

- An **Internal Audit Charter**, that, among other things, describes the purpose, authority and responsibility of the Internal Audit function, consistent with the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the International Standards for the Professional Practice of Internal Auditing (the Standards) and is prepared in accordance with Applicable Laws;
- An **Anti-Money Laundering ("AML") Policy**, which establishes clear guidelines and procedures, to the extent applicable to the Company's business activities (given the nature of its business), to meet AML regulatory requirements and guide staff therein;
- An **Anti-Bribery and Corruption Policy**, providing guidance on identifying and dealing with bribery and corruption and protecting the Company and its stakeholders against bribery and corruption risks;
- An **Enterprise Risk Management Policy**, which provides the Board, senior management, and other internal stakeholders guidance to support effective risk management practices;
- A **Conflicts and Related Party Policy**, as outlined above;
- A **Sanctions Policy**, which sets standards for the Company's sanctions compliance program;
- A **Whistleblower Policy**, which sets out guidelines for investigating and reported wrongdoings, taking appropriate action to safeguard the interests of the Company and to ensure that whistleblowers are protected; and
- A **Disclosure and Transparency Policy**, promulgated pursuant to Applicable Laws, to ensure timely and accurate disclosure is made on all required disclosures.

Board of Directors

The management expertise and experience of each of the Directors are set out below:

MR. MOHAMED ALABBAR
CHAIRMAN

DR. ABDULMALIK AL HOGAIL
VICE CHAIRMAN

MR. RAID ABDULLAH ISMAIL
DIRECTOR

MR. ARIF ABDULLA ABDULRAHMAN ALHARMI ALBASTAKI
DIRECTOR

MRS. TRACY ANN GEHLAN
DIRECTOR

MR. KESRI SINGH
DIRECTOR

MR. GRAHAM ALLAN
DIRECTOR

Leadership Team

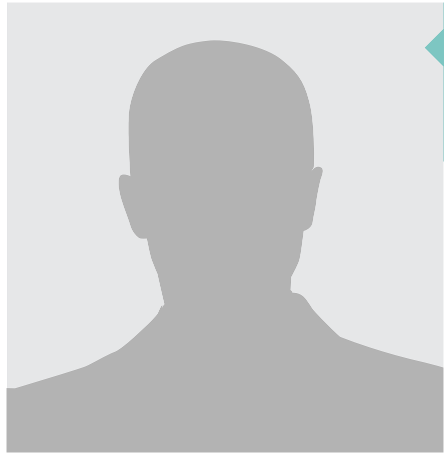
In addition to the members of the Board, the day-to-day management of the Company's operations is conducted by the senior management team.

MR. AMARPAL SINGH SANDHU
CEO

MR. HARSH BANSAL
CFO & CGO

MR. DUSAN FOLTA
CDO

MR. VISHAL BHATIA
COO, YUM *BRANDS*



MS. OKSANA STANISZEWSKA*
CPO

MR. RAMANDEEP SINGH VIRDI
CIO

*Oksana resigned from American Restaurants effective 31 January 2023.

Board of Directors continued

THE BOARD HAS **OVERSIGHT OVER THE BOARD COMMITTEES.**

The Board oversees the Company's strategy and growth and must discharge all its duties under the Articles of Association and Applicable Laws.

As part of its control and risk management framework, details of which are provided further below, the Company also works with a number of third-parties, including external auditors.

The Board's committees are governed by specific terms of reference which set out the relevant committee's purpose, responsibilities, composition, and any reporting requirements. In addition to the committees of the Board, there may also be additional management committees of the Company.

The Board has oversight over the Board committees, and a right to receive such information about the Company's performance and operations as is necessary to discharge its duties. The Board may delegate certain powers through a DOA or POA.

Pursuant to the Articles of Association and Applicable Laws, the Board is elected by the general assembly, and must comprise of seven directors, which must consist of at least one female member, and a non-executive majority including the chairman of the Board (the "**Chairman**").

The Board is currently comprised of seven non-executive directors, including three independent directors. The Board was appointed for a three-year term, by shareholder resolution on 25 August 2022 (when the Company was owned by the Former Parent Company), which was later endorsed and approved by way a general assembly of the shareholders, on 06 October 2022.

Directors' Responsibilities and Competencies

The principal Board duties are to provide the Company strategic leadership, determine its fundamental management policies and oversee its business performance. The Board is the principal decision-making body for all matters that are significant to the Company, whether those matters are strategic, financial or reputational. The Board has final decision-making authority, save for matters reserved for the shareholders in accordance with Applicable Laws or the Articles of Association.

The Board's key responsibilities include:
- determining the Company's strategy, budget and structure;
- to drive and monitor performance;
- approving the Company's fundamental policies;
- 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 senior management;
- determining the Company's remuneration policies, ensuring Director independence, and managing potential conflicts of interest; and
- calling shareholder meetings and ensuring appropriate shareholder communication.

The Directors collectively have an appropriate balance of skills, knowledge, competencies, experience and expertise in relevant industry sectors including quick-service restaurants, food, finance and technology.

The Board is committed to implementing corporate governance standards in line with international best practice, and in particular compliance with matters related to: declaration of interest/conflict, maintaining confidentiality and disclosure in relation to related party transactions.

In connection with the 2022 Public Offering, the Board participated in a detailed training-workshop on Applicable Laws and their liabilities as Directors of a listed entity. The workshop was presented by the Company's 2022 Public Offering lead external-counsel, with the support of local UAE and KSA counsels. This ensured the Board was fully aware of the Company's underlying obligations as a newly listed entity on two stock exchanges, and the importance of its compliance with SCA and CMA regulations. The Chairman of the Audit Committee and senior management also attended this training.

Board Ownership and Transactions

Pursuant to Applicable Laws, the Company's Insiders Trading Policy, as well as its Conflicts of Interest and RP Policy and Disclosure and Transparency Policy, require Directors to make certain declarations and obtain relevant approvals in connection with the trading of any Company shares.

Except for Mr. Mohamed Alabbar (the Chairman), in the year ended 2022, no Director, nor their spouses or minor children, owned any Company securities.

Mr. Alabbar owns 50% of Adeptio AD Holdings Ltd, which in turn owns 100% of Adeptio AD Investments Ltd, which in turn owns 66.03% of the Company.

Current Board Formation

Details of current Board Members:

Name	Year of birth	Nationality	Capacity
Mr. Mohamed Ali Rashed Alabbar	1956	Emirati	Chairman (Non-Executive)
Dr. Abdulmalik Abdullah Al Hogail	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)

Each Director was appointed on 25 August 2022 (later endorsed on 06 October 2022), for a three-year term, beginning 12 December 2022. Details of each Director's experience and qualifications, and their membership and positions at other companies (i.e., excluding Company positions) are set out in Appendix B hereto, and summarised 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 Noon Investments LLC (Noon.com), director at ANH Holdings Limited and Barakat Vegetable and Fruits Company LLC, the general manager of Eagle Hills Properties LLC, and the Chairman of the Board of some of its subsidiaries.

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 Noon Investments LLC (Noon.com), director at ANH Holdings Limited and Barakat Vegetable and Fruits Company LLC, the general manager of Eagle Hills Properties LLC, and the chairman of the board of directors of some of its subsidiaries.

In addition to these roles, 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 the board 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 Company's Vice Chairman of the Board, and a member of its Audit Committee. He 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 Al Inma Bank's Chairman of the board, Chairman of the Executive Committee, and a member of the Nomination & Compensation Committee. In addition, he is Bahri's (the National Shipping Company of Saudi Arabia) Vice Chairman of the Board, Chairman of the Audit Committee, and a member of its Strategy & Investment Committee, 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 Organisation 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 B.S. in Accounting from King Saud University. He also holds a CPA license from the USA, a CPA license from KSA, a certified management accountant license from the USA, and a certified in financial management license 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 its Nomination and Remuneration Committee.

In addition to his roles in the Company, Mr. Arif Albastaki is the Chief Executive Officer of Amlak Finance PJSC.

His leadership and expertise of more than 27 years within the banking and financial sector have played a vital role in strengthening and accelerating growth across several global organisations that he worked with in the region.

He was the driving force that spearheaded Amlak's transformation and championed its financial restructuring, which was successfully completed in November 2014. In addition to his role at Amlak, Mr. Albastaki plays an integral part in leading positions across global institutions. Currently, he is the Chairman of the board at Amlak Finance (Egypt), board member at Emaar the Economic City (KSA), Aramex PJSC, National Health Insurance Company – Daman and Al Salam Bank (Algeria). In addition, he is a member of the Advisory Panel at Emaar Hospitality Group.

He is also a member of Aramex PJSC's Nomination and Remuneration Committee. He is also the Chairman of the Nomination and Remuneration Committee, and a member of the Executive Committee at Emaar the Economic City (KSA). He is also the Chairman of the Executive Committee, a member of the Investment Committee, and a member of the Nomination & Remuneration Committee at National Health Insurance Company – Daman.

Over the last two decades, Mr. Albastaki has worked closely with top companies, CEOs, and Boards across diverse sectors in the MENA region. He has held key leadership roles across Private and Public sectors in various industries like Technology, Logistics, Banking & Finance, Private Equity, and Real Estate. He was the Chairman of the Board at Emaar Industries & Investments, the Vice-Chairman of the Board at TECOM Group, Board Member of AWQAF & Minors affair

Board of Directors continued

Foundation, Amlak International for Finance & Real Estate Development, Saudi Arabia, and Al Salam Bank, Algeria.

Before joining Amlak, Mr. Albastaki was at the helm of banking and finance for over 15 years, leading several senior managerial positions at renowned financial institutions, including HSBC Bank ME, Dubai Islamic Bank, ABN AMRO Bank, and National Bank of Fujairah. He holds a Bachelor's degree in Banking and Finance and a Master's Degree in International Business.

Mr. Raid Abdullah Ismail – Director
Mr. Raid Abdullah Ismail is member of the Company's Board and its 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 CEO of the Former Parent Company group 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 Company and 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.

Mr. Singh 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 Bata Footwear Company's Chairman of the board, 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 USD 12 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 and 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.

Board Meetings

Since the Company's incorporation on 27 May 2022, two Board meetings have been held, on 18 October 2022 and 14 December 2022.

Board meetings are strictly conducted in accordance with Applicable Laws, the Articles of Association and the Company CG Framework. In continuation of the Company's COVID-19 safety measures in 2022, Directors were provided the option of attend meetings electronically. Some of the key Board matters considered in 2022 were: post-IPO strategy, operations, sustainability, people management, subsidiary governance, succession planning, risk management, governance, structure and industry trends. In addition, the Board also approved the Company's 2023 budget and business plan.

During 2022, the Board passed resolutions on various Company related matters, including: the relevant regulatory and strategic timelines for the 2022 Public Offering, as well as other financial, operational and governance matters. All relevant information, details and documents were made available to the Board to enable effective decision making in the Company's best interests.

Board meeting invitations and agendas are sent to Directors at least five days ahead of the relevant meeting date, and meeting minutes are duly recorded. Any related party transactions or conflicts of interest are declared at the beginning of each meeting, recorded in the meeting minutes, and subsequently approved by the Directors present, thus ensuring that where a Director is interested or conflicted, he/she abstains from voting.

The table below represents the Board meetings held in 2022.

Details of current Board Members:

Name	Capacity	Meeting 1 (18 October 2022)	Meeting 2 (14 December 2022)	Total
Mr. Mohamed Ali Rashed Alabbar	Chairman (Non-Executive)	Present – Physical	Present – Physical	2
Dr. Abdulmalik Abdullah Al Hogail	Vice Chairman (Non-Executive)	Present – Physical	Present – Physical	2
Mr. Raid Abdullah Ismail	Member (Non-Executive)	Present – Remote	Present – Remote	2
Mr. Kesri Singh	Member (Non-Executive)	Present – Physical	Present – Physical	2
Mr. Graham Denis Allan	Member (Independent)	Present – Remote	Present – Remote	2
Mrs. Tracy Ann Gehlan	Member (Independent)	Present – Remote	Present – Physical	2
Mr. Arif Abdulla Albastaki	Member (Independent)	Present – Remote	Present – Physical	2

Remuneration of the Board

As of the publication date of this CG Report, the Company has not remunerated its Directors or its committee members for their services rendered in 2022. However, pursuant to the Articles of Association and Company CG Framework, at the Company's 28 March 2023 general assembly, its shareholders will be requested to approve a payment of USD 231,124 to both the Company's board and its committee members, as remuneration for their services rendered in 2022 (on a pro-rata basis).

The Director's 2022 (pro-rated) proposed remuneration will be as per the below table effective from the day preceding the first Board meeting on 17 October 2022.

Name	Capacity	Proposed Remuneration of Board Members (pro-rated 2022; exc. remuneration as committee members)	No. of Meetings (2022)
Mr. Mohamed Ali Rashed Alabbar	Chairman (Non-Executive)	USD 35,397	2
Dr. Abdulmalik Abdullah Al Hogail	Vice Chairman (Non-Executive)	USD 33,315	2
Mr. Raid Abdullah Ismail	Member (Non-Executive)	USD 29,151	2
Mr. Kesri Singh	Member (Non-Executive)	USD 29,151	2
Mr. Graham Denis Allan	Member (Independent)	USD 29,151	2
Mrs. Tracy Ann Gehlan	Member (Independent)	USD 29,151	2
Mr. Arif Abdulla Albastaki	Member (Independent)	USD 29,151	2

There were no attendance allowances provided to the Board in 2022.

The Company's board and committee members proposed 2023 remuneration, USD 1,120,000, will be submitted for shareholder approval at the 2024 general assembly. This sum represents the total remuneration to all Board and committee members, in consideration for their provided services.

Board of Directors continued

Board Resolutions

Following the Company's conversion from a private to public entity on 29 August 2022, and its public listing on 12 December 2022, a number of urgent operational and transactional matters were approved by the Board, in accordance with Applicable Laws and the Articles of Association. Some of these resolutions were approved by way of circulation and subsequently ratified in the Board meeting, and others were presented at Board meetings and approved accordingly. All these decisions were duly minuted. Only the resolutions that were taken or approved post-listing of the Company were publicly announced.

Below is a summary of Board resolutions and decisions from the date of the Company's incorporation until 31 December 2022:

No.	Description of the Resolution	Date of Circulation/Presentation	Date of Ratification/Approval
1	Approval of increase of Company's capital to USD 168,462,662.	Circulated to the Board on 21 June 2022	Approved by circulation on 22 June 2022
2	Approval of, inter alia: (i) the 2022 Public Offering of the Company; (ii) conversion of the Company into a public company limited by shares; (iii) appointment of the authorised signatories for the Company (in relation to the offering and listing) and (iv) appointment of senior management.	Circulated to the Board on 26 August 2022	Approved by circulation on 28 August 2022
3	Approval for the submission of the Working Capital Sufficiency Report to the regulators in UAE regulator	Circulated to the Board on 09 September 2022	Board meeting on 18 October 2022
4	Approval for the Consent Letter by the franchisor of KFC and Pizza Hut	Circulated to the Board on 28 September 2022	Board meeting on 18 October 2022
5	Approval for the Calling the Company's Shareholders Assembly ratifying the items approved by the former shareholder of the Company	Circulated to the Board on 28 September 2022	Board meeting on 18 October 2022
6	Approval of the proposed bank mandate that will be effective immediately and valid till 31 December 2023	Presented to the Board during the meeting on 18 October 2022	Duly approved
7	Approval for the revised notice for calling the Company's Shareholders Assembly (after removal of the DoA) ratifying the items approved by the former shareholder of the Company	Circulated to the Board on 06 October 2022	Board meeting on 14 December 2022
8	Approval for the condensed interim carve-out financial statements and independent auditor's review report of Americana Restaurants International PLC for the nine-month period ended on 30 September 2022	Circulated to the Board on 12 October 2022	Board meeting on 14 December 2022
9	Approval of the recommendation for the final offer price range for the Company's IPO	Circulated to the Board on 12 November 2022	Board meeting on 14 December 2022
10	Approval pre-listing items and documents (primarily the banks agreements and the UAW)	Circulated to the Board on 13 November 2022	Board meeting on 14 December 2022
11	Approval of the recommendation for the revision of allocation and book-building update	Circulated to the Board on 17 November 2022	Board meeting on 14 December 2022
12	Approval of the draft press release (amid finalising allocation)	Circulated to the Board on 24 November 2022	Board meeting on 14 December 2022
13	Approval of the recommendation for the revised and final allocation and price	Circulated to the Board on 28 November 2022	Board meeting on 14 December 2022
14	Approval of the final outstanding documents (primarily pricing agreement and fund flow letter) following finalisation of the final allocation and price	Circulated to the Board on 01 December 2022	Board meeting on 14 December 2022
15	Approval of the recommendation for the insurance cover pertaining to the IPO for the Board and leadership of the Company as well as the selling Shareholders	Circulated to the Board on 09 December 2022	Board meeting on 14 December 2022
16	Approval of the revised 2023 budget of the Company	Presented to the Board during the meeting on 14 December 2022	Duly approved in the same meeting

Induction Program

New Directors must take an induction program coordinated by the Company Secretary or a duly designated individual. The induction assists new Directors in fulfilling their duties and responsibilities and is staggered to ensure that new Directors are given the opportunity to absorb information. The induction may be tailored to individual needs but includes: (i) prohibitions on the sharing of restricted information; (ii) the Company's business and strategy; (iii) Board functions, duties, procedures and obligations; and (iv) other relevant information.

Annual Training Program

The Company, through the assistance of the Company Secretary, shall provide an annual training program to the Directors, attendance of which is mandatory.

The annual training program has bespoke elements, but basic components include: (i) review of Director duties; (ii) updates on Applicable Laws and corporate governance protocols; (iii) conflicts of interest and confidentiality; (iv) related parties policies; (v) codes of conduct; (vi) disclosure and transparency policies; (vii) insider trading; (viii) regulatory compliance; and (ix) Board and committee functions, duties, procedures and obligations.

Board and Committee Assessment

To comply with Applicable Laws and guidelines, and pursuant to the Company CG Framework and policies: (i) at the Chairman's initiation, an annual self-evaluation by Board members is undertaken, as set out in the Company CG Framework;
(ii) the Chairman must also annually undertake an evaluation of the Board committees, to ensure such committees are performing in accordance with the terms set out in their charters;
and (iii) at least once every three years, an independent consultant must be invited to assist the Board in the evaluation process.

The complete processes, including actionable outcomes and recommendations, are further set out in the Company CG Framework policies.

Given the Company's short history, the assessments have not been undertaken as of the date of this CG Report.

Board Committees

In accordance with Applicable Laws, the Board has two permanent committees: the Audit Committee, and NRC. If the need should arise, and subject to the Articles of Association, the Board may set up additional committees as appropriate. In accordance with Applicable Laws, the Chairman may not be a member of either the Audit Committee or NRC.

The composition, remuneration, and an overview of the Audit Committee and NRC, are set out below.

Audit Committee and NRC Composition

Name	Capacity	Audit Committee	Nomination & Remuneration Committee	Proposed Remuneration of committee members (pro-rated 2022; exc. board remuneration)	No. of Meetings (2022)
Mr. Mohamed Ali Rashed Alabbar	Chairman (Non-Executive)			–	–
Mr. Raid Abdullah Ismail	Member (Non-Executive)		Yes	USD 2,082	0
Mr. Graham Denis Allan	Member (Independent)		Yes	USD 2,082	0
Mr. Arif Abdulla Albastaki	Member (Independent)		Yes (Chairman)	USD 2,082	0
Dr. Abdulmalik Abdullah Al Hogail	Vice Chairman (Non-Executive)	Yes		USD 2,082	1
Mrs. Tracy Ann Gehlan	Member (Independent)	Yes		USD 2,082	1
Subramanian Suryanarayan	Independent (non-director)	Yes (Chairman)		USD 6,247	1

Audit Committee

Formed by the Board, the Audit Committee is a permanent committee that assists the Board in discharging its responsibilities related to financial reporting, compliance, external and internal audits and controls. It is broadly responsible for monitoring the integrity of the Company's financial statements, reviewing and monitoring the work undertaken by external auditors, advising on the appointment of external auditors, overseeing the relationship with the Company's external auditors, reviewing the effectiveness of the external audit process, reviewing the effectiveness of the Company's internal control review function, evaluating risk management including the key risks facing the Company and its subsidiaries (e.g., IT and cyber security, health, safety and environment, etc.), tax review and monitoring of material claims and litigation. The committee is equipped with sufficient knowledge, resources and experience to undertake its responsibilities.

The Audit Committee updates the Board on its activities as it deems appropriate and recommends relevant matters for Board approval. On an annual basis, the Audit Committee also reviews its terms of reference and submits its recommendations to the Board.

