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

OFFER TO SUBSCRIBE FOR SHARES IN A FREE ZONE COMPANY IN A PUBLIC SUBSCRIPTION IN THE UAE ONLY

Prospectus for the Public Offering of Shares in

Spinneys 1961 Holding plc (Free Zone Company) (the "Company" or "Spinneys")

(a public company limited by shares incorporated in the Dubai International Financial Centre (the "DIFC") and subject to DIFC Law No. 5 of 2018 (as amended) and DIFC Companies Regulations 2018 (as amended) (together the "Companies Regulations")

Spinneys 1961 Holding PLC

Dated: 16 April 2024

This is the prospectus (the "**Prospectus**") for the sale of 900,000,000 (nine hundred million) ordinary shares with a nominal value of AED 0.01 each, representing 25% (twenty five per cent) of the total issued shares in the share capital of the Company (the "**Offer Shares**"), to be offered by the Company's sole shareholder namely; Al Seer Group LLC (the "**Selling Shareholder**") in a public subscription in the United Arab Emirates (the "**UAE**") only. The Selling Shareholder reserves the right to amend the size of the Offering and the size of any Tranche (as defined below) at any time prior to the end of the subscription period at its sole discretion, subject to the applicable laws of the UAE and the approval of the Securities and Commodities Authority in the UAE ("**SCA**" or the "**Authority**"). The offer price will be in AED and determined based on the offer price range (the "**Offer Price Range**"), which will be announced on the same day and before the opening of the Offer Period on 23 April 2024. The Offer Shares will be duly and validly issued as at the date of listing of the Shares (the "**Listing**") on the Dubai Financial Market (the "**DFM**").

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

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

The Company is not subject to UAE Federal Decree by Law No. 32 of 2021 concerning commercial companies (as amended) (the "**UAE Commercial Companies Law**" or "**CCL**"). The Authority is not responsible for the content of this Prospectus, or the information contained herein. The Company is subject to the DIFC Companies Regulations and other applicable rules and regulations in the DIFC. The DIFC Registrar of Companies ("**Registrar of Companies**") is responsible for the supervision and regulation of all public companies incorporated in the DIFC, including the Company, in relation to compliance with the Companies Regulations.

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

Offer Period

The Offer Period for the First Tranche, and the Second Tranche, (as described in this Prospectus) starts on 23 April 2024 and will close on 29 April 2024 for the First Tranche and on 30 April 2024 for the Second Tranche.

If all of the Offer Shares are subscribed for and allocated, and the Offer size is not increased, the Offer Shares will represent 25% (twenty five per cent) of the total issued ordinary shares in the capital of the Company (the "**Shares**") (this percentage has been calculated based on the total number of Shares in the share capital of the Company).The Selling Shareholder reserves the right to amend the size of the Offering and the size of any Tranche at any time prior to the end of the subscription period at its sole discretion, subject to the applicable laws of the UAE and the approval of the SCA. Prior to this Offering, the Shares have not been listed on any financial market and there has been no public market for the Shares. Following the closing of the Offer Periods in respect of the First Tranche, and the Second Tranche and accepting the subscription for Shares, the Company will apply to list its Shares on the DFM.

Date of the SCA's approval of publishing this Prospectus: 2 April 2024.

This Prospectus contains data that has been submitted in accordance with the rules for issuance and disclosure issued by the SCA in the United Arab Emirates and publishing this Prospectus has been approved by the SCA on 2 April 2024. However, the SCA's approval of publishing this prospectus does not constitute an endorsement of the feasibility of investment in the Offer Shares nor a recommendation to subscribe to the Offer Shares; the approval only confirms that this Prospectus contains the minimum information required in accordance with the applicable rules issued by the SCA with respect to prospectuses. The SCA is not responsible for the accuracy, completeness or adequacy of the information contained in this Prospectus and the SCA does not bear any responsibility for any damages or losses incurred by any person as a result of relying on this Prospectus or any part of it. The members of the Company's board of directors, jointly and severally, bear full responsibility regarding the validity of the information and data contained in this Prospectus, and they confirm, to the extent of their knowledge and belief, and subject to due diligence and after conducting reasonable enquiries, that there are no other facts or material information, which were not included in this Prospectus that renders any statement contained therein misleading to the Subscribers or which may influence their decision to invest.

Method of sale of the Offer Shares in a public subscription

The Offer Shares represent 900,000,000 (nine hundred million) Shares with a nominal value of UAE dirhams 0.01 for each share of the total issued shares in the Company's share capital, which will be sold by the Selling Shareholder and offered for subscription in a public offering whereby the Final Offer Price will be determined through the application of a book building process, where a subscription orders ledger will be created through the subscription orders made only by the Second Tranche Subscribers. The Selling Shareholder reserves the right to amend the size of the Offering and the size of any Tranche at any time prior to the end of the subscription period at its sole discretion, subject to applicable laws of the UAE and the approval of SCA.

In creating the subscription orders ledger, the Offer Shares subscribed by the Second Tranche Subscribers will constitute all of the Offer Shares used in calculating the Final Offer Price of each Offer Share. In order for the subscription to succeed, the subscription percentage of the Second Tranche Subscribers must not be less than 60%, and the subscription percentage of First Tranche Subscribers must not be more than 40% of the Offer Shares in aggregate.

If the First Tranche is not subscribed to in full, the remaining Offer Shares will be allocated to the Second Tranche. The Receiving Banks commit to refund the oversubscription amounts received from the First Tranche Subscribers for the Offering and any accrued profit on such amounts one day after the subscription closing until one day prior to the refund to the First Tranche Subscribers, provided that the refund is made within five working days from the date on which all allocations of Offer Shares to successful First Tranche Subscribers is determined.

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

Price Stabilisation Mechanism

In connection with the Offering, the Company and the Selling Shareholder will appoint BHM Capital Financial Services PJSC, a duly authorized price stabilisation manager by the DFM to act as a price stabilizing manager (the "**Stabilising Manager**"), who may, to the extent permitted by applicable law, including the DFM Module Three: Membership, Trading, and Derivatives Rules Booklet (the "**DFM Trading Rules**"), and for stabilisation purposes, effect stabilizing transactions with a view to supporting the market price of the Shares, in each case at a higher level than that which might otherwise prevail in the open market. The Stabilising Manager will be appointed for a time period commencing on the date of trading of the Shares on the DFM and ending no later than 30 days thereafter (the "**Stabilisation Period**"). All stabilizing transactions will be undertaken in compliance with the DFM Trading Rules. In accordance with Rule 14.7 of the DFM Trading Rules, the Stabilising Manager will disclose to the market the extent of any stabilizing transactions conducted in relation to the Offering.

As part of the Offering, the Selling Shareholder will sell a number of Shares not exceeding 10% of the Offer Shares (the **Stabilisation Shares**") and such shares will be allocated to investors as part of the normal allocation process for the Offering. If at any time during the Stabilisation Period, the share price of the Shares on the DFM falls below the Offer Price, the Stabilising Manager shall use the proceeds of the sale of the Stabilisation Shares to purchase from the market up to a number of Shares equivalent to the number of Stabilisation Shares at or below the Offer Price for the purpose of supporting the market price of the Shares. In the event the Stabilising Manager does not purchase any shares, the Stabilisation Shares will remain fully allocated. At the end of the Stabilisation Period, the Stabilising Manager will return to the Selling Shareholder the Stabilisation Shares which have been purchased in the market as a result of stabilising transactions and/or any remaining portion of the proceeds which were not used for stabilising transactions, as well as any interest/profit that has accumulated for the amounts corresponding to such proceeds.

Any Stabilisation Shares made available will rank pari passu in all respects with the Shares, including for all dividends and other distributions declared, made or paid on the Shares, will be purchased on the same terms and conditions as the Shares being issued or sold in the Offering and will form a single class for all purposes with the other Shares. None of the Joint Bookrunners or their respective directors, officers, employees or agents will have any direct or indirect involvement in, or responsibility or liability for, nor derive any direct or indirect benefit from, the stabilising transactions envisaged hereby and stabilisation will be carried out exclusively by the Stabilising Manager.

Book Building Mechanism

Book building is a mechanism pursuant to which the price is set prior to the Offering.

The book building process comprises these steps:

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

2. The appointed joint lead managers invite certain Professional Investors, normally, but not restricted to, large-scale sophisticated buyers and fund managers (and may also invite other Professional Investors), to submit bids on the number of shares that they are interested in buying and the prices that they would be willing to pay for such shares and recording the Professional Investors' opinions in the register specifically for recording the subscription orders for the shares offered.

3. The book is 'built' by listing and evaluating the aggregated demand for the issue from the submitted bids. The underwriters analyze the information and based on that analysis, determine with the Company and its Selling Shareholder the final price for the shares, which is termed the Final Offer Price.

4. Shares for submitted bids pertaining to the Second Tranche, are then allocated among the accepted bidders, at the discretion of the Company and the Selling Shareholder.

Listing Advisor

Emirates NBD Capital PSC has been appointed to be the Listing Advisor of the Company (in accordance with the requirements for that role as described in Article 33 (Second) (14) of the Offering Regulations) for a period of twelve (12) months from the date of Listing.

A list of further definitions and abbreviations is provided in the "**Definitions and Abbreviations**"

Section of this Prospectus.

Tranche Structure

A. First Tranche

The First Tranche offer will be made pursuant to this Prospectus, 5% (five per cent) of the Offer Shares, representing 45,000,000 (forty five million) Shares, are allocated to the First Tranche. Each successful Subscriber in the First Tranche will be guaranteed a minimum allocation of 2,000 Shares, the minimum guaranteed allocation of 2,000 Shares is subject to the total number of shares issued under the minimum guaranteed allocation not exceeding the tranche size, subject to the limits and conditions set out in this Prospectus. The First Tranche is restricted to the following persons:

- ***Individual Subscribers***

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

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

- ***Other investors***

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

All First Tranche Subscribers must hold a NIN with the DFM.

The Selling Shareholder reserves the right to amend the size of the First Tranche at any time prior to the end of the subscription period at its sole discretion, subject to the applicable laws of the UAE and the approval of the SCA, provided that the subscription percentage of the subscribers in the Second Tranche does not fall below 60% of the Offer Shares and the subscription percentage of the subscribers in the First Tranche does not exceed 40% of the Offer Shares in aggregate.

If all of the Offer Shares in the First Tranche are not fully subscribed, the unsubscribed Offer Shares will be available to Second Tranche Subscribers, or alternatively (in consultation with the SCA) the Selling Shareholder may (i) extend the Closing Date for the First Tranche and the Second Tranche, and/or (ii) close the Offering at the level of applications received.

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

There is no maximum application size for subscribers in this Tranche.

B. Second Tranche

The Second Tranche offer will be made pursuant to the Second Tranche Document and this Prospectus, 95% (ninety five per cent) of the Offer Shares, amounting to 855,000,000 (eight hundred fifty five) Shares, are allocated to the Second Tranche, which is restricted to "**Professional Investors**" (as defined in the SCA Board of Directors' Chairman Decision No.13/R.M of 2021 (as amended from time to time)), which specifically include those investors which can be categorised in the following manner:

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

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

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

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

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

  e. financial institutions;

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

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

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

  i. a trustee of a trust which has, during the past 12 months, assets of AED 35,000,000 or more;

  j. licensed family offices with assets of AED 15,000,000 or more;

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

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

     (i) holds total assets of AED 75,000,000 or more (excluding short-term liabilities and long-term liabilities);

     (ii) has a net annual revenue of AED 150,000,000 or more; or

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

- ***"Service-Based Professional Investors", which include:***

a. Any person conducting an activity involving the provision of credit facilities for commercial purposes for:

(i) an undertaking;

(ii) a person in control of an undertaking;

(iii) any member of the group to which the undertaking belongs; or

(iv) any joint investment venture in which the undertaking is a partner.

b. A person conducting credit facility and investment deal arrangement services in connection with structuring, financing, and companies.

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

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

a natural person who is:

(i) approved by the SCA or a similar supervisory authority;

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

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

(iv) represented by an entity licensed by the SCA;

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

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

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

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

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

d. an undertaking which satisfies the following requirements:

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

(ii) has sufficient knowledge and experience in respect of the relevant investments and their risks (following a suitability assessment); and

e. an undertaking which:

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

(ii) a holding or subsidiary company or

(iii) a joint venture partner that meets the definition of a Deemed Professional Investor or an Assessed Professional Investor,

who, in each case, has been approved by the Company and the Selling Shareholder, in consultation with the Joint Lead Managers (excluding HSBC Bank Middle East Limited in connection with any Offering to natural persons) and to which the following characteristics apply: (a) a person outside the United States to whom an offer can be made in reliance on Regulation S under the US Securities Act; (b) a person in the DIFC to whom an offer can be made in accordance with the Markets Rules (MKT) Module of the DFSA Rulebook, and made only to persons who meet the "Deemed Professional Client" criteria set out in the Conduct of Business (COB) Module of the DFSA Rulebook and who are not natural persons; or (c) a person in the ADGM to whom an offer can be made in accordance with the Financial Services Regulatory Authority (the "**FSRA**") Financial Services and Markets Regulations (the "**FSMR**") and the FSRA Market Rules and made only to persons who are Professional Clients' as defined in the ADGM Conduct of Business Rulebook.

All Second Tranche Subscribers must hold a NIN with the DFM.

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

The minimum application size for the Second Tranche Subscribers is AED 5,000,000 (five million UAE dirhams). There is no maximum application size for the Second Tranche Subscribers.

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

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

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

A copy of the offering document for the Second Tranche (in English only), referred to as the "**Second**

Tranche Document", which was not sighted or endorsed by the Authority, will be available at www.spinneys.com / www.ipo.spinneys.com. No information contained in, or referred to in, the Second Tranche Document, forms part of, or is incorporated into this Prospectus.

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

This Prospectus was issued on 16 April 2024

This Prospectus is available on the website of the Company at www.spinneys.com / www.ipo.spinneys.com

Name and Contact Details of the Offer Participants

JOINT LEAD MANAGERS

Emirates NBD Capital PSC

1st Floor, Emirates NBD Head Office Building
Baniyas Road, Deira

P.O Box 2336

Dubai, United Arab Emirates

Tel: +971 4 201 2940

HSBC Bank Middle East Limited

HSBC Tower, Floor 18, Downtown Dubai

P.O. Box 66

Dubai, United Arab Emirates

Tel: +971 6 005 67004

EFG Hermes UAE LLC

Office 106, The Offices 3

One Central, DWTC, Dubai, UAE

P.O. Box 112736

Telephone: +971 4 3634000

LEAD RECEIVING BANK

Emirates NBD Bank PJSC

Headquarters

Baniyas Road, Deira

P.O Box 777

Dubai, United Arab Emirates

Tel: +971 4 316 0018

RECEIVING BANKS

As per the list of banks attached in Annex (3) to this Prospectus.

Listing Advisor

Emirates NBD Capital PSC

1st Floor, Emirates NBD Head Office Building Baniyas Road, Deira

P.O Box 2336

Dubai, United Arab Emirates

Tel: +971 4 2012940

IPO SUBSCRIPTION LEGAL COUNSEL

Legal advisor to the Company as to English and U.S. law

White & Case LLP

6th Floor, Burj Daman, Al Mustaqbal St.

Dubai International Financial Centre

P.O. Box 9705

Dubai, United Arab Emirates

Legal advisor to the Company as to UAE and DIFC law

IBRAHIM & PARTNERS

24th Floor, Al Sila Tower, ADGM Square

E-mail: Info@inp.legal

P.O. Box 5100746

Abu Dhabi, United Arab Emirates

Tel: (+971) 2 694 8668

Legal advisor to the Joint Lead Managers as to English, U.S., and DIFC law

Linklaters LLP

Level 12, ICD Brookfield Place

Al Mustaqbal Street, Dubai International Financial Centre

P.O. Box 506516

Dubai, United Arab Emirates

Tel: +971 4 369 5800

Linklaters LLP

One Silk Street

EC2Y 8HQ, London

United Kingdom

Independent Auditors of the Company

Ernst & Young – Middle East (Dubai Branch)

ICD Brookfield Place, Al Mustaqbal Street

Dubai International Financial Centre

P.O. Box 9267

Dubai, United Arab Emirates

Tel: +971 4 332 4000

IPO Subscription Auditors

Ernst & Young – Middle East (Dubai Branch)

ICD Brookfield Place, Al Mustaqbal Street

Dubai International Financial Centre

P.O. Box 9267

Dubai, United Arab Emirates

Tel: +971 4 332 4000

Investor Relations

Jean Jacque van Zyl

Email: ir@spinneys.com

Address: Spinneys Head Office, 1st Floor, Nad Al Sheba First, Meydan

Dubai, United Arab Emirates

Tel: +971 54 583 5776

This Prospectus is available on the website of the Company at www.spinneys.com / www.ipo.spinneys.com

The publication of this Prospectus was approved on 2 April 2024.

IMPORTANT NOTICE

(To be carefully read by all Subscribers)

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

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

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

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

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

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

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

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

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

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

The publication of this Prospectus was approved on 2 April 2024.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

General

No representation or warranty, express or implied, is made and no responsibility or liability is accepted by any person other than the Company, as to the accuracy, completeness, verification or sufficiency of the information contained herein, and nothing in this Prospectus may be relied upon as a promise or representation in this respect, as to the past or future. No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by the Company. The delivery of this Prospectus shall not, under any circumstances, create any implication that there has been no change in the business or affairs of the Company since the date of this Prospectus or that the information contained herein is correct as of any time subsequent to its date.

The contents of this Prospectus are not to be construed as legal, business or tax advice.

Historical financial information

The historical financial statements included in this Prospectus are:

- The Group's audited consolidated financial statements as of and for the years ended 31 December 2023, 2022, and 2021 (the "**Annual Financial Statements**"). The Annual Financial Statements have been prepared in accordance with the requirements of International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board.

Currency presentation

Unless otherwise indicated, all references in this document to:

"**UAE dirham**" or "**AED**" are to the lawful currency of the United Arab Emirates; and

"**US dollar**" or "**USD**" are to the lawful currency of the United States of America.

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

Rounding

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

FORWARD-LOOKING STATEMENTS

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

These forward-looking statements and other statements contained in this Prospectus regarding matters that are not historical facts as of the date of this Prospectus involve predictions. No assurance can be given that such future results will be achieved. There is no obligation or undertaking to update these forward-looking statements contained in this Prospectus to reflect any change in their expectations or any change in events, conditions, or circumstances on which such statements are based unless required to do so: (i) as a result of an important change with respect to a material point in this Prospectus; or (ii) by applicable laws of the UAE.

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

IMPORTANT INFORMATION

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

Recipients of this Prospectus are authorized solely to use this Prospectus for the purpose of considering making an investment in the Offer Shares, and may not reproduce or distribute this Prospectus, in whole or in part, and may not use any information herein for any purpose other than considering an investment in the Offer Shares. Such recipients of this Prospectus agree to the foregoing by accepting delivery of this Prospectus. Prior to making any decision as to whether to invest in the Offer Shares, prospective Subscribers should read this Prospectus in its entirety (and, in particular, the section headed "**Investment Risks**") as well as the Articles of Association of the Company. In making an investment decision, each Subscriber must rely on their own examination, analysis and enquiry of the Company and the terms of the Offering, including the merits and risks involved.

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

No person or Advisor, except the Joint Lead Managers and the Receiving Banks set out on pages 10, 11 and 12, are participating in, receiving subscription funds from, or managing, the public offering of the Offer Shares in the UAE. Neither HSBC Banks Middle East Limited nor any of its respective affiliates is responsible for participating in, marketing or managing any aspect of the Offering to natural persons (including natural persons constituting Assessed Professional Investors).

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

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

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

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

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

Emirates NBD Capital PSC has been appointed as listing advisor ("**Listing Advisor**") and Emirates NBD Capital PSC, HSBC Bank Middle East Limited, and EFG Hermes UAE LLC have been appointed as joint lead managers (the "**Joint Lead Managers**"), each of whom is licensed by the SCA on 10 October 2018, and 29 November 2017, and 5 November 2017 respectively, and will manage the issuance, marketing and promotion of the Offer Shares and coordinate with the Company, the SCA and the other Offer Participants with regard to the offering of the Offer Shares in the UAE. Emirates NBD Bank PJSC has also been appointed as the lead receiving bank (the "**Lead Receiving Bank**") and, in its capacity as such, is responsible for receiving the subscription amounts set out in this Prospectus in accordance with the rules and laws applicable in and within the UAE under the First Tranche, and the Second Tranche.

Each of the Offer Participants shall be liable for its participation in the Offering process, including the Selling Shareholder and the Board members, with regard to the validity of the information contained in this Prospectus within the limits of the scope of work and expertise of each Offer Participant. Neither HSBC Bank Middle East Limited nor any of its affiliates are participating in receiving the subscription funds or bookrunnings or otherwise participating in, or managing, any aspect of the Offering to natural persons (including natural persons constituting Assessed Professional Investors).

Emirates NBD Capital PSC, HSBC Bank Middle East Limited, EFG Hermes UAE LLC and a syndicate of regional and international banks have been appointed as joint bookrunners (the "**Joint Bookrunners**").

The Joint Lead Managers are acting exclusively for the Selling Shareholder and no one else in connection with the Offer and will not regard any other person (whether or not a recipient of this Prospectus) as a client to any of the Offer Participants in relation to the Offer. In accordance with Article 121 of the Federal Decree-Law No. 23 concerning Commercial Companies ("**Companies Law**"), the Advisors and the Offer Participants and their representatives shall act with due care, and each of them shall be liable to perform his duties.

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

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

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

In making an investment decision, each potential Subscriber must rely on its own examination and analysis, having reviewed the information contained in this Prospectus (in its entirety) that has been provided by the Selling Shareholder and the Board members of the Company whose names are set out in this Prospectus.

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

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

Apart from the responsibilities and liabilities, if any, which may be imposed on any of the Joint Lead Managers, or the Joint Bookrunners under the regulatory regime of any jurisdiction where the exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, none of the Joint Lead Managers, Joint Bookrunners and their respective subsidiary undertakings and affiliates and their (or their subsidiary undertakings' or affiliates') respective directors, officers, employees or agents accepts any responsibility whatsoever or makes any representation or warranty, express or implied, as to the accuracy, completeness or verification of the contents of this Prospectus or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Offer Shares or the Offering and nothing in this Prospectus should be relied upon as a promise or representation in this respect, whether or not to the past or future. Each of the Joint Lead Managers, the Joint Bookrunners and their respective subsidiary undertakings and affiliates and their (or their subsidiary undertakings' or affiliates') respective directors, officers, employees or agents accordingly disclaims all and any responsibility or liability whatsoever which it might otherwise have in respect of this Prospectus or any such statement or the public offering of the Offer Shares in the UAE generally. The Board of the Company in its entirety whose names are set out in this Prospectus assume joint and several responsibility for the completeness, accuracy and verification of the contents of this Prospectus. They declare that, they have carried out appropriate due diligence investigations, that the information contained in this Prospectus is, at the date hereof, factually accurate, complete and correct and that there is no omission of any information that would make any statement in this Prospectus materially misleading. In accordance with Article 121 of the Companies Law, the Advisors and the Offer Participants and their representatives shall act with due care, and each of them shall be liable to perform his duties.

The publication of the Prospectus was approved by the SCA on 2 April 2024.

Definitions and Abbreviations

ADGM	Abu Dhabi Global Market.
AED or UAE Dirham	The lawful currency of the United Arab Emirates.
Articles of Association	The articles of association of the Company, as set out in Annex 2.
Annual Financial Statements	The Group's audited consolidated financial statements as of and for the years ended 31 December 2023, 2022 and 2021 and the related notes thereto.
Authority or SCA	The Securities and Commodities Authority of the United Arab Emirates.
Board or Board of Directors	The board of directors of the Company.
Financial Statements	The Annual Financial Statements which are listed in Annex 1 of this Prospectus.
Closing Date	29 April 2024 for the First Tranche and 30 April 2024 for the Second Tranche.
Companies Regulations	DIFC Law No. 5 of 2018 (as amended); and DIFC Companies Regulations 2018 (as amended).
Company or Spinneys	Spinneys 1961 Holding plc, a public company limited by shares incorporated in the DIFC pursuant to the Companies Regulations.
Corporate Tax Law	Federal Decree-Law No. (47) of 2022 on the Taxation of Corporations and Businesses.
DFM	Dubai Financial Market.
DFSA	Dubai Financial Services Authority.
DIFC	Dubai International Financial Centre.
Directors	The Executive Board Members and the Non-Executive Board Members.
Electronic Applications	Applications via online banking / mobile banking / FTS and ATMS as provided by the Receiving Banks and DFM to the First Tranche Subscribers.

Final Offer Price	The offer price at which all the Subscribers in the First Tranche, and the Second Tranche will purchase each Offer Share will be at the Final Offer Price. The Final Offer Price of each Offer Share will be determined following a bookbuild process for the Second Tranche and following consultation between the Joint Lead Managers, the Company and the Selling Shareholder. The shares of the Second Tranche Subscribers must represent all of the Offer Shares used to calculate the Final Offer Price of each Offer Share. Following closing of the Second Tranche, the Company will publish an announcement setting out the Final Offer Price (the "**Offer Price Announcement**"), on the following website: www.spinneys.com / www.ipo.spinneys.com
Financial year	The financial year of the Company starts on January 1 and ends on December 31 of each year.
First Tranche	The Offering of the Offer Shares in the UAE to First Tranche Subscribers.
First Tranche Subscribers	Individual Subscribers and other investors (including natural persons, companies and establishments) who do not participate in the Second Tranche and who hold a NIN with the DFM and have a bank account.
Free Zone	A designated and defined geographic area within the UAE that is specified in a decision issued by the Cabinet at the suggestion of the Minister.
Free Zone Person	A juridical person incorporated, established or otherwise registered in a Free Zone, including a branch of a Non-Resident Person registered in a Free Zone.
FSMR	Financial Services and Markets Regulations 2015.
FSRA	ADGM Financial Services Regulatory Authority.
FTA	Federal Tax Authority in the UAE.
FTS Fund Transfer Mode or FTS	UAE Central Bank Fund Transfer mode.
GCC	Gulf Cooperation Council countries comprising the United Arab Emirates, Kingdom of Saudi Arabia, Sultanate of Oman, State of Qatar, State of Kuwait and Kingdom of Bahrain.
Governance Rules	The Chairman of the SCA's Board of Directors' Decision No. (3/R.M) of 2020 Concerning Approval of Joint Stock

	Companies Governance Guide (as amended from time to time).
Group, our, us or we	The Company and its subsidiaries.
IFRS	International Financial Reporting Standards, as issued by the International Accounting Standards Board.
Individual Subscribers	Natural persons who hold a NIN with the DFM and have a bank account (including natural persons constituting Assessed Professional Investors who do not participate in the Second Tranche). There are no citizenship or residence requirements.
Joint Bookrunners	Emirates NBD Capital PSC, HSBC Bank Middle East Limited, EFG Hermes UAE LLC and a syndicate of regional and international banks.
Joint Lead Managers	Emirates NBD Capital PSC; HSBC Bank Middle East Limited; and EFG Hermes UAE LLC.
Lead Receiving Bank	Emirates NBD Bank PJSC.
Listing	The listing of the Shares to trading on the DFM.
Listing Advisor	Emirates NBD Capital PSC.
Manager's Cheque	Certified bank cheque drawn on a bank licensed and operating in the United Arab Emirates.
Maximum Investment	No maximum subscription in Offer Shares has been set.
MENA	Middle East and North Africa.
Minimum Investment	The minimum subscription for Offer Shares in the First Tranche has been set at AED 5,000, with any additional investment to be made in increments of at least AED 1,000. The minimum subscription for Offer Shares in the Second Tranche has been set at AED 5,000,000 (see the section on "**Subscription Amounts**" in the first section of this Prospectus for further details).
NIN	A unified investor number that a Subscriber must obtain from DFM for the purposes of subscription.
Non-Executive Directors	The non-executive Directors of the Company.

Non-Resident Person	The Taxable Person specified in Clause 4 of Article 11 of the CT Law of Federal Decree No. (47) of 2022.
Offer Participants	The entities listed on pages 10, 11 and 12 of this Prospectus.
Offer Period	The subscription period for the First Tranche starts on 23 April 2024 and will close on 29 April 2024. The subscription period for the Second Tranche starts on 23 April 2024 and will close on 30 April 2024.
Offer Price Range	The Offer Shares are being offered at an offer price range in AED that will be published on the first business day and before opening of the Offer Period.
Offer Shares	900,000,000 (nine hundred million) Shares which will be sold by the Selling Shareholder in a public subscription process. The Selling Shareholder reserves the right to amend the size of the Offering and the size of each tranche at any time prior to the end of the subscription period at its sole discretion, subject to the applicable laws and the SCA's approval.
Offering or Offer	The public subscription of 900,000,000 (nine hundred million) of the ordinary shares with a nominal value of AED 0.01 representing 25% of the total issued shares in the Company which are being offered for sale by the Selling Shareholder. The Selling Shareholder reserves the right to amend the size of the Offering and the size of each Tranche at any time prior to the send of the subscription period at its sole discretion, subject to applicable laws of the UAE and the SCA's approval.
Offering Regulations	SCA Chairman of the Board Resolution No. (11/R.M) of 2016 on the Regulations for Issuing and Offering Shares of Public Joint Stock Companies, as amended.
Professional Client	Persons who meet the Professional Client criteria set out in Rule 2.3.2 of the DFSA Conduct of Business Module.
Professional Investors	**Professional Investors**" (as defined in the SCA Board of Directors' Chairman Decision No.13/R.M of 2021 (as amended from time to time)), which specifically include those investors which can be categorised in the following manner: • ***"Deemed Professional Investors" which include:*** a. international corporations and organisations whose members are state, central banks or national monetary authorities;

	b. governments, government institutions, their investment and non-investment bodies and companies wholly owned by them; c. central banks or national monetary authorities in any country, state or legal authority; d. capital market institutions licensed by the SCA or regulated by a supervisory authority equivalent to the SCA; e. financial institutions; f. regulated financial institutions, local or foreign mutual investment funds, regulated pension fund management companies and regulated pension funds; g. any entity whose main activity represents investment in financial instruments, asset securitisation or financial transactions; h. any company whose shares are listed or accepted to trade in any market of an IOSCO member country; i. a trustee of a trust which has, during the past 12 months, assets of AED 35,000,000 or more; j. licensed family offices with assets of AED 15,000,000 or more; k. joint ventures and associations which have or had, at any time during the past two years, net assets of AED 25,000,000 or more (excluding partner and shareholder loans); l. a body corporate who fulfils (on the date of its last financial statements) a "large undertaking" test, whereby it fulfils at least two of the following requirements: i. holds total assets of AED 75,000,000 or more (excluding short-term liabilities and long-term liabilities); ii. has a net annual revenue of AED 150,000,000 or more; or iii. has an aggregate total of cash and investments on its balance sheet of; or its total equity (after deducting paid up share capital) is, not less than AED 7,000,000. • ***"Service-Based Professional Investors", which include:*** **a. Any person conducting an activity involving the provision of credit facilities for commercial purposes for:**

	i. an undertaking; ii. a person in control of an undertaking; iii. any member of the group to which the undertaking belongs; or iv. any joint investment venture in which the undertaking is a partner. **b. A person conducting credit facility and investment deal arrangement services in connection with structuring, financing, and companies.** • ***"Assessed Professional Investors" which include:*** **f. A natural person who owns net assets, excluding the value of their main residence, of not less than AED 4,000,000 (a "HNWI");** **a natural person** who is: i. approved by the SCA or a similar supervisory authority; ii. an employee of a licensed entity or a regulated financial institution who has been employed for the past two years; iii. assessed to have sufficient knowledge and experience in respect of the relevant investments and their risks (following a suitability assessment); or iv. represented by an entity licensed by the SCA; **g. A natural person (the "account participant") with a joint account for investment management with a HNWI (the "main account holder"), provided that each of the following conditions are satisfied:** i. the account participant must be an immediate or second degree relative of the main account holder; ii. the account is used to manage the investments of the main account holder and their subscribers; and iii. written confirmation is obtained from the subscriber (i.e. the account participant) confirming that investment decisions relating to the joint investment account are made on their behalf by the main account holder; **h. Special purpose vehicles and trusts established for the purpose of managing an investment portfolio of assets for a HNWI;**

	i. An undertaking which satisfies the following requirements: i. maintains an aggregate total of cash and investments on its balance sheet of; or its total equity (after deducting paid up share capital) is, not less than AED 4,000,000; and ii. has sufficient knowledge and experience in respect of the relevant investments and their risks (following a suitability assessment); and **j. An undertaking which:** i. it has a controller (e.g. a person controlling the majority of the shares or voting rights in the relevant undertaking or possesses the ability to appoint or remove the majority of the relevant undertaking's board of directors), ii. a holding or subsidiary company or iii. a joint venture partner that meets the definition of a Deemed Professional Investor or an Assessed Professional Investor who, in each case, has been approved by the Company and the Selling Shareholder, in consultation with the Joint Lead Managers (excluding HSBC Bank Middle East Limited in connection with any offering to natural persons) and to which the following characteristics apply: (a) a person outside the United States to whom an offer can be made in reliance on Regulation S under the US Securities Act; (b) a person in the DIFC to whom an offer can be made in accordance with the Markets Rules (MKT) Module of the DFSA Rulebook, and made only to persons who meet the "Deemed Professional Client" criteria set out in the Conduct of Business (COB) Module of the DFSA Rulebook and who are not natural persons; or (c) a person in the ADGM to whom an offer can be made in accordance with the Financial Services Regulatory Authority (the "**FSRA**") Financial Services and Markets Regulations (the "**FSMR**") and the FSRA Market Rules and made only to persons who are Professional Clients' as defined in the ADGM Conduct of Business Rulebook.
Receiving Banks	The list of banks attached in Annex 3 of this Prospectus.
Registrar of Companies	DIFC Registrar of Companies (ROC), established pursuant to the Operating Law DIFC Law No.7 of 2018, that is responsible for all matters related to the incorporation and registration of entities in DIFC.