The Audit Committee's composition is reviewed by the Board on a regular basis to ensure that its members having adequate knowledge and expertise in financial, accounting, legal, compliance and regulatory matters. The Audit Committee's current members are:

Name	Title
Subramanian Suryanarayan	Chairman (Non-Executive)
Abdulmalik Abdullah Al Hogail	Member (Non-Executive)
Tracy Ann Gehlan	Member (Independent)

Since the Company's incorporation, one Audit Committee meeting has been held, as follows:

Name	Title	Meeting 1 Monday, 7 November 2022
Subramanian Suryanarayan	Chairman (Non-Executive)	Present – Remote
Abdulmalik Abdullah Al Hogail	Member (Non-Executive)	Present – Physical
Tracy Ann Gehlan	Member (Independent)	Present – Remote

Subramanian Suryanarayan – Audit Committee Chairman

Mr. Subramanian Suryanarayan is the Audit Committee chairman, and has been the chairman of the Former Parent Company's Audit Committee since August 2017. In addition to his role on the Audit Committee, he was also a board member of Network International Holdings PLC, a FTSE250 listed entity. He was previously part of the IFRS Advisory Council as a member, and Group Chief Financial Officer at Emirates NBD, where he was also a member of the Executive Committee, Asset Liability Committee, Group Risk Committee, Group Procurement Committee, Management Investment Committee and observer at the board, board Audit Committee and board Risk Committee. He also previously worked as a director in the Financial Reporting Oversight Division at the Accounting and Corporate Regulatory Authority (ACRA) of Singapore, and was a senior technical advisor at the Singapore Ministry of Finance. He is an Associate Member of the Institute of Chartered Accountants of India, after graduating with a Bachelor of Commerce (Honors) from Calcutta University, St. Xavier's College.

The Audit Committee chairman, Subramanian Suryanarayan acknowledges his responsibility for the Audit Committee's system in the Company, review of its work mechanism and ensures its effectiveness.

Nomination and Remuneration Committee (NRC)

The NRC is a permanent committee formed by the Board, and is responsible for, among other things: setting and reviewing policies related to appointment, remuneration, benefits, incentives and bonus of the Directors and Company employees in accordance with Applicable Laws. In such capacity, it is responsible for evaluating the Company's new executive management hires, evaluating the Board and its committees' balance of skills, knowledge and experience, and monitoring the independent status of the independent directors.

The NRC is also responsible for periodically reviewing the Board's structure and identifying, where and when relevant, potential independent candidates to be appointed as Directors or committee members. In addition, and subject to the Articles of Association, the NRC 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 the Company's remuneration policy and determining the individual remuneration and benefits package of the senior management. The NRC is provided with sufficient resources to enable it to perform its duties.

The members of the NRC are appointed in accordance with the Company CG Framework. The NRC meets twice on an annual basis, and otherwise from time to time based on the Company's requirements.

The NRC's composition is reviewed by the Board on a periodic basis. The current members of the NRC are:

Name	Title
Arif Abdulla Albastaki	Chairman (Independent)
Graham Denis Allan	Member (Independent)
Raid Abdullah Ismail	Member (Non-Executive)

Since the Company's incorporation date, no NRC meetings have been held.

The chairman of the Nomination and Remuneration Committee, Mr. Arif Abdulla Albastaki acknowledges his responsibility for the Nomination and Remuneration Committee's system in the Company, review of its work mechanism and ensures its effectiveness.

Senior Management

The Company's senior management is responsible for the day-to-day management of the Company's operations, based on its delegated powers as well as pursuant to customary practice in the market. Senior management's performance is measured annually against Board approved targets, in addition to the Company's performance mechanisms.

The Company's senior management's details are below, including their position and year of appointment:

Name	Year of birth	Position	Date of appointment
Amarpal Singh Sandhu	1965	Chief Executive Officer	28 August 2022
Harsh Bansal	1986	Chief Financial Officer & Chief Growth Officer	28 August 2022
Vishal Bhatia	1975	Chief Operating Officer (Yum Brands)	28 August 2022
Ramandeep Virdi	1968	Chief Information Officer	28 August 2022
Dusan Folta	1981	Chief Development Officer	28 August 2022
Pending finalisation at time of writing*	–	Head of HR Transformation	–

** Following Ms. Oksana Staniszewska's resignation, her last day being 31 January 2023.*

Remuneration of the Senior Management

The total annual amount paid to the Company's senior management for the full year ended 31 December 2022 was USD 6.70 million.*

** Note: The Company has complied with the disclosure of the components of senior management's remuneration on aggregate in line with the requirements of paragraph (4) of Article 93 of the CMA CG Regulations, but to protect the interests of the company, its shareholders and employees, the company did not disclose the details as per Appendix (1) of the CMA CG Regulations.*

Senior Management Information

The management expertise and experience of each of the senior management team and 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, before his formal appointment as the Company's CEO in 2022. 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 Restaurant'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 & Chief Growth Officer ("CGO")
Mr. Harsh Bansal has been the CFO of the restaurant business of the Former Parent Company since July 2018, and CGO of its restaurant business since September 2021, before his formal appointment as the Company's CFO and CGO in 2022. 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 Former Parent Company 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.

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, before his formal appointment as the Company's COO in 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, before his formal appointment as the Company's CIO in 2022. 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.

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.

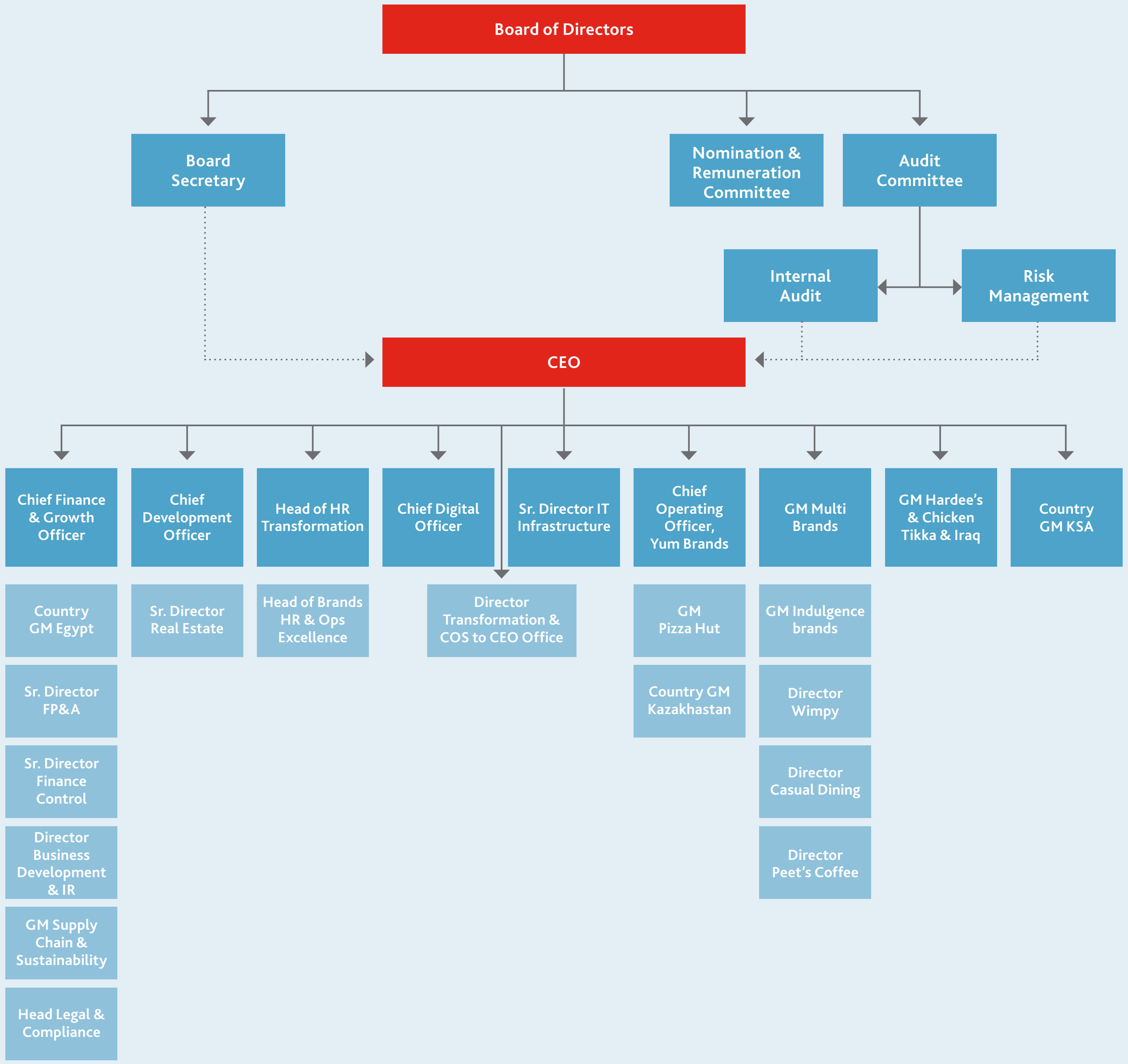
Mr. Ramandeep Singh Virdi holds a Master of Business Administration from the University of Surrey, UK, and also holds a Master of Technology in Computer Sciences from Georgian Technical University, Tbilisi, Georgia.

Mr. Dusan Folta – CDO
Mr. Dusan Folta joined the restaurant business of the Former Parent Company in early 2021 as Chief Development Officer (CDO), before his formal appointment as the Company's CDO in 2022, 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 ecommerce marketplace which was founded in 2018.

Mr. Dusan Folta holds a Bachelor of Economics and Management from College of Economic Studies in Prague.

Organisation Structure



Insider Transactions

THE COMPANY ADOPTS **ROBUST MEASURES TO MONITOR INSIDER TRADING.**

The Company adopts robust measures to monitor insider trading and ensure compliance in general. It intends to keep the market and regulators updated of its insiders list.

The Company Secretary, in collaboration with the Legal and Compliance function, maintains the insiders list, and the Legal and Compliance function is also committed to notifying and training relevant parties in terms of their obligations as insiders, including prohibition in dealings periods.

Given the Company's listing date was 12 December 2022, the relevant reporting period in this CG Report is very brief.

The Company's Insider Trading Policy, developed in accordance with Applicable Laws, provides guidelines for 'insiders' who have access to 'insider information', with respect to transactions in the Company's securities. It identifies the Company's procedures on all important matters relating to insider trading. The policy aims at preserving the reputation and integrity of the Company as well as that of its affiliated persons. The policy, inter alia, covers deemed and temporary insiders, prohibitions on insider trading, prohibition in dealings periods, notifications of trading, penalties, the insiders list and other provisions.

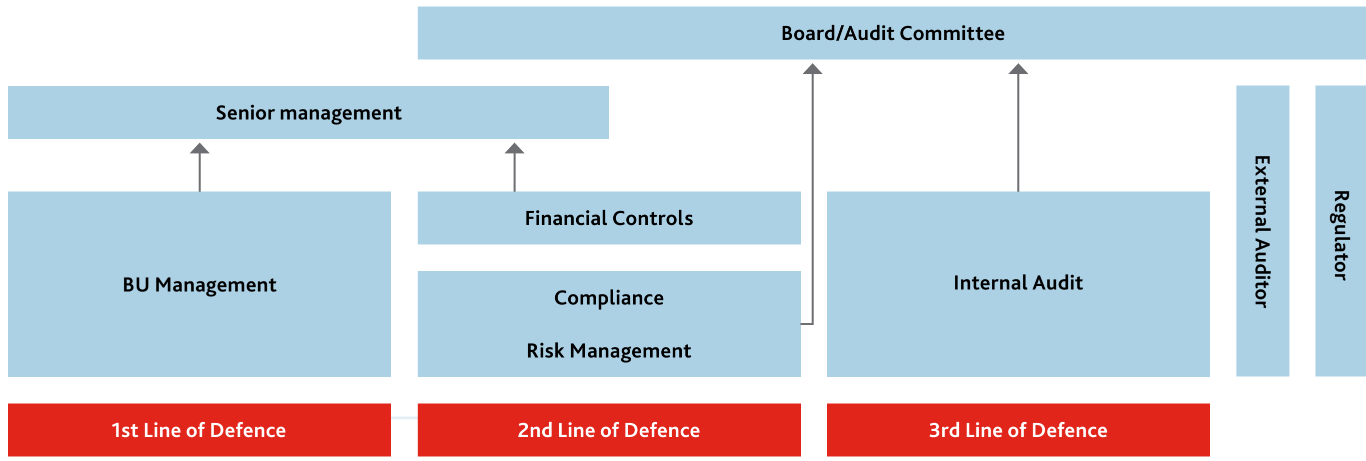
The Head of Legal and Compliance acknowledges his responsibility for the follow-up and supervision system on transactions of the insiders in the Company, review of its work mechanism and ensuring its effectiveness.

Internal Controls and Audit

The Board has overall responsibility for ensuring the effectiveness of the internal control system of the Company. The Board is responsible for setting up a clear framework to ensure an effective internal control system. This allows effective and efficient operations, accurate financial reporting, and compliance with Applicable Laws. The Board acknowledges its responsibility for the Company's internal control system, review of its work mechanism and ensuring its effectiveness.

The Company's risk management culture is focused on the early identification of risks that may hinder the delivery of its strategic objectives. The Company recognises that calibrated risk-taking is an integral part of any business decision, hence building resilience in its operations is vital. This is even more important given the rapid changes in the political, economic, and social environment both globally and in the MENA region. The Company believes in being agile and prepared for any kind of disruption, therefore, the Company considers the full breadth of risks, including financial and non-financial impacts, to improve its risk management preparedness.

The Company's internal control system is implemented via "3 Lines Model," illustrated in the diagram below. In short, the three elements consist of: (i) the Company's management, employees form the first line of defense as they are ultimately responsible for identifying and managing risks as part of their accountability for achieving their strategic goals, such functions being governed by the Company CG Framework; (ii) compliance, financial controls functions and Enterprise Risk Management ("ERM") form the Company's second line of defense, and are responsible for overseeing and implementing the Company CG Framework, and the monitoring and reporting of potential risks and risk mitigation strategies; and (iii) internal audit, as the third line of defense, is independent (reporting to the Board nominated Audit Committee), and, by way of its oversight and audits, tests the robustness, effectiveness and efficiency of the risk management, internal controls and governance framework of the Company.



Compliance

Head of Legal and Compliance

Mr. Nasser Haddad, the Company's Head of Legal & Compliance, was appointed as acting compliance officer on 12 December 2022. Mr. Haddad has over ten years' US and international legal and commercial experience, in private practice and in-house, and on corporate, finance, corporate governance and regulatory matters. Mr. Haddad holds a B.A. from the Ohio State University, a juris doctorate from the University of Pennsylvania Law School and a certificate degree from the Wharton School of the University of Pennsylvania.

Compliance Function

The Company's Legal and Compliance function is broadly responsible for ensuring the Company implements the Company CG Framework, namely its policies (which include listing and disclosure rules, corporate governance best practices and other legal requirements as per Applicable Laws). The Legal and Compliance function undertakes compliance implementation through multiple channels including internal training, investigating suspected breaches, ensuring reporting and register obligations are duly met, and making recommendations to senior management or as otherwise required. In doing so, the function works with multiple internal stakeholders, including the Risk and Internal Audit functions, as well as the Company Secretary. It has recently grown in headcount and contracted with a reputable third-party vendor to provide additional compliance services and support.

Risk

Head of Risk Function

The Company's head of risk, Ms. Kinjal Dutta, was appointed late 2022, and joined the company January 2023 as its head of risk. Ms. Dutta is a Chartered Accountant (from the Institute of Chartered Accountants of India), having previously worked with Swiggy, India's leading food delivery operator, and having experience in ERM (as defined below) implementation, business and operation audit, and fraud and investigation. She is a graduate of the University of Delhi.

Risk Function – Enterprise Risk Management

The main purpose of the Company's ERM function is to provide a sound basis for decision making in relation to the creation and protection of value and achieving the Company's strategic objectives as well as its mission and values. Further, the Company's ERM team continuously monitors and manages the key risks to achieve the strategic, operational and financial objectives/targets and compliance with health, safety and environmental standards and other laws and regulations.

The Company follows a 7-step risk management process which is aligned with ISO 31000 principles. The Company regularly scans external and internal factors to identify risks that may hinder the achievement of its strategic objectives. All risks are categorised under four major categories: strategic, operational, compliance and financial risks. The Company evaluates each risk based on likelihood (i.e., the possibility that a risk could occur) and impact (i.e., the effect of a risk event on the achievement of the Company's objectives). All material risks are recorded in the Company's risk registers along with controls to be implemented, risk mitigation action plan and timeline, and assigned to specific risk owners. The ERM function tracks progress on risk mitigation actions throughout the year.

Internal Controls and Audit continued

Internal Audit

Head of Internal Audit

Ms. Mamoloko Mpai joined Americana Restaurants in October 2022 as Senior Manager of Internal Audit. Her professional career spans 15 years working in quick-service restaurants (i.e., 'fast food'), consulting, mining & cement manufacturing and roads & highway maintenance industries. Her experience includes providing services in the governance, risk, control and financial health analysis disciplines.

Her last position was Internal Audit Manager (HoD) for Yum Restaurants International (Africa BU).

Ms. Mpai holds a Baccalureus Technologiae Degree in Internal Auditing from the University of South Africa and is a fellow member of the Global and South African Institute of Internal Auditors.

The Internal Audit Function

Internal Audit is an independent appraisal function to evaluate the adequacy and effectiveness of controls, systems, policies, and procedures, within the Company and its subsidiaries. The Internal Audit function is headed by Ms. Mamoloko Mpai.

The Internal Audit function's role is to provide independent and objective assurance, designed to add value and improve the operations of the Company. The function helps the Company by assisting the Board, Audit Committee and senior management in accomplishing their objectives, by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the Company's risk management, control, and governance processes and verify that the Company and its employees comply with the applicable laws, regulations and instructions, and the Company's policies and procedures.

The Internal Audit function is completely independent from executive management, and reports to the Board appointed Audit Committee. To preserve its objectivity and independence, the Internal Audit function has no direct operational responsibility or authority over any of the activities audited and remains independent of the audited activities and does not implement internal controls, develops procedures, install systems, prepare records, or engage in any other activity that may impair the function's judgment.

The function aspires to adhere to the mandatory elements of The Institute of Internal Auditors' (IIA) International Professional Practices Framework (IPPF), including the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing. The function evaluates and reports on the effectiveness and efficiency of the Company's operations, systems, and controls, in line with internationally recognised internal audit framework.

The Internal Audit Function operates in accordance with the comprehensive audit plan approved by the Board's Audit Committee. The plan is updated as needed and is annually reviewed for key activities and operations, including risk management and compliance activities. All audit reports are shared with the Audit Committee along with a quarterly report which summarises progress against plan, results of audit activities and progress of implementation of outstanding audit recommendations.

The function also provides the Board with an annual assessment report on the internal control environment across the Company.

Internal Control

The Board and management are committed to conducting business with integrity and in line with best practices. The Company has various policies in place to assure this. All team members are expected to adhere to the Company's principles on honesty, integrity, responsibility, and accountability at all levels of the organisation. Company management monitors risks and processes to optimise the Company's internal control system.

The Company's controls function oversees and ensures compliance with all internal control policies and procedures. The department ensures on a daily basis compliance with its policies. It also reviews the financial information used in preparation of Company's financial statements. The Audit Committee assists the Board in overseeing application and effectiveness of internal control system.

Internal control protocols are subject to periodic review by the Board. The Internal Audit function assists the Board in reviewing control efficacy on a regular basis. It issued twelve reports in 2022 to the Audit Committee covering different areas of business.

Results of the Annual Review of the Effectiveness of the Company's Internal Control Procedures and the Audit Committee's Opinion on the Sufficiency of the Company's Internal Control System

The Audit Committee met once in the year ended 31 December 2022, and during this meeting, it: followed up on certain existing matters (prior to the establishment of the Company's Audit Committee), was updated on ERM matters (highlighted below), was updated as to internal audit matters and any other business.

Having reviewed the internal control and auditing procedures and discussed the preliminary, annual and final business results with the external auditor and executive management, the Audit Committee can give assurances with respect to the Company's internal control systems within the scope of its limited and planned tasks and work assigned by the internal audit department. Further, the committee did not discover any substantial issues that are believed to result in major flaws or weaknesses in the Company's internal control systems, or that need to be highlighted. However, any internal control system cannot provide absolute affirmation, regardless of its design, integrity and the effectiveness of its implementation.

The Company has not reported any material issues in the external auditor's report.

The Company's risks and conclusions, disclosed in its annual report, are disclosed again here:

Type	Risk	Description	Mitigating factors
Strategic	Reliance on franchisors	The Company's business operations are dependent on its agreements with key franchisors and any related issues could materially impact the Company's performance.	The Company has partnered with leading global franchisors, and our portfolio of partnerships continue to grow. The Company has a 100 per cent International Franchise Agreement ("IFA") retention record (other than brands which it exited voluntarily and intentionally). The Company has a long-standing relationship spanning several decades with Yum Brands and CKE Holding Company, and more recently since the year 2006 with Krispy Kreme Doughnuts, Co. These partnerships are inter-dependent and symbiotic, with Americana Restaurants being largest global franchisee for Hardee's, largest and dominant franchisee operator in MENA for Yum Brands, and sole operator in MENA for Krispy Kreme.
Strategic	Competition	The QSR industry in the MENA region is highly competitive, and the Company's performance may be adversely affected by actions of its competitors.	Although the Company is the leading OOHD and QSR operator in MENA region and Kazakhstan, there is significant headroom for growth in the markets it operate in. For instance, penetration in overall number of OOHD outlets per 10,000 population is more than three times lower in the Company's core markets versus developed markets, and more than eight times lower in terms of outlet penetration in the Chained QSR segment on a similar measure. (Source: Euromonitor International Report). The Company also undertakes various measures to assess changes in consumer preferences in the markets it operates in and collaborates with its franchisors to create tailored product offerings suiting local and regional tastes.
Strategic	Aggregators	Any deterioration in the company's relationship with third party food delivery aggregators, as well as the performance of those aggregators, may adversely affect the Company's business.	Typically, the Company has long term contracts (typically five years) with strategic aggregator partners. The Company works with aggregator partners to ensure food safety and efficiency of deliveries. Nearly 80% (2022) of the Company's home delivery orders placed on either aggregator platforms or its SuperApps and call-centers were fulfilled by the Company's home delivery channel directly.
Operational	Supply Chain	Failure of suppliers to provide adequate or timely delivery of quality ingredients may adversely affect the Company's operations.	The Company has a global network of suppliers. Suppliers are typically shortlisted in partnership with its franchisors and evaluated on their ability to meet brand standards. The Company uses a mix of in-house and third-party 3PL/4PL providers for logistics and distribution, and annually assesses the business continuity planning (BCP) readiness of these providers to meet the Company's standards. The Company is implementing ERP which will further strengthen the efficiency of its supply chain.
Operational	Key Employees Retention	Inability to attract or retain skilled professionals could adversely affect our business operations.	The Company has holistic human capital initiatives on promoting employee engagement and leadership development. The Company won the "Exceptional Workplace" award by Gallup in 2022. The Company's engagement standing is at 78th percentile on Gallup Global Database i.e., Americana Restaurants has better engagement scores than 78% of the companies in the Gallup overall database.
Operational	Cyber Security	Major cybersecurity breaches or inability to protect sensitive data could result in litigation, reputational harm or loss of consumer confidence.	The Company's 24x7 Safety Operation Center (SOC) monitors all Americana Restaurants systems for cyber threats. The Company's IT team has also implemented end-user protection controls on its IT assets and proactively performs periodic vulnerability assessment and penetration testing across the company's network to identify and mitigate potential cybersecurity threats and vulnerabilities.

Internal Controls and Audit continued

Type	Risk	Description	Mitigating factors
Compliance	**Health & Safety**	Real or perceived health concerns arising from food quality could have an adverse effect on the Company's reputation and its business.	The Company has comprehensive food safety systems in place which are enforced by a dedicated quality assurance team across markets. The Company's stores are audited, often multiple times each year, by franchisors as well as inhouse quality teams. All of the Company's Power Brands are recognised as top quartile performers in operational compliance checks by their respective franchisors.
Financial	**Foreign Exchange Exposure**	Foreign exchange volatility in overseas markets may affect the Company's profits and investments.	Operations in stable or dollar pegged currencies account for over 80% of the Company's revenues. In partnership with its franchisors, the Company is also pursuing a concerted strategy of localisation to build higher resilience in its supply chain and reduce net forex exposures in exposed markets. The finance team monitors, manages and reports such exposures.
	Other Financial Exposure	The Company is exposed to risks associated with inflation that could adversely affect its business and results of operations.	The Company continues to sustain growth and profitability in face of inflationary headwinds. This has been achieved through twin strategy of calibrated pricing actions, as well increased localisation especially in markets experiencing high inflation.

External Audit

Overview

PricewaterhouseCoopers Middle East ("**PWC**") (limited license no. CL0215) has been the Company's external auditor since 2022, and Saad Kadiri has been the Audit Engagement Partner since PWC's appointment.

PWC is among the leading professional services networks in the world. It helps organisations and individuals create the value they are looking for, by delivering quality in Assurance, Tax and Advisory services with offices in 152 countries and almost 328,000 people. PWC is one of the major professional service providers in the Middle East region with services under Audit, Tax and Advisory across a wide range of industries and sectors. The network has operated in the Middle East region for more than 40 years. Collectively, PWC Middle East employs in the region of over 10,000 people including over 374 partners and 585 directors working from 24 offices (in 23 locations) across 12 countries.

External Audit Details (Inc. Fees, Services and Costs)

- **Name of the audit office and partner auditor:** Saad Kadiri and PricewaterhouseCoopers (branch of a Foreign Partnership), Abu Dhabi, UAE.
- **Number of years he served as the company external auditor:** 2022 was the first year.
- **The number of years that the partner auditor spent auditing the company's accounts:** 2022 was first year.
- **Total audit fees for 2022 in (AED):** 243,766.
- **Fees and costs of other private services other than auditing the financial statements for 2022 (AED), if any, and in case of absence of any other fees, this shall be expressly stated:** No other services were provided to the Company as of 31 December 2022.
- **Details and nature of the other services (if any). If there are no other services, this matter shall be stated expressly:** N/A.
- **Statement of other services that an external auditor other than the company accounts auditor provided during 2020 (if any). In the absence of another external auditor, this matter is explicitly stated:** None.
- **Statement of the cash and in-kind contributions made by the Company during 2022 in developing the local community and preserving the environment. (In case of the absence of contributions), it must be mentioned that the Company has not made any contributions:** See Sustainability Report.
- **Statement clarifying the reservations that the company auditor included in the interim and annual financial statements for 2022 and in case of the absence of any reservations, this matter must be mentioned explicitly:** No qualifications or reservations were made with respect to the 2022 financial statements.

Related Party Transactions

Other than the agreements summarised below, the Company did not conduct any transactions with related parties in the year 2022.

In the ordinary-course-of-business, the Company's subsidiaries enter various related party transactions, on an arm's length basis. For example, the Company's subsidiaries may purchase food products from the Former Parent Company's subsidiaries, as highlighted below, or lease restaurant sites on Emaar properties. In keeping with the Company's value of transparency, the Company has also chosen to highlight certain key contracts between its subsidiaries and related parties. These are set out further below.

Company Related Party Transactions

TS Agreements: Transitional Services Agreement ("TSA"), Trademark License Agreement ("TLA") and Assignment Agreement for Restaurant Marks ("AATM")

On 14 July 2022, the Former Parent Company, signed the TSA, TLA and AATM (together, the "**TS Agreements**") with the Company. The TS Agreements set forth the continuity of certain arrangements between the Former Parent Company and the Company, including with respect to: (i) per the TLA, the continuing usage of "Americana" Corporate brand by the Company, (ii) per the TSA, the continuation of certain services being currently provided by the Former Parent Company to the Company (including strategic advice, management and stakeholder support, treasury, internal audit, legal and compliance, corporate development, etc.), and (iii) per the AATM, the assignment of the Former Parent Company's rights in certain restaurant trademarks (e.g., Wimpy, Chicken Tikka, etc.) to the Company.

The TLA has a ten-year term, which may be extended, and either party may terminate the TLA without cause with 12 months' prior written notice. In consideration for the trademark licenses, the Company must pay to the Former Parent Company, on an annual basis, an amount equivalent to 0.2% of the Company's consolidated net revenues. The Former Parent Company can terminate the TLA with immediate effect if, inter alia: (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) there is a change of control of the Company.

The TSA has a five-year term, and the Company must pay to the Former Parent Company, in consideration for the services provided therein, on an annual basis, an amount equivalent to 0.05% of the Company's consolidated net revenues. There are no fees due under the AATM, and the cumulative fees under the TSA and TLA are capped at USD 7.5 million per year. Subject to the terms of the TSA, 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.

Franchise Novation Agreements

In 2022, in connection with the Company's reorganisation (see Company Material Events in 2022 below) ahead of the 2022 Public Offering, the Former Parent Company, where it still had any interests in any franchise agreements, novated those interests, as follows and with franchisor consent, to the Company: (i) its agreements with 'Yum Brands' (i.e., 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); (ii) its agreements with Hardee's Restaurants LLC (and its affiliates); (iii) its agreements with Krispy Kreme Doughnut Corporation; and (iv) its agreements with TGI Fridays Franchisor, LLC (and its affiliates).

The Company was not required to make any payments to the Former Parent Company in connection with these novation agreements.

Employment Contracts

In 2022, in connection with the Company's reorganisation (see Company Material Events in 2022 below), the Company, its subsidiary (Kuwait Food Co. Americana Main Office One Person Company LLC), and its six senior management employees entered into tri-partite contracts to make the Company a beneficiary of such employees' employment agreements. The terms of such agreements remained otherwise unchanged.

Zand Fixed Deposit Account

On 30 December 2022, the Company opened and deposited USD 10.6 million in a fixed deposit account with Zand Bank. The account accrues interest at a fixed rate for a term of one month. Depending on its needs, the Company may extend this arrangement. Mr. Mohamed Alabbar is chairman of Zand Bank PJSC.

Subsidiary Key Related Party Transactions

Farm Frites Supply Agreement

On 1 January 2022, Kuwait Food Co. Americana L.L.C., a subsidiary of the Company ("**Americana UAE Co**"), 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 set specifications on a purchase order basis. The prices per unit are fixed during the term of the Farm Frites Supply Agreement. Americana UAE Co's (and its affiliates) total amounts due as of 31 December 2022 under this agreement were USD 7,140,000.

National Meats Supply Agreement

On 11 October 2021, Americana UAE Co 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 set specifications on a purchase order basis. Americana UAE Co 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. The Americana UAE Co's (and its affiliates) total amounts due as of 31 December 2022 to (1) National Company for Food Industries LLC, (2) Gulf Food Company Americana LLC, and the (3) Former Parent Company, primarily under the National Meats Supply Agreement and Cake Supply Agreement (see below), were (1) USD 6,380,000, (2) USD 999,000, and (3) USD 2,420,000, respectively. This is reflected in the Company's annual financial statements.

Cake Supply Agreement

On 1 January 2022, Americana UAE Co entered into a supply agreement (as amended from time to time, the "**Cake Supply Agreement**") with the Former Parent Company's subsidiary, the National Company For Food Industries LLC, for the supply of various pastries (i.e., cookies, etc.). The agreement was entered into on an arms' length basis, fixes product-pricing (for a period), requires no minimum spend by Americana UAE Co, and may be terminated, without cause, by either party with 60 days' written notice. The total amounts due as of 31 December 2022 under this agreement are reflected in the section above.

Cairo Poultry Company

In 2022, the Egyptian Company for International Touristic Projects, a subsidiary of the Company ("**ECITP**"), entered into a supply agreement with the Former Parent Company's subsidiary, Cairo Poultry Processing Company (Koki), for the supply of primarily chicken products. The agreement was entered into on an arms' length basis, requires no minimum spend by Americana UAE Co, and may be terminated, by either party with 90 days' notice, pursuant to the terms therein. Americana UAE Co's (and its affiliates) total amounts due as of 31 December 2022 under this agreement were USD 1,575,000..

Gulf Food Industries Company

On 1 May 2014, the Egyptian International Company for Food Industries, a subsidiary of the Company ("**EICIFI**"), entered into an agreement with the Former Parent Company's subsidiary, the Gulf Food Industries Company (California Garden) ("**California Garden**"), to purchase and distribute (i.e., re-sell) various food products. The parties conduct themselves on an arms' length basis, the agreement requires no minimum spend by EICIFI, and may be terminated, by either party with 60 days' notice, pursuant to the terms therein. The agreement has a three-year term, which renews automatically subject to the parties' consent. EICIFI's (and its affiliates) total amounts due as of 31 December 2022 under this agreement were USD 2,708,000.

Barakat Supply Agreement

On 30 April 2022, Americana UAE Co entered into a product supply agreement (as amended from time to time, the "**Barakat Supply Agreement**") with Pure Quality Foods Trading (doing business as 'Barakat') for the supply of certain fresh juices, to the Company's subsidiary. The agreement was entered into on an arms' length basis, fixes product-pricing, requires no minimum spend by the Company's subsidiary, and may be terminated by either party with 30 days' written notice. Americana UAE Co's (and its affiliates) total amounts due as of 31 December 2022 under this agreement were USD 1,084,310. Mr. Mohamed Alabbar is a board member of Barakat Vegetable & Fruits Company LLC.

Nshama Lease Agreements

Americana UAE Co currently has four lease agreements with Nshama Properties (and its affiliates), for its KFC, Pizza Hut, Hardee's and Krispy Kreme restaurants, all in the UAE. The term of each of these agreements is between three and five years (which may be extended with consent), and the rents are either turnover rent (i.e., variable rent, based on a percentage of sales) or fixed rent. Mr. Mohamed Alabbar's family has an interest in Nshama (and/or its affiliates). Americana UAE Co's (and its affiliates) total amounts due as of 31 December 2022 under this agreement were USD 411,585.

Noon Agreements

Noon Payment Gateway Agreements

The Company's subsidiaries (namely Qatar Food Company, Americana UAE Co, Al-Ahlia Restaurants Company and ECITP) have entered into separate agreements with Noon Payments (an affiliate of Noon Investments Company CJSC, which Mr. Mohamed Alabbar is the founder of and a Vice Chairman of the board of directors) related to the provision of payment services (e.g., to accept online credit and debit card payments) in Qatar, the UAE, Kuwait, KSA and Egypt. Each agreement sets out the fixed fees (based on transaction and transaction volume), and may be terminated by the Company's subsidiaries on up to 30 days' notice, without cause. The agreements were entered into on an arms' length basis, and the Company's subsidiaries' total amounts due as of 31 December 2022 under this agreement were approximately USD 611,111.

Noon Delivery Services

On 28 April 2021, Americana UAE Co entered into a subscription agreement with Noon E-Commerce (an affiliate of Noon Investments Company CJSC, which Mr. Mohamed Alabbar is the founder of and a Vice Chairman of the board of directors), for the provision of its marketplace and aggregator services (i.e., an online and mobile application marketplace service to facilitate the retail sale of the Company's food products on) in the UAE. The term of the agreement is two years, and it may, subject to the parties' consent, be renewed for a further period. Either party may terminate the agreement without cause on 90 days' prior written notice. The agreement was entered into on an arms' length basis, and Americana UAE Co's (and its affiliates) total amounts due as of 31 December 2022 under this agreement were approximately USD 519,052.

Now Now (by Noon) Agreement

On 6 August 2020, Americana UAE Co entered into an agreement with Noon Now L.L.C. (an affiliate of Noon Investments Company CJSC, which Mr. Mohamed Alabbar is the founder of and a Vice Chairman of the board of directors) (as amended from time to time, the "**Now Now Agreement**") for the provision of its marketplace and aggregator services (i.e., an online and mobile application marketplace service to facilitate the retail sale of the Company's food products on) in the UAE. The term of the Now Now Agreement is five years, and either party may terminate the agreement without cause on 70 days' prior written notice. The Now Now Agreement was entered into on an arms' length basis, Americana UAE Co's (and its affiliates) total amounts due as of 31 December 2022 under this agreement were approximately USD 3,893.

Violation/Non-Compliance

During the year ended on 31 December 2022, the Company was not subject to any fines or penalties imposed by SCA or the CMA, nor any other related statutory authority on any capital-markets matter.

General Information

Company's Share Performance during December 2022

Since the Company listed on 12 December 2022, it has shown stable activity for the remaining trading days during the year ended on 31 December 2022 on both the ADX and Tadawul. The following table provides an overview of the Company's share price at the end of day for the month of December of the year ended on 31 December 2022:

Tadawul

Company	Americana Restaurants
Period	12/12/2022 – 29/12/2022
Ticker code	6015
Share	Americana Restaurants (Tadawul)
Currency	SAR

Date	Open	High	Low	Close	Volume
12/12/2022	2.75	2.86	2.63	2.74	512,886,550
12/13/2022	2.77	3.25	2.75	3.08	417,857,163
12/14/2022	3.12	3.27	3.08	3.16	226,353,546
12/15/2022	3.18	3.20	3.11	3.14	66,693,566
12/18/2022	3.14	3.14	3.01	3.05	34,955,819
12/19/2022	3.04	3.13	2.99	3.08	41,221,973
12/20/2022	3.06	3.08	3.04	3.06	30,589,892
12/21/2022	3.06	3.07	3.01	3.04	28,370,975
12/22/2022	3.03	3.05	3.01	3.01	9,540,111
12/25/2022	3.01	3.01	2.96	2.99	10,498,150
12/26/2022	2.97	2.98	2.90	2.92	19,289,536
12/27/2022	2.92	2.96	2.89	2.94	9,532,859
12/28/2022	2.94	3.10	2.92	3.04	21,955,480
12/29/2022	3.04	3.07	3.00	3.05	17,524,703

ADX

Company	Americana Restaurants
Period	12/12/2022 – 30/12/2022
Ticker code	AMR
Share	Americana Restaurants (ADX)
Currency	AED

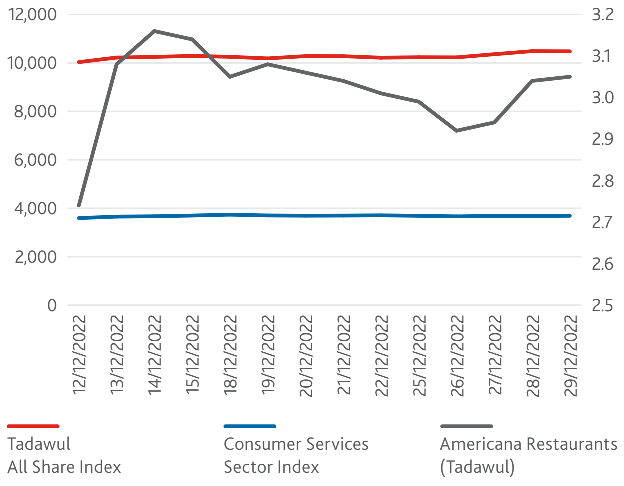
Date	Open	High	Low	Close	Volume
12/12/2022	2.95	2.95	2.66	2.82	307,318,947
12/13/2022	2.82	3.05	2.70	2.94	102,799,929
12/14/2022	2.99	3.17	2.99	3.15	75,662,924
12/15/2022	3.12	3.24	3.08	3.08	42,727,284
12/16/2022	3.08	3.16	3.06	3.15	94,702,705
12/19/2022	3.10	3.10	3.02	3.06	12,796,008
12/20/2022	3.05	3.06	2.97	3.00	5,589,880
12/21/2022	3.01	3.03	3.00	3.00	10,022,547
12/22/2022	3.00	3.01	2.97	3.00	4,067,310
12/23/2022	2.98	2.99	2.97	2.99	1,878,899
12/26/2022	2.98	2.98	2.90	2.91	1,958,052
12/27/2022	2.90	2.94	2.90	2.93	8,048,037
12/28/2022	2.93	2.96	2.90	2.96	3,883,151
12/29/2022	2.96	3.00	2.95	2.98	1,574,917
12/30/2022	2.97	2.99	2.95	2.97	844,077

Comparative Performance of the Company's share with the General Market Index and Sector Index during December 2022

The following diagram shows the comparative performance of the Company's share with the general market index during each day for the month of December of the year ended on 31 December 2022:

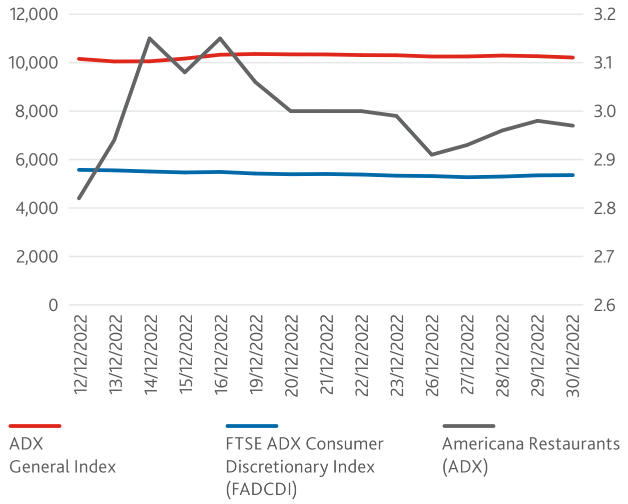
Tadawul

Americana Restaurants (Tadawul) vs Tadawul All Share Index vs Consumer Services Sector Index



ADX

Americana Restaurants (ADX) vs ADX General Index vs FTSE Consumer Discretionary Index



Statement of Distribution of Shareholders' Ownership as on the ADX 31 December 2022 (Individuals – Companies – Governments), classified as follows: (Local – Gulf – Arabic – Foreign)

The following table shows the distribution of shareholder's ownership in the Company (Individuals – Companies – Governments) classified as follows: (Local – Gulf – Arabic – Foreign) as on December 31, 2022:

		COMPANIES								
		Individuals		Companies		Government		Total		
Ser.	Shareholders classification	Total Shares	Total Investor	Total Shares	Total Investor	Total Shares	Total Investor	Total Shares	Total Investor	Shares Percentage
1	**Local**	97,378,111	4,346	5,709,426,882	48	94,676,549	3	5,901,481,542	4,397	70.0586
2	**GCC**	301,713,955	151	1,627,684,202	39	1,905,230	2	1,931,303,387	192	22.9272
3	**Arab**	5,239,478	827	2,065,000	3	–	–	7,304,478	830	0.0867
4	**Foreign**	8,068,907	1,525	575,474,786	187	–	–	583,543,693	1,712	6.9275
	Total	**412,400,451**	**6,849**	**7,914,650,870**	**277**	**96,581,779**		8,423,633,100	7,131	100

Overview of Shareholders whose Ownership Percentage exceeds 5% of the Company's Capital as on 31 December 2022

Other than Adeptio AD Investments LTD (see table below), no shareholder owns more than 5% of the Company.