Regulation S	Regulation S under the US Securities Act.
Resident Person	The Taxable Person specified in Clause 3 of Article 11 of the CT Law.
Second Tranche	The offer of Offer Shares to Second Tranche Subscribers made under this Prospectus and the Second Tranche Document.
Second Tranche Document	The Second Tranche offer document has been drafted in a specific manner to be addressed only to Professional Investors for the Second Tranche and in compliance with the laws and regulations of the relevant competent jurisdictions and acceptable to such jurisdictions, and it has not been reviewed, endorsed or approved by the SCA, and the offer document does not form part of this Prospectus and the information contained therein does not form part of this Prospectus. The offer document for the Second tranche which will be available at: www.spinneys.com / www.ipo.spinneys.com
Second Tranche Subscribers	Professional Investors.
Selling Shareholder	Al Seer Group LLC
Shareholder	Holder of Shares in the capital of the Company.
Shares	The ordinary shares of the Company with a nominal value of AED 0.01 each.
SMS	Short Message Service.
Subscriber	A natural or juridical applicant, in either case who applies for subscription in the Offer Shares.
Taxable Persons	A Resident Person or a Non-Resident Person.
Tranche	The First Tranche or the Second Tranche.
UAE	United Arab Emirates.
UAE Central Bank	The central bank of the United Arab Emirates.
UK	The United Kingdom of Great Britain and Northern Ireland.
UK Bribery Act of 2010	The UK Bribery Act of 2010 covering offences relating to bribery and for connected purposes.

Underwriting Agreement	The underwriting agreement among the Selling Shareholder, the Company and the Joint Bookrunners.
United States or US	The United States of America, its territories and possessions, any State of the United States of America, and the District of Columbia.
US Securities Act	The US Securities Act of 1933, as amended.
VAT	Value added tax.

First Section: Subscription Terms and Conditions

Key details of Offer Shares for sale to the public

- **Name of the Company:** Spinneys 1961 Holding plc (Free Zone Company)

- **Commercial license of the Company:** CL7699

- **Company head office:** Unit 813B, Level 8, Liberty House, Dubai International Financial Centre, Dubai, United Arab Emirates, United Arab Emirates

- **Share capital**: The share capital of the Company as at the date of this Prospectus has been set at AED 36,000,000 divided into 3,600,000,000 Shares paid-in-full, with the nominal value of each Share being AED 0.01.

- **Percentage, number and type of the Offer Shares:** 900,000,000 (nine hundred million) Shares, all of which are ordinary shares, all Shares are of the same class and shall carry equal voting rights and shall rank pari passu in all other rights and obligations, and which constitute 25% of the Company's issued share capital (this percentage has been calculated based on the total number of Shares in the capital as at the Listing date).

- **Offer Price Range per Offer Share:** The Offer Price Range will be in UAE dirhams and will be announced on the same day and before the start of the Offer Period on 23 April 2024.

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

  - **First Tranche:** The First Tranche of the Offering will be open to First Tranche Subscribers as described on the cover page of this Prospectus and the "**Definitions and Abbreviations**" section of this Prospectus. All Subscribers in the First Tranche must hold a NIN with DFM and a bank account number. 5% (five per cent) of the Offer Shares, representing 45,000,000 (forty five million) Shares are allocated to the First Tranche. The Selling Shareholder reserves the right to amend the size of the First Tranche at any time prior to the end of the subscription period at its sole discretion, subject to the approval of the SCA, provided that the subscription percentage of the Subscribers in the Second Tranche does not fall below 60% of the Offer Shares and the subscription percentage of the Subscribers in the First Tranche does not exceed 40% of the Offer Shares in aggregate.

  - **Second Tranche:** The Second Tranche of the Offering will be open to Second Tranche Subscribers as described on the cover page of this Prospectus and the "Definitions and Abbreviations" section of this Prospectus. All Subscribers in the Second Tranche must hold a NIN with DFM. 95% (ninety five per cent) of the Offer Shares, representing 855,000,000 (eight hundred fifty five million) Shares are allocated to the Second Tranche. The Selling Shareholder reserves the right to amend the size of the Second Tranche at any time prior to the end of the subscription period at its sole discretion, subject to the applicable laws of the UAE and the approval of SCA, provided that the subscription percentage of the Subscribers in the Second Tranche does not fall below 60% of the Offer Shares and the subscription percentage of the Subscribers in the First Tranche does not exceed 40% of the Offer Shares in aggregate.

- **Public subscription in the Offer Shares is prohibited as follows:**

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

- **Minimum Investment:**

  The minimum subscription in Offer Shares in the First Tranche has been set at AED 5,000 (five thousand UAE dirhams) with any additional investment to be made in AED 1,000 (one thousand UAE dirhams) increments. The minimum subscription for Offer Shares in the Second Tranche has been set at AED 5,000,000 (five million UAE dirhams).

- **Maximum Investment:**

  No maximum subscription in Offer Shares has been set.

- **Subscription by Selling Shareholder:**

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

- **Lock-up period:**

  Pursuant to an underwriting agreement to be entered into between the Company, the Selling Shareholder and the Joint Lead Managers prior to the date of Listing (the "**Underwriting Agreement**"), the Shares held by the Selling Shareholder following Listing shall be subject to a lock-up which starts on the date of Listing and ends 180 days thereafter.

- **Reasons for the Offering and Use of Offer Proceeds:**

  The net proceeds generated by the Offering (after base fees and discretionary fees are paid) will be received by the Selling Shareholder. The Group will not receive any proceeds from the Offering other than reimbursement from the Selling Shareholder for any expenses relating to the Offering. All expenses of the Offering (including base fees and any discretionary fees) will be borne by the Selling Shareholder. The Offering is being conducted, among other reasons, to allow the Selling Shareholder to sell part of its shareholding, while providing increased trading liquidity in the Offer Shares and raising the Group's profile with the investment community.

Further Information on the First Tranche

1. Subscription Applications

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

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

The completed subscription application should be clear and fully legible. If it is not, the Receiving Banks shall refuse to accept the subscription application from the Subscriber until the Subscriber satisfies all the required information or documentation before the close of the subscription.

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

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

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

- If the subscription application form is not complete or is not correct with regard to the amount paid or submitted documents (and no Offer Participant takes responsibility for non-receipt of an allotment of Offer Shares if the address of the subscribers is not filled in correctly);
- If the subscription application amount is paid using a method that is not a permitted method of payment;
- If the subscription application amount presented with the subscription application does not match the minimum required investment or the increments set for the First Tranche offer;
- If the completed subscription application form is not clear and fully legible;

- If the Manager’s Cheque is returned for any reason;
- If the amount in the bank account mentioned in the subscription application form is insufficient to pay for the application amount mentioned in the subscription application form or the Receiving Banks is unable to apply the amount towards the application whether due to signature mismatch or any other reasons;
- If the NIN is not made available to DFM or if the NIN is incorrect;
- If the subscription application is found to be duplicated (any acceptance of such duplicate application is solely at the discretion of the Selling Shareholder);
- If the subscription application is otherwise found not to be in accordance with the terms of the Offering;
- If the Subscriber is found to have submitted more than one application (it is not permitted to apply in more than one of the First Tranche or the Second Tranche, nor is it permitted to apply in either Tranche more than once), any acceptance of such duplicate / multiple application(s) is solely at the discretion of the Selling Shareholder);
- If the Subscriber is a natural person and is found to have submitted the subscription application other than in his or her personal name (unless he or she is acting as a representative for another Subscriber);
- If a Subscriber has not adhered to the rules applicable to the First Tranche or the Second Tranche offers;
- If it is otherwise necessary to reject the subscription application to ensure compliance with the provisions of the Companies Regulations, the Articles of Association, this Prospectus or the requirements of the UAE Central Bank, the SCA or the DFM; or
- If for any reason FTS/SWIFT/online/mobile/ATM subscription Channels transfer fails or the required information in the special fields is not enough to process the application.

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

2. Documents accompanying subscription applications

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

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

- NIN details;
- The original and a copy of a valid passport or Emirates ID; and
- In case the signatory is different from the Subscriber:

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

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

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

- In case the signatory is a guardian of a minor, the following will be submitted:

  - Original and copy of the guardian's passport/Emirates ID for verification of signature;

  - Original and copy of the minor's passport; and

  - If the guardian is appointed by the court, original and copy of the guardianship deed attested by the court and other competent authorities (e.g. notary public).

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

- **UAE registered corporate bodies:**

  - The original and a copy of a trade license or commercial registration for verification or a certified copy by one of the following UAE-regulated persons/bodies; a notary public or as otherwise duly regulated in the country;

  - The original and a copy of the document that authorizes the signatory to sign on behalf of the Subscriber and to represent the Subscriber, to submit the application, and to accept the terms and conditions stipulated in the Prospectus and in the subscription form;

  - The original and a copy of the passport/Emirates ID of the signatory; and

  - NIN details

- **Foreign corporate bodies:** the documents will differ according to the nature of the corporate body and its domicile. Accordingly, please consult with the Joint Lead Managers to obtain the list of required documents.

In case the signatory is different from the Subscriber:

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

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

  - NIN details.

3. Method of subscription and payment for the First Tranche

A. Method of payment for First Tranche

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

- Certified bank cheque (Manager's Cheque) drawn on a bank licensed and operating in the UAE, in favor of "**Spinneys 1961 Holding PLC IPO**";
- Debiting a Subscriber's account with a Receiving Bank; or
- Electronic subscriptions (please refer to the section on Electronic subscription below).

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

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

- In cash;
- Cheques (not certified); or
- Any other mode of payment other than mentioned above.

Please refer to Annex 3 for the Receiving Bank's participating branches.

Electronic subscription (E-subscription)

DFM E-subscription

The DFM will make its official website www.dfm.ae and DFM mobile application available to Subscribers with a NIN registered on the DFM website www.dfm.ae or DFM mobile application and holding a valid iVESTOR Card or through the UAE Central Bank payment gateway ("**UAEPGS**") or through offline transfer on the IBAN provided to the investor following the submission of their subscription application. DFM accepts subscription through iVESTOR Card and UAEPGS until the last day of the IPO. For the transfer to the IBAN payment option will be stopped 2 days prior to the IPO closure.

The Receiving Banks and securities brokerage firms may also have their own electronic channels (on-line internet banking applications, mobile banking applications, ATMs, securities brokerage firms' applications and subscription channels provided by DFM etc.) interfaced with the DFM IPO system. By submitting the electronic subscription form the customer submitting the application is accepting the Offering terms and conditions on behalf of the Subscriber and is authorising the iVESTOR Card issuing bank and the Receiving Bank to pay the total subscription amount by debiting the amount from the respective iVESTOR Card or the bank account of the customer and transferring the same to the IPO account in favor of Spinneys 1961 Holding plc – IPO held at the Lead Receiving Bank, as detailed in the subscription application. The submission of an electronic application will be deemed to be sufficient for the purposes of fulfilling the identification requirements and accordingly, the supporting documentation, in relation to applications set out elsewhere in this document will not apply to electronic applications under this section. Notification of the final allocation of Offer Shares and the refund of proceeds for unallocated Offer Shares (if any) and any earned profits as a result of its investment thereon following the closing of the Offer Period and prior to the Listing of the Shares shall be performed solely by, and processed through, the Receiving Bank in which the original application for subscription was submitted.

In the event any of the Subscribers do not comply with the terms and conditions contained set out in this Prospectus, especially in relation to the electronic subscription and/or iVESTOR Card, none of the DFM, the Selling Shareholder, the Company, the Board, the Lead Receiving Bank, the Receiving Banks nor the iVESTOR Card issuing bank shall in any way be liable for the use of the electronic subscription facility by the customer of the bank or the Subscriber, the debiting of the customer account of the Lead Receiving Bank, Receiving Banks, nor the debiting of the iVESTOR Card by the iVESTOR Card issuing bank, in respect of all and any losses or damages suffered, directly or indirectly as a result of the electronic subscription facility and/or the iVESTOR Card.

Subscription applications may also be received through UAE Central Bank Fund Transfer ("FTS") mode. Any Subscriber choosing the FTS method will be required to provide their valid NIN along with the value of Offer Shares subscribed for in the special instructions field relevant to the methods of payment of the subscription amounts.

E-subscription through the Receiving Banks

The Receiving Banks may also have their own electronic channels (ATMs, Internet Banking, Mobile Banking applications, Website, etc.) interfaced with the DFM IPO system.

By submitting the Electronic Application, the customer submitting the application is accepting the Offering terms and conditions on behalf of the Subscriber and authorize the relevant Receiving Banks to retrieve Investor details from DFM to submit the subscription application and pay the total subscription amount by debiting the amount from the respective bank account of the customer and transferring the same to the Offer account in favor of "Spinneys 1961 Holding PLC." held at the Receiving Banks, as detailed in the subscription application.

The submission of an Electronic Application will be deemed to be sufficient for the purposes of fulfilling the identification requirements and accordingly, the supporting documentation in relation to applications set out elsewhere in this Prospectus will not apply to Electronic Applications under this section.

Notification of the final allocation of Offer Shares and the refund of proceeds for unallocated Offer Shares (if any) and any returns thereon following the closing of the Offer Period and prior to the listing of the shares shall be performed solely by, and processed through, the Receiving Bank in which the electronic subscription application was submitted.

In the event any of the Subscribers do not comply with this Prospectus, especially in relation to the electronic subscription, neither the DFM, the Selling Shareholder, the Company, the Board, the Receiving Banks shall in anyway be liable for the use of the electronic subscription facility by the customer of the bank or the Subscriber, the debiting of the customer account of the Receiving Banks, in respect of all and any losses or damages suffered, directly or indirectly as a result of the electronic subscription facility.

ENBD E-Subscription

Account holders with Emirates NBD Bank can subscribe via the bank's online internet banking and mobile application channel as well as through ATMs. Eligible persons can access Emirates NBD Bank's ATMs with their debit card, and online banking or mobile application using their relevant username and password (as is customary with these channels). This will be deemed sufficient for the purposes of identification and accordingly the supporting documentation in relation to application set out elsewhere in this Prospectus will not apply to electronic applications.

Subscribers without an Emirates NBD Bank account, who are either in the UAE or outside the UAE, can subscribe through the dedicated IPO website https://IPO.EmiratesNBD.com and pay through Online Banking via the UAE Central Bank Payment Gateway ("**PGS**") or through UAE Central Bank Fund Transfer ("**FTS**") or SWIFT.

In case of any issues or support, please contact the dedicated Emirates NBD Bank IPO team through our call center 800 ENBD IPO (800 3623 476)

FAB EIPO-Subscription

Access https://www.bankfab.com/v1/en-ae/investment-banking/iposubscription

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

FAB Mobile Banking application (For FAB Clients only). If you need any support, please call FAB Call Centre No. 0261618000

MBANK E-Subscription

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

Applications for Minors can also be made through the app.

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

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

In case of any issues or support, please contact Mbank call centre at 600 571 111.

CBD E-Subscription

The IPO will be open to all participants not only CBD bank account holders Participants can login to CBD website www.cbd.ae or visit any of the selected 6 CBD branches to submit their interest . A dedicated team will then contact/ assit the applicants and complete the requirements.

CBD has a centralized IPO Centre that will manage, approve and oversee all applications on DFM system.

WIO E-Subscription

Wio Bank's digital IPO subscription allows customers to generate a National Investor Number (NIN) with DFM instantly and submit their IPO subscription requests. Eligible clients can obtain leverage on their IPO subscriptions.

Existing Wio Personal customers can visit the IPO section within the app and subscribe for active IPOs instantly. New customers can avail the service by first opening their Wio Personal account: download the Wio Personal app from the App Store or Google Play onto your mobile device and apply for an account in minutes. Once your application is approved, you can subscribe to active IPOs from within the app immediately.

Subscription applications through Wio Bank will only be accepted if they are made by UAE residents. For any queries or support, please refer to the FAQs under the IPO section in the Wio Personal app. Alternatively, please contact us on 600-500-946. To learn more, visit wio.io.

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

- Subscription amounts paid by way of cheque must be submitted by 1 p.m. on 25 April 2024.
- Subscription applications received through the UAE Central Bank Payment Gateway ("**PGS**"), FTS and SWIFT must be made before 1 p.m. on 26 April 2024.
- Subscription applications received through ATM, Internet Banking, Mobile Application & Website must be made before / by 1 p.m. on 29 April 2024.

Subscription amounts

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

Final Offer Price

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

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

The Shares of the Second Tranche Subscribers must represent all of the Offer Shares used to calculate/determine the Final Offer Price of the Offer Shares.

Subscription process

Subscribers must complete the application form relevant to their Tranche, providing all required details. Subscribers who do not provide the NIN with DFM and bank account details will not be eligible for subscription and will not be allocated any Offer Shares.

Subscribers may only apply for the Offer Shares in one Tranche. In the event a person applies for Offer Shares in more than one Tranche, then the Lead Receiving Bank and the Joint Lead Managers may disregard one or both of such applications.

The Receiving Bank through which the subscription is made will issue to the Subscriber an acknowledgement of receipt which the Subscriber has to keep until the Subscriber receives the allotment notice. One copy of the subscription application after being submitted, signed and stamped by the Receiving Bank shall be considered as an acknowledgement for receipt of the subscription application. This receipt shall include the data of the Subscriber, address, amount paid, details of the payment method, and date of the investment. The acknowledgement in the case of Electronic Applications via online internet banking and ATM would provide basic information of the application such as NIN number, amount, date, and customer bank account details.

If the address of the Subscriber is not filled in correctly, the Selling Shareholder, the Joint Lead Managers and the Receiving Banks take no responsibility for non-receipt of such allotment advice.

4. Further information on various matters

Offer Period

Commences on 23 April 2024 for the First Tranche, the Second Tranche, and closes on 29 April 2024 for the First Tranche and closes on 30 April 2024 for the Second Tranche.

Receiving Banks

- **Lead Receiving Bank:** Emirates NBD Bank PJSC.
- **Receiving Banks:** a list of banks attached in Annex 3 of this Prospectus.

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

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

Notice of Allocation

A notice to successful Subscribers in the First Tranche will be sent by way of SMS initially confirming allocation of offered Shares to them. This will be followed by a notice setting out each Subscriber's allocation of Offer Shares, which will be sent by registered mail or via e-mail to the registered address in the subscription application to each Subscriber.

Method of refunding surplus amounts to Subscribers

By no later than 7 May 2024 (being within five (5) working days of the Closing Date of the Second Tranche), the Offer Shares shall be allocated to Subscribers and, within five (5) working days of such allocation, the surplus subscription amounts, and any accrued profit resulting thereon, shall be refunded to Subscribers in the First Tranche who did not receive Offer Shares, and the subscription amounts and any accrued profit resulting thereon shall be refunded to the Subscribers in the First Tranche whose applications have been rejected for any of the above reasons. The surplus amount and any accrued profit thereon are returned to the same Subscriber's account through which the payment of the original application amount was made. In the event payment of the subscription amount is made by certified bank cheque, these amounts shall be returned by sending a cheque with the value of such amounts to the Subscriber at the address mentioned in the subscription application.

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

Inquiries and complaints

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

Listing and trading of Shares

Subsequent to the allocation of Offer Shares, the Company will list all of its Shares on the DFM in accordance with the applicable listing and trading rules as at the Listing date. Trading in the Shares will be effected on an electronic basis, through the DFM's share registry, with the commencement of such trading estimated to take place after completion of the registration and Listing.

Voting rights

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

Risks

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

5. Timetable for subscription and Listing

The dates set out below outline the expected timetable for the Offering. However, the Selling Shareholder reserves the right to change any of the dates/times, or to shorten or extend the specified time periods, upon obtaining the approval of the SCA and DFM and publishing such change during the Offering period in daily newspapers.

Event	Date
Offering commencement date (Subscription Opening Date) of the First Tranche and Second Tranche (The Offer Period for the First Tranche shall continue for 6 working days, including Saturdays, for the purposes of accepting Subscribers' applications)	23 April 2024
Closing Date of the First Tranche	29 April 2024
Closing Date of the Second Tranche	30 April 2024
Announcement of Final Offer Price	1 May 2024
Allocation of First Tranche	7 May 2024
SMS Confirmation to all successful First Tranche subscribers	7 May 2024
Commencement of refunds of investment surplus to, and any earned profits as a result of is investments thereon, to the First Tranche Subscribers as well as commencement of dispatch of registered mail relating to allotment of shares	7 May 2024
Expected date of Listing the Shares on the DFM	9 May 2024

6. Tranches

The Offering of the Offer Shares is divided as follows:

The First Tranche:

Size:	45,000,000 (forty five million) Shares representing 5% (five per cent) of the Offer Shares. The Selling Shareholder reserves the right to amend the size of the First Tranche at any time prior to the end of the subscription period at its sole discretion, subject to the applicable laws of the UAE and approval of the SCA, provided that the subscription percentage of the Subscribers in the Second Tranche does not fall below 60% (sixty per cent) of the Offer Shares and the subscription percentage of the subscribers in the First Tranche does not exceed 40% (forty per cent) of the Offer Shares in aggregate.
Eligibility:	First Tranche Subscribers (as described in the section of this Prospectus headed "*Definitions and Abbreviations*").
Minimum application size:	AED 5,000 (five thousand UAE dirhams), with any additional application in increments of at least AED 1,000 (one thousand UAE dirhams).
Maximum application size:	There is no maximum application size.
Allocation policy:	In case of over-subscription in the First Tranche, Offer Shares will be allocated to each First Tranche Subscriber, pro rata to each Subscriber's subscription application amount based on the Final Offer Price. Applications will be scaled back on the same basis if the First Tranche is over-subscribed. Any fractional entitlements resulting from the pro rata distribution of Offer Shares will be rounded down to the nearest whole number. Shares will be allocated in accordance with the aforementioned allotment policy, based on the Final Offer Price. Each successful Subscriber will have a guaranteed minimum allocation of 2,000 (two thousand) Shares, the minimum guaranteed allocation of 2,000 Shares is subject to the total number of shares issued under the minimum guaranteed allocation not exceeding the tranche size.
Unsubscribed Offer Shares:	If not all of the Offer Shares allocated to the First Tranche are fully subscribed, such unsubscribed Offer Shares shall be made available for subscription by Professional Investors or, alternatively (in consultation with the SCA) the Selling Shareholder may extend the Closing Date for the First Tranche, and the Second Tranche

and/or close the Offering at the level of applications received.

The Second Tranche:

Size:	855,000,000 (eight hundred fifty five million) Shares representing 95% (ninety five per cent) of the Offer Shares. The Selling Shareholder reserves the right to amend the size of the Second Tranche at any time prior to the end of the subscription period at its sole discretion, subject to the applicable laws of the UAE and the approval of the SCA, provided that the subscription percentage of the Subscribers in the Second Tranche does not fall below 60% (sixty per cent) of the Offer Shares and the subscription percentage of the Subscribers in the First Tranche does not exceed 40% (forty per cent) of the Offer Shares in aggregate.
Eligibility:	Professional Investors (as described in the section of this Prospectus headed "*Definitions and Abbreviations*").
Minimum application size:	The minimum application size is AED 5,000,000 (five million UAE dirhams).
Maximum application size:	There is no maximum application size.
Allocation policy:	Allocations within the Second Tranche will be determined by the Selling Shareholder, in consultation with the Joint Lead Managers (excluding HSBC Bank Middle East Limited in connection with any Offering to natural persons). It is therefore possible that Subscribers who have submitted applications in this tranche may not be allocated any Offer Shares or that they are allocated a number of Offer Shares lower than the number of Offer Shares mentioned in their subscription application.
Discretionary allocation:	The Selling Shareholder reserves the right to allocate Offer Shares in the Second Tranche in any way it deems necessary. It is therefore possible that Subscribers who have submitted applications in this tranche may not be allocated any Offer Shares or that they are allocated a number of Offer Shares lower than the number of Offer Shares mentioned in their subscription application.
Unsubscribed Offer Shares:	If not all of the Offer Shares allocated to the Second Tranche are fully subscribed, the Offer will be withdrawn.

Multiple applications

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

Important notes

Subscribers in the First Tranche will be notified of whether they have been successful in their application for Offer Shares by means of an SMS.

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

Subject to the approval of the SCA, The Selling Shareholder reserves the right to alter the percentage of the Offer Shares, which are to be made available to either the First Tranche, or the Second Tranche.

Second Section: Key details of the Company

1. Overview of the Company

Name of the Company:	**Spinneys 1961 Holding plc** A free zone public company limited by shares incorporated in the DIFC pursuant to the Companies Regulations.
Primary activities of the Company:	The activities of the Company are as follows: • Holding company; • Managing office; and • Investment in retail trade enterprises and management.
Head office:	Unit 813B, Level 8, Liberty House, Dubai International Financial Centre, Dubai, United Arab Emirates.
Branches:	None.
Details of trade register and date of engaging in the activity:	License No. CL7699; Issue Date: 21 November 2023
Term of the Company:	Not applicable.
Financial year:	1 January to 31 December.
Major banks dealing with the Company:	• Standard Chartered • HSBC • Emirates NBD • Bank Muscat

Details of the current Board members:

Name	Year of Birth	Nationality	Capacity	Year of appointment
Mr. Ali Saeed Juma Al Bwardy	1955	Emirati	Chairman/ Non-Executive Director	2023
Mr. Tariq Ali Saeed Juma Al Bwardy	1988	Emirati	Vice-Chairman/ Non-Executive Director	2024
Mr. Rashed Ali Saeed Juma Al Bwardy	1992	Emirati	Non-Executive Director	2024
Ms. Mazoon Ali Saeed Juma Al Bwardy	1985	Emirati	Non-Executive Director	2024
Mr. Saeed Mansoor Al Awar	1985	Emirati	Non-Executive Director	2024
Ms. Huda Al Lawati*	1977	Omani	Non-Executive Director	2024
Mr. Dominique Lecossois*	1955	French	Non-Executive Director	2024
Mr. Subramanian Suryanarayan*	1961	Singapore	Non-Executive Director	2024
Mr. Sunil Kumar	1967	Indian	Executive Director and Chief Executive Officer	2023

*denotes that the Director is considered "*independent*" under the Governance Rules.

None of the board members hold any memberships in the boards of directors of any joint stock companies in the UAE:

No bankruptcy ruling or a bankruptcy arrangement was issued against any member of the board of directors or members of the senior management of the Company.

Some of the Board members and their first-degree relatives own shares in the Company

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

The Board of Directors did not receive any remuneration for the financial year ended 31 December 2023, while the total aggregate remuneration of the key management personnel (as included in the Annual Financial Statements) of the Company was AED 7,520 thousand for the year ended December 31, 2023.

2. BUSINESS DESCRIPTION:

Investors should read this section of this Prospectus in conjunction with the more detailed information contained in this Prospectus, including the financial and other information appearing in the Financial Statements, including the related notes, included elsewhere in this Prospectus.

Overview

Spinneys 1961 Holding PLC (previously known as Spinneys 1961 Holding Limited prior to its re-registration to a public company limited by shares) (the "**Company**") was incorporated on 21 November 2023 as a private limited company pursuant to DIFC Law No. 5 of 2018 (the "**DIFC Companies Law**") and was re-registered to a public company limited by shares on 29 March 2024.

The principal activity of the Company and its subsidiaries (the "**Group**") is as an operator of premium grocery retail supermarkets operator of supermarkets under the "**Spinneys**", "**Waitrose**" and "**Al Fair**" brands in the UAE and Oman and, following the planned opening of the Group's first store in the first six months of 2024, in the KSA (the KSA, together with the UAE, the Group's "**Key Markets**"). The Group is one of the leading premium grocery retailers in the UAE, its home market, with the Spinneys brand ranking third by net promoter score. (source: Nielsen). As of the date of this Prospectus, the Group's operating portfolio comprises 75 stores (the "**Stores**"), which total 1.3 million sq.ft. of GLA, 64 of which are owned by the Group, and 11 of which are operated by the Group under an operations arrangement (see "*Material Contracts—Spinneys Abu Dhabi Services Agreement*"). The Group operates its Stores under three brands, which are located strategically in select cities of the UAE and Oman to appeal to different segments of consumers.

The Group's product offering included an average of 55,828 stock keeping units ("**SKUs**") in 2023, of which on average 29,151 SKUs were food products (defined as fresh food, grocery, protein and frozen products). In addition to its relationships with strategic Key Suppliers, the Group produces its own high-quality private label offering (the "**Private Label**") under the "**SpinneysFOOD**", "**SpinneysHOME**" "**SpinneysWELLNESS**", and "**Fine Food**" brands and stocks Waitrose private label products.

Vision and Mission

Vision

The Group's vision is not to be the biggest retailer, but to be the best retailer in the Key Markets, operating via two key brands, Spinneys and Waitrose, each with a tailored strategy and proposition (see "*—Principal Operations*").

Mission

The mission of the Group is to nourish and inspire its communities to live better lives, day by day:

- **To Nourish** – strong link to food, holistic – nourishing body, mind and soul;
- **and Inspire** – inspirations from our colleagues' journeys and focus on health, wellbeing, as well as indulgence;

- **our Communities** – its personal for us, we treat our consumers with personalised service. We strive to be a pillar throughout our communities – the Spinneys' family, our suppliers and our communities of consumers;
- **to Live Better Lives** – healthier, happier, more meaningful, tastier, more sustainable;
- **Day by Day** – ongoing, consistency and resilience.

Competitive Strengths

The Group's pursuit of its vision and mission is supported by the following competitive strengths:

Sizeable, Growing and Long-term Resilient Demand for Premium Food across the GCC Region

Growing and Increasingly Affluent Populations

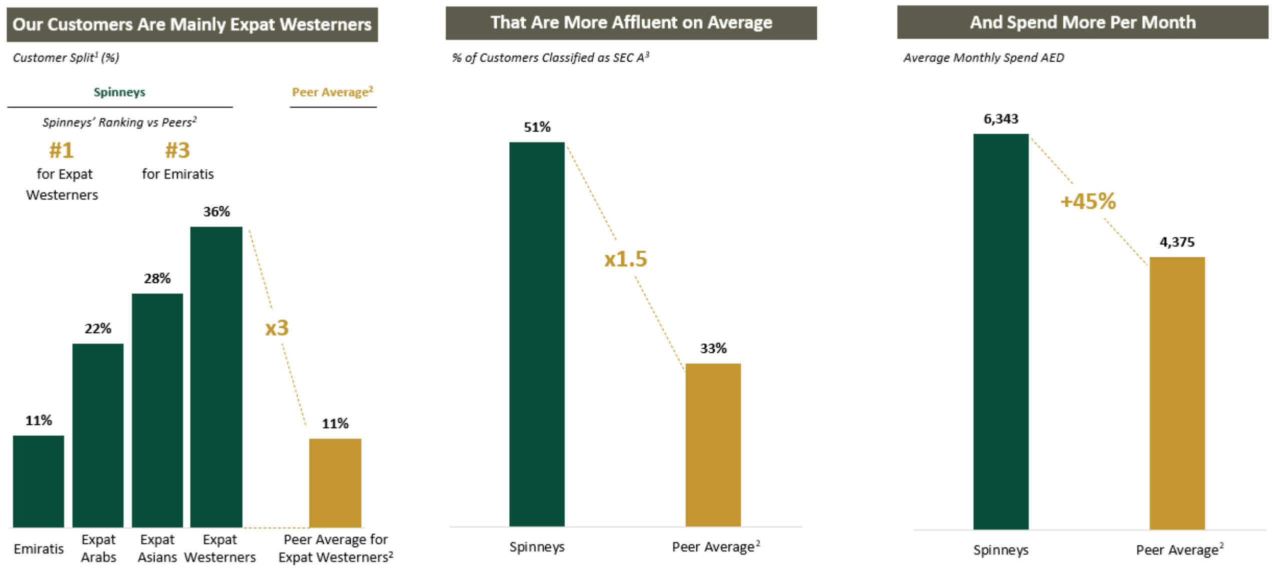
Operating predominantly in the UAE, the second largest economy in the GCC region, the Group is well positioned to capitalise on the UAE's robust market that is primed for growth. With a real GDP of AED 1,623 billion (equivalent to USD 442 billion) in 2022, the UAE's economy is expected to grow at a CAGR of 3.4% from 2022 to 2028, for a population in 2022 of 9.4 million, the second largest in the GCC region. The UAE's disposable income per capita reached USD 20,700 per capita in 2022, which is projected to grow at a CAGR of 2.3% from 2022 to 2028, and is host to a sizable affluent population, defined as adults in earning age range with a yearly income greater than AED 110,000 (equivalent to approximately USD 30,000) (the "**Affluent Population**"), totalling three million residents in the same year. While the UAE's population is projected to grow at a CAGR of 0.7% from 2022 to 2028, the Affluent Population in the UAE is projected to grow faster, at a CAGR of 4.3% from 2022 to 2028. Additionally, the UAE has benefited from relatively low average inflation rates of 0.2% from 2019 to 2022, lower than the global average of 5.4%, for the same period. This attractive macroeconomic backdrop is reinforced by government initiatives, including the UAE Tourism Strategy 2031, Dubai 2040 Master Plan and the Dubai Economic Agenda (D33), which aim to further the economic development of the UAE.

The KSA, as the largest economy in the GCC region, with a real GDP of USD 793 billion in 2022 and an economy that is expected to grow at a CAGR of 3.2% from 2022 to 2028, presents an attractive avenue for growth for the Group. The KSA had a population of 36.4 million in 2022, the largest population in the GCC region, and is a target market for the Group, in light of the Group's strategic expansion plans in the KSA, following the planned opening of the Group's first Spinneys Store in Riyadh in the first six months of 2024. The Group intends to focus its operations in the most attractive cities in the KSA, namely Riyadh and Jeddah, being the largest cities in the most populous regions in the KSA, with 27% and 25% of national population in their regions, respectively, with disposable incomes per capita of USD 13,341 and USD 12,252, respectively in 2022. The appeal of the market in the KSA is further underpinned by key macroeconomic drivers, including strong population growth projected at a 1.4% CAGR from 2022 to 2028, an Affluent Population of 3.1 million, that is expected to grow faster than the overall population, at a projected CAGR of 6.4% from 2022 to 2028, and a disposable income per capita of USD 9,500 in 2022, which is projected to grow at a CAGR of 0.9% from 2022 to 2028. Additionally, the KSA benefits from relatively low inflation rates, with a rate of 2.3% from 2019 to 2022, lower than the global average for the same period of 5.4%. This attractive macroeconomic backdrop is reinforced by the ongoing implementation of transformative economic reforms in the KSA as part of the Saudi Vision 2030 and associated initiatives, such as giga-projects NEOM, Qiddiya, Red Sea Global and Roshn, that underscore the KSA government's commitment to diversifying the KSA's economy away from petrochemical revenues.

Target Market Outpacing Total Grocery Market Growth

The Group's target market is the subset of the addressable market attributable to consumers that shop at least once a week at key competitors in modern grocery formats (the "**Target Market**"), with the addressable market defined as the grocery market attributable to households earning over AED 20,000 per month. In the dynamic landscape of grocery retail, the Target Markets in the UAE and the KSA are outpacing total grocery market growth. The UAE had a Target Market size of AED 23 billion in 2022, with Riyadh and Jeddah adding a further AED 8 billion of Target Market in the KSA in 2022. Positioned for accelerated growth, the Group's Target Market is expected to outpace the total grocery market, with the Target Market in the UAE projected to grow at a CAGR of 4.4% from 2022 to 2028 (compared to the total UAE grocery market which is projected to grow at a CAGR of 3.9%, for the same period) and in Riyadh and Jeddah at a CAGR of 6.7% for the same period (compared to the total KSA grocery market which is projected to grow at a CAGR of 4.8%, for the same period).

The Spinneys' customer base in the UAE represents an attractive demographic, comprised mainly of Western expats, that are more affluent on average and spend more per month, when compared to the customers of key competitors, as illustrated below.



((1) Nielsen, customer split is a percentage of the sample of 628 respondents who visited the brand in the last three month as of September 2023; (2) Peers include five comparable grocery supermarkets identified by Nielsen; (3) SEC A as defined under the SEC classification based on education of the chief earner and number of customer durables owned by a family; SEC A falls within the upper most segment of the consuming class (e.g. Self Employed Professionals, Managers or Executives); (4) Refers to Spinneys brand only.)

One of the Leading Fresh-focused Food Retailers of Scale in the UAE, Primed for Regional Expansion in the KSA

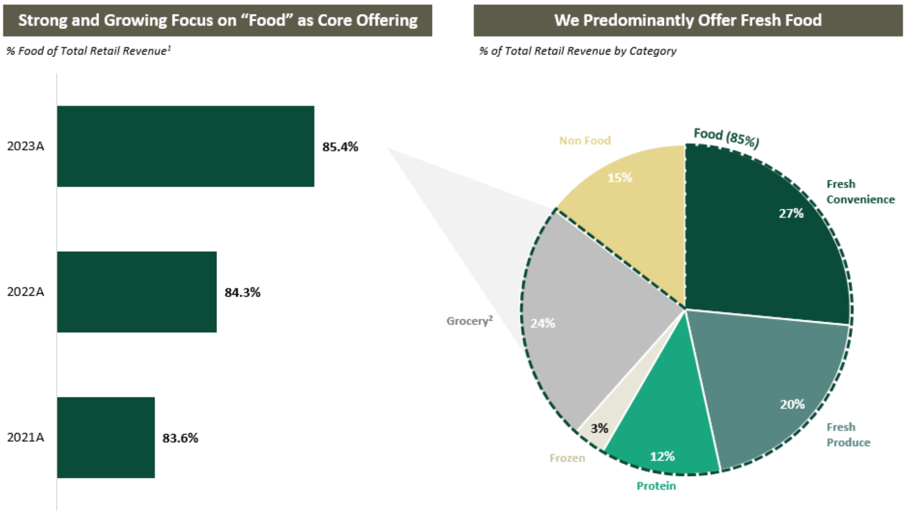
The Group commanded a 12% share of the Target Market in the UAE and a 27% share of the Target Market in Dubai in 2022. As at 31 December 2023, 46 of the Group's Stores were in Dubai, further solidifying the Group's position as one of the leading premium grocery retailers in its home market and presents an opportunity to further capture its Target Market on the back of additional expansion.

The Group's position as one of the leading premium grocery retailers in the UAE has been recognised by multiple industry bodies, having been awarded the BBC Good Food Supermarket of the Year for 2021, the RetailME Responsible Retailer of the Year for 2022 and the Signal Global Podcast Awards Bronze for Nourish, the Spinneys podcast for 2023.

Extensive Fresh Food Range with Exceptional Customer Service Through an Omni-channel Platform

Full Range of Essentials on Offer, with a Focus on Premium Fresh and High-Quality Products

The Group's value proposition emphasises high-quality fresh products, with an average of 29,151 out of the Group's average total of 55,828 SKUs in 2023 relating to food products.



((1) Applies to Spinneys, Waitrose and Al Fair Brands, excluding Abu Dhabi Waitrose Stores; (2) Consists of Ambient Drinks, Confectionary, Grocery Food and Snacks.)

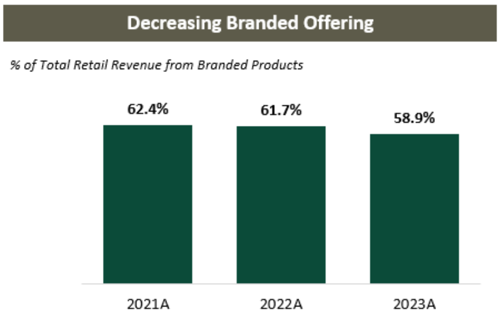
Outstanding Private Label Contribution

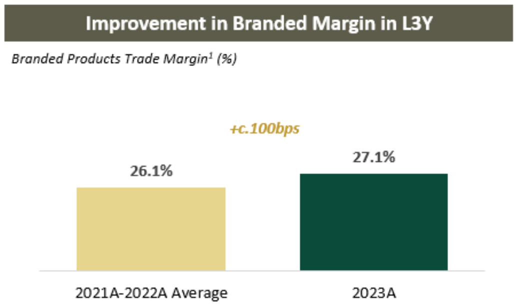
The Group's exclusive Private Labels, SpinneysFOOD, SpinneysHOME SpinneysWELLNESS, and Fine Food as well as its exclusive right to sell Waitrose private label products in the UAE and the KSA, are a significant competitive advantage. Total SKU counts vary on a monthly basis, with some seasonal lines only being available for a limited time; on average, more than 7,200 SKUs were sold by the Group under its Private Label and the Waitrose private label in 2023.

Spinneys' Private Label products are targeted to be, at a minimum, 10% cheaper for customers than branded alternatives. For example, as at 1 March 2024, the Spinneys' Private Label blueberries were 29% cheaper than Driscoll's 500g blueberries on kg basis, the Group's crunchy nut cornflakes were 60% cheaper than the branded competitor, the Group's mozzarella cheese was 46% cheaper than the branded alternative and the Group's tinned chopped tomatoes were 45% cheaper than the branded alternative, based on observable values as per the Spinneys' website.

Brand Relationships

The Group has an extensive branded range. Across the 2021 to 2023 period, the Group has decreased its branded offering, but improved the Branded Trade Margin, as demonstrated in the below charts:

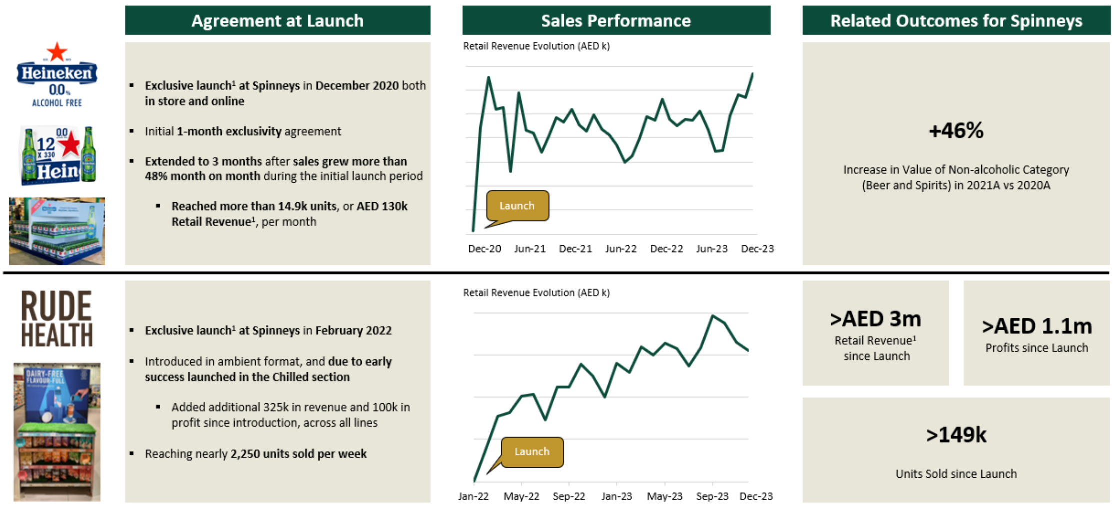




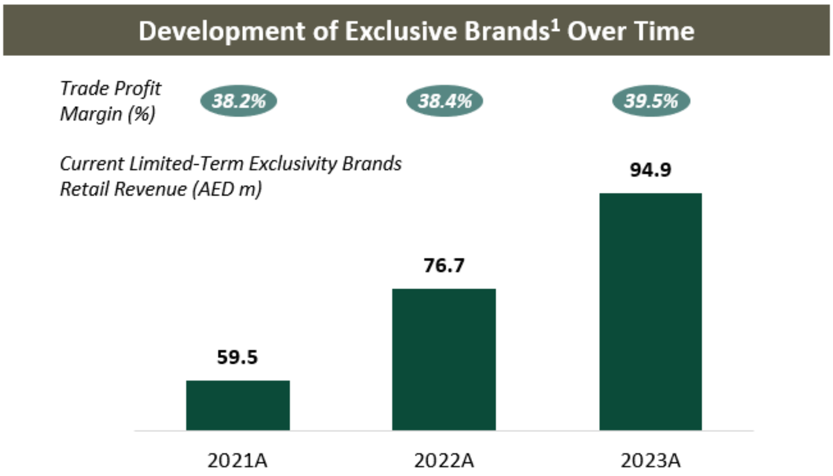
((1) Excludes back margin).

In 2023, the Group had 3,948 brand relationships. Of the Group's top 100 brand relationships in 2023, 78% were with international brands, including Cadbury, Nivea and Chiquita, 16% were with local brands, including Al Ain, Barakat and Bayara, and 6% were with regional brands, including Almarai, Al Jazira Poultry and Elite Fruits.

For limited-term periods, the Group periodically negotiates exclusive rights to sell certain products in the UAE, with limited-term exclusivity arrangements spanning approximately 289 brands during 2023, including Heineken 0%, Rude Health products, Truffle Hunter truffle oil, innocent smoothies and Warburtons bread. Such limited-term exclusivity arrangements have bespoke agreements for each brand, such as those for Heineken 0.0% and Rude Health, as set out below:



((1) Refers to product launch with limited-term exclusivity.)



((1) Refers to brands with Limited-Term Exclusivity.)

Omni-Channel Platform Centred around Convenience

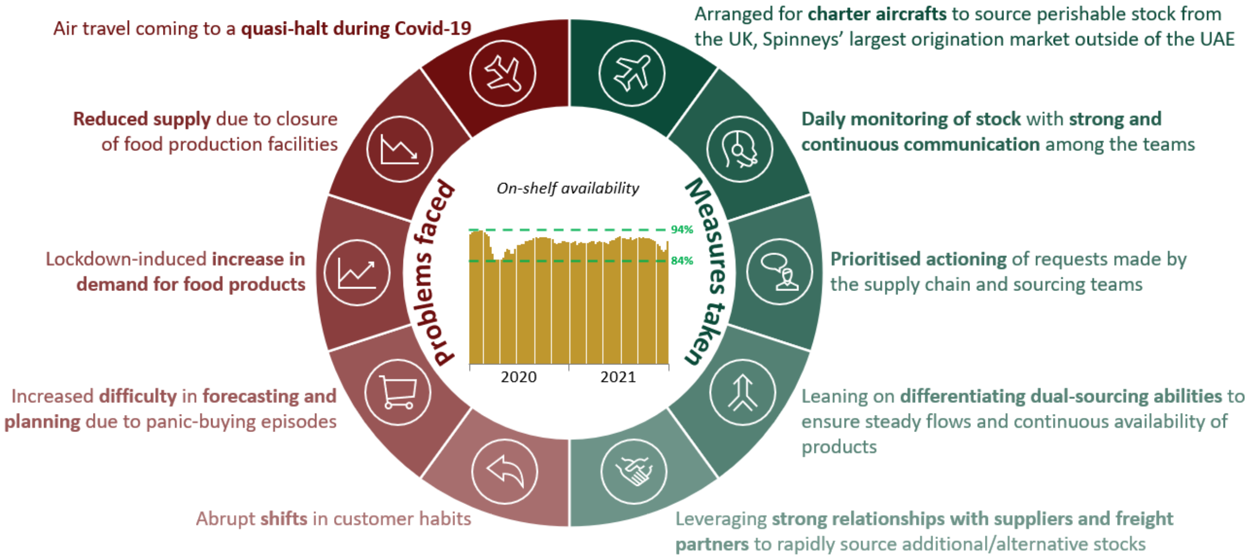
Through its omni-channel offering, the Group empowers consumers to shop flexibly and conveniently. The Group has multiple, flexible store formats in proximity to consumers. In 2023, 46 of the Group's Stores were in Dubai, 18 in Abu Dhabi (including 11 Stores managed by the Group pursuant to the Abu Dhabi Services Agreement), six in the Northern Emirates and five in Oman. In 2023, the Group's Spinneys Stores comprised 27 Market Stores, defined as stores with a GSA of less than 10,750 sq.ft., 26 Medium Supermarkets, defined as stores with a GSA of between 10,750 sq.ft. and 21,500 sq.ft., and 22 Large Supermarkets, defined as stores with a GSA of above 21,500 sq.ft. Market Stores account for 11 out of 14 Stores closed between in the three years ended 31 December 2023, which were initially opened to capitalise on short-term opportunities and were profitable at launch. Across the same period, only two Medium Supermarkets and one Large Supermarket were closed.

The Group has invested in its E-commerce capabilities, making the Group's products available via multiple E-Commerce channels, including the Group's proprietary online platforms, Spinneys.com and Waitrose.ae, and the Spinneys and Waitrose mobile apps, as well as via third-party aggregators. Including InstaShop, Now Now, Talabat and Deliveroo. To increase Group's operational efficiency, the Group does not operate separate dark stores for E-commerce and leverages its brick-and-mortar Stores by utilising them as mini-distribution centres to fulfil E-commerce orders.

Exceptional Local Execution, Supported by Well Invested, Vertically Integrated Operational and Supply Chain Capabilities

The Group's success is grounded in the strength of its global sourcing network and its well invested, vertically integrated operational and supply chain capabilities, creating a fully integrated model and employee and customer-centric culture that is hard to replicate, resulting in high barriers to entry.

With over 870 suppliers encompassing 44 countries, facilitated through subsidiaries located in the USA, UK and Australia, the Group aims to have a diverse supplier base and a highly efficient supply and logistics chain minimising Wastage to 4.3% for 2021, 4.7% for 2022 and 5.4% for 2023, while maintaining strong on-shelf availability. For example, the Group was able to maintain on-shelf availability of between 84% and 94% throughout 2020 and 2021, despite the challenges presented by COVID-19, utilising the measures set out in the chart below:



In addition, the Group operates two centralised production facilities (the "**Production Facilities**"), collectively delivering 1,498 SKUs daily. Further, the Group's well-invested, cloud-based IT infrastructure is ready to scale seamlessly and is supported by the Group's long-standing employee base, with approximately 22% of the Group's full-time employees having a tenure of over 10 years with the Group as at 31 December 2023. Each of these factors have contributed to the Group having an average Retail Revenue per GSA of AED 3,500 per sq.ft. in 2022, compared to a UAE market average in 2022 of AED 1,600 per sq.ft. (source: Kearney), and Gross Margin[1] evolution from 40.2% in 2021 to 42.0% in 2023.

The efficiency of the Group's Store operations, logistics network and warehousing strategy helps the Group maintain competitiveness and strong margins. For example, the Group ships avocados from the USA, Mexico, Colombia, Australia and New Zealand, which are then ripened in the Group's Kezad warehouse for three to four days. Two days later, the ripened avocados are made available for sale in the Group's Stores. Once in the Group's Stores, the avocados have a five day shelf-life. Ripened avocados are also sent to the Group's Production Facilities where they are processed into guacamole, using tomatoes shipped from Spain, the Netherlands and the UK, coriander from Kenya and Oman, red onions from Spain and India, and jalapenos from Turkey. Two days later the guacamole is made available for sale in the Group's Stores, with a seven day shelf-life. The Group has seen a 1.4x increase in the volumes of avocados sold from 2021 to 2023 and a 21x increase in sales of the Group's Private Label guacamole, with a significant increase in gross margin from sales of avocados since the launch of in-house ripening.

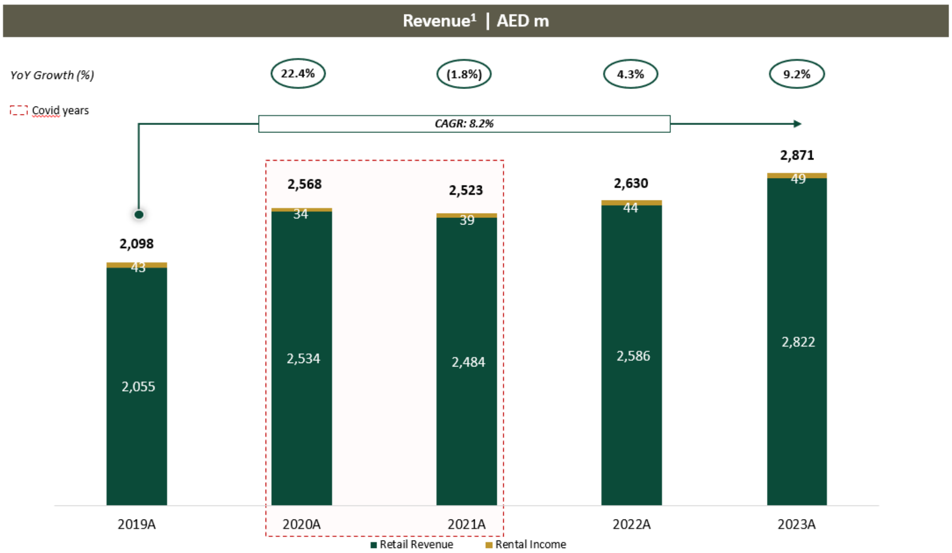
Robust Track Record of Like for Like Growth, with Strong Margins Delivering Resilient and Stable Cash Flows

Robust Historical Growth Profile

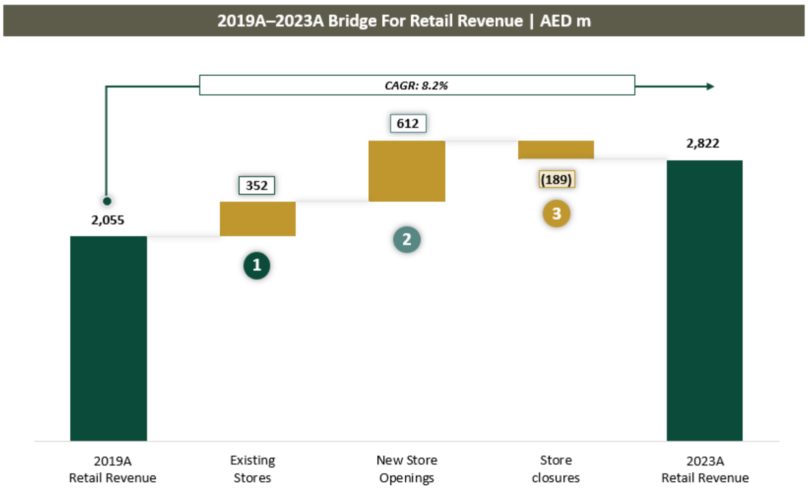
The Group has a robust historical growth profile. In 2020, the Group earned record revenue, driven by heighted demand during the COVID-19 pandemic, and successfully maintained growth momentum post-2021. Revenue for the year ended 31 December 2023 grew to AED 2,871 million, at a CAGR of

[1] Gross Margin calculated as gross profit divided by revenue

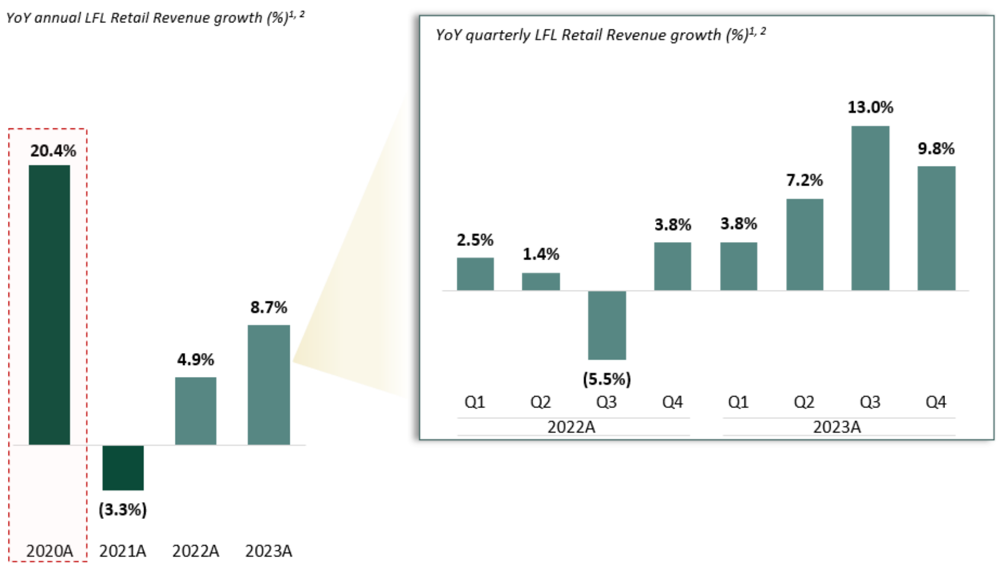
8.2% from 2019 through 2023, primarily driven by increasing Online Penetration, increasing Private Label penetration, by navigating growing inflation through strategic pricing and increasing numbers of Stores in Dubai, and the UAE more broadly.



((1) All financial figures include Spinneys, Waitrose and Al Fair brands but exclude Spinneys Abu Dhabi Stores operated under Spinneys Abu Dhabi Services Agreement.)

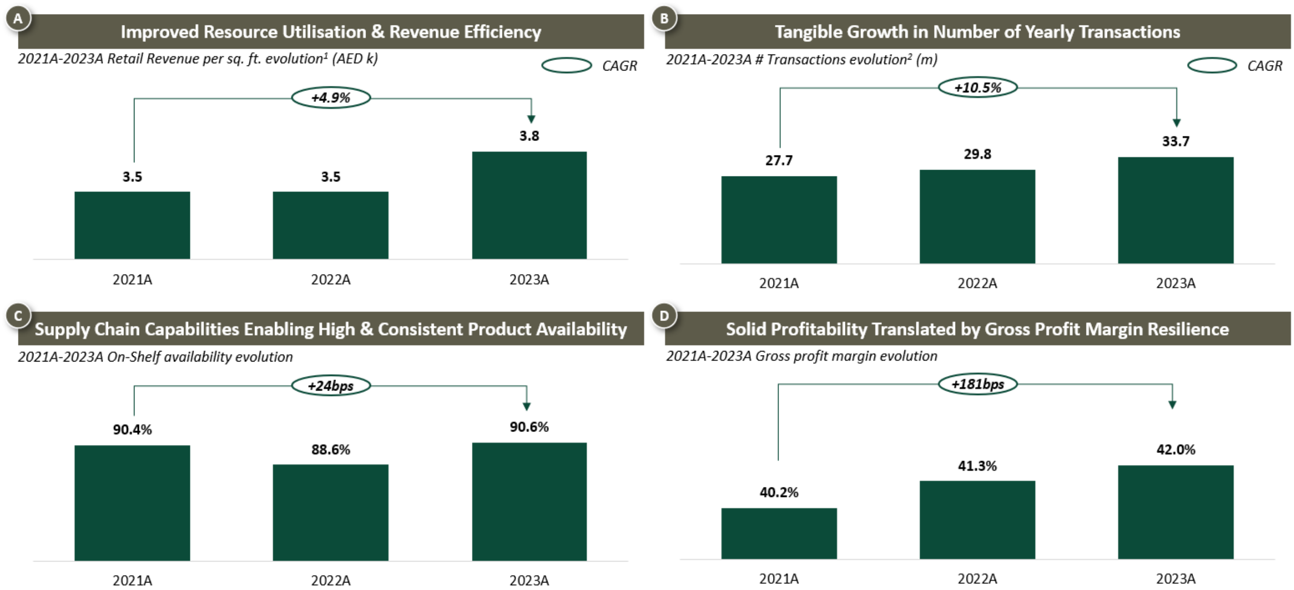


The Group has strong historical Like-for-like Growth, with the exception of 2021, where a decrease in growth was primarily due to the exceptional spike in demand in 2020 driven by the COVID-19 pandemic. Like-for-like Growth has primarily been driven by expanding Private Label penetration and growing Online Penetration.



(Red highlight refers to years impacted by Covid-19)

The factors detailed in the below charts, improved resource utilisation and revenue efficiency, tangible growth in number of yearly transactions, supply chain capabilities and consistent product availability and solid profitability translated by gross margin resilience, all contributed to the Group's growth profile across the period starting 2021 to the end of 2023.



((1) In the UAE and Oman, excluding Abu Dhabi stores under Abu Dhabi Services Agreement; (2) Excluding Abu Dhabi stores under Abu Dhabi Services Agreement.)

Strong free cash flow resulting in lower leverage

Significant Strategic Levers to Drive Sustainable Growth and Profitability

The Group has identified multiple avenues to accelerate the profitable growth of its business through its network of Stores and broader omni-channel platform. These drivers include: (i) like-for-like growth for existing mature Stores, driven by growth in the Target Market and an increase in the Group's fresh offering, Private Label and E-commerce penetration; (ii) further expansion within the Group's home market in the UAE; (iii) further expansion in the KSA; (iv) introduction of The Kitchen, by Spinneys, an innovative concept, in 2024; and (v) operational efficiencies, in particular, supply chain efficiencies, fixed cost control, increasing in-house production and operating leverage (see "—*Strategy*").

Well Tenured, Experienced Leadership Team with an Ownership Mindset that Drives Sustainability Efforts

The Group is led by a well tenured, experienced management team, that have an average of 23 years of experience, spearheaded by CEO Mr. Sunil Kumar, who commenced his professional career at Spinneys and has 30 years of experience at Spinneys, who is supported by a Chief Financial Officer and a Deputy Chief Executive Officer, who have 23 and 38 years of professional experience, respectively. In addition, the General Managers of Operations, Supply Chain, Marketing, Human Resources and Commercial, have 25, 18, 12, 18 and 21 years of professional experience, respectively (See "*Management—Senior Management*").

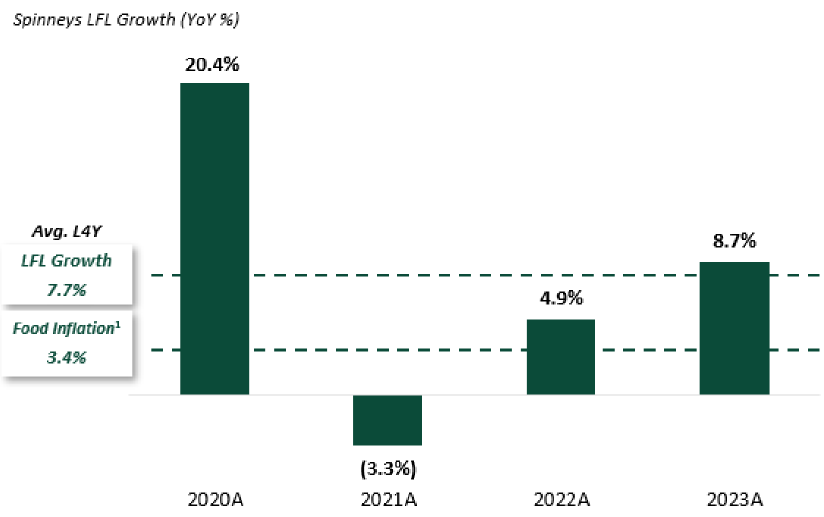
The Group is further supported by the founding shareholder, Chairman Mr. Ali Al Bwardy, a figurehead in the UAE retail sector, who is committed to the Group's ongoing success (See "*Management—Board of Directors*").

Strategy

The Group's growth potential is supported by well-identified drivers, including: (i) Like-for-like Growth; (ii) UAE Whitespace; (iii) KSA Whitespace; (iv) The Kitchen, by Spinneys concept launch; and (iv) operational efficiencies.

Like-for-like Growth

Between 2020 and 2023, the Group's Like-for-like Growth outpaced inflation, as illustrated in the below chart.



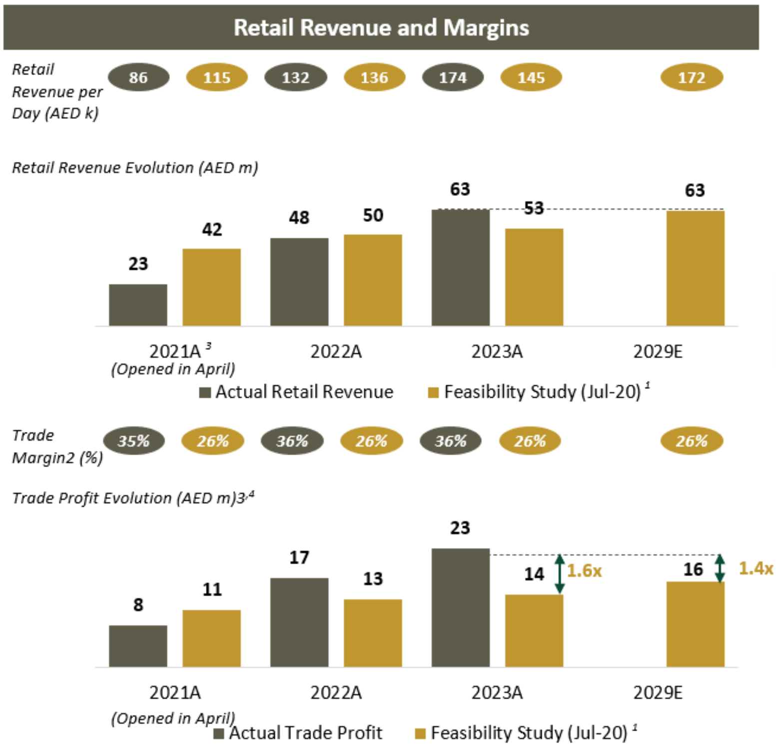
The Group has identified key grocery market and Group specific drivers of Like-for-like Growth. Key market drivers of medium-term Like-for-like Growth include a projected 3.9% CAGR growth in the total UAE grocery market from 2022 to 2028, a projected 6.8% CAGR growth in the UAE foodservice market from 2022 to 2028 and a projected 4.8% CAGR growth in the total KSA grocery market for the same period.

UAE Whitespace Expansion

Whitespace in the UAE is projected to grow from 38 million sq.ft. in 2022 to 46 million sq.ft. in 2033, equivalent to 538 Spinneys stores of 16,000 sq.ft. (source: Kearney), presenting a growth opportunity for the Group to open additional stores in the UAE and capture further market share in the UAE, following Spinneys' GSA growing at a CAGR of 7.5% from 2019 through to the end of 2023. The growth in Whitespace in the UAE by 2033 is further supported by structural tailwinds in the UAE, including a projected 4.3% CAGR in the UAE's affluent population between 2022 and 2028, the increasing contribution of tourism to GDP in the UAE, projected to increase to AED 450 billion by 2031, following a projected AED 100 billion of investments aimed at the tourist sector.

The Group's expansion strategy in the UAE has identified Dubai and Abu Dhabi as the focus for expansion, through the roll-out of Spinneys and Waitrose stores in Dubai and selectively in Abu Dhabi through the Waitrose brand. The Group has a defined store pipeline for 2024, with three store openings planned 2024, a 35,873 sq.ft. Spinneys store in Al Khawaneej, Dubai, a 3,148 sq.ft. Spinneys store in Sobha, Dubai and a 23,191 sq.ft. Spinneys store in Arabian Ranches 3, Dubai.

By way of example of the Group's ability to capture the Whitespace opportunity in the UAE, in April 2021 the Group opened a new Spinneys Store in Dubai, that co-exists with another grocery retailer in the same location. The Store has a GLA of 21,000 sq.ft. and a GSA of 14,000 sq.ft., and was updated to a 'Top Up' mission Store (see "*Principal Operations—Serving the Full Range of Shopping Missions*"). The feasibility study conducted prior to the opening of the Store projected a 29% IRR after five years and a Payback Period of 2.7 years, however, the Stores Retail Revenue and Trade Margins in 2023 grew ahead of the projected figures in the feasibility study. The number of transactions in the Store grew from over 590,000 in 2022 to over 800,000 in 2023 and the Store become a top-10 store for E-commerce participation, with a 30% E-commerce penetration rate. The following graphs illustrate this store's actual performance compared to the feasibility study.