Name	Country of Incorporation	Type of shares	Number of shares owned	Ownership proportion
Adeptio AD Investments Ltd	United Arab Emirates	Ordinary	5,562,384,208	66.03%

General Information continued

Statement of Distribution of Shareholders according to their Ownership Percentage as on 31 December 2022

The following table shows the distribution of shareholders according to their ownership percentage as on 31 December 2022:

ADX

No.	Share (s) ownership	Number of shareholders	Number of owned shares	Percentage of owned shares of the capital
1	Less than 50,000	6,585	18,831,909	0.2236
2	From 50,000 to less than 500,000	306	55,220,311	0.6555
3	From 500,000 to less than 5,000,000	194	313,192,795	3.7180
4	More than 5,000,000	46	8,036,388,085	95.4029

Tadawul

No.	Share (s) ownership	Number of shareholders	Number of owned shares	Percentage of owned shares of the capital
1	Less than 50,000	78,447	171,257,069	2.0%
2	From 50,000 to less than 500,000	746	111,283,772	1.3%
3	From 500,000 to less than 5,000,000	234	378,050,703	4.5%
4	More than 5,000,000	54	7,763,041,556	92.2%

Investor Relations

The Board is committed to ensuring that shareholders and other stakeholders gain simultaneous access to accurate, clear, relevant, comprehensive, and up-to-date information about the Company. The Company shall adhere to all regulatory requirements set for listed companies in the ADX and Tadawul, as well as SCA and CMA, and intends to ensure that accurate and timely disclosures are made on all material information related to the Company, including its financial affairs, performance, ownership of its shares and governance in an accessible manner by all concerned parties.

Sonika Sahni is the Company's Investor Relations Officer. Shareholders can utilise the following channels to reach the Company's Investor Relations Officer:
Phone: +971 52 271 0589
E-mail address: ssahni@americana-food.com
Issuer's website: https://www.americanarestaurants.com/investors/

Special Decisions taken in the General Assembly Meetings of Shareholders during 2022

In 2022, only one general assembly was held, on 6 October 2022. One board member Mr. Kesri Singh attended this general assembly. The following resolutions were passed, following which all the resolutions were implemented.

- Ratification of the following resolutions adopted by the Former Parent Company as the former sole shareholder in the Company on 25 August 2022:
  - Approval of the re-registration of the Company as a public company limited by shares and the adoption of the amended and restated Articles of the Association of the Company;
  - Approval of the offering of up to 40% of the ordinary shares of the Company by way of a dual and concurrent listing on the Abu Dhabi Stock Exchange and the Saudi Stock Exchange after its re-registration as a public company;
  - Approval of the reinstatement of the Board;
  - Appointment of the external auditor of the Company;
  - Appointment of the Company secretary;
  - Formation of the Audit Committee and the NRC;
  - Delegation of certain powers in relation to the initial public offering and listing of the shares of the Company to specific Directors;
  - Approval that only Adeptio AD Investments Ltd. shall sell its shares in the Company in the offering;
  - Validation of: (i) the special purpose carve-out financial statements of Kuwait Food Company (Americana) K.S.C.C.'s restaurants business for the years ending 31 December 2019, 2020 and 2021; and (ii) condensed interim carve-out financial statements and independent auditor's review report of the Company for the six month period ending 30 June 2022;
  - Approval of the Company's charters and procedures relating to the Board, its committees and the approval of all policies including, but not limited to, the corporate governance, risk management and internal controls of the Company.

Company Secretary of the Meetings of the Board of Directors

The Company Secretary is responsible for (amongst other things) providing comprehensive guidance and advice on statutory and fiduciary Directors' duties, facilitating the flow of information between the Board and its committees, the administration of meetings and monitoring and recording the decisions of the Board and its committees. In particular the Company Secretary shall:

- Confirm attendees, additional invitees and record their reservations (if any);
- Collate Board/Committee papers and records;
- Provide the Board with the meeting agenda and any relevant/additional information pertaining to the agenda;
- Ensuring Directors comply with relevant actions approved by the Board;
- Promptly notify Directors of upcoming meeting dates;
- Inform senior management of Board resolutions and report on the implementation of the same;
- Support the Board in the evaluation process and coordinate between Directors and executives;
- Provide guidance and support to the Board, its committees and the Chairman; and
- Prepare and circulate meeting minutes to gather approval of the Board and the committees as applicable.

Mr. Saqib Awan was appointed as a Company Secretary pursuant to the Board's resolution dated 25 August 2022. He 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 and has twenty years of practical experience in the legal field.

Company Material Events in 2022

- **Company reorganisation:**
  - The Company was incorporated in the ADGM on 27 May 2022 as "Americana Restaurants Ltd.", a free zone public company limited by shares with a share capital of USD10,000 divided into 10,000 fully paid ordinary shares with a nominal value of USD1 per share. Americana Restaurants Ltd. was wholly owned by the Former Parent Company. Americana Restaurants Ltd. was essentially formed (as part of the Former Parent Company's internal reorganisation) to act as a holding company for the restaurants business carried out by the Former Parent Company, in contemplation of an initial public offering of such restaurants business. The reorganisation of the restaurant business involved:
    - the Former Parent Company transferring all of its restaurant business on 27 June 2022 to Americana Restaurants Ltd., whose share capital was increased to USD168,462,662 divided into 168,462,662 fully paid ordinary shares with a nominal value of USD1 per share;
    - Americana Restaurants Ltd. undertaking a share split on 28 July 2022 resulting in the share capital of USD168,462,662 being divided into 8,423,633,100 fully paid ordinary shares with a nominal value of USD0.02 per share;
    - the Former Parent Company transferring (on 25 August 2022) 96.03% of its shareholding in Americana Restaurants Ltd. to Adeptio AD Investments Ltd. and the remaining 3.97% to certain other legacy minority shareholders; and
    - Americana Restaurants Ltd. re-registering as a public company limited by shares and changing its name to Americana Restaurants International Plc on 29 August 2022.
- **2022 Public Offering:**
  - The Company undertook the first ever concurrent and dual listing in the Middle East by listing on the ADX and Tadawul, on 12 December 2022.
- **Peet's Coffee:**
  - The Company entered into certain agreements with Peet's Coffee to launch the Peet's brand in the GCC markets of the UAE, KSA, Kuwait and Qatar, providing a powerful new opportunity for both partners to tap into the region's booming coffee market.
- **Pizza Hut KSA franchise rights (excluding Jeddah):**
  - The Company was granted franchise rights for Pizza Hut in KSA (except Jeddah), and launched approximately 30 Pizza Hut restaurants in KSA by 31 December 2022.

Emiratisation

The Company is a firm believer of the UAE government's Emiratisation efforts.

Given the Company was established in the year of this report, listed 12 December 2022, exempt from Emiratisation requirements as an ADGM entity, and that it does not have any employees as a holding company, it did not employ any Emiratis in 2022.

Innovative projects and initiatives carried out or being developed by the Company during 2022

The Company actively pursues category, channel and operational innovation and it approaches innovation with a 360-degree view that touches the entire value chain of the brands and business. The Company introduces specific local products, menus and bundle innovations designed to enhance appeal to local tastes and preferences of its global brands. The Company's restaurants have been frequent innovators in global system experimentation. The Company 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.

Highlighted below are a few key Company initiatives during 2022:

- introduction of in-restaurant robotics in partnership with Miso Technologies at its Wimpy restaurant in the UAE in 2022;
- Voice of Customer: Building a comprehensive source of feedback across multiple channels and conducting detailed feedback analysis (deployed across markets and brands);
- Speed of Service: Providing visibility on the speed of service across brands to keep track and make improvements (completed within the year, with a functional dashboard);
- CRM: Leveraging customer data to create awesome experiences for our customers to increase CLTV (Customer Lifetime Value) and unlock incremental revenue and profit;
- Americana Last Mile Platform: launching in the UAE and Bahrain a 'minimum viable product' (13 stores) of an in-house platform aimed at automating and driving efficiencies in the delivery feet, thus enhancing customer experience by reducing friction;
- Dynamic Pricing of Delivery Fees: A tool that helps the business change the delivery fee charged on various channels to reduce/increase delivery fee based on day-parts, load factors, etc. (Tool built in 2022, being tested at KFC stores); and
- Loyalty Program for All Americana Restaurants Customers (Development underway, KFC to be launched in 2023).

Mr. Mohamed Alabbar
Board Chairman

Mr. Subramanian Suryanarayan
Audit Committee Chairman

Mr. Arif Abdulla Albastaki
Nomination and Remuneration Committee Chairman

Mr. Nasser Haddad
Head of Legal & Compliance

Acknowledgements

The Board acknowledges that: (1) the statement of ownership and transactions of Board of Directors (Board) members and their spouses, their children in the company securities during 2022; and (2) the current Board formation (along with the names of both the resigned and appointed Board members), is valid.

Appendix A

Declarations under Article 87 (39) of the KSA CG Regulations

The Board of Directors declare the following:

- The accounting records were properly prepared;
- The system of internal control is sound in design and has been effectively implemented; and
- There are no significant doubts concerning the Company's ability to continue its activity.

Non-implemented provisions of the KSA CG Regulations

The Company is in compliance with all applicable provisions contained in the CMA CG Regulations, except the provisions noted below:

Article No.	Provision of the Article	Explanation
Article 5 Paragraphs (4), (5), (7) and (8)	All rights related to shares shall be guaranteed to the shareholder and particularly the following: 4) the right to dispose of his/her shares in accordance with the provisions of the Companies Law, the Capital Market Law and its implementing regulations; (5) the right to enquire and request viewing the books and documents of the Company, including the data and information related to the activities of the Company and its operational and investment strategy without prejudice to the interests of the Company or breach of the Companies Law and the Capital Market Law and their implementing regulations; (7) to hold Board members accountable, to file liability lawsuits against them and appeal for nullification of the resolutions of the General and Special Shareholders Assemblies in accordance with the conditions and restrictions provided in the Companies Law and the bylaws of the Company; and (8) preemptive rights to subscribe for new shares issued in exchange for cash unless otherwise specified in the Company's bylaws or when the Extraordinary General Assembly suspends the pre-emptive rights are per Article (129) of the company's law.	The Company is domiciled in the ADGM and is not subject to the Saudi Companies Law. Shareholders have all the rights mentioned, however, they will exercise such rights in accordance with the Company's Articles of Association and the ADGM Companies Regulations.
Article 9 (c)	The shareholder is entitled to receive his/her share of dividends as per the decision of the General Assembly in respect of the distribution of dividends to shareholders or the Board resolution on distributing interim dividends. The resolution shall specify the record date and the distribution date provided that the resolution shall be executed as per the Implementing Regulation of the Companies Law for Listed Joint Stock Companies.	The implementation of the resolution will not be in accordance with the Implementing Regulation of the Companies Law for Listed Joint Stock Companies as the Company is an ADGM plc and a not a Saudi listed joint stock company. The shareholders have all the rights mentioned, however, they will exercise such rights in accordance with the Company's Articles of Association and the ADGM Companies Regulations.
Article 11 Paragraphs (4) and (7)	The extraordinary general assembly shall have the following competencies: (4) deciding the use of the reserve allocated for specific purposes in the Company's bylaws; and (7) issuing preferred shares or redeemable shares or approving their buying, or converting a type or class of the Company's shares into another type or class of shares as per the Company's bylaws and the Implementing Regulation of the Companies Law for Listed Joint Stock Companies.	As mentioned above, the Company is domiciled in the ADGM and is not subject to the Saudi Companies Law. The ADGM Companies Regulations: • covers the capital redemption reserve and allocation of such reserve requires a special resolution (i.e. 75% approval). There is no statutory requirement in the ADGM Companies Regulations to form any reserve. • does not cover preferred shares. Instead, it covers special classes of shares and alteration of any rights related to any special class of shares requires a special resolution.
Article 12 Paragraphs (10) and (11)	Except for competencies reserved for the Extraordinary General Assembly, the Ordinary General Assembly shall have the competencies in all affairs of the Company and particularly in the following: (10) deciding the use of the Company's reserves, if such has not been set aside for a specific purpose in the Company's bylaws, provided that using such reserves shall be based on a proposal of the Board and used in ways that benefit the Company or the shareholders; and (11) forming the Company's reserves and determining their uses.	The Company has not created any reserve since there is no statutory requirement in the ADGM Companies Regulations or the Company's Articles of Association for the Company to form any reserve. As mentioned above there is only the capital redemption reserve that may be formed in certain circumstances.

Appendix A continued

Article No.	Provision of the Article	Explanation
Article 13 Paragraphs (a), (c) and (f)	(a) The Ordinary General assembly shall convene in accordance with the situations and circumstances stated in the Companies Law and its implementing regulations and the Company's bylaws. (c) The General and Special Shareholders' Assemblies shall convene upon an invitation from the Board in accordance with the situations stated in the Companies Law and its implementing regulations and the Company's bylaws. The Board shall invite the Ordinary General Assembly to convene within 30 days from the date of the external auditor request, the audit committee or a number of shareholders holding shares equal to at least (10%) of the company's shares that have voting rights. The external auditor may invite the Ordinary General Assembly to convene if the Board does not invite the assembly within thirty days from the date of the external auditor's request. (f) Shareholders shall be granted the opportunity to effectively participate and vote in the General Assembly meetings. The meetings of the General Assemblies of shareholders may be convened and shareholders may participate in their deliberations and vote on their resolutions using methods of contemporary technologies pursuant to the Implementing Regulation of the Companies Law for Listed Joint Stock Companies.	The Company is domiciled in the ADGM and is not subject to the Saudi Companies Law. The ADGM Companies Law provide the following similar requirements on this regard. • The general assemblies will be held and all the procedures followed therein will be in accordance with the Company's Articles of Association and the ADGM Companies Regulations. • Shareholders participation in meetings and the contemporary technology methods used by the Company will be in accordance with the Company's Articles of Association and the ADGM Companies Regulations.
Article 15 Paragraph (d)	Shareholders shall be granted access to the minutes of the General Assembly meeting; and the Company shall provide the Authority with a copy of such minutes within (10) days of the date of any such meeting.	Shareholders will be granted access to the minutes of the General Assembly meeting. The CMA will be provided minutes of the meeting within 15 days from the date of the meeting at the same time as SCA (the time period is in compliance with SCA's requirements).
Article 23 Paragraph (c)	The Board shall define the competencies and specify the responsibilities of the chairman, the vice chairman, and the managing director or the chief executive officer explicitly and in writing if the Company's bylaws has no reference thereto.	The Vice-Chairman's authorities are not specifically defined by the Board. The Board will as soon as practical outline the duties of the Vice-Chairman and the Company's corporate governance handbook will be amended to reflect the same.
Article 39	The Board shall develop, based on the proposal of the nomination committee, the necessary mechanisms to annually assess the performance of the Board, its members and committees and the Executive Management using key performance indicators linked to the extent to which the strategic objectives of the Company have been achieved, the quality of the risk management and the efficiency of the internal control systems, among others, provided that weaknesses and strengths shall be identified and a solution shall be proposed for the same in the best interests of the Company. b) The procedures of performance assessment shall be in writing and clearly stated and disclosed to the Board members and parties concerned with the assessment. c) The performance assessment shall entail an assessment of the skills and experiences of the Board, identification of the weaknesses and strengths of the Board and shall attempt to resolve such weaknesses using the available methods, such as nominating competent professional staff able to improve the performance of the Board. The performance assessment shall also entail the assessment of the mechanisms of the Board's activities in general. d) The individual assessment of the Board members shall take into account the extent of effective participation of the member and his/her commitment to performing his/her duties and responsibilities, including attending the Board and its committees' meetings and dedicating adequate time thereof. e) The Board shall carry out the necessary arrangements to obtain an assessment of its performance from a competent third party every three years. f) Non-Executive Directors shall carry out a periodic assessment of the performance of the chairman of the Board after getting the opinions of the Executive Directors, without the presence of the chairman of the Board in the discussion on this matter, provided that weaknesses and strengths shall be identified and a solution shall be proposed for the same in the best interests of the Company.	This article is for guidance purposes only. However, the Company has a Board Evaluation Policy. Committees and senior management are evaluated by the Board.

Appendix A continued

Article No.	Provision of the Article	Explanation
Article 51 Paragraph (c)	The chairman of the audit committee shall be an Independent Director.	This is a guiding article. The Company has obtained an exemption from SCA. Accordingly, the Chairman of the Audit Committee is not a Director but he is independent, and has the relevant finance and operational expertise and required knowledge.
Article 59	Remuneration Policy	Currently, the Company does not have a remuneration policy in place. However, a draft policy has been prepared and will be presented to the Board in its next meeting and approved by the upcoming annual general assembly.
Article 65	The Company shall publish the nomination announcement on the websites of the Company and the Exchange and through any other medium specified by the Authority; to invite persons wishing to be nominated to the membership of the Board, provided that the nomination period shall remain open for at least a month from the date of the announcement	The nomination procedures and timelines will be in line with the requirements of the UAE/ADGM laws.
Chapter 5 Risk Management Committee (Articles 67 – 69)	Risk Management Committee	All the articles relating to the Risk Management Committee are guiding articles. The Company does not have a Risk Management Committee. However, the Company views risk management as an integral part of its operations and its Audit Committee has comprehensive mandate to manage the same. There is a detailed risk management policy adopted by the company and allocated resources in this function who report to the Audit Committee with their findings.
Article 78 Paragraph (2)	The external auditor shall be authorised by the Competent Authority;	The Company has received an exemption from the CMA in this regard and has appointed an external auditor that is duly licensed in the UAE since the Company is an ADGM domiciled company.
Article 80	The Board shall establish clear and written policies and procedures regulating the relationship with Stakeholders with the aim of protecting them and safeguard their rights.	This is a guiding article. Many of the Company's other policies cover general rights of stakeholders, including the AML, anti-bribery, Investor Relations policies.
Article 82	The Company shall establish programmes for developing and encouraging the participation and performance of the Company's employees. The programmes shall particularly include the following: 1) forming committees or holding specialised workshops to hear the opinions of the Company's employees and discuss the issues and topics that are subject to important decisions; 2) establishing a scheme for granting Company shares or a percentage of the Company profits and pension programmes for employees, and setting up an independent fund for such programme; and 3) establishing social organisations for the benefit of the Company's employees.	This is a guiding article. Should the Company decide to provide any specific form of incentives other than bonuses it will ensure that any programmes that are set up comply with the KSA CG Regulations.
Article 83	Professional Conduct Policy	Currently, the Company does not have a professional conduct policy in place. However, a draft policy has been prepared and will be presented to the Board in its next meeting.
Article 84	The Ordinary General Assembly, based on the Board recommendation, shall establish a policy that guarantees a balance between its objectives and those of the community for purposes of developing the social and economic conditions of the community.	This is a guiding article. However, the Company is in the process of developing a policy and expect to have it finalised during 2023.
Article 85 (1)	The Board shall establish programmes and determine the necessary methods for proposing social initiatives by the Company, which include: 1) establishing indicators that link the Company's performance with its social initiatives and comparing it with other companies that engage in similar activities;	This is a guiding article. The Company continuously participates in various social activities and carries out social initiatives aimed at developing the social and economic conditions in of the communities we operate in.