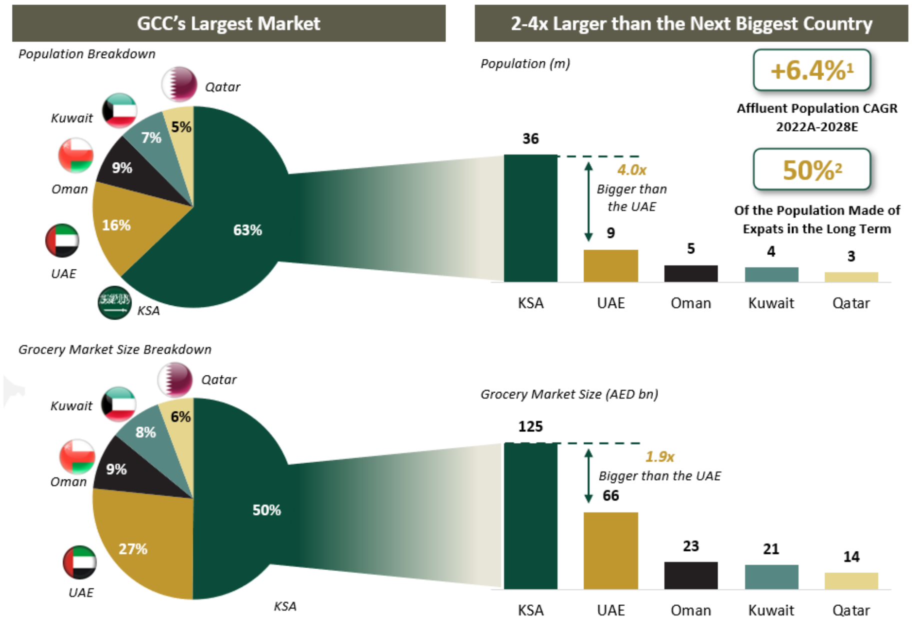


((1) Feasibility study assumed operations starting from Jan 1st 2021; (2) Excludes back margin; (3) Financial information considered from April 2021 when the store opened; (4) Gross profit for feasibility study refers to net gross profit calculated as gross profit – markdowns, breakages and shrinkage.)

The KSA Whitespace Expansion

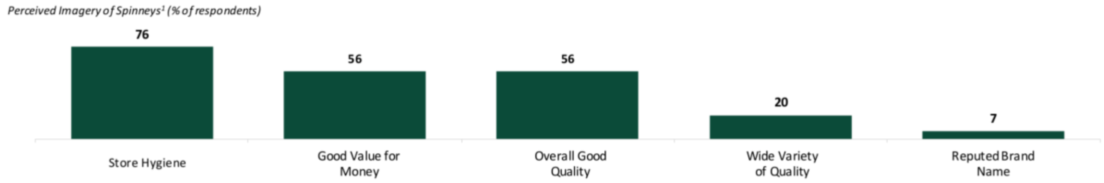
The Whitespace opportunity in the KSA presents an attractive opportunity for the Group's international expansion. Whitespace in the KSA is projected to increase to 86 million sq.ft. by 2033 (source: Kearney), equivalent to approximately 1,190 Spinneys stores. The growth in Whitespace in the KSA is further supported by structural tailwinds in the KSA, including a projected 6.4% CAGR in the KSA's affluent population between 2022 and 2028, the 5% projected increase in non-oil contribution to the GDP of the KSA from 2022 to 2028 and the KSA's goal to become one of the world's top 15 economies in 2030.

The growth in Whitespace is further supported by the KSA having the largest population and the largest grocery market in the GCC region.



(Source: Kearney; (1) Adults in earning age range with yearly income-higher than AED 110,000; (2) Projected target expressed by the Crown Prince of Saudi Arabia.)

Despite previously having no physical presence in the KSA market, 30% of the 511 people surveyed in Riyadh in April 2022 by Nielsen have an awareness of the Spinneys brand and 70% of the people surveyed responding they would consider visiting a Spinneys store.



((1) Source: Nielsen, based on 511 respondents (April 2022) survey in Riyadh, relates to the Spinneys brand only.)

Pursuant to its strategy to capture the Whitespace opportunity in the KSA, the Group has entered into a mutually beneficial partnership with the Al Hokair Family (see "*Material Agreements—Spinneys Saudi Arabia Agreements*") and has conducted rigorous feasibility studies to identify new opportunities, identifying Riyadh and Jeddah as the most attractive cities in the KSA for its Stores. The Group has a well-advanced store pipeline for 2024, with one store opening planned for the first six months of 2024, namely a 43,465 sq.ft. Spinneys store in La Strada, and three store openings planned for H2 2024, a 11,636 sq.ft. Spinneys store in KAFD, a 20,000 sq.ft. Spinneys store in U-Walk Jeddah and a 26,000 sq.ft. Spinneys store in U-Walk Riyadh. Lease agreements in respect of the La Strada and KAFD stores have been signed, with the lease agreements for U-Walk Riyadh and Jeddah being under negotiation.

The Group has hired a local, on-the-ground team with extensive local expertise, that have been conducting weekly visits to suppliers and competitors to select product ranges. The Group's Clearing, Freight Forwarding and Warehousing Teams visited the KSA in January 2024 to verify that the relevant requirements are in place for the expansion, including reviewing compliance with KSA-specific regulations, such as GSO-compliance with Arabic labelling, and are conducting ongoing feasibility testing with other manufacturers. Furthermore, as at 29 February 2024, the Group had already registered articles for 52 suppliers, had registered with 10 regulating portals and had tested its shipping and air freight programs from the UAE and UK into the KSA.

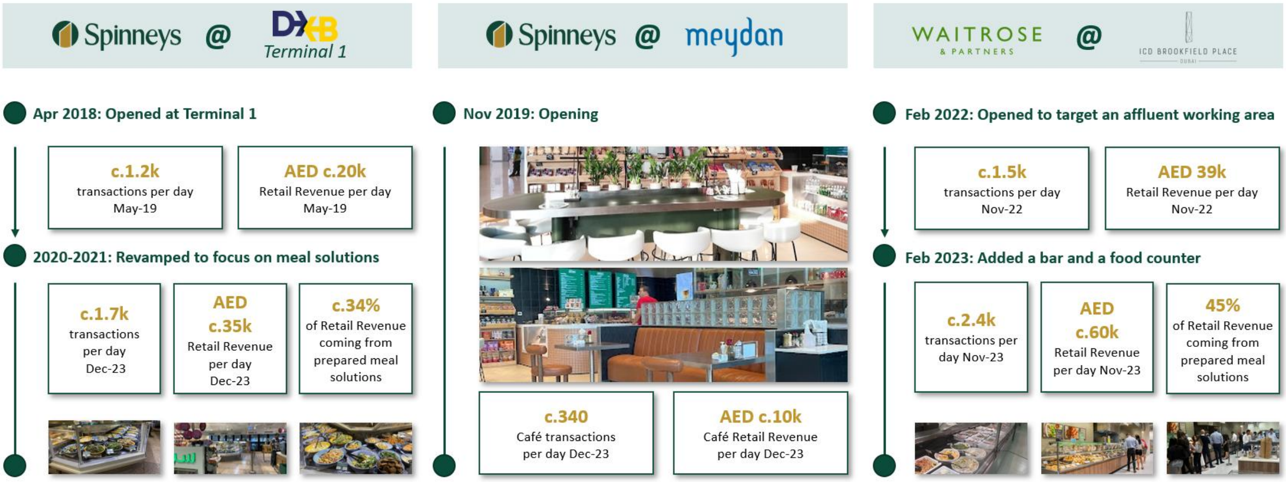
The Group has designed its logistics processes to transport products to its Stores in Saudi Arabia from suppliers based both locally and internationally. Locally, suppliers will deliver directly to Stores on a daily basis, in response to orders placed by the Replenishment Team, and the La Strada Store will be responsible for the in-house production of bakery, protein, fruit and vegetable products and their distribution to other Stores. Internationally, the target is to consolidate shipments through the Group's subsidiaries in the UK, USA and Australia, the Group's Kezad warehouse, third-party freight partners, and leverage the resources of a third-party's warehouse in Riyadh, until such time economies of scale justify the creation of a dedicated Spinneys distribution centre in Saudi Arabia.

Furthermore, the Group has designed a comprehensive marketing plan to build further awareness of the Spinneys brand in the KSA, with interactions and engagement across the most-used social media platforms in the KSA.

The Kitchen, by Spinneys Concept Launch

Leveraging the high growth market opportunity presented by the foodservice market in the UAE, which is expected to grow at a CAGR of 6.8% from 2022 to 2028, greater than the projected growth of the wider grocery retail market in the UAE of 3.9% across the same period, having grown at a CAGR of 2.7% from 2017 to 2022, the Group intends to tap into growing consumer trends by launching the first stand-alone The Kitchen, by Spinneys concept and implement the roll-out plan for the concept, which is further supported by 13.5% of the Group's Retail Revenue being driven by sales from the in-store bakery, prepared meals and in-store cafe. The Group has two confirmed sites for The Kitchen, by Spinneys, one in the Dubai Mall expected to open in the second quarter of 2024 and a second in Creek Harbour, expected to open in the second half of 2024 and one further site under discussion.

The Kitchen, by Spinneys is a standalone dine-in concept offering high-quality, healthy, ready-made food, with a mission of "food for now, food for later", based on internationally successful concepts, including Erewhon in California, Peacock Kitchen in Seoul, Central Market in Houston and the Kitchen at Bijenkorf, Eindhoven. The Kitchen, by Spinneys is poised to capture favourable market trends toward eating away from home, the increasing importance of convenience and the growing focus on health and wellness. The Kitchen, by Spinneys follows the success of the proof-of-concept Waitrose store opened in ICD Brookfield Place in February 2022, the Spinneys store in Meydan opened in November 2019 and the Spinneys store in Dubai International Airport, Terminal opened in April 2018, as detailed in the chart below:



Operational Efficiencies

The Group aspires to drive growth through increased operational efficiencies, driving operating leverage through scaled presence. The Group plans to commission a new production facility in 2027 in the Dubai Food Tech Valley, in line with the UAE's National Food Security Strategy in 2051, that aims to combine the capabilities of the two existing Production Facilities, which will subsequently close, and grow the share of SKUs the Group produces by entering into new categories, such as produce, dairy, pastry and pet food. The Group aims to increase its Private Label participation, with improved sourcing, and aims to increase its self-sufficiency, with plans to invest in sourcing capabilities in Europe, setting up a small team in Amsterdam, that will be asset-light with no warehousing or labelling facilities. The goal of the planned Amsterdam team is to identify products and engage with European suppliers to agree direct procurement. Currently 37% of the goods the Group sources from Europe are sourced directly.

History and Development

The Group has strong heritage in the UAE and the Spinneys brand is long-standing in the region. An overview of the principal events in connection with the history and growth of the Group's business is set out below.

1924 – Spinneys was established by Arthur Rawdon Spinney in Alexandria, Egypt.

1961 – The Group started operating under the Spinneys brand in Dubai.

1971 – The Group began operating a warehouse facility on Zabeel road.

1995 – Spinneys opened a new head office on Mankhool Road and new warehousing facilities in Al Quoz, with a space of 13,000 sq.ft.

1999 – Mr. Al Bwardy acquires full control of the Group.

2003 – Expansion into Oman with the incorporation of Al Fair LLC, of which the Selling Shareholder was a 50% shareholder.

2006 – Acquisitions of JHF UK and formation of JHF USA Exports, INC ("**JHF USA**").

2008 – Agreements signed for use of the Waitrose brand and the Selling Shareholder acquires the remaining stake in Al Fair LLC.

2009 – The Spinneys Dubai 92 Cycle Challenge was born (see "—*ESG Initiatives*—*Inspired People, Stronger Together*").

2011 – Spinneys Meat Production Unit opened in Jebel Ali.

2013 – Spinneys Central Bakery Unit opened in Dubai Investment Park and JHF Australia was acquired.

2015 – The Spinneys Kezad warehouse commenced operations in Abu Dhabi.

2019 – Spinneys Meydan, the first concept store opened, as well as a new headquarters for the Group's corporate office.

2020 – Spinneys.com and Waitrose.ae online shopping and home delivery services are launched amidst the COVID-19 pandemic.

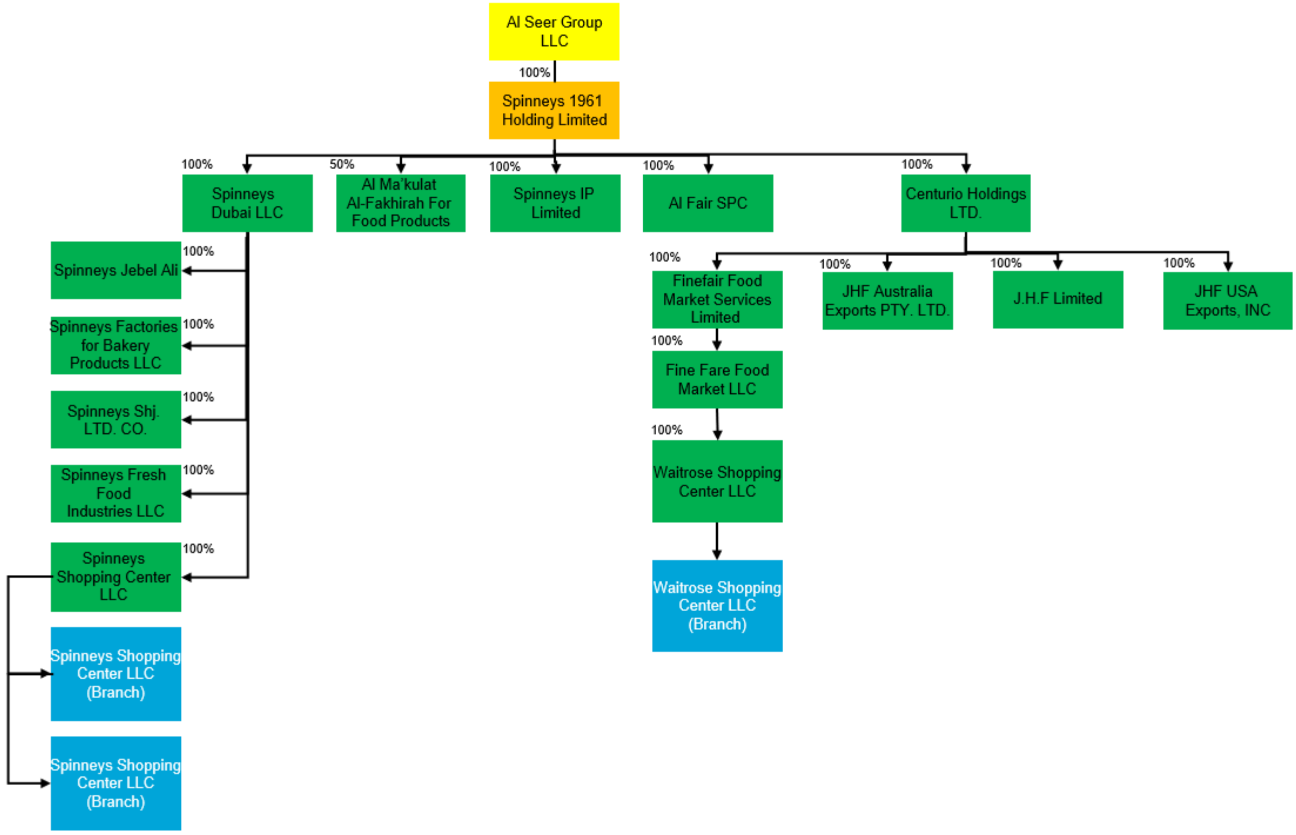
2021 – Spinneys celebrates its 60^{th} anniversary and first Spinneys Café opened in Meydan.

2022 – Partnership formed with Al Hokair.

2023 – Incorporation of the Company, signing of two The Kitchen, by Spinneys store and two stores in the KSA.

Corporate Structure

The Group's current corporate structure is set out below:



Significant Subsidiaries

Spinneys Dubai LLC

Engaged in the operation of supermarkets owned by the Group in the UAE and operating 11 Spinneys Stores in Abu Dhabi on behalf of Spinneys Abu Dhabi LLC, pursuant to the Spinneys Abu Dhabi Services Agreement.

Al Fair SPC

Engaged in the operation of supermarkets in Oman.

Spinneys Shj. LTD. CO.

Engaged in the operation of supermarkets in Sharjah.

Fine Fare Food Market LLC

Engaged in the operation of supermarkets in the UAE.

J.H.F. Limited

Engaged in the trading in and export of foodstuffs, grocery and non-food products.

JHF USA Exports, INC.

Engaged in business of purchase of goods for export and all related activities.

Centurio Holdings LTD.

Investment holding company.

JHF Australia Exports PTY. LTD.

Engaged in wholesale of food stuff, groceries and consumer products.

Finefair Food Market Services Limited

Investment holding company.

Spinneys IP Limited

Holding company of the Group's trademark rights, including the Spinneys name worldwide, excluding the UAE.

Al Ma'kulat Al Fakhirah for Food Products

Engaged in operation of supermarkets in the KSA.

Spinneys Factories for Bakery Products LLC

Engaged in production of bakery products.

Spinneys Fresh Food Industries LLC

Engaged in processing of meat for supermarkets.

Principal Operations

The Group is organised under three brands, serving the full range of shopping missions, as follows:

Spinneys

As at 31 December 2023, the Group owned a total of 45 stores under the Spinneys brand, 37 in Dubai, six in the Northern Emirates, two in Oman, and operated a further 11 stores in Abu Dhabi, pursuant to the Spinneys Abu Dhabi Services Agreement, for which the Group receives an annual fee, in addition to certain reimbursements for warehousing, logistics, marketing and IT services (see "*Material Contracts—Spinneys Abu Dhabi Services Agreement*").

The Spinneys brand is marketed as "accessible premium", targeted towards affluent and higher income consumers, with a focus on quality, service and convenience. Promoted as exclusive, private label and different, Spinneys Stores stock the Group's Private Label, Waitrose branded products and other premium brands and convenient meal solutions.

The Spinneys brand has strong recognition in the UAE, with 87% of 628 people surveyed by Nielsen in September 2023 being aware of the brand and the net promoter score the Spinneys brand has improved over the previous three years, from rank six in 2021 to rank three in 2023, with an increase in promoters from 65% of people surveyed in 2021 to 79% of people surveyed in 2023 (source: Nielsen). The value proposition of Spinneys Stores is recognised and appreciated by consumers in the UAE, resulting in strong brand equity within the UAE. According to consumers shopping in Spinneys Stores, 94% of the respondents valued fresh food as the main reason for shopping at Spinneys Stores, 93% of the respondents justified value for money in Spinneys products and 87% of the respondents were satisfied with the fresh meat, bakery and pastry offering in Spinneys Stores (source: Nielsen).

Waitrose

As at 31 December 2021, the Group operated a total of 15 Stores under the Waitrose brand, nine in Dubai and six in Abu Dhabi. The Group considers Waitrose stores to be more suitable as mall tenants, due to the recognition of its international brand.

The Waitrose brand is marketed as “premium”, targeted toward affluent and higher income consumers, with a focus on quality and service convenience. Promoted as private label, with an emphasis on the brand’s British provenance, the Group’s Waitrose Stores stock Waitrose premium branded products and convenient meal solutions.

Al Fair

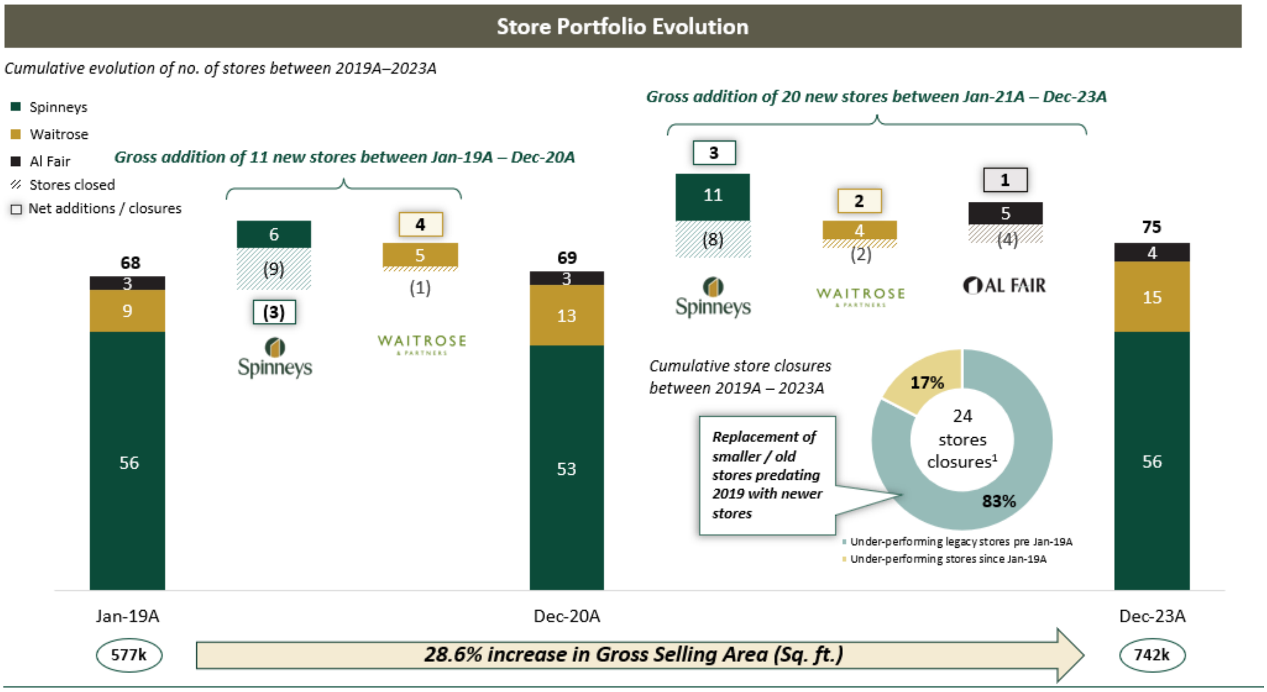
Al Fair is a legacy brand, which was established by the incorporation of Al Fair LLC in Oman in 2003, with the Selling Shareholder as a 50.01% owner and was later fully acquired by the Group through its purchase of the remaining 49.99% of the shares of Al Fair LLC in 2008. The Group operates four stores under the Al Fair brand; three in Oman and one in Abu Dhabi.

The Al Fair brand is marketed with a “value focus”, targeted towards middle income consumers, with a value focus. Promoted through weekly promotions, bulk packs and one-off offers, Al Fair stores stock second tier and national brands.

Store Portfolio Evolution

The Group added 31 new Stores from 2019 to 2023, 18 in Dubai, nine in Abu Dhabi, two in Sharjah, one in Ajman and one in Oman, of which 17 were Spinneys Stores and nine were Waitrose Stores. In 2021, the Group acquired five Al Fair Stores, stores, being interested only in two high-performing stores located in prime locations, while the other three were earmarked for closure.

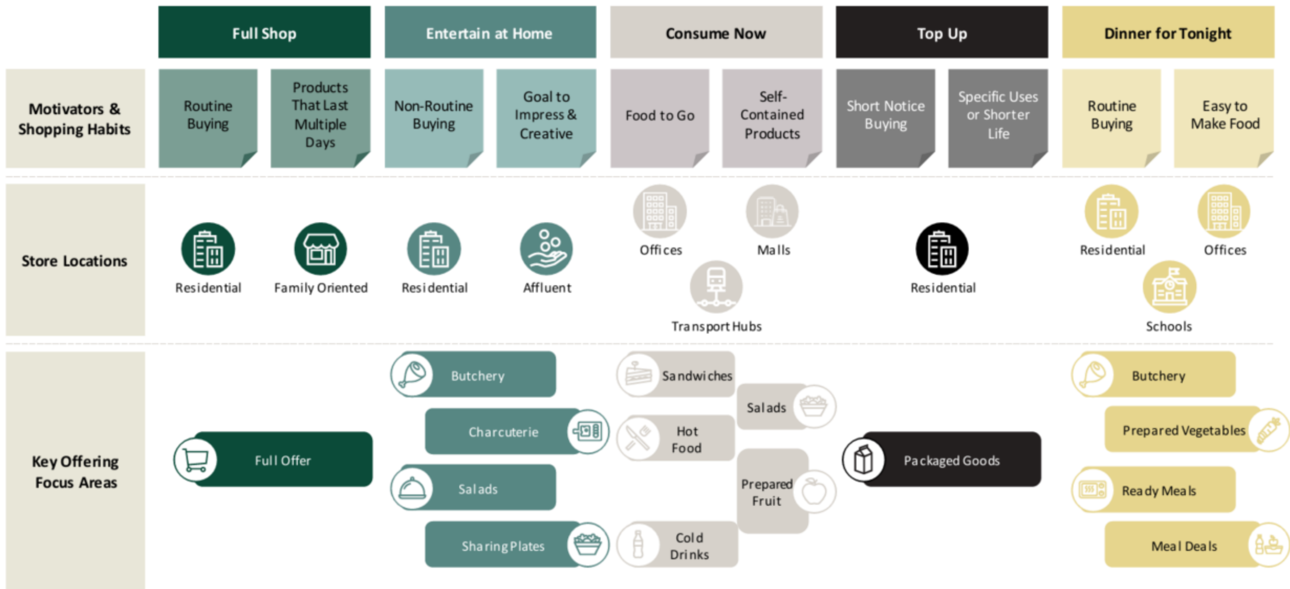
In pursuit of optimising its Store portfolio, the Group closed 24 Stores between 2019 and 2023, 83% of which were legacy Stores that were opened prior to 2019 and of which two were closed due to events outside the Group’s control, including demolishment of a Store by its landlord. Despite closing 24 Stores, the Group achieved a net addition of seven stores and expanded GSA by 28.6%, from 577,000 sq.ft. in 2019 to 742,000 sq.ft. in 2023.



((1) One Al Fair Store was converted to a Spinneys Store. This Store was sold to Spinneys Abu Dhabi LLC and is operated by the Group pursuant to the Spinneys Abu Dhabi Services Agreement.)

Serving the Full Range of Shopping Missions

The Group's Stores aim to fulfil one or more of the five following shopping missions:



E-commerce

The Group's products are available for order by consumers via multiple E-Commerce channels, including the Group's proprietary online platforms, Spinneys.com and Waitrose.ae, with same day, next day and nominated date and time delivery capabilities, and third-party E-commerce aggregators, including InstaShop, Talabat, Deliveroo and Now Now, offering delivery within sixty minutes. These

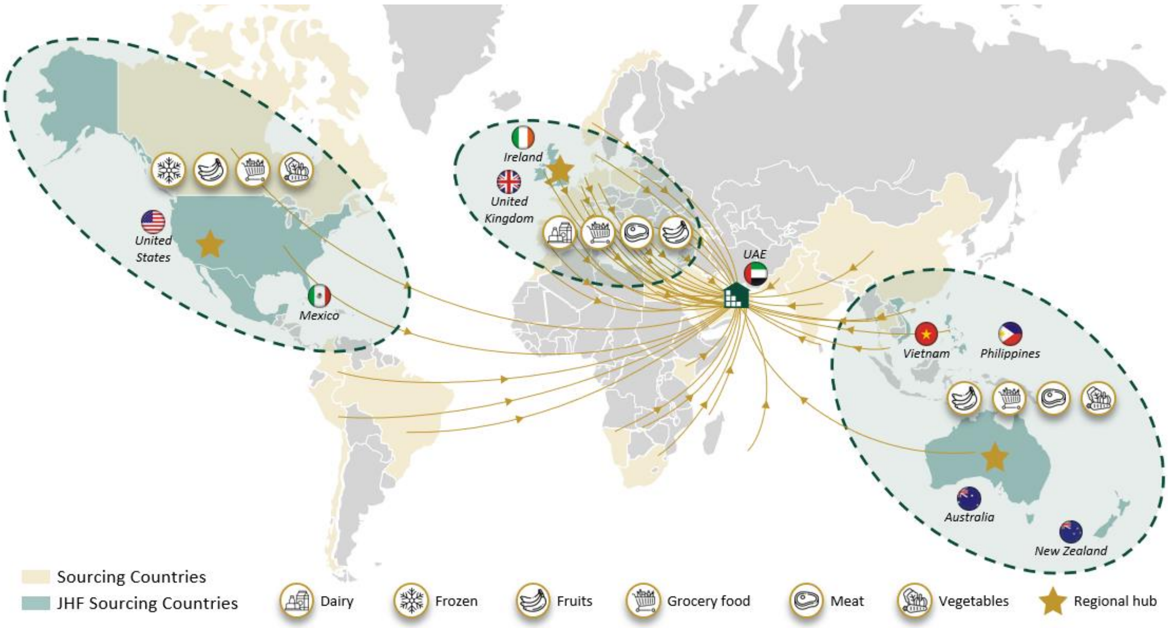
E-commerce providers operate alongside the Group's own E-commerce services to promote the Group's Stores on their platforms, take orders and payments for products from consumers, collect the orders from stores and deliver the products from the Group's Stores to consumers. The Group received an average of 230,000 E-commerce orders per month in 2023, with 94.7% of the Group's own E-commerce orders being delivered on-time in 2023.

Sourcing Network and Key Suppliers

Sourcing Network

The Group has a global and flexible sourcing programme, sourcing from 871 suppliers across 44 countries, in 2023, operated from three subsidiaries in each of the UK, the USA and Australia. Operating the Group's own sourcing channel via its three subsidiaries enables the Group to collaborate with its suppliers, for example, by sharing demand forecasts to enable availability of supply, avoids sourcing being limited to a specific origin, allowing for higher adaptation to shifts in supply and demand, helping to secure good quality products and good prices, providing in a cost-effective strategy presenting a significant cost advantage when compared to sourcing from a third-party distributor.

For the year ended 31 December 2023, 65% of product purchase values were generated from suppliers in the UAE and 35% were generated internationally, from 43 other countries.



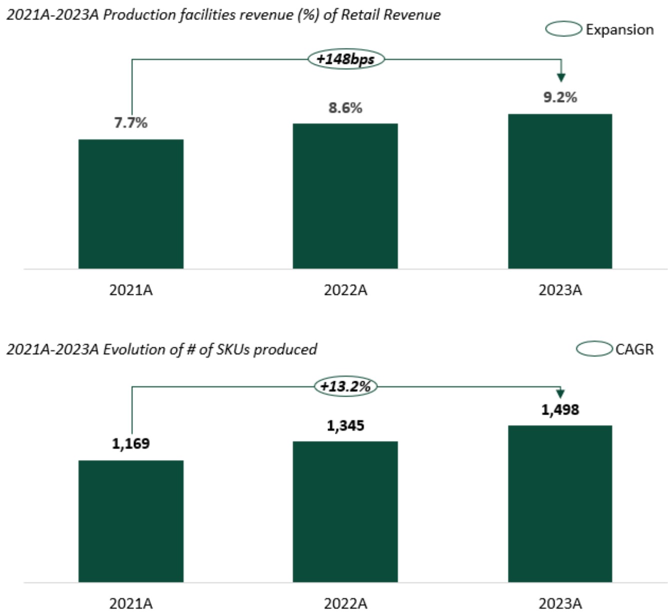
Wherever possible, the Group operates a dual-region sourcing model, with the ability to source products from multiple regions internationally, with the aim of mitigating supply risk and maintaining the availability of high-quality products throughout the year. For example, the Group can source strawberries from both the UK and USA, which in November 2023 allowed the Group to switch to US-sourced strawberries within 48 hours, when they noticed a slight decline in the quality of UK-sourced strawberries, due to deteriorating weather conditions in the UK. Similarly, the Group is able to source cherries from Spain, Chile and New Zealand, allowing the Group to switch from cherries grown in Chile and New Zealand to glass-house cherries grown in Spain, following the abrupt ending of the southern hemisphere cherry sourcing season in April 2023.

Key Suppliers

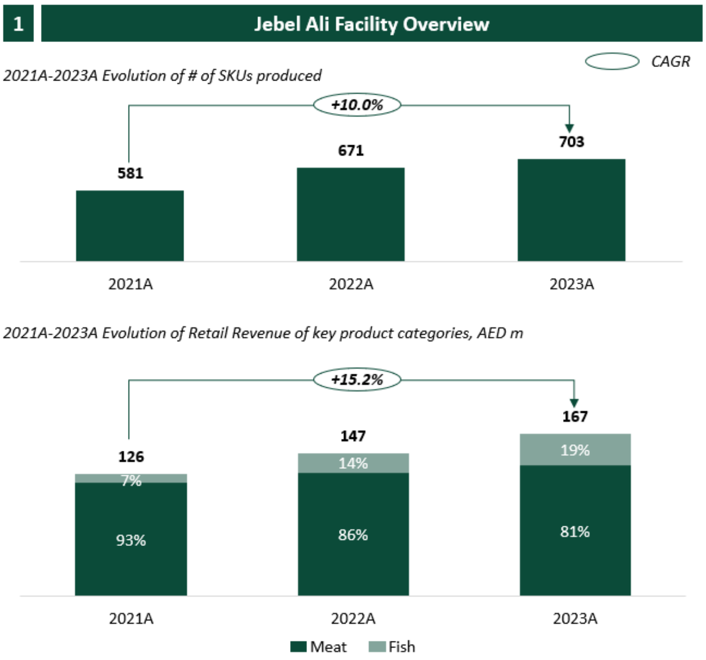
The Group's top five, 10, 20 and 30 suppliers (identified by the Group through a proprietary model that considers a number of quantitative and qualitative metrics, including sales turnover, total profitability after waste, year on year growth, delivery service and quality complaints), accounted for 8.4%, 13.4%, 21.5% and 28.0% of the Group's purchases (all-inclusive, landed price) for the year ended 31 December 2023, respectively, a testament to the Group's diversified sourcing capabilities, which aim to de-risk the business and maintain on-shelf availability.