Appendix A continued

Article No.	Provision of the Article	Explanation
Article 87 (21)	The Board's report shall include the following: (21) any inconsistency with the standards approved by the Saudi Organization for Chartered and Professional Accountants.	Since the Company is domiciled in the ADGM. Therefore, the Company's financial statements are prepared in accordance with IFRS and not the SOCPA standards. The Company has obtained the requisite exemptions in relation thereto.
Article 89 Paragraphs (1) and (2)	The Board shall regulate the disclosures of each of its members and the members of the Executive Management, observing the following: 1) maintaining a register for the disclosures of the Board members and the Executive Management and updating it regularly based on disclosures required as per the Companies Law, the Capital Market Law and their implementing regulations; and 2) making such register available for review by the Company's shareholders free of charge.	The disclosure made by the Board will be based on the guidelines under UAE/ADGM laws. The Company has received an exemption from the CMA in this regard. The company will be maintaining such register in accordance with the regulatory requirements of the UAE.
Article 92	If the Board forms a corporate governance committee, it shall assign to it the competencies stipulated in Article (91) of these Regulations. Such committee shall oversee any matters relating to the implementation of governance, and shall provide the Board with its reports and recommendations at least annually.	This is a guiding article and the Board has not formed any corporate governance committee. However, the corporate governance function is being assumed by the corporate secretary.

Declarations on the non-applicable provisions under Article 87 of the CGR:

The Board of Directors of the Company declare the following:

- Article 87 (5): No procedures were taken by the Board to inform its members, non-executive directors in particular, of the shareholders' suggestions and remarks on the Company and its performance as the Company is yet to hold its first annual general assembly.
- Article 87 (7): The Board has yet to assess its performance, the performance of its committees and members and the external body which conducted the assessment and its relation with the Company (if any) as the Company has been incorporated for less than a year.
- Article 87 (9): there are no punishments, penalty, precautionary procedure or preventive measure imposed on the Company by the Authority or any other supervisory, regulatory or judiciary authority.
- Article 87 (12): There are no recommendations of the Audit Committee that conflict with Board resolutions or those which the Board has disregarded relating to the appointment, dismissal, assessment or determining the remuneration of an external auditor, as well as justifications for those recommendations and reasons for disregarding them.
- Article 87 (25): there are no interests in a class of voting shares held by persons (other than the Directors, Senior Executives and their relatives) who have notified the Company of their holdings pursuant to Article 85 of the Rules on the Offer of Securities and Continuing Obligations.
- Article 87 (26): there are no interests, contractual securities or rights issue of the Board members, Senior Executives and their relatives on shares or debt instruments of the Company or its affiliates.
- Article 87 (28): there are no convertible debt instruments, contractual securities, preemptive right or similar rights issued or granted by the Company during the fiscal year 2022.
- Article 87 (29): there are no conversion or subscription rights under any convertible debt instruments, contractually based securities, warrants or similar rights issued or granted by the Company.
- Article 87 (30): there is no redemption, purchase or cancellation by the Company of any redeemable debt instruments and the value of such securities outstanding, distinguishing between those listed securities purchased by the Company and those purchased by its affiliates.
- Article 87 (32): there have been no Company requests of shareholders records, dates and reasons thereof.
- Article 87 (35): there is no arrangement or agreement under which a director or a senior Executive of the company has waived any remuneration.
- Article 87 (36): there is no arrangement or agreement under which a shareholder of the Company has waived any rights to dividends.
- Article 87 (40): there are no reservations in the external auditor's report on the annual financial statements.
- Article 87 (41): the Board has not recommended replacing the external auditor before the end of its term.
- Article 87 (42): no member of the Board is engaging in or was engaging in any competing business with the Company or any of its activities.

Appendix B

Board Profile Information	
Name	Mohamed Ali Rashed Alabbar
Designation	Chairman
Classification	Non executive
Qualification	• Graduated from Seattle University, USA, from the Department of Financial and Business Management • Honorary Doctorate from Seattle University, USA • Honorary Doctorate from the London School of Economics and Political Science • An honorary doctorate from "Sun Moon" University in South Korea

Companies Membership

Membership Company Name	Membership Character	End session Date	Start session Date
Kuwait Food Company (Americana) KSCC	Chairman of Board of Directors	Current	5 June 2017
Kuwait Food Company (Americana) KSCC	Chairman of the Nominations and Remunerations Committee	Current	5 June 2017
Adeptio AD Holdings Ltd.	Chairman of Board of Directors	Current	15 May 2016
Adeptio AD Investments Ltd.	Chairman of Board of Directors	Current	16 May 2016
Emaar Properties PJSC, (Dubai)	Managing Director	Current	30 December 1997
Emaar Development PJSC	Board Member – Executive	Current	20 November 2017
Emaar India Limited	Non-Executive Board Member	Current	7 November 2005
Emaar Middle East	Non-Executive Board Member	Current	7 March 2019
Emaar America Corporation	Non-Executive Board Member	Current	1 March 2010
Emaar Pakistan Holding Limited	Non-Executive Board Member	Current	23 November 2012
Emaar MISR For Development SAE	Non-Executive Board Member	Current	28 March 2019
Emaar Syria Limited	Non-Executive Board Member	Current	23 November 2005
Emaar Giga International FZCO	Non-Executive Board Member	Current	15 January 2004
Emaar Bawadi LLC	Non-Executive Chairman	Current	8 November 2020
Emaar Lebanon SAL	Non-Executive Chairman	Current	2 August 2016
Namshi Holding Limited	Member of the Board of Directors	Current	2017
Zand Bank PJSC	Chairman of the Board – Non-Executive	Current	15 December 2021
Eagle Hills International FZ LLC	Member of the Board of Directors	Current	1 October 2015
Eagle Hills Investment FZ LLC	Member of the Board of Directors	Current	29 October 2015
Eagle Hills Sharjah Development LLC	Non-Executive Vice Chairman	Current	29 September 2017
Eagle Hills Diyar Company WLL	Non-Executive Chairman	Current	1 January 2015
SUNCE HOTELI (dioničko društvo za turizam i ugostiteljstvo) – joint stock company for tourism and hospitality	Non-Executive Chairman of the Supervisory Board	Current	14 June 2021

Appendix B continued

Companies Membership

Membership Company Name	Membership Character	End session Date	Start session Date
Eagle Hills Misr for Project Management Investment SAE	Non-Executive Chairman	Current	25 February 2018
Eagle Hills Misr Investment JSC	Non-Executive Chairman	Current	25 February 2018
Eagle Hills International Properties/Jordan PSC	CEO of the Board of Directors	Current	25 August 2019
BWC – BEOGRAD NA VODI DOO	Non-Executive Chairman	Current	21 August 2015
BWG – BW GALERIJA DOO	Non-Executive Chairman	Current	6 September 2017
BWK – BW KULA DOO	Non-Executive Chairman	Current	6 September 2017
Bab Al Bahr Development Company	Non-Executive Board Member	15 March 2022	30 June 2018
Bab Al Bahr Hospitality	Non-Executive Board Member	15 March 2022	30 June 2018
Eagle Hills Morocco Properties	Non-Executive Board Member	15 March 2022	30 June 2018
Eagle Hills Rabat Hospitality	Non-Executive Board Member	15 March 2022	30 June 2018
Eagle Hills Rabat Real Estate	Non-Executive Board Member	15 March 2022	30 June 2018
Eagle Hills Rabat Square	Non-Executive Board Member	15 March 2022	30 June 2018
Eagle Hills Rabat Square Hospitality	Non-Executive Board Member	15 March 2022	30 June 2018
Eagle Hills Tangiers Port Hospitality	Non-Executive Board Member	15 March 2022	30 June 2018
Eagle Hills Tangiers Port Real Estate	Non-Executive Board Member	15 March 2022	30 June 2018
Tamuda Hospitality	Non-Executive Board Member	15 March 2022	30 June 2018
Tamuda Real Estate	Non-Executive Board Member	15 March 2022	30 June 2018
Noon Investments Company CJSC (Noon.com)	Non-Executive Member and Vice Chairman of the Board of Directors	Current	9 August 2017
Noon Investments Company CJSC (Noon.com)	Chairman of the Executive Committee	Current	9 February 2018
Noon Investments Company CJSC (Noon.com)	Chairman of the Nominations and Remunerations Committee	Current	26 February 2018
Symphony Investment LLC	Chairman of Board of Directors	Current	30 November 2011
ANH Holdings Limited	Member of the Board of Directors	Current	4 November 2015
Symphony Real Estate Development SPHK	Member of the Board of Directors	Current	20 June 2022
Artstreet Limited	Member of the Board of Directors	Current	21 October 2020
Barakat Vegetable & Fruits Company LLC	Board Member – Non-Executive	Current	21 December 2014

Appendix B continued

Board Profile Information

Name	Abdulmalik Abdullah H Al Hogail
Designation	Deputy Chairman
Classification	Non executive
Qualification	• Ph.D. in Accountancy from Case Western Reserve University, USA • MA in Accountancy from Case Western Reserve University, USA • Bachelor of Science in Accounting from King Saud University • Certified Public Accountant license from the USA • Licensed certified accountant from the KSA • Certified Management Accountant license from the USA • Certified Accountant License in Financial Management from the USA

Companies Membership

Membership Company Name	Membership Character	End session Date	Start session Date
Kuwait Food Company (Americana) KSCC	Vice Chairman of the Board	Current	5 June 2017
Kuwait Food Company (Americana) KSCC	Member of the Audit Committee	Current	5 June 2017
Alinma Bank	• Chairman of the Board of Directors • Chairman of the Executive Committee • Member of the Nominations and Remunerations Committee	Current	May 2019
National Shipping Company of Saudi Arabia (Bahri)	• Vice Chairman of the Board • Chairman of the audit committee • Member of the strategy and investment committee	Current	January 2017
National Chemical Company (Bahri Chemicals)	Chairman of the Board of Directors	Current	January 2017
Public Pension Agency (PPA)	• Member of the Board of Directors • Chairman of the Audit, Risk, Compliance and Governance Committees	2021	2017
Saudi Electricity (SEC)	• Member of the Board of Directors • Chairman of the audit committee • Member of the Risk and Compliance Committee	2021	2018
Al Inma Investment	• Member of the Board of Directors • Chairman of the audit committee • Member of the Nominations and Remunerations Committee	2019	2014
Accenture Saudi Arabia	Member of the Board of Directors	2016	2011
Philips Healthcare Saudi Arabia	Member of the Board of Directors	2016	2013
Arabian International Healthcare Holding (Tibbiyah)	Member of the Board of Directors	2020	2014
Electronics & Systems Holding	Member of the Board of Directors	2017	2014
Capital Market Authority (CMA)	Member of the Audit Committee	Not available	Not available
Saudi Organization for Certified Public Accountants (SOCPA)	Member of the Accounting Standards Committee	Not available	Not available

Appendix B continued

Board Profile Information	
Name	Arif Abdulla Abdulrahman Alharmi Albastaki
Designation	Board of Director
Classification	Independent
Qualification	• High Diploma in Banking & Finance, Higher Colleges of Technology, UAE • Master of International Business, University of Wollongong, UAE

Companies Membership

Membership Company Name	Membership Character	End session Date	Start session Date
Amlak Finance and Real Estate Investments	Chairman of the Board of Directors	Current	January 2008
Aramex PJSC	• Board Member • Member of the Strategy Committee • Member of the Nomination & Remuneration Committee	Current	May 2019
Emaar The Economic City (KSA)	• Board member • Chairman of the Nomination & Remuneration Committee • Member of the Executive Committee	Current	September 2020
Daman – National Health Insurance Company	• Board member • Member of the Investment Committee • Member of the Nomination & Remuneration Committee	Current	September 2020
Daman – National Health Insurance Company	Chairman of Executive committee	Current	November 2020
Al Salam Bank – Algeria	Board member	Current	October 2021
EII Capital (Formerly Emaar Industries & Investments)	Chairman of the Board of Directors	April 2021	December 2012
EFS Financial Services LLC	Chairman of the Board of Directors	May 2013	May 2010
Aramex PJSC	• Vice Chairman of the Board • Chairman of the Strategy Committee	January 2022	July 2020
Daman – National Health Insurance Company	Chairman of the Audit Committee	September 2021	December 2020
TECOM Group PJSC	• Vice Chairman of the board • Chairman of the Investment Committee • Vice Chairman of the Audit & the Risk Committee	March 2017	May 2012
AWQAF & Minor Affairs Foundation	• Board member • Chairman of the Audit Committee • Member of the Investment Committee	November 2013	September 2008
Al Salam Bank – Algeria	• Board member • Chairman of the Audit Committee	April 2018	June 2015
Amlak International for Real Estate Development & Finance Co.	• Board member • Member of the Executive Committee	August 2020	April 2008
Amlak Finance PJSC	• Board member • Member of the Risk Committee • Member of the Nomination & Remuneration Committee	July 2020	January 2015

Appendix B continued

Board Profile Information	
Name	Raid Abdullah Ismail
Designation	Board of Director
Classification	Non executive
Qualification	• Master of Business Administration (MBA) from London Business School in the UK • Bachelor's degree in Finance Management from George Mason University in the USA

Companies Membership

Membership Company Name	Membership Character	End session Date	Start session Date
Kuwait Food Company (Americana) KSCC	Member of the Board	Current	15 September 2020
Kuwait Food Company (Americana) KSCC	Member of the Nomination and Remuneration Committee	Current	15 September 2020
GDC Middle East	Chairman of the Board of Directors	Current	2018
Tahakom Investments	Chairman of the Board of Directors	Current	2018
The Helicopter Company (THC)	Chairman of the Board of Directors	Current	2019
National Shipping Company of Saudi Arabia (Bahri)	Member of the Board	Current	2020
Elm Company	Member of the Board	Current	2021
Cruise Saudi Company	Member of the Board	Current	2021
The National Unified Procurement Company (NUPCO)	Member of the Board	Current	2021
Aviation Services Company (ASC)	Member of the Board	Current	Not available
ACWA Power	Member of the Board	2021	2018

Appendix B continued

Board Profile Information	
Name	Graham Denis Allan
Designation	Board of Director
Classification	Independent
Qualification	• Bachelor of Economics (Hons) from Monash University in Australia • Bachelor of Laws (Hons) from Monash University in Australia • Master of Business Administration (Dux (i.e. the highest achieving student) of each year) from the University of Melbourne in Australia

Companies Membership

Membership Company Name	Membership Character	End session Date	Start session Date
Kuwait Food Company (Americana) KSCC	Board Member – Independent	17 October 2022	May 2019
Bata Footwear Company	Chairman of Board of Directors	Current	2017
Intertek plc	Independent Senior Board Member	Current	2017
IHG plc	Independent Senior Board Member	Current	2020
Associated British Foods plc	Non-Executive Board Member	Current	2018
Ikano Retail Pte Ltd	Non-Executive Board Member	Current	2021

Board Profile Information	
Name	Tracy Ann Gehlan
Designation	Board of Director
Classification	Independent
Qualification	• Degree in Law and Welfare (Family Law) from Newcastle University • Advanced Food Hygiene Certification from Group Training Techniques GTT

Companies Membership

Membership Company Name	Membership Character	End session Date	Start session Date
Kuwait Food Company (Americana) KSCC	Board Member – Independent	17 October 2022	15 September 2019
Smashburger UK	Managing Director	August 2018	September 2016
Jatomi Fitness (Pure Health and Fitness)	Member of the Board of Directors	June 2016	April 2015
Scottish Retail Consortium	Member of the Board of Directors	2011	2008

Appendix B continued

Board Profile Information	
Name	Kesri Singh
Designation	Board of Director
Classification	Non executive
Qualification	• Certificate in the General Management Program from Harvard Business School • Master of Business Administration from the University of Rajasthan • Bachelor of Mechanical Engineering from Bangalore University

Companies Membership

Membership Company Name	Membership Character	End session Date	Start session Date
Wealthy Ideas Pte. Ltd.	Board Member	Current	2016
Americana Restaurants Investments Group Company LLC	Chairman of the Board of Directors	Current	2019
Americana Foods Investments Group Company LLC	Chairman of the Board of Directors	Current	2019
Americana Company for Restaurants Holding LTD	Board Member	Current	2019
Americana Holding for Egyptian Restaurants LTD	Board Member	Current	2019
Americana Holding for KSA Restaurants LTD	Board Member	Current	2019
Americana Holding for Restaurants LTD	Board Member	Current	2019
Americana Holding for UAE Restaurants LTD	Board Member	Current	2019
Americana Holding for Food LTD	Board Member	Current	2019
Americana Holding for Egypt Food LTD	Board Member	Current	2019
Americana Holding for KSA Food LTD	Board Member	Current	2019
Americana Holding for UAE Food LTD	Board Member	Current	2019
Americana Company for Food Holding LTD	Board Member	Current	2019
Americana Prime Investments Limited	Board Member	Current	2021
Americana Gulf Investments Limited	Board Member	Current	2021
Kuwait Food Co. Americana LLC	Chairman of the Board of Directors	Current	2019
Kuwait Food Co Americana Main Office One Person Company LLC	Chairman of the Board of Directors	Current	2019
Gulf Food Industries Company (California Garden) FZE	Board Member	Current	2019
Gulf Food Trading – California Garden LLC	Chairman of the Board of Directors	Current	2019
Gulf Food Company Americana LLC	Chairman of the Board of Directors	Current	2019
Americana Company for Services and Investment LLC	Chairman of the Board of Directors	Current	2022
Americana Company for Food and Restaurants Services LLC	Chairman of the Board of Directors	Current	2022

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FINANCIAL STATEMENTS

Directors' Report

Company overview:

Americana Restaurants International PLC and its subsidiaries (together "Americana Restaurants"/"Group") are a leading and diversified, pan-regional restaurant platform operator, with presence in 12 countries, across the MENA region and Kazakhstan. Americana Restaurants operates iconic global brands such as KFC, Pizza Hut, Hardee's, Krispy Kreme and TGI Fridays, along with proprietary brands such as Wimpy and Chicken Tikka. Incorporated in Abu Dhabi Global Market ("ADGM"), Americana Restaurants employs more than 40,000 employees. Americana Restaurants listed on the Abu Dhabi Securities Exchange ("ADX") and Saudi Stock Exchange ("Tadawul") on 12 December 2022; in a first of its kind concurrent dual listing in the UAE and KSA.

Diverse portfolio with presence across categories:

The Group operates 2,183 restaurants under a portfolio of 12 brands across key consumer verticals and occasions, including key Quick Service Restaurant (QSR) categories (chicken, burger and pizza), fast casual, casual dining, indulgence and coffee concepts. As part of its growth strategy, in 2022, the Group also successfully launched Pizza Hut in the Kingdom of Saudi Arabia, Krispy Kreme in Jordan, and Wimpy in the United Arab Emirates. We also signed with Peet's Coffee to launch the brand in the GCC markets of the UAE, Saudi Arabia, Kuwait and Qatar: to tap into the region's booming coffee market.

Outlook and strategy

Americana Restaurants' near-term focus will be to leverage the strength of its platform to grow penetration of existing brands, enter new categories and geographic expansion by entering new markets. We will also continue to build and grow our digital footprint to provide superior customer experience.

Members of the Board of Directors:

The Board of Directors consists of seven Non-Executive Directors, three of whom are independent Directors, as follows:

- Mohamed Ali Rashed Alabbar
- Dr. Abdulmalik Al Hogail
- Raid Abdullah Ismail
- Kesri Singh
- Tracy Ann Gehlan, Independent
- Arif Abdulla Abdulrahman Alharmi Albastaki, Independent
- Graham Denis Allan, Independent

Current year's results:

In 2022, Americana Restaurants continued to maintain a strong revenue growth momentum. The Group achieved USD 2,378.5 million in revenues during the year ended 31 December 2022 (2021: USD 2,051.7 million), resulting in total net profit attributable to the shareholders of the Parent Company/Net Parent Investment attributable to Former Parent Company of USD 259.2 million (2021: USD 203.9 million). Total assets increased to USD 1,340.5 million as at 31 December 2022 (2021: USD 1,087.9 million).

Statement of disclosure to auditors:

The Directors of Americana Restaurants certify that as far as they are aware, there is no relevant audit information of which the Group's auditor is unaware, and that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

On behalf of the board,

Mohamed Ali Rashed Alabbar
Chairman
Americana Restaurants International PLC

Independent Auditor's Report to the Shareholders of Americana Restaurants International PLC

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Americana Restaurants International PLC (the "Company") and its subsidiaries (together, the "Group") as at 31 December 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2022;
- the consolidated statement of income for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory notes.

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 consolidated 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 the Group 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 consolidated financial statements in the Abu Dhabi Global Market ("ADGM"). We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Emphasis of matter

We draw attention to Note 2 to the consolidated financial statements, which describes 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, being the date of transfer of the Americana Restaurants' business ("Restaurant Business") from Kuwait Food Company (Americana) K.S.C.C. into the Group. Therefore, the consolidated financial statements include the carve-out financial information of the Restaurant Business for the period from 1 January 2022 to 27 June 2022 and the comparative information for the year ended 31 December 2021. We also draw attention to Note 2.1 to the consolidated financial statements, which details the basis of preparation and carve-out adjustments applied. Our opinion is not modified in respect of these matters.

Our audit approach

Overview

Key audit matters	• Impairment assessment review for non-financial assets • Measurement of lease liabilities and right of use assets

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Independent Auditor's Report to the Shareholders of Americana Restaurants International PLC (continued)

Key audit matters (continued)
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment review for non-financial assets The Group has non-financial assets as the most significant balances in the consolidated statement of financial position as at 31 December 2022. The value of the property and equipment, right of use assets, and intangible assets are USD 269,844 thousand, USD 417,564 thousand and USD 49,591 thousand respectively. Management has evaluated the recoverability of the carrying amounts of these non-financial assets on a brand (franchise) level for each country in which the Group operates ("brand-country"). Management has determined brand-country to be the most appropriate cash generating unit being the smallest unit generating cashflows that are largely independent of the cash inflows generated by other assets/groups of assets. Based on the impairment assessment performed by management, a reversal of impairment loss of USD 46 thousand has been recognised for these non-financial assets as at 31 December 2022. We considered this to be a key audit matter as the evaluation of the recoverable amount requires significant estimation and critical management judgement in determining the key assumptions that support the expected future discounted cash flows of each cash generating unit and the utilisation of these assets. The key assumptions include sales growth rate, earnings before interest, taxes, depreciation, and amortisation ("EBITDA") margins, and the discount rate. Should management not meet the targets as envisaged in the forecasted cashflows, there would be a reduction in the available headroom and, therefore, the possibility of further impairment. A sensitivity analysis has been performed with the resultant impact on the consolidated financial statements and disclosed in note 4 to the consolidated financial statements.	We obtained the impairment assessment carried out by management that was prepared on the basis of the senior management approved business plan and carried out the following substantive audit procedures: • Evaluated whether the methodology used by management to calculate the recoverable amount for the cash generating units complies with IAS 36, 'Impairment of assets'; • Assessed the appropriateness of the identification of the cash generating unit to be brand-country at which level the impairment assessment has been performed; • Tested the mathematical accuracy of the calculations included within management's impairment assessment; • Traced the data inputs used in management's assessment to the relevant sources to ensure these are accurate; • Obtained and analysed the underlying assumptions used within the impairment assessment to determine whether these are reasonable; • Analysed the sales growth rates and EBITDA margins used in management's assessment for reasonableness; • Engaged our internal valuation experts to assess the discount rate used by management in discounting future cash flows to determine whether these are reasonable and supportable; • Reviewed the sensitivity analysis around the key assumptions used by management to assess the potential impact on the recoverable amount of the non-financial assets; and • Assessed the adequacy of the disclosures in note 4 to the consolidated financial statements.

Measurement of lease liabilities and right of use assets
The Group has recognised right of use assets of USD 417,564 thousand and lease liabilities of USD 434,759 thousand (USD 160,156 thousand as current liabilities and USD 274,603 thousand as non-current liabilities).
 	
Management have applied several judgements and estimates in applying IFRS 16 to its large volume of lease agreements. The significant judgements include lease terms impacted by extension or termination options and determining the appropriate incremental borrowing rates ("IBR") to use in discounting the lease liabilities.
 	
We considered this to be a key audit matter given its significance to the consolidated financial statements and due to the estimates involved in measuring the lease liabilities and related right of use assets.
 	
Refer to note 12 to the consolidated financial statements.
	We reviewed management's accounting policies and schedules for IFRS 16, 'Leases' and carried out the following substantive audit procedures:
	• Tested the completeness of the contracts accounted for as leases under IFRS 16.
	• Assessed the IBR used in discounting the lease liabilities as determined by management for appropriateness.
	• On a samples basis, we have:
	  ○ Inspected lease contracts to assess whether the relevant lease data inputs into management's IFRS 16 calculations are accurate.
	  ○ Performed a recalculation of the lease liability and right of use asset balance and the related interest expense and depreciation expense.
	  ○ Traced lease payments as per management's IFRS 16 calculations to appropriate supporting documentation.
	  ○ Assessed whether management's judgement on extensions or termination options are appropriate and justifiable.
	• We assessed the adequacy of disclosures with reference to the requirements of IFRS 16 Leases.

Independent Auditor's Report to the Shareholders of Americana Restaurants International PLC (continued)

How we tailored our group audit scope
We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Other information
Management is responsible for the other information. The other information comprises of the Directors' report (but does not include the consolidated financial statements and our auditor's report thereon).

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and their preparation in compliance with the applicable provisions of the ADGM Companies Regulation 2020, as amended, and the ADGM Companies Regulations (International Accounting Standards) Rules 2015 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's 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 the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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 consolidated 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 the Group's 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 the Group's 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 consolidated 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 the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Independent Auditor's Report to the Shareholders of Americana Restaurants International PLC (continued)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

As required by the Abu Dhabi Global Market ("ADGM") Companies Regulation of 2020, as amended, and the ADGM Companies Regulations (International Accounting Standards) Rules 2015, we report that:

- the consolidated financial statements have been prepared, in all material respects, in accordance with the applicable requirements of the ADGM Companies Regulations of 2020, as amended, and the ADGM Companies Regulations (International Accounting Standards) Rules 2015; and
- the information given in the Directors' report is consistent with the consolidated financial statements of the Group.

For and on behalf of PricewaterhouseCoopers (ADGM Branch)

Mohamed Saad Kadiri
22 February 2023

Consolidated Statement of Financial Position

As at 31 December

	Note	2022 (US Dollars'000)	2021 (US Dollars'000)
ASSETS			
Non-current assets			
Property and equipment	5	**269,844**	221,919
Right of use assets	12	**417,564**	361,975
Loan to a related party	22	**–**	51,200
Investment properties	6	**5,870**	9,341
Intangible assets	7	**49,591**	42,623
Derivative financial instrument	9	**8,499**	7,512
Deferred tax asset		**4,114**	2,150
Total non-current assets		**755,482**	696,720
Current assets			
Inventories	8	**173,826**	107,297
Trade and other receivables	9	**103,610**	94,034
Due from related parties	21	**237**	1,189
Loan to a related party	22	**–**	12,800
Derivative financial instrument	9	**2,832**	1,878
Cash and cash equivalents	10	**304,560**	173,996
Total current assets		**585,065**	391,194
Total assets		**1,340,547**	1,087,914
LIABILITIES AND EQUITY			
Non-current liabilities			
Lease liability	12	**274,603**	248,136
Provision for employees' end of service benefits	13	**66,386**	76,260
Trade and other payables	14	**52,282**	50,195
Deferred gain on derivative financial instrument	9	**5,634**	7,512
Deferred tax liabilities		**7**	–
Total non-current liabilities		**398,912**	382,103
Current liabilities			
Bank facilities	11	**18,592**	7,073
Deferred gain on derivative financial instrument	9	**1,878**	1,878
Lease liability	12	**160,156**	136,463
Income tax, zakat and other deductions payable	17	**13,055**	12,614
Trade and other payables	14	**401,173**	352,326
Due to related parties	21	**21,841**	23,683
Provisions for legal, tax and other claims	15	**29,189**	32,062
Total current liabilities		**645,884**	566,099
Total liabilities		**1,044,796**	948,202
Equity			
Share capital	19	**168,473**	–
Accumulated net contribution from the Former Parent Company		**–**	148,984
Retained earnings		**139,205**	–
Foreign currency translation reserve		**(23,113)**	(20,429)
Equity attributable to shareholders of the Parent Company/Net Parent Investment attributable to the Former Parent Company		**284,565**	128,555
Non-controlling interests	18	**11,186**	11,157
Total equity		**295,751**	139,712
Total liabilities and equity		**1,340,547**	1,087,914

Harsh Bansal	**Amarpal Sandhu**	**Abdulmalik Al Hogail**	**Mohamed Ali Rashed Alabbar**
Chief Financial Officer	Chief Executive Officer	Vice Chairman	Chairman

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Income
For the year ended 31 December

	Note	2022 (US Dollars'000)	2021 (US Dollars'000)
Revenues	23	**2,378,547**	2,051,747
Cost of revenues	24	**(1,148,476)**	(970,351)
Gross profit		**1,230,071**	1,081,396
Selling and marketing expenses	25	**(738,928)**	(679,603)
General and administrative expenses	26	**(193,053)**	(176,989)
Other income		**16,869**	15,478
Monetary (loss)/gain from hyperinflation	4	**(1,521)**	3,043
Reversal of impairment on non-financial assets	4	**46**	1,179
Net impairment allowance on financial assets	9	**(248)**	(1,454)
Fair value gains on derivative financial instrument		**1,941**	–
Tax claim charges	16	**(22,534)**	–
Operating profit		**292,643**	243,050
Finance income	28	**3,639**	2,208
Finance costs	28	**(24,584)**	(23,118)
Profit before income tax, zakat, and KFAS		**271,698**	222,140
Income tax, zakat, and contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS")	31	**(8,743)**	(15,732)
Net profit for the year		**262,955**	206,408
Attributable to:			
The shareholders of the Parent Company/Net Parent Investment attributable to Former Parent Company		**259,226**	203,917
Non-controlling interests		**3,729**	2,491
		262,955	206,408

	Note	2022 (US Dollars)	2021 (US Dollars)
Earnings per share			
Basic and diluted earnings per share	20	**0.03077**	0.02421

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income
For the year ended 31 December

	2022 (US Dollars'000)	2021 (US Dollars'000)
Net profit for the year	**262,955**	206,408
Other comprehensive income/(loss) items		
Items that will not be reclassified subsequently to consolidated statement of income:		
Remeasurement of employees' end of service benefits (Note 13)	**8,579**	436
Items that may be reclassified subsequently to consolidated statement of income:		
Exchange differences on translating foreign operations including the effect of hyperinflation	**(2,652)**	(7,698)
Total other comprehensive income/(loss) items	**5,927**	(7,262)
Total comprehensive income for the year	**268,882**	199,146
Attributable to:		
The shareholders of the Parent Company/Net Investment attributable to Former Parent Company	**265,121**	196,607
Non-controlling interests	**3,761**	2,539
	268,882	199,146

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December

		US Dollars'000						
		Equity attributable to the shareholders of the Parent Company						
	Note	Share capital	Accumulated net contribution from the Former Parent Company	Retained earnings	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 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	18	–	(119)	–	–	(119)	(891)	(1,010)
Distributions to the Former Parent Company		–	(129,817)	–	–	(129,817)	–	(129,817)
Net payments and impact of capital reorganisation with the Former Parent Company		–	(15,222)	–	–	(15,222)	–	(15,222)
Balance at 31 December 2021		–	148,984	–	(20,429)	128,555	11,157	139,712
Net profit for the year		–	121,266	137,960	–	259,226	3,729	262,955
Other comprehensive income								
Remeasurement of employees' end of service benefits		–	5,726	2,853	–	8,579	–	8,579
Hyperinflation adjustment		–	–	–	5,152	5,152	–	5,152
Foreign currencies translation differences		–	–	–	(7,836)	(7,836)	32	(7,804)
Total comprehensive income		–	126,992	140,813	(2,684)	265,121	3,761	268,882
Changes in non-controlling interest	18	–	(129)	–	–	(129)	(3,732)	(3,861)
Distributions to the Former Parent Company		–	(83,089)	–	–	(83,089)	–	(83,089)
Net payments and impact of capital reorganisation with the Former Parent Company		–	(25,903)	–	–	(25,903)	–	(25,903)
Issuance of shares	19	10	–	–	–	10	–	10
Capitalisation of shares	19	168,463	(166,855)	(1,608)	–	–	–	–
Balance at 31 December 2022		168,473	–	139,205	(23,113)	284,565	11,186	295,751

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December

		US Dollars'000	
	Note	2022	2021
Cash flows from operating activities			
Profit before income tax and zakat for the year		271,698	221,059
Adjustments for:			
Depreciation and amortisation	27	219,709	208,629
Provision for employees' end of service benefits, net of transfers	13, 29	8,538	10,074
Impairment allowance on financial assets	9	248	1,454
Provision for obsolete, slow moving, and defective inventories	8	1,860	1,387
Reversal of impairment of non-financial assets	5,7,12	(46)	(1,179)
Loss on disposal of property and equipment and intangible assets		4,444	1,224
Gain on rent concessions		(667)	(6,978)
Finance income	28	(3,639)	(2,208)
Finance cost	28	24,584	23,118
Recognition of deferred gain on derivative financial instrument in other income		(1,878)	–
Fair value gains on financial assets at fair value through profit or loss		(1,941)	–
Tax claim charges	16	22,534	–
Hyperinflation impact		356	1,348
Operating cash flows before changes in working capital		545,800	457,928
Payments of employees' end of service benefits	13	(10,686)	(13,535)
Income tax paid	17	(10,711)	(6,971)
Changes in working capital:			
Trade and other receivables		(11,581)	(62)
Due from related parties		952	(493)
Inventories		(67,789)	(11,274)
Due to related parties		(1,842)	1,264
Trade and other payables, other liabilities and taxes		9,785	41,992
Net cash generated from operating activities		453,928	468,849
Cash flows from investing activities			
Purchase of property and equipment		(120,143)	(91,510)
Proceeds from sale of property and equipment		4,537	1,438
Purchase of intangible assets	7	(8,192)	(8,303)
Payments for key money	12	(3,788)	(1,401)
Interest received on short term deposits		3,639	2,208
Loans to a related party	22	(36,000)	(64,000)
Repayments of loans by a related party	22	100,000	–
Net cash used in investing activities		(59,947)	(161,568)
Cash flows from financing activities			
Payments of finance costs		(1,894)	(1,455)
Changes in non-controlling interests		(3,216)	(826)
Acquisition of additional shares in subsidiary from non-controlling interests		(705)	(184)
Lease payments – principal element		(150,774)	(139,650)
Lease payments – interest on lease liabilities		(21,517)	(20,713)
Distributions to the Former Parent Company		(83,089)	(129,817)
Movement in payments and impact of capital reorganisation with the Former Parent Company		(25,903)	(15,222)
Proceeds from issuance of share capital		10	–
Net cash used in financing activities		(287,088)	(307,867)
Net change in cash and cash equivalents		106,893	(586)
Foreign currency translation differences		12,152	(4,275)
Cash and cash equivalents at the beginning of the year		166,923	171,784
Cash and cash equivalents at the end of the year	10	285,968	166,923

The accompanying notes form an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2022

1 GENERAL INFORMATION
Americana Restaurants International PLC (formerly Americana Restaurants Ltd) ("Americana Restaurants" or the "Parent Company") 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 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 "Former Parent Company") which is 93.42% owned by Adeptio AD Investments Ltd (the "Intermediate Parent Company"). On 2 June 2022, the Board of Directors of KFC approved the transfer of Americana Restaurants' business ("Restaurant Business") and its entities as detailed in Note 32 to Americana Restaurants (together referred to as "the Group") to be effective from 27 June 2022. On 29 August 2022, KFC transferred its shareholding in Americana Restaurants to the Intermediate Parent Company, following the approval of the Board of Directors of KFC and KFC shareholders' approval in the General Assembly.

On 2 November 2022, the Intermediate Parent Company announced its intention to float a 30% shareholding of its investment in Americana Restaurants on the Abu Dhabi Securities Exchange ("ADX") in the United Arab Emirates and on the Saudi Stock Exchange ("Tadawul") in the Kingdom of Saudi Arabia through an Initial Public Offering ("IPO"), pursuant to the resolution of the shareholders of Americana Restaurants. The trading of the shares commenced on 12 December 2022.

Subsequent to the IPO, the Intermediate Parent Company continues to own a majority 66.03% investment in the Group (previously 96.03%). The Intermediate 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 consolidated financial statements were approved for issue by the Board of Directors on 22 February 2023.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
2.1 Basis of preparation
The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRSs") and interpretations issued by the IFRS Interpretations Committee ("IFRS IC") applicable to companies reporting under IFRS. The consolidated financial statements have been prepared on a historical cost convention, unless otherwise stated in the accounting policies.

These consolidated financial statements comprise the carve-out financial information of the Restaurant Business for the period from 1 January 2022 to 27 June 2022 and the consolidated financial information of the Group (primarily comprising the Restaurant Business) for the period from 28 June 2022 to 31 December 2022. The comparative information for the year ended 31 December 2021 represents the carve-out financial information of the Restaurant Business since the Group has operated as part of KFC until 27 June 2022, and not as a separate group of companies.

The following summarises the accounting and other principles applied in preparing the carve-out financial information for the year ended 31 December 2021 and for the period from 1 January 2022 to 27 June 2022.

The carve-out financial statements for the respective periods mentioned above represents consolidation of all the assets, liabilities, revenues and expenses of Americana Restaurants as listed in Note 32 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 Restaurants Business 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 for the year 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.

The comparatives of the consolidated statement of financial position as at 31 December 2021 represents the carve-out of the Restaurants Business and its entities as detailed in Note 32 and includes the Former Parent Company's assets and liabilities that are specifically identifiable or otherwise attributable to Americana Restaurants.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)
2.1 Basis of preparation (continued)
Cash balances of the Former Parent Company that are specifically identifiable and attributable to Americana Restaurants have been included as part of the carve-out financial information for the comparatives of the consolidated financial statements as at 31 December 2021.

All revenues and costs associated with Americana Restaurants are included in the carve-out financial information that are included in the consolidated financial statements as comparatives for the year ended 31 December 2021 and for the period from 1 January 2022 to 27 June 2022 with certain expenses including staff costs, selling and marketing expenses and general and administrative expenses, associated with Americana Restaurants being allocated in the carve-out financial information. These represent certain corporate and shared service function historically provided by the Former Parent Company, including, but not limited to, executive oversight, accounting, treasury, human resources, procurement, information technology, marketing, and other shared services. These were 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 were included in the carve-out financial information. All intercompany balances and transactions within Americana Restaurants entities were fully eliminated.

Intercompany balances between the carve-out entities and KFC which were neither expected to be settled nor collected from KFC were included as part of the Former Parent's net investment in the carve-out financial information. As such, the net effect of these balances were either waived in equity or recorded as an equity contribution and reflected as 'Movement in payments and impact of capital reorganisation with the Former Parent Company' in the comparatives of the consolidated statement of changes in equity for the year ended 31 December 2021. These intercompany balances have also been presented in the consolidated statement of cash flows as a financing activity for the year ended 31 December 2021.

The carve-out financial information in respect of the comparatives for the year ended 31 December 2021 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. Americana Restaurants 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.

The transfer of subsidiaries to Americana Restaurants post restructuring represented a capital restructuring, being a transfer of business under common control. Therefore, the transfer represented the predecessor method of accounting and retrospective presentation is used. Americana Restaurants had no share capital and reserves in its own right. Therefore, it was not meaningful to present share capital or an analysis of reserves or components of other comprehensive income, other than foreign currency translation reserve which was separately identifiable.

A merger reserve was created in relation to the capital reorganisation wherein the Restaurant Business was transferred from the Former Parent Company to Americana Restaurants during the year ended 31 December 2022. The difference between the accumulated net contribution from the Former Parent Company and the consideration provided to the Former Parent Company for the transfers (being the value of share capital issued) was initially recorded as a merger reserve in equity as it represented the difference between the carrying value of the net assets transferred and the fair value of the consideration provided. At 31 December 2022, the Group has applied a voluntary change in the accounting treatment to transfer the merger reserve of USD 1,608 thousand to part of the retained earnings in the consolidated statement of changes in equity and applied this change retrospectively.

The preparation of the consolidated 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 consolidated financial statements are disclosed in Note 4. These have been applied consistently for all periods presented.

2.2 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 consolidated 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 IAS 16 (effective 1 January 2022);
- amendment to IFRS 3 (effective 1 January 2022);
- amendment to IAS 37 (effective 1 January 2022); and
- annual improvements to IAS 41, IFRS 1, 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 consolidated financial statements of the Group and intends to adopt these, if applicable, when they become effective.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Foreign currency translation

(a) Functional and presentation currency
Items included in the consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which each entity operates ('the functional currency'). The consolidated financial statements are presented in United States Dollars ("USD") which is the "presentation currency" of the Group and the currency in which management measures the Group's 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 consolidated statement of income.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of income, within finance costs. All other foreign exchange gains and losses are presented in the consolidated 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.