Production Facilities

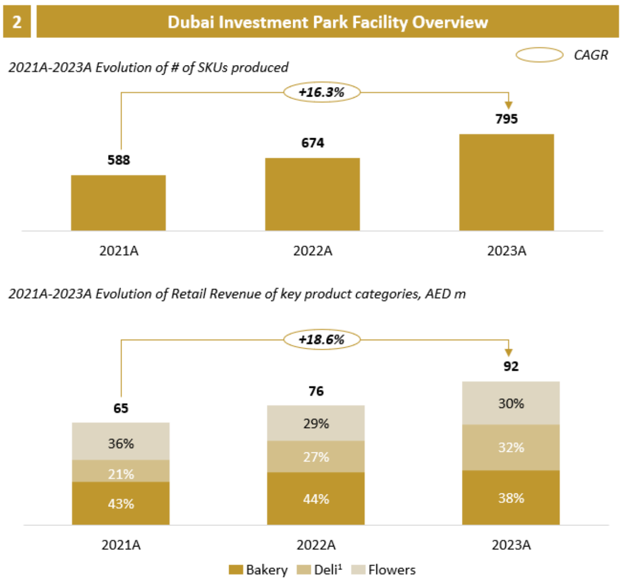
The Group leases two dedicated Production Facilities, located in Dubai, totalling a combined 96,000 sq.ft.



The Spinneys Meat Production Unit opened in 2011 and is located in the Jebel Ali Industrial area, covers 50,000 sq.ft, employed approximately 138 staff in 2023, and is operational for 14 hours per day, producing 703 SKUs in 2023, of which 100% were fresh products.

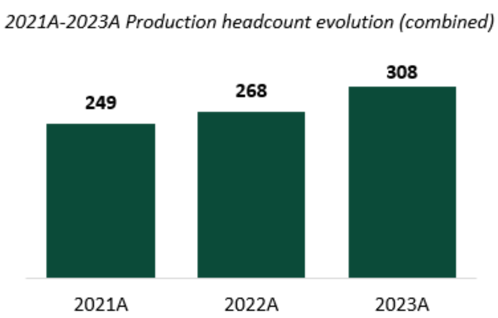


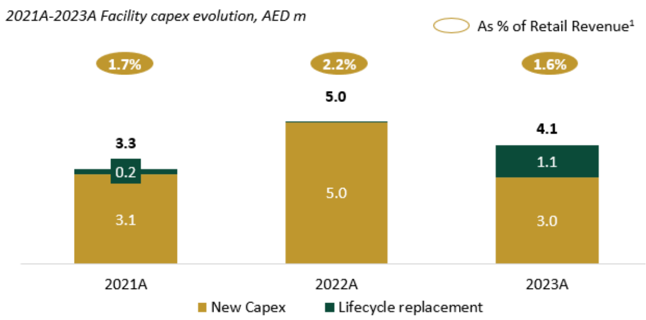
The Spinneys Central Bakery Unit facility opened in 2013 and is located in the Dubai Investment Park, covers 46,000 sq.ft., employed approximately 170 staff members in 2023, and is operational for 16 hours per day, producing 795 SKUs in 2023, of which 100% were fresh products.



((1) Deli category consists of ready-to-eat food.)

The Group continuously invests in its Production Facilities and production capabilities, for example, through investments in machinery and manual labour (as demonstrated by the evolution in the number of employees involved in production), optimisation of product development cycles and efforts to enhance the Production Facilities' agility and flexibility.



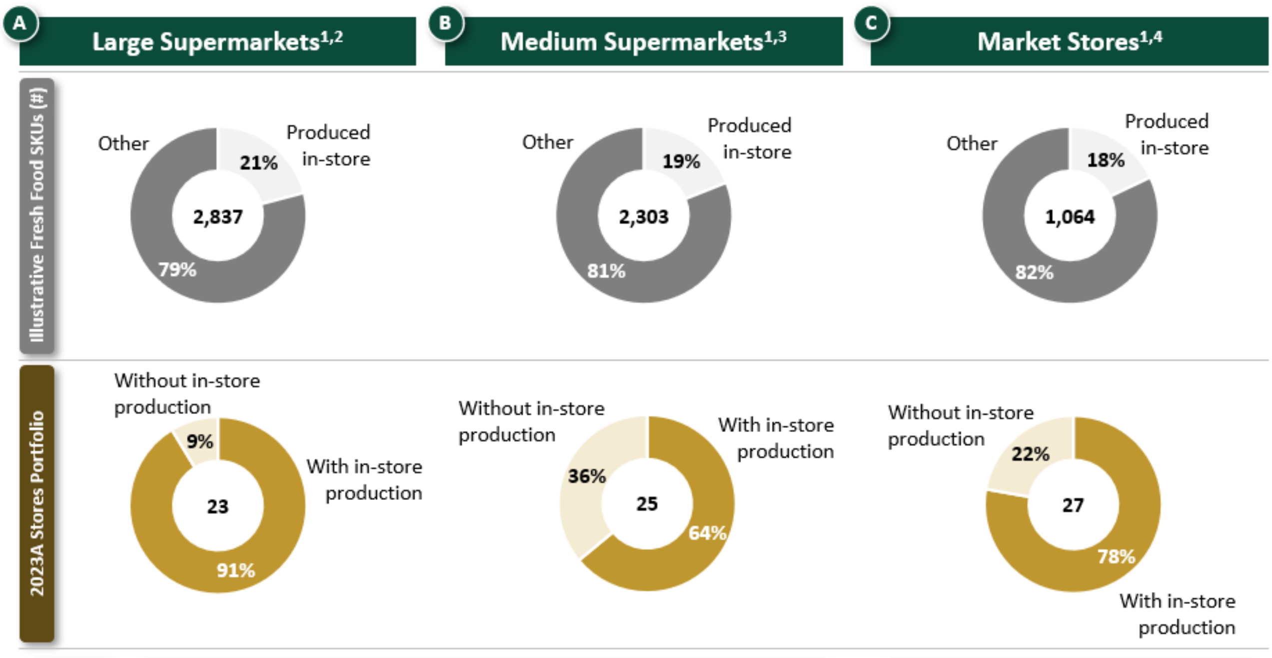


((1) Revenue from sale of goods from products manufactured at the Production Facilities.)

In a continuation of this investment, the Group plans to commission a new 300,000 sq.ft., AED 150 million production facility in 2027 in the Dubai Food Tech Valley that aims to combine the capabilities of the two existing Production Facilities, which will subsequently close. This investment is envisaged to be made through two phases; in phase one approximately AED 80 million to AED 90 million is projected to be spent in 2024 and 2025, with one third of that figure projected to be spent in 2024, with the remaining balance expected be deployed after 2028. The new production facility aims to increase efficiency by combining know-how under one facility, support the Group's target to double the share of production across the next five years, enhance the Group's portfolio of differentiated products and drive higher retail margins, introduce new manufacturing capabilities, have a larger storage area for raw materials and have a dedicated distribution space to cross-dock air shipments and reduce transit to the Kezad warehouse.

In-store Fresh Food Production

Fresh food products prepared by the Group's Production Facilities are complemented by in-store production of fresh food products, including bakery items, butchery, meal solutions and produce. Fresh food produced in-store forms a key part of the Group's fresh offering and accounted for 21% of fresh SKUs as at 31 December 2023, with higher contributions coming from larger format stores:



((1) Market stores defined as stores with GSA below 10,750 sq. ft. (1,000 sq. m.), Medium Supermarkets with GSA between 10,750 and 21,500 sq. ft. (1,000 and 2,000 sq. m.), and Large Supermarkets with GSA above 21,500 sq. ft. (2,000 sq. m.); (2) Based on example of Waitrose Dubai Mall; (3) Based on example of Spinneys Marina; (4) Based on example of Spinneys JLT-2.)

Products

Focus on Newness and Innovation

A key element of the Group's product strategy is focusing upon newness and innovation, with approximately 600 new products launched every month in 2023, for example:

The Group's products are curated from observing trends in restaurants, dining, social media and in leading grocery retailers across the world. A flexible approach is taken to development, providing the Group's Commercial Team with the ability to test and learn quickly by using in-store production to trial product concepts before scaling up production in the Production Facilities. Product performance is tracked daily and compared against the previous year, with the weekly budget used to track performance. The Group refines its product offering by implementing a listing ceiling in all categories, with a one-in-one-out policy. Tail ranges are monitored for slow selling products and high wastage, and newly introduced products are monitored against KPI targets. The success of this approach was demonstrated in the Christmas trading period in 2023:

Christmas 2023 Trading Update

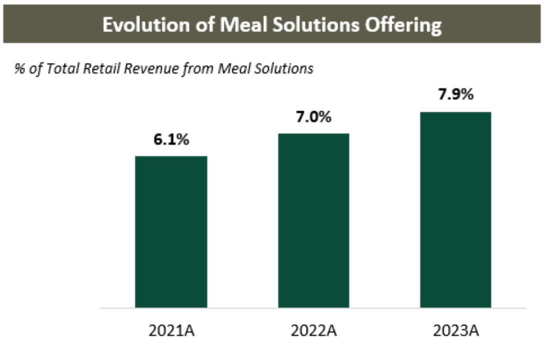
A number of records have been broken with very significant year on year Retail Revenue growth

- **+144%** in Candy Canes
- **+66%** in Panettone
- **+54%** in SpinneysFOOD Cooked Mini Sausage Rolls[1]
- **+39%** in SpinneysFOOD Sausage Meat[1]
- **+33%** in Fresh Christmas Trees
- **+30%** in SpinneysFOOD Salmon En Croute[1]
- **+29%** in SpinneysFOOD Gingerbread House[1]

((1) Private Label products.)

Differentiated Meal Solutions Offering

The Group has developed a differentiated meal solutions offering, defined as all products sold loose from the Meal Solutions department. As a result, the Group's food to go offering has grown over the past three years, with an 85 basis points increase in the Group's Meal Solutions Trade Margin from an average of 43.5% across 2021 and 2022 to 44.3% in 2023.



New Product Development

There are several key steps to the development of new products that will be prepared in the Group's Production Facilities, encompassing idea generation, brief creation, pilot development, creation of packaging and order placing. 1,324 new products were developed in the Group's Production Facilities in 2023, helping to increase the penetration of products developed by Spinneys to 11.9% (including in-Store production), enhancing overall profitability. For example, the Group invested in its own fish processing facilities within its existing Production Facilities and was able to improve gross margins on prawn production with no impact on Retail Revenue, upgrading the product to the higher-quality Agriculture Stewardship Certified certification. Further, in October 2023, the Group used its several step development program to launch SpinneysWELLNESS, its Private Label health and beauty line, which took 14 months to develop.

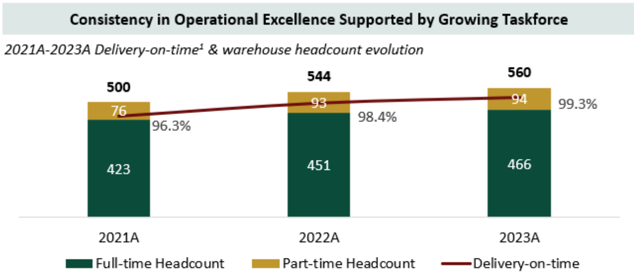
Overview of Warehousing and Distribution Network

Supply Chain Management

The Group's streamlined supply chain is one of its Group's competitive advantages. By way of example, the Group works closely with its suppliers to share demand forecasting information on a weekly basis and cases are broken down to individual units by the Group, allowing for more granular and precise replenishment efforts, which have enabled the Group to continuously improve its cost structure, resulting in a tangible downward trend in logistics costs per unit, with Wastage levels of between approximately 4% and 5% across 2021 to 2023.

Warehouse and Distribution Centre

The Group has one warehouse and distribution centre located in Kezad, Abu Dhabi, from which more than 40% of the Group's products are shipped using custom multi-purpose trucks. The Kezad facility totals 437,000 sq.ft., with space for 8,984 pallets and has packing, ripening, defrosting, labelling and bagging capabilities. The distribution centre was operated by 560 trained staff in 2023, picking approximately 40,000 deliveries per day, having consistently improved delivery-on-time and growing warehouse headcount between 2021 and 2023.



((1) Defined as number of deliveries from warehouse to stores made on time divided by total number of deliveries from warehouse to stores.)

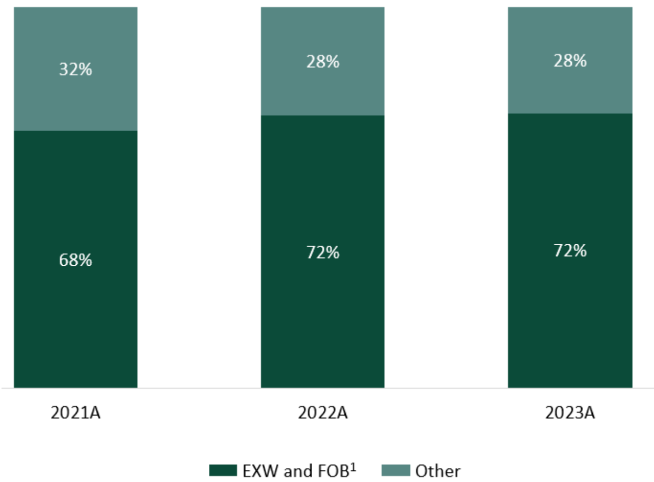
Logistics to Support the KSA Expansion

The Group has implemented logistical and regulatory steps as part of its KSA expansion, leveraging its experience in the UAE to set-up streamlined logistics in its KSA operations. Local sourcing within the KSA is complemented by the Kezad warehouse and distribution centre and leading third-party logistical providers with which the Group has relationships that support with warehousing, in-land transportation, technical registration and process support, and cross-border transportation.

Air and Sea Freight Network

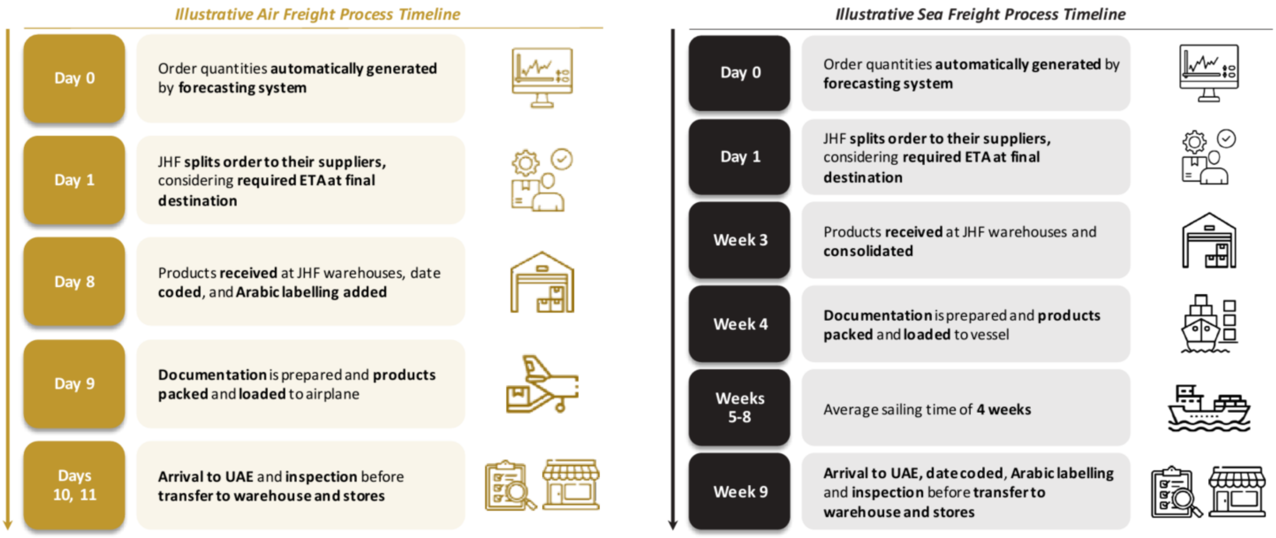
The Group has long-lasting relationships with global freight carriers, across both air and sea freight channels. For example, the group has a relationship with a global air freight carrier which covers over 130 global destinations, with its main countries of coverage being the UK, the USA, the Netherlands, Australia, South Africa, Spain and Italy, and which has daily flights from the UK, the Group's most important origination country outside of the UAE. The Group's long-standing relationship with this global air freight carrier has enabled the Group to enter into a block-space agreement for flights from the UK, which supports consistency in delivery and has resulted in a reduction in air freight rates.

The majority of the Group's imports are made on incoterms, being a set of eleven internationally recognised rules which define responsibilities of buyers and sellers, which allow the Group to manage shipments and insurance.



((1) Ex-Works and Free on Board.)

The following illustrates the Group's air freight and sea freight process timelines:



FX exposure continuously monitored via 3-month forward contracts

Quality Assurance

The Group has key measures in place to preserve quality standards, including vendor assessment, supplier certification requirements, regular audits and temperature tracking, which are implemented by KPIs, including:

- evaluating quality requirements in supplier agreements;
- assessing vendor QA/QC processes and certifications;
- optimising order cycles and modes of transportation;
- setting parameters in the relevant systems for suppliers and freight forwarders;
- conducting quality checks upon arrival at the Kezad warehouse;
- sorting for defective products;
- monitoring and assessing stock on a daily basis.

Distribution Network

The Group has a fleet of approximately 118 owned commercial vehicles conducting deliveries from the Group's Kezad warehouse and distribution centre, local suppliers and Production Facilities to its Stores. The Group's Spinneys E-commerce delivery vehicles are based at three stores in Dubai, each serving a different region. Similarly, the Group's Waitrose E-commerce delivery fleet is based at two stores, with the Waitrose Dubai Mall store serving Dubai and the Waitrose Khalifa City store serving Abu Dhabi. Deliveries of products sold online through the Group's websites and mobile apps are completed by the Group's vehicle fleet, however, deliveries via third-party E-commerce providers are made via their respective delivery fleets (see—"*E-commerce*"). Upon launch, deliveries via the Group's hyperlocal service will be completed by third-party providers, to enhance convenience.

Employees

As at 31 December 2023, the Group employed 4,216 full-time employees.

Employee Benefits

The Group endeavours to provide employee compensation that it considers to be competitive with other organisations in the UAE, the KSA and Oman. The Group also provides a range of employee benefits, such as health insurance and training programmes. Different types of leave are accorded to employees, including annual leave, exam leave, compassionate leave, sick leave, leave without pay and other types of special leave. These employee benefits are periodically reviewed to assist the Group with attracting and retaining a skilled workforce.

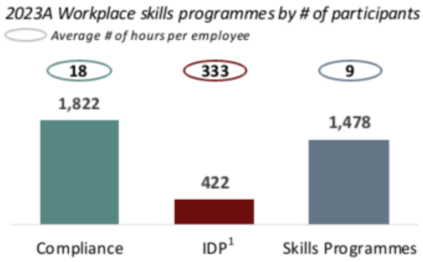
In accordance with the laws of the UAE, the Group provides end of service benefits to non-UAE national employees. Entitlement to these benefits is based on the employee's length of service and the completion of a minimum service period. UAE national employees benefit from a government instituted pension plan to which both the Group and UAE national employees contribute at prescribed rates.

Corporate Values

The Group has nine key habits which guide the way its employees operate:

The Group focuses on bottom-up recruitment, with employees gradually assuming more responsibilities, developing a strong culture of meritocracy, with opportunities for career development. For example, all store managers are selected internally and all regional managers have been with the Group for over 25 years. In addition, the Group celebrates its employees' achievements, with monthly in-store staff meetings across all Stores, year-end functions and fun days, wellness days and dedicated awards to celebrate success, for example, long service awards and employee of the month awards.

Furthermore, the Group invests in its employees' ongoing development, offering 22 internal courses to 2,640 employees in 2023, covering first aid, food safety and HACCP levels two and three.



((1) Individual Development Programme.)

Emiratisation

The Group is committed to increasing the proportion of its staff employed in the UAE who are UAE nationals and to develop their training and expertise. For the year ended 31 December 2023, UAE nationals made up approximately 10.83% of the Group's UAE workforce.

The UAE government imposes a mandatory quota on the number of UAE nationals the Group must employ of 12.68% in 2024. The Group has undertaken initiatives to involve more UAE nationals in its business, including engaging with the Emirati Talent Competitiveness Council and the Ministry of Human Resources and Emiritisation and attending their career fairs.

Omanisation

The Group is committed to increasing the proportion of its staff employed in Oman who are Omani nationals and to develop their training and expertise. For the year ended 31 December 2023, Omani nationals made up approximately 51% of the Group's workforce in Oman.

The government of Oman imposes a mandatory quota on the number of Omani nationals the Group must employ of 50%. The Group has undertaken initiatives to involve more Omani nationals in its business, including engaging with the local ministry.

Saudisation

The government of the KSA imposes a mandatory quota on the number of Saudi nationals a company operating in the KSA is required to employ. Ahead of its expansion into the KSA, the Group has engaged a third-party consultant to assist with designing initiatives to employ Saudi nationals in its business.

Environmental, Social and Governance

In December 2023, the Group adopted its "**Better Together 2030**" strategy to streamline ESG initiatives, manage ESG risk and monitor the performance of those initiatives and risk management strategies. The Better Together 2030 strategy is structured around the five pillars with specific policies and targets that address important ESG themes.

ESG Initiatives

Eat Well, Live Well

This pillar's key areas of focus include quality, safety and healthy and sustainable diets. The Group is targeting 50% of its SpinneysFOOD range to hold the "**Eat Well**" food mark by 2030, a label added to products in the Group's Private Label to indicate products with high nutritional value and to highlight specific nutritional benefits to consumers, for 20% of its fresh produce to be organic by 2025 and for the Group's health and beauty lines to be certified Cruelty Free by 2026. In 2023, 30% of the Group's products carried the Eat Well food mark and 15% of the Group's fresh products were organic. The Group plans to achieve these targets by expanding its plant-based alternatives for flexitarian, vegetarian and vegan consumers and encouraging healthy eating, for example, by delivering the Group's "**Farm to Table**" initiative, a learning programmes of five modules aiming to inspire people to eat well and live well, to one million people. To date, the Group has commenced aligning with the UAE's Nutrition Strategy for 2030, has obtained ISO:22000 Certification for Food Safety Management, has developed policies for its Private Label and Clean Label and has had a growing number of schools participating in its Farm to Table initiative:

Year	Schools	No. of Students
2021/22	40	20,905
2022/23	60	15,595
2023/24	73	30,798

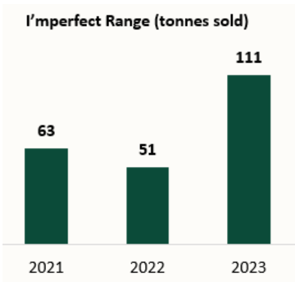
Sourcing for the Future

This pillar encompasses the Group's commitment to sustainable and local sourcing, collaborating with local and global growers and producers to manage and monitor environmental and social risks in the supply chain and to aligning with global standards. The Group is targeting 100% traceability of its beef supply chain by 2024, with the Group achieving 93% traceability in 2023, ensuring traceability of sugar, paper, soy and cocoa by de-risking the supply chain by 2025. The Group plans to achieve these targets by implementing a Sustainable Sourcing Policy by 2025, building on its successful initiatives to support food security in the UAE, The Spinneys Farmers Club and the Local Business Incubator, focusing on locally sourced products and ingredients, to reduce food miles and support local businesses, and transparent sourcing. To date, the Group has become a member of the Roundtable on Sustainable Palm Oil Certification and has implemented Global G.A.P requirements for produce suppliers.

The Spinneys Farmers Club is comprised of nine growers and producers located in the UAE that work with the Group to develop and follow sustainable farming practices and helps reduce food miles. Participants in the Spinneys Farmers Club are provided with guaranteed volumes and prices for crops grown throughout the growing season, through the establishment of a detailed production plan with exclusive lines for Spinneys and the introduction of prepacks under the SpinneysFOOD label. The Local Business Incubator program selects small producers and manufacturers in the UAE and gives them the opportunity to sell their products in the Group's stores for one year under an exclusivity agreement. The Local Business Incubator program attracts 75 to 100 applicants annually and has helped launch approximately 30 brands since its launch in 2020, with some of the graduates from the program successfully scaling and exporting across the GCC region and securing listings with global brands including Wholefoods and Harrods. Graduates of the program include Gypsy Rose, Coppertop, Tabchilli, Out of This Universe F&B, Coven, Naksha and BRW Society.

No Time to Waste

This pillar establishes the Group's roadmap to mitigating its impact on the environment, aiming to become net zero in its own operational emissions by 2040. In 2023 10% of energy for the Group's owned stores was generated from renewable sources. The Group is targeting to have 50% of energy for its owned stores to be generated from renewable sources by 2040, to publish GHG emissions baseline and annual emissions disclosures by 2025, to have recycling facilities in the Group's premises by 2026, to have a 20% reduction in water use by 2023 as compared to the 2022 baseline, to have all of the Group's owned sites offer sustainable transport options, including electric vehicle charging stations, public transportation and personal mobility access by 2030, to have "re-fill stop" zones in the Group's Stores by 2027, to have 90% of Private Label packaging be reusable, recyclable or home compostable by 2030, to reach 50% of suppliers and customers with circular economy training by 2025, and to become a member of the UAE Alliance for Climate Action and the UAE Circular Packaging Association in 2024. To date, the Group repurposes fresh food, for example, using whole foods into chopped fruit and smoothie and turning bread into croutons. Further, the Group has introduced the "**Naturally I'mperfect**" range which enables growers to reduce food waste.



Inspired People, Stronger Together

The Inspired People, Stronger Together pillar places a strong emphasis on investment and engagement with all stakeholders in the Group's ecosystem, through diversity, equity and inclusion, motivating employees, bringing together customers and communities and supporting suppliers and partners. As part of this pillar, the Group has adopted a health and safety policy (see "—*Health and Safety*"), implemented targets for Emiritisation, has implemented targets for annual training hours for employees and has achieved 25% female representation in its workforce (see "—*Employees*"). In furtherance of this pillar, the Group plans to adopt a Diversity, Equity and Inclusion Policy.

The Group's continuous engagements with its communities through its initiatives such as the Spinneys Cycle Challenge and the Spinneys Family Run series will continue to reinforce the strength and resonance of the Spinneys brand in the UAE. The Spinneys Cycle Challenge first took place in 2009 and its 14th edition took place in February 2024. The race attracted 6,568 participants in 2024.

Embedding Sustainability

The Embedding Sustainability pillar serves as the foundational support for the preceding four pillars throughout the implementation of the Better Together 2030 strategy. This pillar covers KPI and target setting within the Group, along with the development of knowledge, governance and reporting. With oversight from the Board, the Group plans to integrate ESG performance into internal scorecards, guiding each department towards achieving annual goals aligned with the Better Together 2023 strategy, and plans to establish a Sustainability Steering Committee responsible for reviewing materiality and ESG methodology that will report to the board on a quarterly basis. Each department will have sustainability champions which will oversee action in each department on sustainability and will report quarterly on their departments progress. The Group plans to make annual ESG disclosures in line with Global Reporting Initiative standards from 2024, with the first report to be published in 2025. Furthermore, the Group has adopted key policies to ensure risk management, including data protection policy, anti-bribery and anti-corruption policy, code of business conduct policy and anti-fraud policy.

Health and Safety

Food safety is a key priority of the Group, as well as the health and safety of the Group's consumers and employees. The Group employs tools including case assessments, coordinating with local authorities, chemical approvals, fogging and isolation and quarantine requirements to help it to meet applicable food safety and health and safety standards.

The Group manages and maintains certifications both at the local and international levels, including, HACCP, ISO22000, ESMA Halal and ESMA Organic, and employs a diverse team of technical professionals with knowledge and experience across food technology, biotechnology, occupational health and safety, food science, food safety, microbiology and environmental and management systems.

To date, the Group has implemented a health and safety policy and has a lost time injury frequency rate, being hours lost per million hours worked, of zero for contractors from 2021 to 2023 and 2.02, 1.50 and 2.55 for employees in 2021, 2022 and 2023, respectively. Furthermore, the Group's workforce is 25% female, of which 14% are in senior management roles, 34% are in professional roles and 52% are in semi-skilled and unskilled roles.

Insurance

The Group maintains insurance coverage that it believes is in line with standards adopted by the retail market in Dubai, including property insurance. The Group's assets are evaluated for any particular risks and asset valuations and risk assessment surveys are carried out in order to enable the Group to take all necessary preventative steps to minimise the risks of accidents and losses. The Group has also obtained insurance for fidelity guarantee, workers compensation, employer's liability against employee negligence and third-party liability insurance. See "*Risk Factors—Risks Related to the Group—The Group is not fully insured against all potential hazards and risks incidental to its business and its insurance coverage may not adequately cover its losses*".

Properties

As at 31 December 2023, of the Group's 64 owned Stores, 57 were leased from third parties, five were leased from the Selling Shareholder and two were owned by the Group. The Group's Production Facilities and warehouse were also leased. As at 31 December 2023, of the 62 Stores leased by the Group, 26% have over five years remaining on the lease term, 51% have less than five years but more than one year remaining on the lease term, 23% have less than one year remaining on the lease term. Of the 62 Stores leased by the Group, 38 Store leases contained a rent clause based on turnover, and the remaining 24 leases do not contain rent clauses based on turnover.

The Group has a store selection process spanning several criteria, including market size, accessibility, visibility and marketing potential. The Group conducts detailed feasibility studies based on Retail Revenue, Payback Period, return on investment target, catchment area, geozone analyses, assessment of capital expenditure and projected operating expenditure requirements.

Priority is given to community centres and malls with strong exposure to affluent customer-bases. The Group's choice of brand aligns with the sociodemographic characteristics of the area, with a preference towards being the first grocery retailer in new developments, with the target of being the anchor tenant.

New Stores typically have a payback period of less than three years:

New Stores Typically Have a Target Payback Period of <3 years

	Location 1	Location 2	Location 3
Date of opening	Apr-21	Feb-22	Feb-23
Store format	Medium supermarket	Market store	Market store
Capex contribution (AED m)[1]	9	4	4
Payback period (years)	2.9	2.1	1.7

((1) Excludes store opening fees.)

Intellectual Property

The Group is licensed to use 13 trademarks that includes the Spinneys and Waitrose logos and other material trademarks (including trademarks of subsidiaries) comprised of logos and words, which are registered in the UAE for use in the UAE and other international jurisdictions. Mr. Ali Al Bwardy has a ten-year licence to use the Spinneys name and logo in respect of the Stores in the UAE (excluding Abu Dhabi, where Spinneys Abu Dhabi LLC, an associate of the Selling Shareholder, is licensed to use the trademarks for the Spinneys name and logo) that are majority owned by Mr. Ali Al Bwardy or by companies in which he is the majority owner, which is due to expire in 2029 (see "*Material Contracts—Spinneys Trademark Licence Agreement*" and "*Risk Factors—The Group's brands are dependent upon intellectual property rights and the Group's inability to protect its intellectual property rights may have an adverse effect on its results of operations*"). Further, the Group has a ten-year licence expiring in 2031 to use the Waitrose, Waitrose & Partners and Little Waitrose & Partners names and logos in the UAE (See "*Material Contracts—Waitrose Agreements*" and "*Risk Factors—Termination of the Waitrose Licence Agreement would result in the Group being unable to use the Waitrose brand and stock Waitrose and John Lewis products in its stores*").

In addition, the Group has entered into trademark licensing agreements with Spinneys Egypt Limited, Spinneys Egypt LLC and Gray Mackenzie Retail Lebanon SAL, entities outside of the Group, whereby it licenses the rights to use the trademarks it owns of the Spinneys name and logo in Egypt, for a licensing fee, Iraq, for a licensing fee, and Lebanon and Syria.

Information Technology

The Group has well invested, cloud-based infrastructure, using products from NCR, SAP AG and

Microsoft for deployment in its business operations and controlling areas, which can scale effectively. In 2000, the Group adopted NCR scanning technology and implemented SAP in 2022. In 2016, the Group moved from on-premise to SAP HANA cloud, in 2018 the Group moved to Azure Cloud Storage and in 2024 the Group commenced the adoption of SAP S/4 HANA.

The Group utilises technology-driven automation to improve decision-making and drive operational efficiencies, including leveraging robotic process automation to build a base for artificial intelligence and machine learning implementation. All core processes are run on SAP, including financial accounting, human resources, material and warehousing management, forecasting and replenishment and analytics. Furthermore, product listings, pricing and merchandise planning are centrally controlled through SAP.

The Group has two E-commerce platforms, with custom-built front and back-ends, Spinneys.com and Waitrose.ae, and two proprietary mobile apps, one for each of the Spinneys and Waitrose brands, all of which facilitate online ordering, a feature launched in 2020 in response to the COVID-19 pandemic. In addition, a refreshed version of the Spinneys app is under development, which is planned to facilitate the Group's hyperlocal E-commerce service Spinneys Swift (see "*—E-commerce*").

The Group has implemented a data protection policy to govern the management and protection of data it collects as part of its processes.

Litigation

From time to time, entities within the Group are a party to non-material disputes that arise in the ordinary course of its business, none of which are expected to have a material adverse impact on the Group's financial position or profitability, even in the event there is an adverse finding against the relevant Group entity. Spinneys Dubai LLC has filed claims against three of its tenants in order to terminate their leases and have the tenant vacate their current premises. All three claims remain in process as at the date of this Prospectus.

The Group has not been involved in any material governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Group is aware) during the last 12 months preceding the date of this Prospectus which may have, or have had, a significant effect on its financial position or profitability.