(c) Group entities
The results and financial position of all the entities in the Group, none of which has the currency of a hyper-inflationary economy (except for one legal entity in Lebanon for the year ended 31 December 2022 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 consolidated statement of financial position presented are translated at the closing rate at the date of that standalone statement of financial position;
(ii) Income and expenses for each consolidated 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 consolidated 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 consolidated 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 consolidated statement of financial position. Exchange differences arising are recognised in equity in the consolidated statement of financial position.

2.4 Hyperinflation
The consolidated 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 Group 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 the Group's 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.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the consolidated 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).

The Group 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 consolidated 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 the Group's policy.

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 entities in the consolidated financial statements, is classified as investment property. Land held under operating leases is classified and accounted for by the Group as investment property when the rest of the definition of investment property is met. The investment properties of the Group 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, the Group 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 consolidated 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

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Financial assets

(i) Classification

The Group 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 consolidated statement of income

(ii) Recognition and derecognition

At initial recognition, the Group 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 consolidated 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 consolidated 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 consolidated 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 consolidated statement of income and presented net within other gains/(losses) in the period in which it arises.

(iv) Impairment

The Group 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

The Group 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. The Group has established a provision matrix that is based on the Group's 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 the Group.

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 consolidated financial statements.

(v) IBOR Reform implications

The areas impacted by the amendments of the Interest Rate Benchmark Reform includes application of the 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 was applied retrospectively with no restatement required for prior periods.

Management is 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 was a loan to a related party with a carrying value of USD 64,000 thousand which was linked and not transitioned from London Inter-bank Offered Rate ("LIBOR"). As per the latest guidance, Intercontinental Exchange ("ICE") would continue publishing LIBOR till 30 June 2023. Any change of benchmark rate would be economically indifferent to Americana Restaurants and the counterparties, no matter which alternative benchmark is adopted. There is no significant exposure for Americana Restaurants as of 31 December 2022 as the loan to a related party of USD 64,000 thousand was settled during the year (Note 22).

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 the Group in accordance with the shipping terms agreed with the suppliers.

2.11 Cash and cash equivalents

For the purpose of presentation in the consolidated 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 consolidated statement of financial position, bank overdrafts are disclosed separately within current liabilities.

2.12 Leases

The Group's leasing activities and how these are accounted for

The Group 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 the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the consolidated 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 the Group.

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 the Group 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 consolidated 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 consolidated 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 the Group. These terms are used to maximise operational flexibility in terms of managing contracts. Management have concluded not to include any extension or termination options in the IFRS 16 lease period on the basis that it is not reasonably certain to exercise the options given the options requires both parties mutually agreeing on renewed terms and conditions.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Leases (continued)

Variable lease payments (continued)

Rent Concessions

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 as 'other income' in the consolidated statement of income for the year ended 31 December 2022 USD 667 thousand (2021: USD 6,978 thousand) to reflect changes in lease payments that arise from rent concessions to which they have applied the practical expedient.

2.13 Provision for employees' end of service benefits

The liability for employees end of service benefits recognised in the consolidated 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 the Group's 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 the Group 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 consolidated 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 consolidated statement of changes in equity and in the 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 consolidated statement of income as past service costs.

2.14 Financial liabilities

The Group 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. The Group 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 the Group 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 consolidated 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.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

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 consolidated statement of income for the year. The Group does not apply hedge accounting.

2.18 Revenue from contracts with customers

The Group 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 the Group 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, the Group will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5 – Recognise revenue as and when the Group 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. The Group 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 consolidated financial statements to the extent that it is probable that the economic benefits will flow to the Group 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 the Group's 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 consolidated statement of income.

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 consolidated 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 consolidated 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 consolidated 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.

The Group's 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 consolidated 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 consolidated statement of financial position in the countries where the Group's 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.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Current and deferred income tax and zakat (continued)
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 consolidated 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 the Group 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 consolidated 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.

2.21 Rounding of amounts
All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest thousand currency units unless otherwise stated.

2.22 Royalties
The Group 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 resource allocation and risk management by the chief operating decision makers. The chief operating decision makers assess the financial performance and position of the Group and makes strategic decisions. The chief operating decision makers consist of the chief executive officer, the chief financial officer and the chief operating officer.

2.24 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 consolidated 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 consolidated 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 consolidated statement of income.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated statement of financial position respectively.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.24 Basis of consolidation (continued)
(a) Subsidiaries (continued)
The consolidated financial statements comprises the consolidated financial statements of Americana Restaurants International PLC and its subsidiaries that were transferred to it by Kuwait Food Company (Americana) K.S.C.C.

The subsidiaries of Americana Restaurants International PLC were transferred to it under a capital reorganisation during the year ended 31 December 2022. The transfer is treated as a capital reorganisation under common control and the predecessor method of accounting and retrospective presentation is used.

(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 consolidated 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 consolidated statement of income.

2.25 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 ordinary shares outstanding after share split during the year ended 31 December 2022. 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 year ended 31 December 2021 by using the number of ordinary shares outstanding after share split as on 31 December 2022. Given the number of ordinary shares changed as a result of a share split, the calculation of basic and diluted earnings per share for all periods presented are adjusted retrospectively.

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 of Directors 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 the Group's 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. the Group's exposure to market risk arises from:

(i) Foreign exchange risk
The Group operates in various countries and undertakes transactions denominated in various currencies, other than the functional currency of each of the Group's entities. Foreign exchange risk arises from its future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Group 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 cash equivalents balances, trade and other receivables, trade and other payables and bank facilities.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

The Group 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"), The Group 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 financial statements for the year ended 31 December 2022.

Below is the sensitivity analysis for foreign exchange risk exposed under EGP.

At 31 December 2022, if the EGP had weakened/strengthened by 5% (2021: 5%) against the USD with all other variables held constant, the consolidated comprehensive income for the year would have been lower/higher by USD 596 thousand (2021: USD 720 thousand), mainly as a result of foreign exchange gains/losses on translation of EGP-denominated trade payables.

At 31 December 2022, if the EGP had weakened/strengthened by 5% (2021: 5%) against the USD with all other variables held constant, the consolidated comprehensive income for the year would have been higher/lower by USD 160 thousand (2021: USD 266 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 2022 and 2021.

(ii) Price risk

The Group 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.

The Group's 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.

(b) Credit risk

Credit risk is the risk that the Group 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 December 2022	31 December 2021
Cash and bank balances excluding cash on hand	**300,198**	169,687
Loan to a related party	**–**	64,000
Trade and other receivables*	**67,391**	60,046
Due from related parties	**237**	1,189
	367,826	294,922

* Trade and other receivables noted above exclude advances to suppliers and prepaid expenses. Advances to suppliers and prepaid expenses are primarily related to landlords where the Group occupies the premises as per the lease agreements. There is no official credit rating for trade and other receivables.

(i) Cash and cash equivalents

The Group 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 the Group which primarily range from Aa3 to B3 at the reporting date of which majority of the cash and cash equivalents are with investment grade banks.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(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 2022, and 31 December 2021 the expected credit loss allowance on loan to a related party and due from related parties was immaterial.

(c) 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.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining year at the consolidated 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 December 2022			
	Within 1 year	**1 year to 5 years**	**More than 5 years**	**Total**
Bank facilities	**18,592**	**–**	**–**	**18,592**
Lease liabilities	**163,260**	**263,285**	**61,186**	**487,731**
Trade and other payables (excluding value added tax payable and unearned income)	**369,647**	**–**	**–**	**369,647**
	551,499	**263,285**	**61,186**	**875,970**

	US Dollars'000 As on 31 December 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

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's 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, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2022

3 FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation
The 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 the Group 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 2022, 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 2022 is estimated to be USD 11,131 thousand (2021: USD 9,390 thousand) (refer to Note 9). There are no other assets and liabilities measured at fair value as at 31 December 2022 and 2021.

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 the Group for similar financial instruments. Other receivables and payables approximate their fair values.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS
The preparation of these consolidated 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 the Group 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, 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
The Group 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.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2022

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Critical judgements (continued)
Hyperinflation (continued)
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%
31 December 2022	**2019**	**1917**	**1,687%**

Whilst the impact of hyperinflation accounting is insignificant to the Group's consolidated financial statements, the Group's management has assessed the impact and adjusted for the effects of hyperinflation as set out below:

	31 December 2022 USD'000	31 December 2021 USD'000
Income statement		
Increase in revenue	4,223	4,889
Monetary (loss)/gain from hyper inflation	(1,521)	3,043
Reversal of impairment of non-financial assets	–	1,025
Increase in cost of revenues	(1,938)	(4,718)
Increase in selling and marketing expenses	(2,044)	(1,581)
Increase in general and administrative expenses	(117)	(1,100)
Others	1,041	(1,881)
Decrease in profit after tax	**(356)**	(323)

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 736,999 thousand as at 31 December 2022 (2021: USD 626,517 thousand). The reversal of impairment recognised in the consolidated income statement on these non-financial assets are as follows:

	31 December 2022 USD'000	31 December 2021 USD'000
Property and equipment (Note 5)	(59)	(1,356)
Right-of-use assets (Note 12)	24	292
Intangible assets (Note 7)	(11)	(115)
Total	(46)	(1,179)

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Critical accounting estimates and assumptions (continued)

Impairment of non-financial assets (continued)

The following table presents the Group's key assumptions and the effect of the sensitivity analysis on the consolidated statement of comprehensive income on those assumptions:

	Change in assumption	Headroom/(Impairment of non-financial assets) US Dollars'000 Year ended 31 December 2022		Year ended 31 December 2021	
Growth rate	+/-0.5%	–	–	94	(93)
Discount rate	+/-0.5%	–	–	(17)	18
EBITDA margin	+/-1.0%	–	–	135	(704)

Key assumptions used in value in use calculations for the year ended 31 December 2022 and 2021 are as follows:

CGUs impairment testing: Key assumptions 2022	GCC	Lower Gulf	North Africa	Others
Growth rate	4% – 6%	4% – 6%	5% – 18%	4% – 46%
Discount rate	11%	11% – 15%	13% – 17%	13% – 29%
Increase/decrease in EBITDA margin	2% – 4%	2% – 3%	2% – 12%	2% – 35%

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 EBITDA margin	2% – 3%	2% – 3%	1% – 7%	2% – 100%

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 31).

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.

Corporate allocations

In the preparation of these consolidated financial statements for the year ended 31 December 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 and included in the consolidated financial statements based on the most relevant allocation method that are considered to be reasonable for the purpose of these consolidated 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 change in expense allocated to the Group for the year ended 31 December 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

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Critical accounting estimates and assumptions (continued)

***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 31 December 2022 and 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. 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. Management have concluded not to include any extension or termination options in the IFRS 16 lease period on the basis that it is not reasonably certain to exercise the options given the options requires both parties mutually agreeing on renewed terms and conditions.

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	–	27,663	1,172	40,219	1,522	69,094	139,670
Disposals	(1,571)	(61,631)	(5,277)	(19,060)	(1,745)	(330)	(89,614)
Hyperinflation adjustment	3,061	3,762	4,256	2,468	133	–	13,680
Transfers	–	37,439	1,393	11,147	–	(61,825)	(11,846)
Foreign currency translation difference	(3,496)	(17,591)	(6,201)	(7,864)	(815)	(759)	(36,726)
As at 31 December 2022	17,089	440,016	84,731	296,991	14,890	27,145	880,862
Accumulated depreciation and impairment							
As at 1 January 2022	–	350,636	69,144	211,801	12,198	–	643,779
Charge for the year	–	34,355	3,437	20,011	1,490	–	59,293
Disposals	–	(60,556)	(3,228)	(18,208)	(1,734)	–	(83,726)
Hyperinflation adjustment	–	3,566	3,811	2,421	133	–	9,931
Transfers	–	250	–	(3)	–	–	247
Reversal of impairment	–	127	(58)	(128)	–	–	(59)
Foreign currency translation difference	–	(9,808)	(3,313)	(4,829)	(497)	–	(18,447)
As at 31 December 2022	–	318,570	69,793	211,065	11,590	–	611,018
Net book amount							
As at 31 December 2022	17,089	121,446	14,938	85,926	3,300	27,145	269,844

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 are pledged as security for a borrowing held by the Former Parent Company. There was no property and equipment pledged as security as on 31 December 2022.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2022

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 INVESTMENT PROPERTIES

	US Dollars'000	
	2022	2021
Balance as at 1 January	**9,341**	7,521
Transfers from property and equipment	**–**	2,454
Foreign currency translation difference	**(2,926)**	12
Depreciation	**(545)**	(646)
Balance as at 31 December	**5,870**	9,341

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 2022 and 2021. Based on such valuation, the fair value of the Group's investment at that date was determined at USD 19,972 thousand (2021: USD 31,958 thousand).

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2022

6 INVESTMENT PROPERTIES (continued)

The lease income recognised during the year ended 31 December 2022 is USD 3,611 thousand (2021: USD 2,764 thousand). Refer to Note 23. Minimum lease payments under non-cancellable operating leases of investment properties not recognised in the consolidated financial statements are receivable as follows:

	US Dollars'000	
	31 December 2022	31 December 2021
Within one year	**2,960**	2,868
Between 1 and 2 years	**2,234**	2,581
Between 2 and 3 years	**1,862**	2,151
Between 3 and 4 years	**1,117**	1,291
Between 4 and 5 years	**2,234**	2,581
Later than 5 years	**5,440**	4,302
	15,847	15,774

Revaluation of investment property (for disclosure purposes)

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
2022	**Sales rate**	**USD 1,491 per m²**	**An increase (decrease) of 1% would increase (decrease) the investment properties' fair value by USD 200 thousand.**
2021	Sales rate	USD 2,577 per m²	An increase (decrease) of 1% would increase (decrease) the investment properties' fair value by USD 320 thousand.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

7 INTANGIBLE ASSETS

	US Dollars'000		
	Franchise and agencies	Others	Total
Cost			
At 1 January 2022	81,520	9,455	90,975
Additions	8,192	–	8,192
Transfers	11,104	–	11,104
Hyperinflation adjustment	557	–	557
Disposals	(10,621)	–	(10,621)
Foreign currency translation difference	(3,683)	–	(3,683)
At 31 December 2022	87,069	9,455	96,524
Accumulated amortisation and impairment			
At 1 January 2022	47,355	997	48,352
Amortisation	7,105	–	7,105
Transfers	(45)	–	(45)
Disposals	(7,528)	–	(7,528)
Hyperinflation adjustment	454	–	454
Reversal of impairment	(11)	–	(11)
Foreign currency translation difference	(1,394)	–	(1,394)
At 31 December 2022	45,936	997	46,933
Net book value at 31 December 2022	41,133	8,458	49,591

	US Dollars'000		
	Franchise and agencies	Others	Total
Cost			
At 1 January 2021	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 1 January 2021	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 value 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.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

8 INVENTORIES

	US Dollars'000	
	31 December 2022	31 December 2021
Raw materials	132,131	69,528
Filling and packing materials	15,006	11,546
Other materials	13,973	12,879
Goods in transit	11,805	13,425
Spare parts	7,037	6,400
	179,952	113,778
Provision for obsolete, slow moving and defective inventories	(6,126)	(6,481)
	173,826	107,297

The cost of inventories recognised as an expense during the year was USD 760,322 thousand (2021: USD 623,720 thousand) (Note 24).

The movements in the provision for obsolete, slow moving and defective inventories are given below:

	US Dollars'000	
	2022	2021
Balance at 1 January	6,481	6,758
Net provision for slow moving items	1,860	1,387
Write-offs against provision for slow moving items	(1,643)	(1,271)
Reclassification	(105)	–
Foreign currency translation difference	(467)	(393)
Balance at 31 December	6,126	6,481

9 TRADE AND OTHER RECEIVABLES

	US Dollars'000	
	31 December 2022	31 December 2021
Trade receivable	29,325	26,800
Less: loss allowance	(1,315)	(1,856)
	28,010	24,944
Prepaid expenses	31,210	28,489
Advances to suppliers	5,009	5,499
Refundable deposits	19,524	18,627
Accrued income	5,703	5,304
Insurance receivables	692	752
Staff receivables	2,357	2,313
Others	11,105	8,106
	103,610	94,034

The Group has a broad base of customers with no concentration of credit risk within trade receivables at 31 December 2022 and 31 December 2021.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

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 December 2022	31 December 2021
Up to 3 months	28,154	25,044
3 to 6 months	243	561
Over 6 months	928	1,195
	29,325	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 928 thousand (2021: 100% amounting to USD 1,195 thousand).

Balances between 3 to 6 months had an expected credit loss allowance of 56% amounting to USD 136 thousand (2021: 27% amounting to USD 153 thousand). Balances up to 3 months had a expected credit loss allowance of 1% amounting to USD 251 thousand (2021: 2% amounting to USD 508 thousand)

Movement in the loss allowance on trade receivables during the year:

	US Dollars'000	
	2022	2021
Balance at 1 January	1,856	1,744
Charge during the year	248	1,454
Write-offs against the loss allowance on trade receivables	(582)	(1,319)
Reclassification	–	(26)
Foreign currency translation differences	(207)	3
Balance at 31 December	1,315	1,856

The other classes within trade and other receivables do not contain impaired assets and are not exposed to significant credit risk.

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

	US Dollars'000	
	31 December 2022	31 December 2021
UAE Dirham	9,153	8,563
Saudi Riyal	4,633	4,455
Egyptian Pound	3,207	5,316
Kuwaiti Dinar	3,512	4,151
US Dollar	100	54
Other	8,720	4,261
	29,325	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:

The Group 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"). The Group 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 the Group. As per the agreement, the loan notes are to be settled against the future cash flows (i.e., dividends) received from the investment of the Group. The Group 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, the Group 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.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

9 TRADE AND OTHER RECEIVABLES (continued)

Agreement with REEF Technology Inc and REEF SPV ME Holdings LLC: (continued)

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.

The Group has revalued the derivative financial instrument and estimated the fair value to be USD 11,331 thousand as at 31 December 2022 (2021: USD 9,390 thousand). The valuation methodology utilised is consistent with the prior year valuation, being the binomial lattice model with key assumptions as at 31 December 2022 being an expected life of 4 years (2021: 5 years), an asset volatility of 21% (2021: 22%), and a risk free interest rate of 4.11% (2021: 1.1%). The difference on revaluation is recorded in the consolidated statement of income.

10 CASH AND CASH EQUIVALENTS

	US Dollars'000	
	31 December 2022	31 December 2021
Cash on hand	4,362	4,309
Cash at banks	77,414	89,420
Short-term deposits with original maturity of 3 months or less	222,784	80,267
Cash and cash equivalents	304,560	173,996

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 consolidated statement of cash flows:

	US Dollars'000	
	31 December 2022	31 December 2021
Cash and cash equivalents	304,560	173,996
Less: Bank overdraft (Note 11)	(18,592)	(7,073)
Balances per consolidated statement of cash flows	285,968	166,923

11 BANK FACILITIES

	US Dollars'000	
	31 December 2022	31 December 2021
Short term		
Bank overdraft	18,592	7,073

Maturity of bank facilities are as follows:

	US Dollars'000	
	31 December 2022	31 December 2021
Within one year	18,592	7,073

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

12 LEASES

(i) Amounts recognized in the consolidated statement of financial position

	US Dollars'000				
	Building and Leasehold	Vehicles	Land	Key money	Total
Right of use assets					
Cost					
As at 1 January 2022	706,776	27,697	8,466	9,965	752,904
Additions	223,801	4,886	1	3,788	232,476
Hyperinflation adjustment	1,747	–	–	445	2,192
Disposal	(32,316)	(294)	(142)	(82)	(32,834)
Transfers	–	–	–	721	721
Foreign currency translation difference	(28,325)	(76)	(46)	(1,118)	(29,565)
As at 31 December 2022	871,683	32,213	8,279	13,719	925,894
Accumulated depreciation and impairment					
As at 1 January 2022	364,638	20,100	3,423	2,768	390,929
Charge for the year	142,837	6,572	1,186	2,171	152,766
Hyperinflation adjustment	1,121	–	–	445	1,566
Impairment charges	24	–	–	–	24
Disposal	(24,137)	(257)	(1)	(82)	(24,477)
Transfers	–	–	–	45	45
Foreign currency translation difference	(11,616)	(45)	(29)	(833)	(12,523)
As at 31 December 2022	472,867	26,370	4,579	4,514	508,330
Net book amount					
Balance as at 31 December 2022	398,816	5,843	3,700	9,205	417,564

The additions of right-of-use assets (excluding key money) is a non-cash activity.