3. Statement of capital development

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

The capital of the Company has been fixed at AED 36,000,000, divided into 3,600,000,000 (three billion six hundred million) Shares with a nominal value of AED 0.01 each. All Shares are equal in respect of all rights.

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

As at the date of this Prospectus –

Before Offering

Name	Nationality / Country of Incorporation	Type of shares	Number of shares owned	Total value of shares owned*	Ownership proportion
Al Seer Group LLC	United Arab Emirates	Ordinary	3,600,000,000	AED 36,000,000	100%

*Based on the nominal value.

After Offering

Name	Nationality / Country of Incorporation	Type of shares	Number of shares owned	Total value of shares owned*	Ownership proportion
Al Seer Group LLC	United Arab Emirates	Ordinary	2,700,000,000	AED 27,000,000	75%
Successful Subscribers at Listing	Various	Ordinary	900,000,000	AED 9,000,000	25%

*Based on the nominal value.

Company's capital structure upon completion of the Offering

Upon the completion of the Offering, the Company's paid-up share capital shall be AED 36,000,000, divided into 3,600,000,000 (three billion six hundred million) Shares with a nominal value of AED 0.01 per Share.

Assuming all of the Offer Shares are allocated and the Offer size is not increased, the Selling Shareholder will hold in aggregate 75% (seventy five per cent) of the total share capital of the

Company, assuming that the Selling Shareholder sells all of the Shares being offered and the Offering size is not increased. The Company has presented its plan to SCA for the Selling Shareholder to offer 25% (twenty five per cent) of the total share capital of the Company. The Selling Shareholder reserves the right to amend the size of the Offering and size of any Tranche at any time prior to the end of the subscription period at its sole discretion, subject to the applicable laws of the UAE and the SCA's approval.

No. of Selling Shareholder's Shares:	**2,700,000,000 (two billion seven hundred million) Shares**
No. of total Subscribers' Shares (assuming all Offer Shares are allocated including all tranches mentioned under the Prospectus and the Offer Size is not increased)	**900,000,000 (nine hundred million) Shares**
Total:	**3,600,000,000 (three billion six hundred million) Shares**

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

The Company has not been involved in any material, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) preceding the date of this Prospectus which may have, or have had, a significant effect on its financial position or profitability.

From time to time, entities within the Group are a party to non-material disputes that arise in the ordinary course of its business, none of which are expected to have a material adverse impact on the Group's financial position or profitability, even in the event there is an adverse finding against the relevant Group entity. Spinneys Dubai LLC has filed claims against three of its tenants in order to terminate their leases and have the tenant vacate their current premises. All three claims remain in process as at the date of this Prospectus

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

As at 31 December 2023, the Group employed 4,216 full-time employees.

6. Accounting policies adopted at the Company:

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

7. Statement of Group's financings, credit facilities and indebtedness and the most significant conditions thereof:

Please refer to note 18 of the Annual Financial Statements as found in page number 191 of this Prospectus.

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

Please refer to note 18 of the Annual Financial Statements as found in page number 191 of this Prospectus.

9. Investment Risks:

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

Risk Factors

1. RISKS RELATING TO THE GROUP'S BUSINESS AND INDUSTRY

1.1 A decrease in the number of consumers or levels of consumer spending or a change in the channels used by consumers for their shopping may have a negative impact on the Group's business and results of operations

The Group's revenues mainly depend on the level of sales from its Stores to its consumers, as well as online sales through the Group's online E-commerce platforms and via third-party aggregators, which are subject to general risks inherent to the retail sector, some of which are outside of the Group's control. Retail sales, including in the grocery sector, are subject to rapid and occasionally unpredictable changes in the behaviour of consumers, which may be influenced by general fluctuations in economic factors beyond the Group's control, including an increase in interest rates, utilities and housing costs and unemployment levels, each of which in turn may negatively impact levels of disposable income, consumer spending (including discretionary spending on foodstuffs and dry goods) and general confidence in the economy. Further changes in consumer preferences and changes in demographics, as well as fluctuations in population growth, may have an impact on consumer behaviour.

The success of the Group's business depends on its ability to maintain a comprehensive and appealing products selection and mix, while anticipating and responding in a timely manner to changing consumer demands and preferences. For instance, the adoption of E-commerce within the Group's Key Markets, and the GCC region more generally, is growing significantly and therefore, over time, consumer spending may increasingly become allocated to online and mobile applications as well as other alternative retail channels. A shift in spending towards E-commerce and other alternative retail channels may lead to a decline in the number of consumers shopping in the Group's Stores, without an equivalent uptick in sales via the Group's E-commerce channels, which would result in, among other things, a decline in consumer spending at the Group's Stores. The success of the Group's operations further depends on the Group's continued ability to select products from suppliers that satisfy consumers' demands, which in turn depends on the availability of such products, suppliers' rates, the level of competition and ensuring diversity of sources. Consumer acceptance of new products, concepts and solutions is affected by a number of factors, including prevailing economic conditions, disposable income, global lifestyle trends, price, functionality, technology, appearance and many other factors. It is possible that some of the Group's offerings will never achieve widespread consumer acceptance and may become outdated. If the Group were unable to respond to consumer demand or to market changes, it could adversely affect the Group's business, results of operations, financial condition and prospects.

In addition, developments affecting the areas in which the Group's Stores are situated may also affect consumer spending, including demographic changes as well as changes that affect easy access by consumers. The majority of consumers depend on private cars or taxis to reach the Group's Stores. The closure or diversion of roads or non-availability of parking spaces due to maintenance or infrastructure works carried out on the roads, car parks or surrounding areas leading to the Group's Stores are beyond the Group's control and may lead to a negative impact on the number of consumers shopping at the Group's Stores. Changes in the demographic composition of consumers, the number of people living near or around specific Stores, including changes in average income levels and brand preferences among consumers, new retail trends, changes in consumer behaviour and methods of shopping may adversely impact the Group's business, results of operations, financial condition and prospects.

1.2 Unexpected interruptions to the Group's operations and business, including its supply chains, may have a negative impact on the Group's business and results of operations

The Group's success depends significantly on the continuous, seamless operation of its Stores, warehouses, Production Facilities and supply chains. The operation of the Group's Stores, warehouses, Production Facilities and supply chains are inherently subject to a number of risks, including extreme weather conditions, physical damage to buildings, power failures, cybersecurity attacks, equipment breakdowns, failure or substandard performance of equipment, criminal incidents, acts of terrorism, civil unrest, conflict breakout or escalation, natural disasters, fires and explosions, and other potential hazards. In October 2021, a cyclone occurred in Muscat and resulted in the Al Fair Stores located in the Al Qurum area in Muscat being flooded, which did not cause any injuries to the Group's employees or consumers, but damaged some of the Group's products and the affected Stores. All damages from this incident have been covered by the Group's insurance.

Fresh products are vulnerable to adverse weather conditions and natural disasters that may result in damage to perishable products, impact supply chains or availability of products, as well as impact crop yields and reduce crop size and quality, which in turn could reduce the available supply of, delay the shipment of, or increase the price of, fresh products. Further, 21% of the Group's products were transported via sea freight and 79% through air freight in 2023. A closure of airspace, airports, shipping channels or ports could require the Group to switch methods of transport, to the extent possible, or prevent the Group from transporting products. In the event of ongoing closures of airspace and / or airports the Group may be forced to transport products by sea freight, increasing delivery times, reducing the availability of fresh products and potentially missing the window available for sales of seasonal products, for example, if shipments of Danish Christmas trees are delivered after 25 December. In the event of ongoing closures of sea freight channels and / or ports, the Group's dependency on air freight could increase, which could result in the Group incurring additional costs or reduce the available supply of products. In November 2023, Houthi groups based in Yemen began conducting attacks on commercial vessels in the Red Sea, off the coast of Yemen in the Gulf of Aden and the Bab al-Mandab Strait, with international governments, including the UK and USA, conducting ongoing air strikes against Houthi groups in the area, in response. On 18 February 2024, attacks by Houthi groups sank a UK-owned cargo ship in the Southern Red Sea. These ongoing attacks are forcing the Group to divert some of its shipments via longer routes (for non-perishable products or products with a longer shelf life) and increase the volume of products transported via air freight (for perishable products) which, due to increased shipping transport times for re-routed shipments and higher costs for air freight, is expected to negatively impact the Group's results of operation, financial condition and prospects. See "*Risks Relating to Political, Economic and Social Environment of the MENA region — General economic, financial and political conditions in the MENA region, including continued instability and unrest or the escalation of armed conflict, may have a negative impact on the Group's business and results of operations*".

There can be no assurances that unexpected interruptions to the Group's Stores, Production Facilities, warehouses and/or supply chains will not occur in the future. The occurrence of any of these or similar interruptions would cause significant disruption to the Group's business, for example by forcing Stores to close and / or reducing the products the Group has available in stores, all of which would affect adversely and materially the Company's business, results of operations, financial condition and prospects. Further, there can be no assurances that any damages or losses incurred as a result of such an unexpected interruptions will be covered by the Group's insurance.

In addition, disruptions to the delivery of products to the Group's warehouses and Stores may occur for reasons such as poor handling or transportation bottlenecks, such as the Suez Canal blockage in March 2021, which could lead to delayed or lost deliveries or damaged products and disrupt supply of the Group's products. The Group is reliant on its central planning team and systems for the ordering and import of products to the Group's warehouse; a prolonged disruption to the operations of such team or systems would severely disrupt product availability in the Group's Stores. The Group's Retail Revenues may be reduced due to losses or the cancellation of important orders as a result of shortages or unavailability of particular products demanded by consumers due to disruptions to the Group's supply chain. These interruptions may also disrupt product availability and in-stock management, which could result in reduced sales or an increase in costs and affect adversely and materially the Group's business, the results of operation, financial condition and prospects.

1.3 Any disruption to the operation of the Group's production and warehousing facilities, for short or extended periods of time, may significantly reduce the number of products the Group is able to stock in its stores, which may have a negative impact on the Group's business and results of operations

As at the date of this Prospectus, the Group's network currently comprises two Production Facilities in Dubai, one in the Jebel Ali Industrial area dedicated to the production of protein and a second in the Dubai Investment Park dedicated to the production of bakery, deli and fresh flowers, and one warehousing facility in the Khalifa Industrial Zone ("**Kezad**"), Abu Dhabi. In the event that there is any unexpected and prolonged disruption to the operation of the production and / or warehousing facilities, for example due to a disruption in the supply of utilities, such as water or electricity, or access to the premises, in the event of a fire, or high levels of staff absenteeism, and the Group cannot restore the affected facilities, or to relocate to another suitable location promptly with well-equipped facilities, or find suitably qualified and skilled staff to operate the facilities, the Group's business operations will be materially and adversely interrupted, which in turn, will affect the Group's results of operations.

In particular, due to the fragile and perishable nature of the Group's products, if the Group incurs any material equipment breakdown, such as the failure of equipment for temperature or humidity control, the quality of the products stored in the relevant Production Facilities may be compromised and the Group may have to discard products and absorb the relevant costs. For example, a failure of chiller equipment for even a short period of time could result in the rapid deterioration of chilled products, such as fresh meat and fish. In addition, repairing or adding equipment and machinery in the relevant Production Facilities may be expensive and time consuming.

The Group may also be exposed to risks of damage or loss of its products during warehousing and transportation, including during their transport from or to the Group's warehouses, Productions Facilities and / or Stores or other delays in the delivery of the products caused by transportation disruptions and related problems, and the effects of which may include, increase in out-of-stock items, loss of sales, higher costs and inventory shrinkage. Any of the foregoing could have a material and adverse effect on the Group's business, results of operations, financial condition and prospects.

1.4 Termination of the Waitrose Licence Agreement would result in the Group being unable to use the Waitrose brand and stock Waitrose and John Lewis products in its stores

Pursuant to the Waitrose Licence Agreement, the Group has been granted a 10-year licence by Waitrose Limited, commencing in 2021 and terminating in 2031, to use trademarks owned by Waitrose Limited and operate a number of stores under the Waitrose brand (see "*Business—Relationship with Third Parties—Waitrose Limited*"). The Group currently operates 15 Stores under the Waitrose brand, of which nine are in Dubai and six are in Abu Dhabi (see "*Business—Principal Operations—Waitrose*").

The parties may discuss an extension beyond the 10-year term, six years into such term, and the Group will be permitted to operate the Stores under the Waitrose brand for the remaining four years of the term if the parties do not agree to an extension beyond the 10-year term. In the event the Waitrose Licence Agreement is terminated, either at the end of the current 10-year term, or earlier, for example, as a result of the breach of the Waitrose Licence Agreement by the Group or insolvency of Waitrose Limited, the Group will be prevented from operating stores under the Waitrose brand (see "*Material Agreements—Waitrose Agreements*").

Further, the term of the Waitrose Supply Agreement is with reference to the term of the Waitrose Licence Agreement. Upon the termination of the Waitrose Licence Agreement, the Waitrose Supply Agreement will simultaneously terminate. Upon termination of the Waitrose Supply Agreement, the Group can continue to sell Waitrose and John Lewis products using the Waitrose trademark for one month, and thereafter the Group has a further five months to continue selling Waitrose and John Lewis products without the use of the Waitrose trademark, after which the Group may no longer sell Waitrose and John Lewis products. A requirement to stop operating the Group's stores under the Waitrose brand, and an inability to stock Waitrose and John Lewis products in the Group's stores, could have a material adverse effect on the Group's business, results of operations, financial condition and prospects. In addition, the Waitrose Licence Agreement provides the Group with a licence to operate a fixed number of pre-approved Waitrose branded stores, for which pre-approval remains for an additional store. Should the Group plan to open any further Waitrose stores in the UAE, it would need to submit certain information and agree with Waitrose on a development plan for such stores, in accordance with the agreed procedures. Accordingly, the future expansion of the Waitrose brand may be subject to limitations as the Group will need to obtain consent from Waitrose Limited to open additional stores.

1.5 The Group's brands are dependent upon intellectual property rights and the termination of the Group's intellectual property rights or the Group's inability to protect its intellectual property rights may have an adverse effect on its results of operations

The Group is licensed to use 13 trademarks that includes the Spinneys and Waitrose logos and other material trademarks (including trademarks of subsidiaries) comprised of logos and words, which are registered for use in the UAE (excluding Abu Dhabi, where Spinneys Abu Dhabi LLC, an associate of the Selling Shareholder, is licensed to use the trademarks for the Spinneys name and logo by GML (as defined below)). Pursuant to the Spinneys Trademark Licence Agreement (see "*Material Agreements—Spinneys Trademark Licence Agreement*"), Mr. Ali Saeed Juma Al Bwardy (who controls the Selling Shareholder) has an exclusive ten-year licence granted by Cupola Holdings Ltd, which later changed its name to Gray Mackenzie Holdings Limited ("**GML**"), to use the Spinneys name and logo in respect of the Stores in the UAE (excluding Abu Dhabi) that are majority owned by Mr. Al Bwardy or are owned by companies in which he is the majority owner. GML was struck off the Gibraltar companies register by the registrar in 2021. Since then, the Group has been unable to communicate with GML, and the annual fee cheques sent to GML in respect of the licence fee have not been cashed. The licence was granted in 1999 and can be renewed at Mr. Al Bwardy's discretion for successive ten year terms, the current term of which is due to expire in 2029. In the event the Spinneys Trademark Licence Agreement is terminated by GML, or cannot be assigned, particularly if the Group is unable to contact GML to obtain its consent to an assignment, the Group may be prevented from operating stores in the UAE (excluding Abu Dhabi) using the Spinneys name and logo. Further, if Mr. Al Bwardy were to breach the terms of the Spinneys Trademark Licence Agreement or fail to renew it, cease holding majority of the Group or in the case of his untimely passing, the enforcement of such agreement and related rights could be subject to review or legal proceedings (including third party claims), the outcome of which would be uncertain. Any issues or disputes in connection with the enforceability or termination of such agreement could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group's success depends to a significant extent upon the recognition of and goodwill associated with its brand names and trademarks and these brand names and trademarks are key assets of its business and maintaining their value is critical to its success. Loss of the rights or ability to use any of the Group's licensed brand names and trademarks due to inadequate trademark protection, termination of or failure to renew any agreements relating to the Group's licensed trademarks, higher renewal costs, infringement, legal action or other factors could have a material adverse effect on the Group's business, financial condition and operating results.

Further, there can be no assurance that the efforts to protect the Group's intellectual property rights will be effective or that any third-party will not infringe or misappropriate these rights whether in the jurisdictions where the Group currently operates or elsewhere. Additionally, the Group is unable to guarantee that the Group's competitors will not independently develop similar intellectual property. Any infringement or misappropriation of the Group's intellectual property rights or development by its competitors of similar intellectual property may have an adverse effect on the Group's business, prospects, results of operations and financial condition.

1.6 The Group's business is reliant on certain Key Suppliers in the UAE and abroad who may seek to terminate their arrangements with the Group or re-negotiate them on terms that are less advantageous to the Group

The Group's business depends largely on products purchased from more than 800 suppliers, selected on the basis of certain criteria, including, quality and price, for both direct resale and for processing and manufacturing in the Group's Production Facilities. The Group's top 5, 10, 20 and 30 suppliers of 2023 (identified by the Group via a proprietary model that considers a number of quantitative and qualitative metrics, including sales turnover, total profitability after waste, year on year growth, delivery service and quality complaints) (the "**Key Suppliers**") represented 8.4%, 13.4%, 21.5% and 28.0% of the Group's purchases for the financial year ended 31 December 2023, respectively. In most cases, the Group regulates its relations with its suppliers under supply agreements whose terms are for one to three years, and which in many instances do not contain automatic renewal provisions. Further, Al Seer Trading Agencies, which is a related party, was the Group's 20th Key Supplier as at June 2023. If any of the Group's Key Suppliers fail to renew its supply agreement with the Group, or renew on less favourable terms for the Group, this could adversely affect the Group's business, results of operations, financial condition and prospects.

Moreover, most of the Group's Key Supplier supply contracts do not include compensatory rights that compel Key Suppliers to compensate the Group for losses resulting from defective products that may harm consumers, or other issues related to product liability. If consumers do file lawsuits against the Group for harmful or defective products previously sold in its Stores, the Group lacks the contractual right of recourse against the Key Supplier in question, and therefore the Group will bear the consequences of lawsuits filed against it, which will adversely and materially affect its business, results of operations, financial condition and prospects.

If the Group does not maintain its contractual relations with its Key Suppliers or its current privileges provided by these suppliers, or if any of the other foregoing factors described above were to materialize, the Group's business, results of operations, financial condition and future prospects would be adversely and materially affected. For further details about the Key Suppliers, see "*Business—Relationship with Third Parties—Sourcing Network and Key Suppliers*".

1.7 An inability of the Group to maintain its relationships with third-party E-commerce platform providers or to attract consumers via its own and third-party E-commerce channels may have a negative impact on the Group's business and results of operations

For the year ended 31 December 2023, the Group's Online Penetration was 13%. The Group operates its proprietary online platforms and works with a number of third-party E-commerce platforms who offer online shopping and home delivery services for the Group's products from the Group's Stores (see "*Business—E-commerce*"). The Group is dependent on various information systems to process customer orders, order payments and delivery of products, including with respect to the Group's E-commerce platforms and the third-party E-commerce aggregators. Any material disruption of the Group's E-commerce systems, or the systems of its third-party service providers, could disrupt the Group's ability to track, record and analyse the products that it sells and could negatively impact its operations, shipment of products, ability to process financial information and transactions, and its ability to receive and process E-commerce orders. There can be no guarantee that the Group's E-commerce platforms and the third-party E-commerce aggregators the Group works with will always provide satisfactory services that meet the standards expected by the Group and / or its consumers, or that they will adequately perform their contractual duties. In addition, the Group may not be able to engage third-party E-commerce aggregators with the right experience in the places in which it operates. Moreover, the E-commerce aggregators the Group works with may engage in risky undertakings, encounter financial, reputational or other difficulties, or prioritise other projects and divert resources away from the Group's Stores. Any of the foregoing may adversely affect the Group's reputation or relationships with consumers and third-party E-commerce aggregators, and adversely and materially affect the Group's business, results of operations, financial condition and prospects.

1.8 The Group's success largely depends on its ability to develop and execute an effective business strategy. If the Group is unable to successfully establish and deliver on its strategy, and generate anticipated growth and efficiencies, its business and results of operations may be negatively affected

The Group's strategy objectives for 2024 include like-for-like growth of its existing Stores, the continued roll-out of stores in the UAE market, expansion and entry into the KSA market, the rollout of the "The Kitchen, by Spinneys" concept, a grocerant meets food hall dine-in or take away retail space and leveraging operational efficiencies (see "*Business—Strategy*"). However, there can be no assurances that the Group will be successful in implementing its strategy and achieving all of its strategy objectives, in addition to continuing to successfully innovate and deliver new products that are well-received by consumers. In the event the Group is unable to successfully implement its strategy, achieve all of its strategy objectives, innovate and deliver new products, or if new products are not well-received by consumers, the Group's business, results of operations, financial condition and prospects may be materially adversely affected.

The successful implementation of the Group's strategy objectives will depend on several factors including, but not limited to:

- the Group's ability to attract and retain consumers for its stores in the KSA and offer a value proposition suitable for consumers in the KSA;
- the Group's ability to launch and operate The Kitchen, by Spinneys and its ability to attract consumers to use the new concept and to retain those consumers;
- the Group's ability to identify and secure suitable sites for new stores in its Key Markets under terms and conditions that are favourable to the Group, particularly where there is competition for other operators for sites;
- the Group's ability to successfully integrate new stores with its existing operations and achieve related synergies;
- favourable economic, regulatory and market conditions, which are outside of the Group's control;
- the Group's ability to negotiate and obtain acceptable terms from suppliers, including its ability to negotiate with suppliers and secure terms that are acceptable and / or similar to those with Key Suppliers;
- the Group's ability to introduce an optimal mix of products at a price point that successfully meets local consumer preferences in its Key Markets;
- the Group's ability to build and maintain strong relationships with local authorities;

- the competition that the Group faces from incumbent and new players in its expanded areas of operations;
- the Group's ability to hire, train and retain skilled and reliable personnel and employees;
- the effectiveness of the Group's marketing campaigns;
- any Government or private development plans around the Group's planned sites, such as construction, which could have an adverse impact on the external traffic flow to Stores, the closure of roads and the timely implementation of such changes;
- the Group's ability to appropriately build out its distribution and supply chain capabilities in order to support the expansion in its network; and
- the Group's ability to monitor new operations, controlling costs and maintaining effective quality and service controls.

In particular, if any of the Group's currently loss-making Stores or any of the Group's other Stores, do not break even or achieve the projected levels of profitability within the expected timeframe, or at all, the Group may decide to shut down some of its stores and delay or roll back its expansion strategy. Between 2019 and 2023, the Group closed 24 Stores, of which two were closed due to events outside of the Group's control. There can be no assurance that any new store will be profitable or will achieve its projected investment returns. Accordingly, the Group's operations may be negatively affected if any of these factors significantly delay, prevent or hinder the Group achieving any of its strategy objectives, which in turn would adversely and materially affect the Group's business, results of operations, financial condition and prospects.

1.9 The Group's operations, Stores, revenues, profits and cash flows are mainly concentrated in the UAE, particularly in Dubai

The Group's Stores and operations are concentrated in, and its revenues, profits and cash flows are generated in, the UAE, with a majority of the Stores located in Dubai representing 46 of the Group's total 64 owned Stores as at 31 December 2023. Any prolonged disruption to these stores in particular could negatively impact on the Group's business, results of operations, financial condition and prospects. For the years ended 31 December 2021, 2022 and 2023, over 95% of the Group's profit before tax was generated in the UAE. Any adverse economic or political developments in or affecting the UAE would materially affect the Group's business, results of operations, financial condition and prospects. For more information, see "*—Risks Relating to Political, Economic and Social Environment of the MENA region*".

1.10 The Group depends on its ability to lease or acquire appropriate real estate on commercially acceptable terms, build new stores on newly acquired or leased sites, to renovate and expand its existing Stores and to renew leases on existing Stores on commercially acceptable terms

As at 31 December 2023, of the Group's 64 owned Stores, 57 were leased from third parties, five were leased from the Selling Shareholder and two were owned by the Group. The Group's Production Facilities and warehouse were also leased. As at 31 December 2023, of the 62 Stores leased by the Group, 26% have over five years remaining on the lease term, 51% have less than five years but more than one year remaining on the lease term, and 23% have less than one year remaining on the lease term. Of the 62 Stores leased by the Group, 38 Store leases contained a rent clause based on turnover, and the remaining 24 leases do not contain rent clauses based on turnover. The Group's ability to effect its strategy depends in part on its ability to maintain relationships with its lessors and open new stores in advantageous locations, including stores which are situated in affluent neighbourhoods, which, in turn, is heavily dependent on identifying and leasing or purchasing land plots and / or premises that are suitable for the Group's needs on commercially reasonable terms and successfully building and opening Stores on those plots. There is also a cannibalisation risk that opening new stores could adversely affect the Retail Revenues of existing Stores located in the same city or area. The market for property in metropolitan areas in the Group's Key Markets are highly competitive. The Group faces competition not only from other retail industry participants but also from a variety of other industries, including, for example, non-food retailers. If the Group fails to identify and secure a sufficient number of premises and / or land plots for any reason, including competition from third parties seeking similar premises and land plots, the Group's strategy may be adversely affected.

Even after the Group locates and procures rights to suitable land plots and premises, the Group is required to obtain approvals from governmental authorities in order to arrange utility services and road access (if needed), undertake construction and to secure the Group's rights to operate stores or to refit or refurbish stores. Approvals are also required in order for the Group to expand and / or renovate its existing facilities. Obtaining such necessary approvals may require extensive documentation and be time-consuming. In general, approvals take longer to obtain in the KSA, as compared to the UAE, and as the Group has less experience operating in the KSA, it may be harder for the Group to predict the time it will take to obtain necessary approvals to operate its Stores in the KSA. The Group may be unable to predict accurately how long it will take to obtain such approvals. In addition, delays by third-party contractors involved in the construction, renovation, refurbishment and refit of sites may result in the opening of the Group's Stores being delayed or otherwise adversely affected.

As all of the lease agreements to which the Group is a party have fixed terms, any rental increase imposed by the lessor on the Group upon renewal will cause the Group to incur additional liabilities, which may have a material adverse impact on the Group's business, results of operations, financial condition and prospects.

If the Group is unable to renew the leases agreements for its existing Stores on commercially acceptable terms or if such leases are terminated or not renewed by a particular lessor for any reason, it may be exposed to a number of risks, including:

- significant costs incurred in connection with identifying, securing and relocating to the replacement location, and developing such location to the required standards;
- loss of value of investments made to renovate or build the Stores;
- relocation to a less desirable location;
- disruption in the Group's operations; and / or
- loss of consumers.

Additionally, upon expiry or termination of certain lease agreements for the properties leased by the

Group for its Stores, the Group is required to hand over possession of fixtures, fittings or additions made to such properties to the lessor, including, for example, false ceilings and air conditioning equipment the Group has installed on the property. The Group may also be required to indemnify the lessor for all losses suffered by the lessor as a result of the Group failing to observe the terms of the lease agreements, including the Group's obligation to fit-out the premises in accordance with the terms of the lease agreement.

Consequently, there can be no assurances that the Group will successfully identify and purchase or lease suitable land plots and / or premises on commercially acceptable terms or at all, obtain the relevant approvals required to expand or renovate its stores or renew leases on commercially acceptable terms or at all, and its failure to do so would have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

1.11 The Group's expansion into the KSA is subject to a range of risks and external factors

A key strategy objective of the Group is expansion into the KSA. There can be no assurances that the Group's expansion into the KSA will be successful and achieve the Group's objectives of the expansion. The Group's expansion into the KSA is subject to a range of risks and external factors, including but not limited to:

- securing suitable sites for new stores;
- market acceptance, and support for, the Group's proposition;
- the ability to build a strong and reliable team;
- the ability to build strong relationships with local suppliers and authorities;
- importing and manufacturing a sufficient proportion of the Group's product offering to maintain the Group's competitive advantage;
- maintaining positive relations with the Al Hokair Family, the Group's joint venture partner in the KSA, under the KSA Joint Venture Agreement;
- actions by the Al Hokair Family that may be adverse to the interests of the Group;
- termination of the KSA Joint Venture Agreement (see "*Material Agreements—Spinneys KSA Agreements*"); and
- the smaller Target Market relative to the UAE.

Any of the above risks and external factors may adversely affect the Group's expansion in to the KSA, resulting in delays to, a slow down of and / or a reversal of the Group's expansion into the KSA. Any delays to, a slow down of and / or a reversal of the Group's expansion into the KSA would affect the Group's business, results of operations, financial condition and prospects (see "*Business—Strategy*").

1.12 An increase in cost of sales, combined with restrictions on the Group's ability to pass increased costs onto consumers, may have a negative impact on the Group's business and results of operations

The Group's cost of sales would increase as a result of an increase in the cost of products ordered from suppliers. In addition, due to price controls implemented by the governments of UAE, KSA and Oman, the Group may be prevented from increasing the prices it charges to consumers. For example, the Group is prevented from increasing the prices charged to consumers in the UAE for basic consumer goods, being entry-tier, locally produced cooking oil, eggs, dairy products, rice, sugar, poultry, legumes, bread and wheat, without prior written approval from the Ministry of Economy. An inability of the Group to pass increased costs onto consumers would adversely and materially affect the Group's business, results of operations, financial condition and prospects.

1.13 An increase in selling, general and administrative expenses may have a negative impact on the Group's business and results of operations

The Group's selling, general and administrative expenses could increase as a result of a number of factors, including an increase in costs of outsourcing services to service providers, labour costs, repair and maintenance costs, insurance premiums and rents of real estate leased by the Group. The selling, general and administrative expenses (comprising primarily of staff, premises, marketing, selling, warehousing and distribution, information system and communication costs, as stated in the Financial Statements) of the Group amounted to AED 551.9 million, AED 593.3 million and AED 662.0 million for the financial years ended 31 December 2021, 2022 and 2023, respectively. Any increase in the Group's selling, general and administrative expenses could reduce its profit margin and working capital available for operation of the Group's existing Stores and for future expansion. In turn, the Group's business, results of operations, financial condition and prospects would be adversely and materially affected.

1.14 A failure by the Group to provide a healthy and safe consumer experience, by preventing real or perceived quality or safety issues with the products offered by the Group, may prevent the Group from attracting and retaining consumers

Consumers may avoid shopping at the Group's Stores, avoid purchasing certain products from the Group's Stores or seek alternative sources in the event concerns are raised regarding the safety of products offered at the Group's Stores, the safety of the Group's Production Facilities or the safety of its supply chain, even if the basis for the concern is perceived as opposed to actual and / or is outside of the Group's control. The Group's Production Facilities may be subject to health and safety issues and the operational controls and employee training may not be effective in preventing foodborne illnesses, food tampering and other food safety issues (including the risk of failure to detect expired food items from suppliers). Incidents related to the safety and quality of the products or ingredients displayed in the Stores may occur in the future, which may result in product liability claims, product recall, negative publicity, fines from authorities such as the Dubai Municipality and the Abu Dhabi Agriculture and Food Safety Authority or closure of the Stores. Adverse publicity about these concerns, whether or not ultimately based on factual assertions, and whether or not involving products sold at the Group's Stores, could discourage consumers from patronising the Group's Stores and have a material and adverse effect on the Group's business, results of operations, financial condition and prospects.

1.15 The Group operates in a highly competitive industry and the Group's business and results of operations may be negatively affected if the Group is unable to maintain its competitive position

The retail industry in the UAE, and in particular the operation of retail grocery stores in the UAE, is highly competitive, and the Group expects such competition to increase and intensify in the future. The Group faces competition from domestic and international operators of stores, department stores, specialty retailers, discount stores, and other forms of retail business in the areas where the Group currently operates and where it may open new stores in the future, including competing E-commerce platforms. In particular, the Group anticipates that competition may increase in the future if more grocery retailers open stores in close proximity to the Group's existing Store locations. The Group may not be able to effectively compete with present and future competitors, and changes in the competitive environment could cause a reduction in its margins and cause the Group to lose or reduce market share.

In particular, the Group competes with other retailers in the UAE based on, among other things: price of products; the degree of store brand recognition for the quality of products, services and store image; the location and size of a store; the reputation, mix and quality of the brands and products offered; the quality of customer service; and the ability to understand and respond to consumer demands in a timely manner. Some of the Group's competitors, particularly other retail chain operators, may have more financial and managerial resources than the Group does. A number of different competitive factors would have a material adverse effect on the Group's business, results of operations and financial condition, including, among others, global inflationary pressures, and fluctuations in global currency markets, as well as new market entries and expansions by competitors, the formation of alliances between competitors or the adoption of competing pricing strategies.

The Group's financial performance is and will continue to be impacted by its ability to effectively compete with its competitors, taking into consideration the competitive landscape, evolving consumer demands and market trends in the relevant markets. This could lead to a decrease in the Group's net profit margins and a loss or decrease in its market share, which would adversely and materially affect the Group's business, results of operations, financial condition and prospects.

1.16 An inability of the Group to obtain and retain the permits, licences and approvals necessary for the conduct of its business and operations may result in a reduction or total stoppage of the Group's operations

The Group is required to obtain and maintain the necessary regulatory permits, licences, and approvals from relevant government authorities for its business operations and activities. These permits, licences and approvals include, but are not limited to, commercial registration certificates for the Group companies and branches, trade licences, RTA permits, trademark registration certificates and Emiratisation, Omanisation and Saudisation certificates in each case relating to the business operations of the Group.