	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 (excluding key money) is a non-cash activity.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

12 LEASES (continued)

(i) Amounts recognized in the consolidated statement of financial position (continued)

	31 December 2022 USD'000	31 December 2021 USD'000
Lease liabilities		
Non-current	274,603	248,136
Current	160,156	136,463
	434,759	384,599

(ii) Amounts recognised in the consolidated statement of income

	2022 USD'000	2021 USD'000
Finance costs on lease liabilities (Note 28)	21,517	20,713

	2022 USD'000	2021 USD'000
Other rent expenses		
Expense relating to short-term and low-value leases	34,781	45,481
Expense relating to variable lease payments not included in lease liabilities	14,586	11,437
	49,367	56,918

The Group recognised a gain on COVID-19 related rent concessions of USD 667 thousand for the year ended 31 December 2022 (2021: USD 6,978 thousand) under other income in the consolidated statement of income.

13 PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS

	Note	2022 USD'000	2021 USD'000
At 1 January		76,260	80,413
Current service cost	29	8,538	10,074
Interest expense	28	1,173	950
Total amount recognised in the consolidated statement of income		9,711	11,024
Remeasurement of employees' end of service benefits			
– changes in financial assumptions		(7,811)	(2,846)
– changes in experience/demographic assumptions		(768)	2,410
Total amount recognised in the consolidated statement of other comprehensive income		(8,579)	(436)
Payments		(10,686)	(13,535)
Transfer to staff accruals		–	(2)
Foreign currency translation differences		(320)	(1,204)
At 31 December		66,386	76,260

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 2022 and 31 December 2021, 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 the Group 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.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2022

13 PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS (continued)
Below is the maturity analysis of the expected benefit payments:

	US Dollars'000	
	31 December 2022	31 December 2021
Within one year	**17,124**	15,297
Between 2 and 5 years	**47,995**	46,722
Later than 5 years	**58,355**	69,226

Actuarial assumptions and sensitivity

	2022	2021
Average discount rate used	**5.25%**	1.95%
Average salary growth rate	**1.69%**	1.69%
Salary growth effective date during the year	**April – July**	April – July
Withdrawal rates per annum	**20 – 25%**	20%
Employee retirement age	**60**	60
Average duration	**3-4 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 2022**		31 December 2021	
Discount rate	+/-1.0%	**(2,152)**	**2,023**	(4,717)	1,312
Salary growth rate	+/-1.0%	**2,222**	**(2,376)**	1,448	(4,899)

14 TRADE AND OTHER PAYABLES

	US Dollars'000	
	31 December 2022	31 December 2021
Trade payables	**159,640**	126,543
Non-trade payables	**40,839**	40,250
Accrued expenses	**104,237**	95,944
Unearned income	**75,897**	71,303
Accrued staff benefits	**49,305**	46,903
Value added tax payable	**7,911**	6,006
Deposits	**2,636**	2,979
Other payables	**12,990**	12,593
	453,455	402,521

Analysed as follows:

	US Dollars'000	
	31 December 2022	31 December 2021
Current portion	**401,173**	352,326
Non-current portion*	**52,282**	50,195
	453,455	402,521

* 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.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2022

15 PROVISIONS FOR LEGAL, TAX AND OTHER CLAIMS

	US Dollars'000	
	31 December 2022	31 December 2021
Legal cases	**5,004**	9,430
Provision for termination and closure	**3,204**	5,060
Tax	**16,819**	13,781
Other provisions	**4,162**	3,791
	29,189	32,062

	2022 (USD'000)				
	Legal cases	**Provision for termination and closure**	**Tax**	**Other provisions**	**Total**
Balance as at 1 January 2022	**9,430**	**5,060**	**13,781**	**3,791**	**32,062**
Charged/(credited) to profit or loss					
Additional provisions recognised	**1,073**	**957**	**19,468**	**4,216**	**25,714**
Unused amounts reversed	**(1,611)**	**(965)**	**–**	**(1,535)**	**(4,111)**
Amounts used during the year	**(2,556)**	**(1,839)**	**(17,027)**	**(1,533)**	**(22,955)**
Foreign currency translation difference	**(195)**	**(9)**	**(272)**	**(440)**	**(916)**
Others	**(1,137)**	**–**	**869**	**(337)**	**(605)**
Balance as at 31 December 2022	**5,004**	**3,204**	**16,819**	**4,162**	**29,189**

	2021 (USD'000)				
	Legal cases	Provision for termination and closure	Tax	Other provisions	Total
Balance as 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 as 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 the Group 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 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 33). The other provisions also comprise of restructuring expenses and expected claims from external parties in relation to the Group's 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.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2022

16 TAX CLAIM CHARGES

The tax claim charges 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 year.

17 INCOME TAX, ZAKAT AND OTHER DEDUCTIONS PAYABLE

	31 December 2022 USD'000	31 December 2021 USD'000
Other taxes payable within one year comprise:		
Income Tax	5,193	6,018
Zakat	2,307	3,310
Income tax and zakat payable	7,500	9,328
Property and other taxes	13	829
Other taxes payable	5,542	2,457
Income tax, zakat and other deductions payable	13,055	12,614

The movement of income tax and zakat payable is as follows:

	2022 USD'000	2021 USD'000
At 1 January	9,328	5,553
Income tax and zakat of subsidiaries	8,743	14,651
Payments	(10,711)	(6,971)
Others	140	(3,905)
At 31 December	7,500	9,328

18 NON-CONTROLLING INTERESTS

	US Dollars'000	
	31 December 2022	31 December 2021
Balance as at 1 January	11,157	9,509
Share from net profit of the year	3,729	2,491
Other comprehensive income item:		
Foreign currency translation differences	32	48
Other changes in non-controlling interests:		
Effects of acquisition of additional shares in a subsidiary	(516)	(65)
Cash dividends paid by subsidiaries	(3,216)	(826)
Total other changes in non-controlling interests	(3,732)	(891)
Balance as at 31 December	11,186	11,157

19 SHARE CAPITAL

Initially 10,000 shares were issued in cash and 168,462,662 shares were issued through a share-for-share exchange for the transfer of the Restaurants Business from Kuwait Food Company (Americana) K.S.C.C. with nominal value of USD 1 each per share. On 28 July 2022, the number of authorised shares changed from 168,472,662 shares to 8,423,633,100 shares as a result of share split prior to the Group's IPO, resulting in the nominal value per share changing from USD 1.00 per share to USD 0.02 per share. On 29 August 2022, Kuwait Food Company (Americana) K.S.C.C. transferred its shareholding to Adeptio AD Investments Ltd. As at 31 December 2022, Americana Restaurants International PLC's authorised, issued and paid up capital is USD 168,472,662 comprising of 8,423,633,100 shares with nominal value of USD 0.02 per share.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2022

20 EARNINGS PER SHARE

Earnings	For the year ended 31 December 2022	For the year ended 31 December 2021
Earnings for the purpose of basic and diluted earnings per share (profit for the year attributable to ordinary equity holders of the parent) USD'000	259,226	203,917
Number of ordinary shares outstanding after share split	8,423,633,100	8,423,633,100
Basic and diluted earnings per share attributable to Shareholders of the Parent Company (USD)	0.03077	0.02421

21 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, the Group 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 December 2022	31 December 2021
Transactions with fellow subsidiaries		
Purchases of raw materials	117,784	107,168
Interest income from loan to a related party	670	1,502
Interest income from short-term deposits held with a related party*	3	–
Investment property rental income	320	383
Delivery and payment support	1,134	587
Key management personnel		
Short term employee benefits	6,578	4,656
Termination benefits	125	113
Board of Directors' remuneration	233	–

Due from related parties

		USD'000	
Name	Place of incorporation	31 December 2022	31 December 2021
Fellow subsidiaries under the Intermediate Parent Company:			
Americana Food Investment Group Company	UAE	–	457
Gulf Food Industries (California Garden)	UAE	–	68
Others		237	574
Entity controlled by a major shareholder:			
Nshmi Development LLC	UAE	–	90
		237	1,189

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2022

21 RELATED PARTIES TRANSACTIONS AND BALANCES (continued)
Due to related parties

Name	Place of incorporation	USD'000 31 December 2022	31 December 2021
Fellow subsidiaries under the Intermediate Parent Company:			
National Food Industries Co.	KSA	**6,380**	7,110
The International Co. for Agricultural development ('Farm Frites')	Egypt	**7,140**	6,261
Senyorita Co. for Food Industries	Egypt	**–**	2,551
Gulf Food Co. Americana LLC	UAE	**999**	2,295
Gulf Food Industries (California Garden)	UAE	**2,708**	1,467
Cairo Poultry Company	Egypt	**1,575**	1,213
Others		**9**	162
Division of the Former Parent Company:			
Kuwait Foods Divisions (Meat, Cake, Agencies)	Kuwait	**2,420**	2,282
Entities controlled by a major shareholder:			
Noon AD Holdings	UAE	**251**	274
Noon Payments Digital Limited	KSA	**14**	68
Barakat Vegetables and Fruits Co. LLC	UAE	**159**	–
Nshmi Development LLC	UAE	**186**	–
		21,841	23,683

***Cash and cash equivalents**
The Group has a short-term deposit of USD 10,600 thousand as on 31 December 2022 (2021: NIL) with original maturity of 3 months or less with a financial institution (Zand Bank PJSC), controlled by a major shareholder.

22 LOAN TO A RELATED PARTY

	US Dollars'000 31 December 2022	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 the Group) 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.

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 (USD 100,000 thousand) by Americana Foods Investments Group Company LLC.

23 REVENUES

	US Dollars'000 2022	2021
Food and beverage	**2,374,936**	2,048,983
Investment properties rental income	**3,611**	2,764
	2,378,547	2,051,747

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2022

24 COST OF REVENUES

	US Dollars'000 2022	2021
Cost of inventory (Note 8)	**760,322**	623,720
Staff costs (Note 29)	**130,104**	121,101
Royalties	**127,077**	105,773
Depreciation and amortisation	**78,886**	75,623
Rent (Note 30)	**17,482**	21,612
Others	**34,605**	22,522
	1,148,476	970,351

25 SELLING AND MARKETING EXPENSES

	US Dollars'000 2022	2021
Staff costs (Note 29)	**225,382**	207,772
Depreciation and amortisation	**121,860**	117,308
Advertisement and business development	**108,475**	89,828
Home delivery and transportation	**86,948**	76,493
Utilities and communication	**62,356**	62,040
Maintenance and other operating expenses	**55,528**	48,521
Rent (Note 30)	**21,535**	23,317
Others	**56,844**	54,324
	738,928	679,603

26 GENERAL AND ADMINISTRATIVE EXPENSES

	US Dollars'000 2022	2021
Staff costs (Note 29)	**108,375**	95,593
Depreciation and amortisation	**18,963**	15,698
Provision for tax and legal claims	**11,255**	14,557
Rent (Note 30)	**9,094**	8,965
Repairs and maintenance	**6,280**	5,867
Utilities	**5,277**	5,375
Professional and legal	**3,111**	4,146
Travel and accommodation	**1,972**	2,118
Office administrative	**2,039**	2,116
Loss on foreign exchange	**3,727**	2,905
Others	**22,960**	19,649
	193,053	176,989

27 DEPRECIATION AND AMORTISATION

	US Dollars'000 2022	2021
Property and equipment (Note 5)	**59,293**	58,607
Intangible assets (Note 7)	**7,105**	6,133
Right of use assets (Note 12)	**152,766**	143,243
Investment property (Note 6)	**545**	646
	219,709	208,629

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

28 FINANCE COST – NET

	US Dollars'000	
	2022	2021
Finance income	**3,639**	2,208
Finance costs on bank facilities	**1,894**	1,455
Finance costs on lease liabilities (Note 12)	**21,517**	20,713
Interest on employees' end of service benefit (Note 13)	**1,173**	950
Finance costs	**24,584**	23,118
Finance cost – net	**20,945**	20,910

29 STAFF COSTS

	US Dollars'000	
	2022	2021
Salaries and other benefits	**455,323**	414,392
End of service benefits (Note 13)	**8,538**	10,074
	463,861	424,466

Allocation of staff costs:

	US Dollars'000	
	2022	2021
Cost of revenues (Note 24)	**130,104**	121,101
Selling and marketing expenses (Note 25)	**225,382**	207,772
General and administrative expenses (Note 26)	**108,375**	95,593
	463,861	424,466

30 RENT

	US Dollars'000	
	2022	2021
Cost of revenues (Note 24)	**17,482**	21,612
Selling and marketing expenses (Note 25)	**21,535**	23,317
General and administrative expenses (Note 26)	**9,094**	8,965
Vehicle rent included under home delivery cost (Note 25)	**1,256**	3,024
	49,367	56,918

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

31 INCOME TAX, ZAKAT, AND CONTRIBUTION TO KFAS

	US Dollars'000	
	2022	2021
Current tax		
Current tax of subsidiaries on taxable profits for the year	**7,011**	10,666
Zakat of subsidiaries	**1,732**	3,985
Total income tax and zakat	**8,743**	14,651
KFAS	**–**	1,081
Income tax, zakat, and KFAS	**8,743**	15,732

The effective tax rate on 31 December 2022 is 3% (2021: 7%).

Provision for income tax is made in accordance with relevant tax laws and regulations of countries where the Group 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 33).

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 34.5%. A reconciliation between the expected and the actual taxation charge is provided below

	2022 USD'000	2021 USD'000
Profit before income tax, zakat, and KFAS	**271,698**	222,140
Theoretical tax charge at each subsidiaries' statutory rate	**9,036**	8,754
Tax effect of items which are not deductible or assessable for taxation purposes:		
– Income which is exempt from taxation	**(188,392)**	(55,502)
– Non-deductible expenses	**21,876**	26,224
– Income subject to withholding tax	**37,735**	28,475
– Carried forward losses	**(724)**	(2,721)
Taxable profit	**142,193**	218,616
Current tax of subsidiaries on taxable profits for the year	**7,011**	10,666
Zakat of subsidiaries	**1,732**	3,985
KFAS	**–**	1,081

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

32 SUBSIDIARIES

The Group's subsidiaries overall ownership structure as at 31 December 2022 is as reflected below. The subsidiaries were transferred to the Group during the year ended 31 December 2022 (Note 1):

Company's Name	Activity	Place of incorporation	Effective Ownership (%) As at 31 December 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%

33 CONTINGENT LIABILITIES, OPERATING AND CAPITAL COMMITMENTS

	US Dollars'000 31 December 2022	US Dollars'000 31 December 2021
Contingent liabilities		
Letters of guarantee	12,849	12,839

Taxes

The Group operates in several different countries, Note 32 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 Kingdom of Saudi Arabia and Arab Republic of Egypt as follows:

Arab Republic of Egypt:

The Group's operations in Egypt are subject to various types of taxes, especially income tax, sales tax, salary tax and others.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

33 CONTINGENT LIABILITIES, OPERATING AND CAPITAL COMMITMENTS (continued)

Taxes (continued)

Kingdom of Saudi Arabia:

The Group's operations are subject to Zakat in the Kingdom of Saudi Arabia.

The Group 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, The Group takes in consideration the contingent liabilities for the years that have not been inspected yet.

The tax claims and contingent tax liabilities, at the Group's level, are amounted to USD 373 thousand as at 31 December 2022 (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, the Group's management believes that the provisions made for this purpose are adequate and sufficient.

United Arab Emirates: Implementation of UAE Corporation Tax Law and application of IAS 12 Income Taxes in relation to the operations in the UAE

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax regime in the UAE. The Law was previously gazetted on 10 October 2022, becoming law 15 days later. The Corporate Tax regime will become effective for accounting periods beginning on or after 1 June 2023. Generally, UAE businesses will be subject to a 9% corporate tax rate, while a rate of 0% will apply to taxable income not exceeding a particular threshold to be prescribed by way of a Cabinet Decision (expected to be AED 375,000 based on information released by the Ministry of Finance). However, there are a number of significant decisions that are yet to be finalised by way of a Cabinet Decision, including the threshold mentioned above, that are critical for entities to determine their tax status and the amount of tax due. Therefore, pending such important decisions by the Cabinet, the Group has determined that the Law was not practically operational as at 31 December 2022, and so not enacted or substantively enacted from the perspective of IAS 12 – Income Taxes. The Group shall continue to monitor the timing of the issuance of these critical Cabinet Decisions to determine its tax status and the applicability of IAS 12 – Income Taxes. In relation to its operations in the UAE, the Group is currently in the process of assessing the possible impact on its consolidated financial statements, both from current and deferred tax perspective, once the Law becomes substantively enacted.

	US Dollars'000 31 December 2022	US Dollars'000 31 December 2021
Operating lease commitments – Lessee		
Less than one year	34,781	45,481
	34,781	45,481
Capital commitments		
Letters of credit	6,102	12,719
Projects in progress	9,209	13,896

34 FINANCIAL INSTRUMENTS BY CATEGORY

	US Dollars'000 31 December 2022	US Dollars'000 31 December 2021
Financial assets		
Financial assets at amortised cost		
Cash and cash equivalents (Note 10)	304,560	173,996
Loan to a related party (Note 22)	–	64,000
Trade and other receivables (excluding prepayments, advances to suppliers) (Note 9)	67,391	60,046
Due from related parties (Note 21)	237	1,189
	372,188	299,231
Financial assets at fair value		
Derivative financial instrument	11,331	9,390
	383,519	308,621
Financial liabilities		
Other financial liabilities at amortised cost		
Trade and other payables (excluding value added tax payable and unearned income) (Note 14)	369,647	325,212
Bank facilities (Note 11)	18,592	7,073
Lease liabilities (Note 12)	434,759	384,599
	822,998	716,884

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

35 NET DEBT RECONCILIATION

	US Dollars'000 31 December 2022	US Dollars'000 31 December 2021
Cash and cash equivalents (Note 10)	304,560	173,996
Bank facilities (Note 11)	(18,592)	(7,073)
Lease liabilities (Note 12)	(434,759)	(384,599)
Net debt	(148,791)	(217,676)

	US Dollars'000 31 December 2022	US Dollars'000 31 December 2021
Cash and cash equivalents	304,560	173,996
Net debt – variable interest rates	(453,351)	(391,672)
Net debt	(148,791)	(217,676)

	US Dollars'000 Liabilities from financing activities Leases	Other assets Cash/bank overdraft	Total
Net debt as at 1 January 2022	(384,599)	166,923	(217,676)
Foreign currencies translation differences	18,730	12,152	30,882
Others	(13,160)	–	(13,160)
Principal elements of lease payments	172,291	–	172,291
Gain on rent concessions	667	–	667
Acquisition of leases	(228,688)	–	(228,688)
Cash flows, net	–	106,893	106,893
Net debt as at 31 December 2022	(434,759)	285,968	(148,791)

	US Dollars'000 Liabilities from financing activities Leases	Other assets 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)

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

36 SEGMENT REPORTING

The Group is organized into operating segments based on geographical location. The results are reported to the top executive management in The Group. 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 consolidated 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 31 December USD'000		Intercompany transactions 31 December USD'000		Total 31 December USD'000	
	2022	2021	2022	2021	2022	2021
Revenues						
Major GCC	1,604,514	1,365,447	–	(1,433)	1,604,514	1,364,014
Lower Gulf	314,426	251,574	(52,761)	(32,906)	261,665	218,668
North Africa	294,661	273,601	–	–	294,661	273,601
Others	217,707	195,464	–	–	217,707	195,464
Total	2,431,308	2,086,086	(52,761)	(34,339)	2,378,547	2,051,747

	Reportable segments 31 December USD'000 2022	2021
Net profits		
Major GCC	251,268	179,560
Lower Gulf	22,360	16,225
North Africa	(26,217)	8,061
Others	28,014	21,199
Total	275,425	225,045
Unallocated:		
Income tax, zakat and other deductions	(8,743)	(15,732)
Losses of foreign exchange	(3,727)	(2,905)
Net profit for the year	262,955	206,408

31 December 2022 USD'000	Major GCC	Lower Gulf	North Africa	Others	Total
Assets	941,382	141,685	132,738	124,742	1,340,547
Liabilities	741,931	109,932	124,415	68,518	1,044,796

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

36 SEGMENT REPORTING (continued)

Below is the analysis of the revenue (before eliminations) and related non-current assets for the significant geographical locations:

	2022 USD'000			
	UAE	KSA	Kuwait	Egypt
Revenues	703,648	527,585	373,281	258,424
Non-current assets	197,298	191,575	107,247	65,183

	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

37 SUBSEQUENT EVENTS

On 22 February 2023, the Board of Directors proposed cash dividends of USD 0.0123 per share amounting to USD 103.5 million based on the results for the year ended 31 December 2022.

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