In order to operate a new store, the Group must obtain various permits, licences, certificates and other approvals from the relevant authorities. These include, the Department of Economy and Tourism commercial licences and Municipality permits. Each approval is dependent on the satisfaction of certain conditions. The Group could encounter problems in obtaining government approvals or in fulfilling the conditions required for obtaining these approvals, or it may not be able to comply with new laws, regulations or policies that may come into effect from time to time with respect to the retail grocery industry in general or the particular processes with respect to the granting of approvals. In particular, as the Group has less experience operating in the KSA, it may be harder for the Group to obtain and retain the necessary approvals to operate its Stores in the KSA.

Most of the Group's existing licences are subject to conditions under which they might be suspended or terminated if the Group fails to fulfil and abide by the underlying conditions. Moreover, when seeking to renew or amend the scope of a licence, there is no guarantee that the concerned authority will renew or amend the licence or that, if it does renew the licence, no conditions will be imposed which might adversely affect the Group's operations, which in turn would adversely and materially affect the Group's business, results of operations, financial condition and prospects.

As of 12 March 2024, the Group had three expired permits out of c.175 permits, being media permits for the sale of magazines, newspapers and/or greetings cards at two of the Group's Stores, for which renewal applications have been submitted and are pending with the Ministry of Culture. For further details about the permits and licences obtained by Group companies, including those that have expired as at the date of this Prospectus.

If the Group does not obtain or renew a licence necessary for its operations, or if any of its licences expire or are suspended or renewed under unfavourable conditions to the Group, or if the Group is unable to obtain additional licences required in the future, the Group will be required to cease carrying on its business totally or partially and / or will be subject to fines issued by the relevant Governmental authorities. Any such instances would interrupt or disrupt the Group's operations and cause the Group to incur additional costs, and would adversely and materially affect the Group's business, results of operations, financial condition and prospects.

1.17 The Group is subject to data protection and information security requirements. Failure to comply with such data protection laws and information security requirements may have a negative impact on the Group's business and results of operations

The Group's business generates and processes a large quantity of data, including consumer data, in particular in the operation of its E-commerce business. The Group faces risks inherent to handling and protecting a large volume of data, especially consumers' personal data. In particular, the Group faces a number of challenges relating to data security and privacy, including but not limited to:

- protecting the data collected by and hosted on the Group's systems, including against attacks on the Group's system by outside parties, data leakage, fraudulent behaviour or improper use by the Group's employees or business partners;

- addressing concerns, challenges, negative publicity and litigation related to data security and privacy, collection, use and actual or perceived data sharing (including sharing among related parties), safety, security and other factors that may arise from the Group's existing businesses, particularly the Group's E-commerce business, or new businesses or new technologies; and

- complying with applicable laws and regulations relating to the collection, use, storage, transfer, disclosure and security of personal data, including compliance requirements in accordance with applicable laws and regulations.

Any improper handling of the Group's data as a result of any misconduct by the Group's employees or any information leakage due to external factors, such as a cyber security breach, could result in civil or regulatory liabilities which may subject the Group to significant legal, financial and operational consequence, which in turn would have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

1.18 The Group is increasingly dependent on information technology and the Group's operations could be impaired or adversely affected by a failure, disruption or breach of its information technology systems or any failure to update or upgrade these systems in a timely manner

The Group's information technology systems are essential to a number of critical areas of the Group's business operations, including sourcing, production, logistics, Store operations, E-commerce, decision-making, as well as its growth strategies. The Group is increasingly dependent on a variety of information systems to effectively process supply orders, manage the operations and fulfil consumer orders from its E-commerce business and for electronic communications with personnel, suppliers and customers. These information technology systems may be susceptible to damage, disruptions or shutdowns due to failures during the process of upgrading or replacing software, databases or components, power outages, hardware failures, computer viruses, attacks by computer hackers, telecommunication failures, user errors or catastrophic events. Any material disruption of the Group's systems, or the systems of its third-party service providers, could disrupt the Group's ability to track, record and analyse the products that its sells and could negatively impact its operations, shipment of products, ability to process financial information and transactions, and its ability to receive and process E-commerce orders or engage in normal business activities. Further, the Group has made investments to upgrade its Spinneys E-commerce platforms, however, there can be no guarantee that these investment and upgrades will be effective or will not result in unexpected downtime or introduce new risk of malfunction of the Group's systems. Furthermore, although the Group has implemented certain network security measures, its information technology, systems and servers are potentially vulnerable to interruptions, including damage and interruption from power loss or natural disasters, computer system and network failures, loss of telecommunications services, physical and electronic loss of data, security breaches, computer viruses, cyberattacks, hackers, unauthorized access attempts, and other security issues.

The Group has adopted internal guidelines and procedures for the protection of data and prevention of cyber security incidents. Nevertheless, efforts undertaken by the Group may not always be sufficient or effective. In July 2022, a third-party was able to breach the information network security of Spinneys Dubai LLC and capture administrator credentials that allowed malware to be rolled out, encrypting user data on certain of the Group's computers and servers, including the Group's SAP file sharing servers.

The occurrence of any of these events could result in interruptions, delays, the loss or corruption of data or the unavailability of systems, as well as the theft or exposure of potentially sensitive information about the Group's consumers, products and business operations, which could have a material adverse effect on the Group's reputation, business, financial condition, results of operations and prospects.

1.19 The Group maintains ongoing business relationships with several related parties and enters into related party Transactions in the ordinary course of its business

The Group maintains ongoing business relationships with several related parties, including Spinneys Abu Dhabi LLC, an associate of the Selling Shareholder, with which the Group has entered into the Spinneys Abu Dhabi Services Agreement (see "*Material Agreements—Spinneys Abu Dhabi Services Agreement"*) and Albwardy Engineering Enterprise. In particular, as at the date of this Prospectus, of the lease agreements to which Group companies are a party, seven are with related parties (for further details about related party agreements, see "*related party Transactions*"). The Group incurred capital expenditure on existing stores and new Store projects amounting to AED 55.3 million, AED 32.1

million and AED 42.6 million transacted with related parties for the years ended 31 December 2021, 2022 and 2023, respectively. As at the date of this Prospectus, the Group has also entered into supply contracts with 11 related parties, (see "—*The Group's business is reliant on certain Key Suppliers in the UAE and abroad who may seek to terminate their arrangements with the Group or re-negotiate them on terms that are less advantageous to the Group*"). The total purchase of goods from related parties amounted to AED 118.9 million, AED 116.0 million and AED 107.7 million for the years 2021, 2022 and 2023, respectively. For further details see "*related party Transactions*".

The entry by the Group into related party transactions are regulated by applicable laws and regulations. As at the date of this Prospectus, Management believes all related party transactions have been entered into by the Group in accordance with applicable laws and regulations. To the extent that the Group enters into contracts with any related parties which are not on arm's-length terms and / or in the event such transactions transfer undue benefits to related parties of the Group, this could negatively affect the Group's costs and net revenues which would, in turn, adversely and materially affect the Group's business, results of operations, financial condition and prospects.

The Group's future success is also dependent on the continuation of its business relationships with its related parties and the expiry or termination of any material related party contract or relationship would adversely and materially affect the Group's business, results of operations, financial condition and prospects. There can be no guarantee that the Group will be able to renew its contracts with such related parties. If any of the related parties do not renew the agreements entered into with the Group or renews these agreements but under conditions that are not in line with the Group's objectives, this would adversely and materially affect the Group's business, results of operations, financial condition and prospects.

1.20 The Group sources products internationally and transacts in a number of currencies, including AUD, CHF, EUR and GBP, which exposes the Group to currency exchange rate risk

The Company maintains its accounts, and reports its results, in UAE Dirhams, which is the functional currency of the Company.

The Group imports (directly and indirectly) certain products from suppliers outside the UAE in foreign currency (primarily in AUD, EUR and GBP). Imported purchases represented 33.4%, 32.2%, and 34.4% of the total gross purchases by the Group for the years ended 31 December 2021, 2022 and 2023, respectively. The UAE Dirham is, as at the date of this Prospectus, pegged to the US dollar at an exchange rate of AED 3.6725 to USD 1.00 and the Group maintains forward contracts against foreign certain exchange exposures. However, there is no guarantee that the UAE Dirham will remain stable against other foreign currencies such as AUD, CHF, EUR and GBP or that the Group will be able to effectively hedge its exposure to fluctuations in foreign exchange exposure. Any depreciation of the UAE Dirham against foreign currencies will lead to an increase of the operating costs of the Group. The Group may not be able to pass on such increases in operating costs caused by a depreciation in the UAE Dirham to consumers through higher retail prices, which would adversely and materially affect the Group's business, results of operations, financial condition and prospects.

1.21 A failure to maintain and enhance the Group's brands and its image may have a negative impact on the Group's business and results of operations

Brand image is a key factor in consumer purchase decisions. The Group's success depends substantially on the popularity of the "Spinneys", "Waitrose" and "Al Fair" brands, as well as its reputation in relation to the premium quality of its products. Maintaining and enhancing the recognition and image of the Group's brands is critical to its ability to differentiate its products and services and to compete effectively. In addition, the Group has its own Private Label branded products, and risk of damage to the Group's third-party and own brands increases as the Group expands the number of product lines in its Private Label and sales of the Private Label increase, due to its Private Label products being directly associated with the Group's third-party and own brands. In addition, any actual or perceived contamination, spoilage or other product misbranding or tampering may lead to the erosion of the Group's third-party and own brands and damage brand value, even if the basis for the concern is perceived as opposed to actual and / or is outside of the Group's control. The Group's third-party and own brands may also be impacted by negative publicity or deterioration in public perception due to events outside the control of the Group, including as a result of third-party actions, actions by the licensors or licensees of any of its brands in other jurisdictions, for example, a deterioration of the Waitrose brand in the UK, or actions by parties licensed by the Group to use the Spinneys brand.

The Group has invested significant resources in its distinctive combination of premium and accessible premium products throughout its retail store network. Furthermore, as the Group continues to grow in size, expand its product offerings and extend its geographic reach, maintaining product quality and consistency may be more difficult and there can be no assurances that the Group can maintain its consumers' confidence in its brands. If consumers perceive or experience a reduction in the quality of the Group's products or service, or consider in any way that the Group has failed to deliver consistently premium quality product, the Group's brand value could suffer, which would adversely and materially affect the Group's business, results of operations, financial condition and prospects.

Further, the Group considers its trademarks and brand names to be material to its business. If the Group is unable to adequately protect its intellectual property rights, it may lose these rights, and its brand image would be harmed, which would materially affect the Group's business, results of operations, financial condition and prospects.

1.22 The Group may incur significant costs in connection with its branding and marketing efforts and some marketing campaigns may not be effective in attracting or retaining consumers

The Group continuously invests in its brands to further raise brand recognition and acceptance and engage in various marketing campaigns to promote its products. The Group utilises different marketing efforts tailored for different target consumer groups to increase brand awareness and boost sales. The Group markets its brands and products across a wide variety of media, ranging from traditional to new media channels, such as via its podcast and instore digitisation and content marketing focusing on health and wellbeing and convenience. For the years ended 31 December 2021, 2022 and 2023, the Group's marketing costs amounted to AED 15.2 million, AED 20.3 million and AED 19.3 million, respectively, representing 2.8%, 3.4% and 2.9% of selling, general and administrative expenses, for the same periods. However, the Group cannot guarantee that its marketing efforts will be well-received by consumers and result in higher levels of sales. In addition, marketing trends and approaches in the consumer products market in the UAE are constantly evolving, which requires the Group to enhance its marketing approaches and experiment with new marketing methods to keep pace with industry developments and consumer preferences. The Group does not anticipate any significant differences in the merchandising strategy for its Private Label in the KSA, however, the market dynamics in the KSA may require the Group to substantially modify or adapt the marketing trends and approaches in the consumer products to cater to such market dynamics or needs, which may entail additional costs. Failure to refine the Group's marketing approaches or to adopt new, more cost-effective marketing techniques would materially affect the Group's business, results of operations, financial condition and prospects.

1.23 The Group's sales are subject to seasonal trends and an inability of the Group to capitalise on these trends may have a negative impact on the Group's business and results of operation

The Group experiences seasonal fluctuations in its operations, including an uptick in the first quarter of the year as residents return to the UAE and as tourists come to Dubai, sales then dip during Ramadan, due to the impact of Muslims fasting, there is a further substantial decrease in sales over the third quarter as residents leave the UAE to travel and an increase in sales during the fourth quarter as a result of high tourist numbers and high numbers of residents in the city. Consequently, poor sales performance in the first, second or fourth calendar quarter could adversely affect the Group's full-year results and leave the Group with excess stock. The seasonality of market demand for various products could cause significant changes in the Group's performance throughout the year. In addition, any general events having an adverse impact on the Group's sales during the first, second and fourth calendar quarters (such as, for example, supply disruptions or adverse publicity) may have an exacerbated effect on its business. Any inability to respond to seasonal variations in demand could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

1.24 The Group's operations in Oman are currently subscale and have a track record of losses. The Group's operations in Oman may remain unprofitable, resulting in an accumulation of losses that may have a negative impact on the Group's business and results of operations

As at the date of this Prospectus, the Group has five Stores in Oman, two Spinneys Stores and three Al Fair Stores, all located in Muscat (see "*Business—Principal Operations—Al Fair*"). The Group's operations in Oman are currently subscale and have a track record of losses. The Group's operations in Oman incurred losses before tax of AED 3.7 million, AED 6.3 million and AED 4.4 million, for the financial periods ended 31 December 2021, 2022 and 2023, respectively. The Group's Stores in Oman were previously profitable, prior to the Covid-19 pandemic, but have sustained losses in the previous three financial years, as a result of the macroeconomic conditions in Oman taking longer to recover from the impacts of the Covid-19 pandemic, as compared to the UAE. While the Group is implementing a number of strategies with the aim to return its Stores in Oman to profitability, including monitoring the macro-economic conditions in Oman, there can be no assurances that these strategies will be successful, and the Group will otherwise assess cost-effective ways to close loss-making Stores in Oman, taking into consideration costs associated with the early termination of the lease agreements for the loss-making Stores. There can be no assurances that the Group's operations in Oman will be scaled or that they will become profitable, resulting in an accumulation of losses, which in turn would materially adversely affect the Group's business, results of operations, financial condition and prospects.

1.25 A failure to respond successfully to technological and industry developments, including changes to the business models deployed in the Group's industry, may have a negative impact on the Group's business and results of operations

In recent years, the retail market has been characterised by rapid technological developments, frequent launches of new products and services, changes in consumer needs and behaviour and evolving industry standards. For example, the increasing usage of E-commerce platforms and the transition to online retail has materially altered consumer behaviours and requires the Group to keep pace with technological developments, change its product offerings and business models and adopt new technologies to, among other things, increase cost efficiency and adapt to consumer preferences. The Group has deployed technologies developed both in-house and by third-party providers for use throughout its operations, including in its stock picking, inventory management and in-store sales processes. In addition, the Group launched its own E-commerce platforms in 2020 and plans to launch its own hyper-local delivery service in H1 2024 (see "*Business—E-commerce*"). There can be no assurances that the Group will be able to continue to adapt to technological and industrial developments. Moreover, there can be no assurances the Group's competitors will not be able to adapt to technological and industry developments faster or more effectively than the Group. In the event the Group fails to respond successfully and timely to technological or industry developments, it could damage to the Group's brand, result in a loss of consumers and / or a reduction in the number of consumers using E-commerce solutions, and/or result in inefficiencies in the Group's operations, any of which would adversely and materially affect the Group's business, results of operations, financial condition and prospects.

1.26 Failure to maintain optimal inventory levels could increase the Group's loss rate or cause it to lose sales, either of which may have a negative impact on the Group's business and results of operations

Fresh products represented 62% of the Group's Retail Revenue for the year ended 31 December 2023. Maintaining an optimal level of inventory is critical to the success of the Group's operations, particularly in relation to the fresh produce stocked by the Group which generally has a short storage and shelf life and high turnover in nature. For example, with respect to perishable fruit products, the average inventory turnover from preliminary processing to into Stores is typically eight days. Further, the Group maintained between 84% and 94% availability of fresh products across 2021, despite challenges presented to global supply chains across 2020 and 2021. In addition, the Group's Wastage was 4.3% for 2021, 4.7% for 2022 and 5.4% for 2023. There can be no assurances the Group will be able to achieve rates of availability or wastage similar to those it has historically maintained. The Group is exposed to increased inventory risks as a result of factors beyond its control, including changing consumer preferences, expansion of the Group's store network, uncertainty of market acceptance of new products, unexpected weather conditions or seasonality. Although the Group proactively adjusts its procurement plans from time to time based on its analysis of data collected from Stores, including their procurements and inventory level, there can be no assurances that there will not be under- or over-stocking of inventory. Moreover, the Group generally estimates the demands for its products ahead of procurement and the actual time of sales. There can be no assurances that the Group's predictions are always accurate to avoid any under- or over-stocking of inventory. For example, a sudden decrease in market demand and a corresponding unanticipated drop in the sales of a product result in an accumulation of inventory, which in turn may increase the Group's wastage, particularly in relation to perishable products. Alternatively, if the Group's inventory is understocked, for example, if the Group were to underestimate the popularity of a particular product, it will lose the sales opportunity and the Group's results of operations may be adversely affected. Either under- or other-stocking inventory could adversely and materially the Group's business, results of operations, financial condition and prospects.

Wastage amounted to 4.3%, 4.7% and 5.4% for the years ended 31 December 2021, 2022 and 2023, respectively. However, if the Group fails to manage its inventory effectively, it may be subject to a heightened risk of inventory obsolescence, a decline in inventory values, and significant inventory write-downs or write-offs. In addition, the Group may be required to lower sale prices in order to reduce inventory level, which may lead to lower gross margins. High inventory levels may also require the Group to commit substantial capital resources, preventing the Group from using that capital for other business purposes. Any of the above may adversely and materially the Group's business, the results of operation, financial condition and prospects.

1.27 The Group is reliant on its senior management and key personnel and the Group's ability to attract and retain qualified management and specialist staff is critical to its success and growth

The Group's success depends upon the continued service and performance of its senior management and other key personnel, as well as its ability to identify, hire, develop, motivate and retain qualified personnel in the future. The Group relies on a number of key individuals in its senior management team including the CEO, Deputy CEO, CFO and its General Managers, who have valuable experience within the retail industry and who have made substantial contributions to the development of the Group's operations and expansion. Competition for senior management and key employees in the retail industry is intense, and the Group cannot guarantee that it will be able to retain its personnel or attract new, suitably qualified personnel, including for the following vacancies as at the date of this Prospectus: Internal Audit; and Risk and Compliance Officer.

The Group may need to invest significant financial and human resources to attract and retain new senior management members and / or employees. Each member of senior management, as well as key employees, may resign at any time. The loss of the services of members of the Group's senior management or key employees could prevent or delay the implementation and completion of its strategic objectives, divert management's attention to seeking qualified replacements or otherwise adversely affect the Group's ability to manage its business effectively. If the Company loses the ability to hire and retain key senior management and employees with high levels of skills in appropriate domains, this would materially and adversely affect the Group's business, results of operations, financial condition and prospects.

The Group's senior management and / or key personnel could behave in a manner which negatively impacts the Group's business, including through misuse of information or systems, disclosure of confidential information or disseminating misleading information. Additionally, the Group may not always be able to prevent its senior management and key personnel from committing acts amounting to gross misconduct or ensuring compliance with internal regulations and policies of the Group, which could result in losses, fines and damage to the Group's reputation and would adversely and materially affect the Group's business, results of operations, financial condition and prospects.

1.28 The senior management of the Company does not have prior experience in managing a publicly listed Company

The senior management of the Company has limited or no experience in managing a publicly listed company in the UAE and complying with the laws and regulations pertaining to such companies. In particular, the internal and / or external training that the senior management will receive in managing a UAE publicly listed company, coupled with the regulatory oversight and reporting obligations imposed on public companies, will require substantial attention from the senior management, which may divert their attention away from the day to-day management of the Group. Non-compliance in a timely manner with the regulations and disclosure requirements imposed on publicly listed companies in the UAE will expose the Group to regulatory sanctions and fines. The imposition of regulatory sanctions and / or fines on the Group would adversely and materially affect the Group's business, results of operations, financial condition and prospects.

1.29 The Group is not fully insured against all potential hazards and risks incidental to its business and its insurance coverage may not adequately cover its losses

The Group maintains insurance policies, including policies covering material damage, business interruption, property insurance in respect of its assets, insurance for fidelity guarantee, workers compensation, employer's liability against employee negligence and third-party liability insurance. Insurance coverage may not be adequate at all times and in all circumstances, and the limit of insurance coverage may not be sufficient in all events to pay for the claims relating to the insured risks. The Group may not be able to successfully substantiate its claims according to the insurance policies in effect because of the exclusions or conditions of insurance coverage. This will cause the Group to be liable for paying for accident related losses, which would adversely and materially affect the Group's business, results of operations, financial condition and prospects.

In October 2021, a cyclone occurred in Muscat and resulted in the Al Fair Stores located in the Al Qurum area in Muscat being flooded, which did not cause any injuries to the Group's employees or consumers, but damaged some of the Group's products and the affected Stores. All damages from this incident have been covered by the Group's insurance.

Events may occur in future for which the Group may not have adequate insurance coverage or which may be excluded entirely. In addition, the Group's present insurance policies contain coverage exclusions or limitations, such as losses arising directly, or indirectly, out of (i) loss of, alterative of, or damage to; or (ii) a reduction in the functionality, availability or operation of a computer system. Current insurance policies may also be unavailable in the future. Accordingly, the losses and liabilities resulting from entirely uninsured or insufficiently insured risks could significantly increase the Company's costs, which would adversely and materially affect the Group's business, results of operations, financial condition and prospects.

1.30 The Group is involved in ongoing disputes and legal proceedings, and may become involved in further disputes and legal proceedings in future, that, if determined unfavourably towards the Group, may have a negative impact on the Group's business and results of operations

Entities within the Group and / or directors and / or its officers of the Group may become involved in legal and regulatory disputes, proceedings and / or actions with third parties including suppliers, employees, competitors, consumers, tenants, owners of lands leased to the Group and regulatory and governmental authorities. The Group may be the claimant or defendants in any such disputes, proceedings and / or actions (see "*Business—Litigation*").

An outcome that is unfavourable to the Group in any litigation or regulatory proceedings could have a material adverse effect on the Company's business, financial condition, results of operations or prospects. In addition, regardless of the outcome of any litigation or regulatory proceedings, these proceedings could result in substantial costs and reputational damage to the Group and may require the Group to devote substantial resources to pursue or defend these claims, which would have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

1.31 The Group is exposed to risks relating to the outbreak of an infectious disease or other serious public health concerns, including a resurgence of the global spread of COVID-19

Future epidemics and pandemics, and government responses to such epidemics and pandemics, could restrict the Group's operations. For example, the outbreak of the COVID-19 pandemic, and measures implemented by the UAE Government to reduce the spread of the COVID-19 pandemic, had a substantial impact on the Group's operations across the UAE. The Group was required to implement additional hygiene precautions in response to the COVID-19 pandemic, including increasing cleaning frequency and installing disinfectant stations throughout its Stores and saw an increase in staff absenteeism due to quarantining requirements.

There can be no certainty that jurisdictions in which the Group operates will not undergo future lockdowns in response to a resurgence of COVID-19 or other future epidemics or pandemics. In addition, the Group's operations may be impacted if the Group's key managerial personnel or a significant percentage of its workforce is unable to work due to illness, quarantine, limitations on travel or other government restrictions in connection with the COVID-19 or other future pandemics, which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

1.32 The Group may need to raise additional debt or equity capital in the future

The Group depends on cash flow from its operations to fund its business and execute its growth strategy. From time to time, after completion of the Offering, the Group may be required to seek additional equity or debt financing in order to fund its capital expenditure or to provide additional working capital for its business or growth strategy.

In addition, change in economic conditions or market conditions requiring a shift in the Group's business model could result in the need for additional debt or equity financing. The Group cannot predict the timing or amount of any such capital requirements or the ability to take any such actions on a timely basis, on terms satisfactory to the Group or at all. If financing is not available to the Group on satisfactory terms, or at all, the Group may be unable to operate or expand its business or successfully pursue its growth strategy, which could have a material adverse effect on the Group's results of operations.

2. RISKS RELATING TO POLITICAL, ECONOMIC AND SOCIAL ENVIRONMENT OF THE MENA REGION

2.1 General economic, financial and political conditions in the MENA region, including continued instability and unrest or the escalation of armed conflict, may have a negative impact on the Group's business and results of operations

General economic, financial, and political conditions in the MENA region, especially in the UAE, may have a material adverse effect on the Group's business, results of operations, financial condition and prospects. An adverse change in the credit rating of the UAE, KSA and / or Oman, declines in consumer confidence and / or consumer spending, changes in unemployment rates, significant inflationary or deflationary changes or disruptive regulatory or geopolitical events, including ongoing disruption to shipping channels in the Red Sea and the Bab al-Mandab Strait, could contribute to increased volatility and diminished expectations for the economy and markets, including the market for the Group's products and services, and lead to demand or cost pressures that material adverse effect on the Group's business, results of operations, financial condition and prospects. The economy of the MENA region may be adversely affected by tightening global economic conditions and external shocks, including financial market volatility, trade disruptions and protectionist trade policies or threats thereof. In particular, a global shift in policies, including towards protectionism, with lower global growth due to reduced trade, migration and cross-border investment flows, could slow non-oil growth in the MENA region. These conditions could affect all of the Group's operations. Examples of such conditions could include:

- a general or prolonged decline in, or shocks to, regional or broader macro-economies;
- regulatory changes that could impact the markets in which the Group operates; and
- deflationary economic pressures, which could hinder the Group's ability to operate profitably in view of the challenges inherent in making corresponding deflationary adjustments to its cost structure.

In addition, in the event of a significant geopolitical conflict or a macroeconomic downturn, the demand of the Group's consumers may fall. Similarly, political or economic upheavals in certain countries or markets could lead to a downturn in consumer demand for the Group's products. There can be no assurances that any escalation of geopolitical tension in the future will not create instability in macroeconomic and social conditions, which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects. The nature of these types of risks makes them unpredictable and difficult to plan for or otherwise mitigate, compounding their potential impact on the business, results of operations, financial condition and prospects of the Group.

2.2 The UAE's economy could be significantly affected by volatility in international crude oil prices and its economy has in the past been, and is likely in the future to be, materially adversely affected by lengthy periods of low crude oil prices

The UAE's economy is significantly impacted by international crude oil prices and is highly dependent upon hydrocarbon-related revenues. Crude oil prices have historically fluctuated in response to a variety of factors beyond the control of the Group, including (without limitation):

- economic and political developments both in oil-producing regions, particularly in the MENA region, and globally (see "*—General economic, financial and political conditions in the MENA region, including continued instability and unrest or the escalation of armed conflict, may have a negative impact on the Group's business and results of operations*"). For instance, global oil prices fell gradually in the first two months of 2020 before dropping sharply in March and April 2020, with the price of Brent oil falling below U.S.$16 per barrel in April 2020. This was primarily due to the impact of the COVID-19 outbreak on the global economy and the increase in supply. Furthermore, oil prices have been volatile since the Russian invasion of Ukraine, mainly due to the bans on buying Russian oil and the resulting demand on other countries (particularly in the MENA region) to increase supplies;
- global and regional supply and demand, and expectations regarding future supply and demand, for oil and gas products;
- the ability of the members of OPEC and OPEC+ to agree upon and maintain specified global production levels and prices, such as the production cut announced in October 2022;
- the impact of international environmental regulations designed to reduce carbon emissions, and global weather and environmental conditions; and prices, availability and trends relating

to the use of alternative fuels and technologies.

Many economic sectors within the UAE remain in part dependent, directly or indirectly, on crude oil prices. As such, extended periods of low crude oil prices may have a negative impact across the economic landscape of Dubai and other Emirates. For example, Dubai, Abu Dhabi or other Emirati governments may decide to reduce government expenditures in light of the budgetary pressures caused by lower crude oil prices, which may, in turn, reduce fiscal spending on infrastructure and other projects that create revenue streams for both public and private entities. Local financial institutions may experience lower liquidity (if significant government and government-owned company deposits are withdrawn to fund deficits) or higher loan losses or impairments.

Any such fluctuations could have a material adverse effect on the economic, political and fiscal position of the UAE, and may consequently have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

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

The governments in the MENA region, including the UAE, have frequently intervened in the economic

policies of their respective countries. This intervention has included, but not been limited to, regulation of market conditions, including foreign investment, foreign trade and the retail sector. Any unexpected changes in the political, social, economic or other conditions in the MENA region could have a material adverse effect on the business, prospects, results of operations, cash flows and financial condition of the Group.

These changes include, amongst others:

- an increase in inflation and government measures to curb such inflation, including through policies such as price controls;
- external acts of warfare and civil clashes;
- action or intervention by governments in the MENA region, including tariffs, protectionism, foreign exchange and currency controls and subsidies;
- regulatory, taxation and legal structure changes, including foreign ownership restrictions, cancellation of contractual rights, expropriation of assets and potential lack of certainty as to title to real estate property;
- difficulties and delays in obtaining new permits and consents for new operations or renewing existing permits;
- changes to the availability of, requirements for, and cost to secure, employment and residence visas for expatriate staff and their dependents;
- policies of nationalisation of assets and requirements to employ local national employees; and
- inability to repatriate profits and / or dividends.

Unexpected changes in these policies or regulations could lead to increased operating or compliance expenses and could have the effect of decreasing the Group's competitiveness. Any such changes could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

2.4 A developing legal system and the introduction of new laws and regulations can create an uncertain or changed environment for investment and business activity, which may have a negative impact on the Group's business and results of operations

Emerging market economies, including the UAE, are generally characterised by less comprehensive legal and regulatory environments than are found in more developed market economies. Such legal systems may create uncertainty with respect to the legal and business decisions that the Group makes and such uncertainties may not exist in countries with more developed market economies.

The rapid evolution of these legal systems in ways that may not always coincide with market developments can result in ambiguities, inconsistencies and anomalies in the law and judicial practice. These weaknesses affect the Group's ability to protect its rights under its licences and contracts, or to defend itself against claims by others, including challenges by regulatory and governmental authorities in relation to its compliance with applicable laws and regulations and could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Furthermore, as these economies mature, and in part due to the desire of certain countries in the MENA region, including the UAE, to accede to the World Trade Organisation, the governments of these countries have begun, and are expected to continue, to implement new laws and regulations that could impact the way the Group conducts its business. Changes in investment policies or in the prevailing political climate could result in the introduction of changes to government regulations with respect to:

- price controls;
- export and import controls;
- import regulations;
- income and other taxes;
- foreign ownership restrictions;
- competition laws and merger control regimes;
- foreign exchange and currency controls; and
- labour and welfare benefit policies.

There can be no assurances that the introduction of any changes to current laws or taxation, nor the introduction of any new laws or taxes, would not increase the costs or otherwise materially and adversely affect the business, prospects, results of operations, cash flows and financial condition of the Group.

2.5 The Group may be exposed to a number of uncertainties relating to taxes, which may have a negative impact on the Group's business and results of operations

The Group determines its tax liability based on its interpretation of applicable tax laws and regulations. The Group is also subject to tax audits by governmental authorities, which are inherently uncertain. Negative or unexpected results from one or more such tax audits could have a material adverse effect on the business, prospects, results of operations, cash flows and financial condition of the Group. Tax controls and changes in tax laws or regulations (including retrospective changes) or the interpretation given to them may also expose the Group to negative tax consequences, including interest / profit payments and potential penalties, which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects. For example, from 1 June 2023 the Group became subject to the corporate income tax in the UAE pursuant to the Federal Tax Law, and it is unclear what federal corporate tax rate will apply to the Group. The Group may be subject to a 9% federal corporate income tax rate on adjusted accounting net profits above a threshold of AED 375,000 or a 15% federal corporate income tax rate, depending on how the UAE implements Pillar 2 of the OECD BEPS 2.0 framework (see "*Taxation—UAE Federal-level Corporate Taxation*"). The UAE Federal Tax Authority will be responsible for administering, collecting and enforcing corporate tax in line with rules and regulations to be issued by the Ministry of Finance. There can be no assurances that the compliance with the Federal Tax Law or other applicable tax regimes in other jurisdictions in which the Group operates will not increase its costs or otherwise have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

2.6 The Group is subject to certain legal requirements to maintain levels of localisation with respect to personnel, including the UAE's Emiratisation, the KSA's Saudisation and Oman's Omanisation initiatives, which may increase its costs and may reduce its ability to rationalise its workforce

The UAE, KSA and Oman each have laws and regulations in place which impose requirements to source a prescribed percentage of the Group's employees and personnel from UAE, KSA and Omani nationals (see "*Business—Employees*"). In the UAE, Emiratisation is an initiative by the UAE government to employ its citizens in a meaningful and efficient manner in the public and private sectors and to reduce its reliance on foreign workers. Under the initiative, companies are encouraged to employ Emiratis in management, administrative and technical positions. However, the cost of employing UAE nationals is typically significantly higher than the cost of employing foreign workers. In addition, meeting and maintaining the Emiratisation targets of the Group reduces its flexibility to rationalise its workforce, which limits its ability to reduce costs in many areas of its operations. As a result, there can be no assurances that meeting and maintaining Emiratisation, Saudisation and / or Omanisation requirements will not have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

2.7 The Group's financial condition and results of operations may be materially adversely affected if the peg of the UAE dirham to the US dollar were to change

The Group maintains its accounts, and reports its results, in UAE Dirhams, which is the functional currency of the Group. Although the UAE dirham has been pegged to the US dollar at a rate of AED 3.6725 to USD 1.00 since 1997, there can be no assurance that the UAE Central Bank will continue to maintain this fixed rate in the future, particularly if there continues to be increased demand for the US dollar. Any de-pegging or change to the USD/AED exchange rate could result in a devaluation of the UAE dirham and an increase in the costs that the Group pays for certain goods and services procured from outside of the UAE, or could cause its results of operations and financial condition to fluctuate due to further currency translation effects, any of which could have a material adverse effect on the Group's business, financial condition and results of operations.

3. RISKS RELATING TO THE OFFER SHARES

3.1 The Selling Shareholder will retain significant interest in, and exercise significant control over, the Group and their interests may differ from those of the other shareholders

As at the date of this Prospectus, the Selling Shareholder, which is controlled by Mr. Al Bwardy, holds 100% of the Shares and voting rights in the Company and, immediately following the Offering, the Selling Shareholder will continue to hold a significant majority of the Shares and voting rights in the Company. As a result, the Selling Shareholder possesses and shall continue to possess sufficient voting power to exercise control over all matters requiring shareholder approval, including the election or removal of directors, the declaration of dividends and other matters to be determined by the shareholders. In exercising its voting rights, the Selling Shareholder may be motivated by interests that are different from those of other shareholders.

The ownership level of the Selling Shareholder may have the effect of delaying, deferring or preventing a change of control, merger, consolidation, takeover or other business combination or discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Company, which in turn could have a material adverse effect on the trading price of the Shares.

As a result of the above, the Selling Shareholder will be in a position to exercise a significant degree of control over the Company's management and operations. The interests of the Selling Shareholder may not be aligned with those of other shareholders, which could have a material adverse effect on the trading price of the Shares.

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

As a holding company, the Company does not have significant operations of its own. The Company currently conducts all of its operations through its subsidiaries, and such entities generate substantially all of its operating income and cash flow. Since the Company has no direct operations or significant assets other than the capital stock of these entities, the Company relies on those subsidiaries for cash dividends, investment income, financing proceeds and other cash flows and, in the long term, to pay other obligations at the holding company level that may arise. The ability of such entities to make payments to the Company depends largely on their financial condition and ability to generate profits. In addition, because the Company's subsidiaries are separate and distinct legal entities, they will have no obligation to pay any dividends or to lend or advance funds to the Company and may be restricted from doing so by contract, including other financing arrangements, charter provisions, other shareholders or applicable laws and regulations of the various countries in which they operate. Similarly, because of the Company's holding company structure, claims of the financiers of its subsidiaries, including trade creditors, banks and other financiers, effectively have priority over any claims that the Company may have with respect to the assets of these entities. Further, there can be no assurance that, in the long term, the Company's subsidiaries will generate sufficient profits and cash flows, or otherwise prove willing, or able, to pay dividends or lend or advance sufficient funds to the Company to enable it to meet its obligations and pay interest/finance costs, expenses and dividends, if any, on the Shares. The inability of one or more of the Company's subsidiaries to pay dividends or lend or advance to funds to the Company, and currency control restrictions and restrictions on the repatriation of dividends imposed on the Company or its subsidiaries, may adversely affect not only the Company's ability as a holding company to pay dividends, but also its business, results of operations, financial condition and prospects. Whilst the Company intends to pay dividends in respect of the Shares, there can be no assurance that it will do so. Any decision to declare and pay dividends in the future will be made at the discretion of the Company's directors and will depend on, among other things, applicable laws and regulations, results of operations, financial condition, cash requirements, contractual restrictions, availability of distributable reserves, the Company's future projects and plans and other factors that the Company's directors may deem relevant. As a result, shareholders may not receive any return on an investment in the Shares unless they sell their Shares for a price greater than that what they paid for them (for further details, see "*Dividend Policy"*).

3.3 Following the Offering, the price of the Shares on the DFM may differ from the Offer Price and could be adversely affected by several factors which are outside of the Group's control

The market price of the Shares could be subject to significant fluctuations due to a change in market sentiment regarding the Shares or securities similar to them or in response to various facts and events, including any regulatory changes affecting the Group's operations, variations in its quarterly and / or yearly operating results and its business development or those of its competitors.

In addition, stock markets have, from time to time, experienced extreme price and volume volatility, which in addition to general economic and political conditions, could adversely affect the market price of the Shares. To optimise returns, investors may need to hold the Shares for a long-term period and they may not be suitable for short-term investment. The value of the Shares may go down as well as up and the market price of the Shares may not reflect the underlying value of the Group's business. In addition, the Company has applied for the Shares to be listed on the DFM. No assurance, however, can be given that an active trading market in the Shares will develop upon or following Listing. If an active trading market is not developed or maintained, the liquidity and trading price of the Shares could be adversely affected.

3.4 Future issuances of Shares by the Company and / or sales of Shares by the Selling Shareholder may dilute the holdings of shareholders and / or may depress the price of the Shares

The Company may decide to issue and offer additional Shares in the future or securities convertible into Shares, including in the form of stock-based compensation. As a result, shareholders may suffer dilution to their holding and voting rights. In addition, if the Company carries out a further issuance of Shares, shareholders may suffer a dilution in percentage ownership if they did not participate or were not eligible to participate in such further issuances.

Furthermore, if the Selling Shareholder (or any other significant shareholder) sells substantial amounts of Shares in the public market, the market price of the Shares could fall. The Selling Shareholder has agreed in the Underwriting Agreement to certain restrictions on its ability to sell, transfer and otherwise deal in its Shares for a period of 180 calendar days from the Listing Date, except in certain limited circumstances, unless otherwise consented to by the Joint Global Coordinators (such consent not to be unreasonably withheld or delayed). Nevertheless, the Company is unable to predict whether substantial amounts of Shares (in addition to those which will be available in the Offering) will be sold in the open market following the completion of the Offering. Any sales of substantial amounts of Shares in the public market, or the perception that such sales might occur, could materially and adversely affect the market price of the Shares.

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

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

3.6 Prior to the Offering, there was no existing market for trading in the Shares. In addition, the DFM is relatively smaller in size than other established securities markets, which may also affect liquidity in the Shares

Prior to the Offering, there has been no public market for the Shares. There can be no assurances that an active trading market will develop or be sustained following the completion of the Offering, or that the market price of the Shares will not decline thereafter below the Offer Price. The trading price of the Shares may be subject to wide fluctuations in response to many factors, as well as stock market fluctuations and general economic conditions or changes in political sentiment that may adversely affect the market price of the Shares, regardless of the Company's actual performance or conditions in the UAE. Factors such as variation of financial results, general circumstances, general economic conditions, the regulatory environment within which the Group operates and other factors that are beyond the Group's control could cause significant volatility in the trading liquidity and the price of the Shares in the market. The Company has applied for the Shares to be listed on the DFM. The DFM has been open for trading securities since September 2005, but its future success and liquidity in the market for the Shares cannot be guaranteed. The DFM is substantially smaller in size and trading volume than other established securities markets, such as those in the USA and the UK. Brokerage commissions and other transaction costs on the DFM are generally higher than those in Western European countries. These factors could generally decrease the liquidity and increase the volatility of the Shares and impair the ability of a holder of Shares to sell any Shares on the DFM in the desired amount and at the price and time achievable in more liquid markets and adversely affect the value and trading price of the Shares.

3.7 The Offering may not result in an active or liquid market for the Shares, and trading prices of the Shares may be volatile and may decline

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

- negative fluctuations in the operating performance of the Group;
- improved performance of the Group's competitors;

- actual or anticipated fluctuations in the Group's quarterly or yearly operating results;
- securities analysts publishing research reports about the Group, its competitors or the retail sector;
- public reaction to the Group's press statements and other public announcements;
- the performance of the Group or that of its competitors being contrary to analysts' expectations;
- resignation of key employees;
- important and strategic decisions taken by the Group or its competitors
- changes to the Group's business strategy;
- changes to the regulatory environment affecting the Group or the retail sector; and
- changes in accounting regulations and policies adopted by the Group.

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

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

TAXATION

UAE Taxation

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

UAE Emirate-level Corporate Taxation

Historically, most of the individual Emirates have enacted their own corporate tax decrees. Whilst in theory these decrees could potentially levy corporate tax on all companies in the relevant Emirate, in practice, corporate tax was only applied to certain companies operating in the upstream oil and gas industry and to mainland branches of foreign banks in the UAE on their net income. Therefore, the Company should in principle continue to be subject to the Emirate-level corporate tax regime. In practice, however, the Company is not currently paying any corporate tax and not required to make any Emirate level corporate tax filings.

UAE Federal-level Corporate Taxation

Federal Decree-Law No. (47) of 2022 on the Taxation of Corporations and Businesses (the "**Corporate Tax Law**") introduced corporate tax on juridical persons with a permanent establishment or nexus in the UAE or deriving UAE sourced income, including corporations, partnerships, foundations, non-resident entities and natural persons engaged in a business or business activity from 25 October 2022; effective for businesses for tax periods commencing on or after 1 June 2023.

This Corporate Tax Law is as yet untested and guidance published by the Ministry of Finance (the "**MoF**") and the Federal Tax Authority (the "**FTA**") have not resolved all points of uncertainty. Consequently, how the Corporate Tax Law will be applied to the Company remains unclear.

Corporate Tax Rates

The corporate tax rate is set at 0% for taxable income up to AED 375,000, and 9% for taxable income that exceeds AED 375,000.

The MoF has announced that, as a member of the OECD Base Erosion and Profit Shifting ("**BEPS**") Inclusive Framework, it is committed to addressing the challenges faced by tax jurisdictions internationally. On the announcement of the UAE corporate tax, the MoF stated that UAE entities within a large multinational group that fall under the scope of Pillar 2 of the OECD BEPS 2.0 framework, being those with consolidated global annual revenue of more than EUR 750 million, equivalent to approximately AED 3 billion, will be subject to a different higher rate, which is still yet to be announced. The global minimum effective tax rate proposed by the OECD is 15%.

It is not currently clear how the UAE will embed the Pillar 2 rules into domestic legislation and how the Pillar 2 regime will interact with the new corporate tax regime, but it should be noted that this may impact the application of the zero rate for Qualifying Free Zone entities that fall within the Pillar 2 rules. The UAE is expected to enact Pillar 2 from 2025.

Taxable profit

UAE corporate tax will be payable on taxable income, being the net profit reported in the financial statements of the business, subject to certain adjustments.

No deductions are available when calculating taxable income for the following items, among others:

- expenditure not incurred for the purpose of the taxable person's business;
- losses not connected with, or arising out of, the taxable person's business;
- net interest / finance expense which exceeds the higher of: (i) 30% of tax adjusted EBITDA, or (ii) AED 12,000,000 (subject to certain additional requirements);
- penalties, bribes or other illicit payments;
- dividends or other profit distributions;
- corporate tax imposed under the Corporate Tax Law, tax imposed on the taxable person outside the UAE and recoverable VAT;
- donations paid to organisations that are not a Qualifying Public Benefit Entity (as defined under Article 9 of the Corporate Tax Law);
- 50% of expenditure incurred by the taxable person on the entertainment of customers, shareholders, suppliers or other business partners;
- adjustment for transactions with related parties that are not on arm's length;
- such other expenditure as may be specified in a decision issued by the cabinet; and
- "**Exempt Income**" and expenditure incurred in deriving Exempt Income, defined as: (i) dividends paid by UAE resident juridical person; (ii) dividends and other profit distributions received from a foreign participation that is not a resident person and local/foreign capital gains or losses on the transfer, sale or other disposition of participating interest (or part thereof) subject to complying with the participation exemption rules; (iii) income of a foreign permanent establishment where an election under Article 24 of the Corporate Tax Law has been made; and (iv) income derived by a non-resident person from operating aircraft or ships in international transportation that meets certain conditions.

Free Zone Persons

The Corporate Tax Law provides for a specific regime for "**Qualifying Free Zone Persons**", being persons incorporated, established or otherwise registered in one of the UAE's free zones, including a branch of a non-resident person registered in a free zone, ("**Free Zone Persons**") meeting all of the following criteria:

- it maintains adequate substance in the free zone;

- its income is derived from transactions with other Free Zone Persons, except for income derived from "**Excluded Activities**" (as defined in Ministerial Decision No. 139 of 2023 Regarding Qualifying Activities in Excluded Activities). The other Free Zone Persons must be the beneficial recipients of a transaction where that other Free Zone Person has the right to use and enjoy the supply by the Qualifying free Zone Person without being under a legal or contractual obligation to pass on the services or goods supplied to another person; or income derived from transactions with a non-Free Zone Person, but only in respect of qualifying activities that are not Excluded Activities; or any other income provided that the Qualifying Free Zone Person satisfies the "de minimis" requirements of the Corporate Tax Law ("**Qualifying Income**"). Qualifying Income cannot include income attributable to a foreign permanent establishment or a domestic permanent establishment or income attributable to the ownership or exploitation of immovable property (except in the case of transactions with Free Zone Persons involving commercial property located in a free zone).

- it has not elected to be subject to corporate tax;

- it has complied with the arms-length principle and transfer pricing documentation requirements of the Corporate Tax Law;

- it does not fail the "de minimis test" defined in the Cabinet Decision No. 55 of 2023;

- it prepares audited financial statements in accordance with Ministerial Decision No.82 of 2023; and

- it has complied with any other conditions set by the MoF.

A Free Zone Person who fails to satisfy any of the above criteria will be subject to a corporate tax rate of 9% for each year in which it fails to meet the above criteria and for a further four years following a year that it fails to qualify. A Free Zone Person subject to a corporate tax rate of 9% does not benefit from the AED 375,000 zero tax band. The corporate tax FAQs published by the MoF and FTA specify that Qualifying Free Zone entities that are part of a large multinational group are expected to be subject to the Pillar 2 global minimum tax, once implemented.

Withholding tax

The UAE applies withholding tax at a rate of 0% to certain domestic and cross-border payments made by UAE businesses. Consequently, UAE businesses will not be required to make any deductions from payments made to resident or non-resident recipients, nor will there be an obligation to file withholding tax returns.

The Corporate Tax Law includes provisions which specifically allow the UAE Cabinet of Ministers to change the withholding tax rate. The Corporate Tax Law also specifies that a Cabinet decision will be issued which will detail the categories of income which will be subject to withholding taxes. The UAE Cabinet of Ministers decisions have not yet been issued.

Transfer Pricing

Under the Corporate Tax Law, transactions carried out between related parties and connected parties should be priced in line with the arm's length principle. The arm's length principle is met where the transaction or agreement is consistent with the results that would have been realised where unrelated parties had engaged in a similar transaction or agreement under similar circumstances.

The arm's length principle should be supported by a functional, assets and risk analysis which is intended to be aligned with the OECD TP Guidelines as clarified by the explanatory guide issued by the MoF.

Value Added Tax

VAT was introduced in the UAE on 1 January 2018, pursuant to Federal Decree Law No. (8) of 2017 on VAT and its Executive Regulations. The standard VAT rate is 5% and applies to most goods and services, with some goods and services subject to a 0% rate or an exemption from VAT (subject to specific conditions being met).

The 0% VAT rate applies to goods and services exported outside the UAE, international transportation, the supply of crude oil and natural gas, the first supply of residential real estate, and some specific areas, such as health care and education.

A VAT exemption applies to certain financial services, as well as to the subsequent supply of residential real estate. In addition, transactions related to bare land, residential buildings (other than the first supply) and domestic passenger transport are also exempt from VAT. Further, certain transactions in goods between companies established in UAE Designated Free Zones (as notified specifically for VAT purposes) ("**DZs**") may not be subject to VAT. The supply of goods and services within DZs is, however, subject to VAT in accordance with the general application of the UAE VAT legislation. The purchase of Shares is considered an exempt supply for the purposes of VAT (unless a zero-rating provision applies) pursuant to Article 42 of the UAE VAT Executive Regulations. Under the UAE VAT legislation, no VAT should be payable in respect to the acquisition or sale of Shares. However, it should be noted that fees relating to the transfer of ownership of shares would be subject to VAT at the standard rate of 5%.

Businesses are entitled to claim a credit for VAT paid on their purchases (subject to maintaining the relevant supporting documents especially a tax invoice) if they relate to a supply that is standard rated or zero-rated (taxable supplies). However, any VAT incurred in connection with a supply that is exempt from VAT cannot be reclaimed. Where VAT incurred cannot be attributed specifically to a taxable or an exempt supply, it is possible to recover a portion of this (for example, overhead costs for the business). This recovery can be made in line with an apportionment calculation and subsequent annual washup exercise.

Excess input VAT can, in principle, be claimed back from the FTA, subject to a specific procedure. Alternatively, VAT credits may be carried forward and offset against the net VAT payable in the next taxable period(s). The FTA may offset unclaimed VAT credits against taxpayer liabilities, including outstanding penalty amounts.

Businesses that do not comply with their VAT obligations can be subject to fines and penalties. There are both fixed and percentage based penalties. The FTA may offset unclaimed VAT credits against taxpayer liabilities, including outstanding penalty amounts.

Under the UAE VAT legislation, no VAT should be payable in respect to the acquisition or sale of Shares. However, it should be noted that fees relating to the transfer of ownership of Shares would be subject to VAT at the standard rate of 5%. Certain fees may be subject to VAT at 0% where the buyer is non-resident and the sale meets the conditions for zero-rated export of services.

For completeness, dividend income received by merely holding shares in a company does not constitute consideration for a supply. Therefore, passively earned dividend income would not amount to a consideration for a taxable supply and should be outside the scope of UAE VAT.

A sale of assets would be subject to VAT at the standard rate of 5%, unless it qualifies as a transfer of a business as a going concern (in which case a transaction should be outside the scope of UAE VAT). Capital gains realised from the sale of assets would not constitute a consideration for a taxable supply and should be outside the scope of UAE VAT.

UAE Taxation Considerations for Prospective Investors

As of the date of this Prospectus, there is currently no federal-level or Emirate-level personal income tax levied on individuals in the UAE. Non-UAE tax residents, or dual tax residents, individuals and corporations may be subject to taxation in jurisdictions outside the UAE with respect to the ownership of, or income derived in connection with, the Offering based on local tax regulations in their respective jurisdictions.

Individuals who conduct a business or business activity in the UAE will be subject to corporate tax. Businesses or business activities conducted by a resident person or non-resident person shall be subject to corporate tax only where the total turnover derived from such businesses or business activities exceeds AED 1 million within a calendar year.

Taxation on purchase of shares

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

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

From a VAT perspective, the purchase of shares is considered an exempt supply for the purposes of VAT unless a zero rate provision applies pursuant to Article 42 of the UAE VAT Executive Regulations. Under the UAE VAT legislation, no VAT should be payable in respect to the acquisition or sale of Shares. However, it should be noted that fees relating to the transfer of ownership of shares would be subject to VAT at the standard rate of 5% (see "—*Value Added Tax*").

Investors should seek advice in relation to the impact of VAT in relation to their acquisition of Shares.

Taxation of dividends and capital gains on sale of shares

UAE tax resident individual shareholders

Pursuant to the Corporate Tax Law, a purchase of shares and any related dividend income, or gains on sale of shares, should not result in any UAE tax liabilities for UAE tax resident or non-resident natural persons so long as it qualifies as a "personal investment". Under UAE Cabinet decision No 49 for 2023 a "personal investment" is defined as investment activity that a natural person conducts for their personal account that is neither conducted through a licence or requiring a licence from a licensing authority in the UAE, nor considered as a commercial business in accordance with the UAE Federal Decree-Law No 50 of 2022, Commercial Transactions Law.

Non-UAE tax resident individual shareholders

Non-UAE tax residents, or dual tax residents, may be subject to taxation in jurisdictions outside the UAE with respect to the ownership of, or income derived in connection with the Shares based on local tax regulations in their respective jurisdictions.

UAE tax resident corporate shareholders

Under the Corporate Tax Law, the purchase of Shares should not result in any UAE tax liabilities for corporations which are tax resident in the UAE. Similarly, dividends received from UAE resident juridical persons are exempt from tax.

Gains realised by UAE resident corporate investors in relation to the disposal of their investment will be subject to corporate tax at a rate of 9%. The participation exemption may exempt any gain arising where all of the following conditions are met:

- the ownership interest held by the investor represents at least 5% or the minimum historical acquisition costs of AED 4,000,000 is met;
- the investor holds the investment for a 12-month uninterrupted period (or has the intention to hold the investment for a 12-month period);
- the investment is subject to tax in its country or territory of residence at a rate that is not lower than 9% (this condition is assumed to be met where the investment is either a Qualifying Free Zone Person or an Exempt Person);
- not more than 50% of the direct and indirect assets held by the underlying foreign subsidiaries / investments consist of ownership interests that would not have qualified for a participation exemption if held directly by the investment;
- the investor has a right to receive at least 5% of the profits and liquidation proceeds of the subsidiary; and
- any other conditions as may be prescribed by the MoF.

Where the participation exemption applies on the disposal of the investment, any expenditure incurred in relation to the acquisition, transfer or sale of the investment, will not be deductible.

Non-UAE tax resident corporate shareholders

Non-UAE tax resident companies or dual tax resident corporations may be subject to taxation in jurisdictions outside the UAE with respect to the ownership of, or income derived in connection with, the Shares based on local tax regulations in their respective jurisdictions.

Under the Corporate Tax Law, dividends from resident juridical persons are exempt from tax. Where dividends from resident juridical persons are classed as state sourced income, the dividend income would be subject to withholding tax which is currently charged at 0%. Gains realized by non-UAE tax resident corporate investors or a non-UAE permanent establishment in relation to the disposal of their investment would represent UAE sourced income and therefore would be subject to tax under the Corporate Tax Law. This gain would be subject to withholding tax which is currently charged at 0% (see "—Withholding Tax").

THE ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PARTICULAR INVESTOR. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES OF AN INVESTMENT IN THE SHARES UNDER THE INVESTOR'S OWN CIRCUMSTANCES.

Third Section: Financial Disclosures

Summary of the Financial Statements and a Summary of Key Notes and Key Financial Indicators as of and for the years ended 31 December 2023, 2022 and 2021.

The following should be read in conjunction with the Annual Financial Statements included in this Prospectus. Investors should also read certain risks associated with the purchase of Offer Shares in the section entitled "Investment Risks".

1. Selected Financial Information and Operating Data

The summary historical financial information set forth below is based upon the Annual Financial Statements. The summary historical financial information should be read in conjunction with the "Selected Historical Financial Information", and the Annual Financial Statements, including the related notes, included elsewhere in this Prospectus.

Consolidated Statement of profit or loss data for the financial years ended 31 December

		2023 *AED'000*	*2022* *AED'000*	*2021* *AED'000*
Revenue from contracts with customers	5	**2,821,837**	**2,585,880**	**2,483,713**
Rental income	12	**49,327**	**44,241**	**38,849**
Revenue	4	**2,871,164**	**2,630,121**	**2,522,562**
Cost of sales		**(1,665,955)**	**(1,544,765)**	**(1,509,459)**
GROSS PROFIT		**1,205,209**	**1,085,356**	**1,013,103**
Other income	6	**19,214**	**12,117**	**11,206**
Selling, general and administrative expenses	7	**(661,997)**	**(593,275)**	**(551,896)**
Depreciation and impairment of right-of-use assets	12	**(180,508)**	**(175,360)**	**(167,831)**
Depreciation and impairment of property, plant and equipment	11	**(78,315)**	**(74,306)**	**(71,440)**
Impairment of goodwill	13	**(3,463)**	**(3,040)**	**(1,597)**
Finance income	26	-	-	**698**
Finance costs	8	**(44,546)**	**(36,384)**	**(38,886)**
PROFIT BEFORE TAX		**255,594**	**215,108**	**193,357**
Income tax expense	10	**(1,277)**	**(835)**	**(1,182)**
PROFIT FOR THE YEAR	9	**254,317**	**214,273**	**192,175**
Attributable to:				
Equity holders of the Company		**256,152**	**214,273**	**192,175**
Non-controlling interest		**(1,835)**	-	-
		254,317	**214,273**	**192,175**
Earnings per share				
Basic and diluted, profit for the year attributable to equity holders of the Company (in AED per share)	32	**0.63**	-	-

Consolidated Statement of Comprehensive Income data for the financial years ended 31 December

		2023 AED'000	*2022 AED'000*	*2021 AED'000*
PROFIT FOR THE YEAR		**254,317**	**214,273**	**192,175**
Other comprehensive income/ (loss)				
Other comprehensive income/ (loss) that may be reclassified to profit or loss in subsequent periods (net of tax):				
Exchange differences on translation of foreign operations		**283**	**(776)**	**(111)**
Other comprehensive (loss)/ income that will not be reclassified to profit or loss in subsequent periods (net of tax):				
Remeasurement of employees' end of service benefits	19	**(119)**	**7,241**	**463**
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**164**	**6,465**	**352**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**254,481**	**220,738**	**192,527**
Attributable to:				
Equity holders of the Company		**256,316**	**220,738**	**192,527**
Non-controlling interest		**(1,835)**	-	-
		254,481	**220,738**	**192,527**

Consolidated Statement of financial position data as at the financial years ended 31 December

		2023 AED'000	2022 AED'000	2021 AED'000
ASSETS				
Non-current assets				
Property, plant and equipment	11	408,582	149,945	161,560
Intangible assets	13	34,000	7,363	10,403
Right-of-use assets	12	808,475	676,642	712,046
Other non-current assets	15	50,148	33,547	32,426
Deferred tax assets	10	1,250	1,287	1,279
		1,302,455	868,784	917,714
Current assets				
Inventories	14	133,161	123,077	119,326
Trade receivables, prepayments and other receivables	15	59,244	44,893	51,092
Amounts due from related parties	16	6,722	406,246	344,902
Cash and short-term deposits	17	354,061	39,671	167,969
		553,188	613,887	683,289
TOTAL ASSETS		1,855,643	1,482,671	1,601,003
EQUITY AND LIABILITIES				
Equity				
Share capital	22	36,000	-	-
Restricted reserve	23	4,778	4,778	4,778
Retained earnings		66,155	20,854	25,294
Actuarial reserve	23	7,585	7,704	463
Foreign currency translation reserve	23	851	568	1,344
Equity attributable to equity holders of the company		115,369	33,904	31,879
Non-controlling interest		(1,688)	-	-
Total equity		113,681	33,904	31,879
Non-current liabilities				
Interest-bearing loans and borrowings	18	6,355	6,739	8,367
Other non-current liabilities	20	14,308	7,586	6,426
Lease liabilities	12	779,324	630,194	656,782
Employees' end of service benefits	19	68,480	65,300	67,757
		868,467	709,819	739,332
Current liabilities				
Trade payables, accruals and other payables	20	683,365	569,558	645,654
Lease liabilities	12	143,833	149,811	145,815
Interest-bearing loans and borrowings	18	762	722	809
Amounts due to related parties	21	45,535	18,857	37,514
		873,495	738,948	829,792
Total liabilities		1,741,962	1,448,767	1,569,124
TOTAL EQUITY AND LIABILITIES		1,855,643	1,482,671	1,601,003

Consolidated Statement of Cash Flows data for the financial years ended 31 December

		2023 AED'000	2022 AED'000	2021 AED'000
OPERATING ACTIVITIES				
Profit before tax		255,594	215,108	193,357
Adjustments to reconcile profit before tax to net cash flows:				
Net gain on disposal of property, plant and equipment and intangible assets	6	(4,255)	(2,587)	(1,749)
Finance income	26	-	-	(698)
Finance costs	8	44,546	36,384	38,886
Depreciation and impairment of property, plant and equipment	11	78,315	74,306	71,440
Depreciation and impairment of right of use assets	12	180,508	175,360	167,831
Impairment of goodwill	13	3,463	3,040	1,597
Provision/ (reversal of provision) for old and obsolete inventories	14	10,940	2,158	(3,115)
Gain on termination of leases		(2,287)	(95)	(35)
Provision for employees' end of service benefits	19	10,182	9,087	7,916
		577,006	512,761	475,430
Working capital adjustments:				
Inventories		(21,024)	(5,909)	20,941
Trade receivables, prepayments and other receivables		(30,952)	5,078	(18,041)
Related party balances*		134,177	(81,268)	(63,921)
Trade payables, accruals and other payables		120,303	(53,095)	78,916
		779,510	377,567	493,325
Employees' end of service benefits paid	19	(6,609)	(5,261)	(5,238)
Interest paid		(489)	(307)	(228)
Income tax paid	26	(1,004)	(668)	(2,032)
Net cash flows from operating activities		771,408	371,331	485,827
INVESTING ACTIVITIES				
Purchase of property, plant and equipment	11	(91,550)	(64,048)	(86,515)
Proceeds from disposal of property, plant and equipment and intangible assets		8,316	3,601	1,767
Payment of purchase consideration	27	-	(22,018)	(5,939)
Interest received		-	-	698
Net cash flows used in investing activities		(83,234)	(82,465)	(89,989)
FINANCING ACTIVITIES				
Dividends paid	24	(197,639)	(218,713)	(197,178)
Issuance of shares	22	36,000	-	-
Repayment of lease liabilities	12	(210,951)	(198,555)	(183,666)
Repayment of interest-bearing loans and borrowings	18	(762)	(803)	(824)
Net cash flows used in financing activities		(373,352)	(418,071)	(381,668)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		314,822	(129,205)	14,170
Cash and cash equivalents at 1 January		39,671	167,969	153,848
Net foreign exchange difference		(432)	907	(49)
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	17	354,061	39,671	167,969

*Following non-cash transactions are excluded from the consolidated statement of cash flows:

		2023 AED'000	2022 AED'000	2021 AED'000
Property, plant and equipment transferred from related parties	11	(244,384)	(2,223)	-
Property, plant and equipment transferred to related parties	11	9	-	-
Intangible assets transferred from a related party	13	(34,000)	-	-
Settlement of purchase consideration for the transfer of certain subsidiaries	2	(13,212)	-	-
End of service benefits transferred, net	19	(585)	956	107
Investment in Al-Ma'kulat Al Fakhirah for Foods Products LLC		147	-	-

Consolidated Statement of changes in equity data for the financial years ended 31 December

		Share capital AED'000	*Restricted reserve AED'000*	*Retained earnings AED'000*	*Actuarial reserve AED'000*	*Foreign currency translation reserve AED'000*	*Total AED'000*	*Non-controlling interest AED'000*	*Total equity AED'000*
Balance at 1 January 2021		-	4,778	30,297	-	1,455	36,530	-	36,530
Profit for the year		-	-	192,175	-	-	192,175	-	192,175
Other comprehensive income for the year		-	-	-	463	(111)	352	-	352
Total comprehensive income for the year		-	-	192,175	463	(111)	192,527	-	192,527
Dividends declared and paid	24	-	-	(197,178)	-	-	(197,178)	-	(197,178)
Balance at 31 December 2021		-	**4,778**	**25,294**	**463**	**1,344**	**31,879**	-	**31,879**
Profit for the year		-	-	214,273	-	-	214,273	-	214,273
Other comprehensive income for the year		-	-	-	7,241	(776)	6,465	-	6,465
Total comprehensive income for the year		-	-	214,273	7,241	(776)	220,738	-	220,738
Dividends declared and paid	24	-	-	(218,713)	-	-	(218,713)	-	(218,713)
Balance at 31 December 2022		-	**4,778**	**20,854**	**7,704**	**568**	**33,904**	-	**33,904**
Profit for the year		-	-	256,152	-	-	256,152	(1,835)	254,317
Other comprehensive income for the year		-	-	-	(119)	283	164	-	164
Total comprehensive income for the year		-	-	256,152	(119)	283	256,316	(1,835)	254,481
Issuance of share capital of Spinneys 1961 Holding Limited	22	36,000	-	-	-	-	36,000	-	36,000
Investment in Al-Ma'kulat Al Fakhirah for Foods Products		-	-	-	-	-	-	147	147
Settlement of purchase consideration	2	-	-	(13,212)	-	-	(13,212)	-	(13,212)
Dividends declared and paid	24	-	-	(197,639)	-	-	(197,639)	-	(197,639)
Balance at 31 December 2023		**36,000**	**4,778**	**66,155**	**7,585**	**851**	**115,369**	**(1,688)**	**113,681**

Dividend Policy

The Company's ability to pay dividends is dependent on a number of factors, including the availability of distributable reserves and its capital expenditure plans and other cash requirements in future periods, and there is no assurance that the Company will pay dividends or, if a dividend is paid, the amount such dividend will be. See "*Risk Factors—Risks Relating to the Offer Shares—The Company is a holding company and substantially all of its operations are conducted through its subsidiaries. The Company's ability to pay dividends on the Shares depends on its ability to obtain cash dividends or other cash payments or obtain loans from such entities*". Any level or payment of dividends will depend on, among other things, future profits, the Company's business plan and expansion plans, including both organic and inorganic growth plans, and is at the discretion of the Board of Directors and subject to the approval from the shareholders in the General Assembly.

Subject to the foregoing, the Company intends to adopt a dividend policy that seeks to lay down a broad framework for the distribution of dividends by the Company whilst appropriately balancing the need of the Company to retain resources for its growth and sustainability. The objective of the Company's dividend policy is to provide fairness, sustainability and consistency in distributing profits to shareholders. Subject to applicable financial parameters, internal and external circumstances, and as per applicable legal provisions, the Company endeavours to maintain a total dividend pay-out ratio of 70% of annual distributable profits, after tax and to pay dividends on a semi-annual basis, in April and October of each year, with the first payment targeted for October, 2024 in respect of H1 2024.

This dividend policy is designed to reflect the Company's expectation of cash flow and expected long-term earnings potential, while allowing the Company to retain sufficient capital to fund ongoing operating requirements and continued investment for long-term growth. This dividend policy is subject to consideration of the Board of Directors of the cash management requirements of the Company's business for operating expenses, financing expense and anticipated capital expenditure. In addition, the Company expects that the Board of Directors will also consider market conditions, the then current operating environment in the Company's markets, and the Board of Directors' outlook for the Company's business.

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

The following is a summary of certain terms of our material agreements. The following summaries do not purport to describe all of the applicable terms and conditions of such contracts and are qualified in their entirety by reference to the actual agreements.

Related Party Transactions

The Group is and has been a party to various agreements and other arrangements with related parties comprising the Company and certain of its other subsidiaries and the Selling Shareholder. The most significant of these transactions are described below. For details of the impact of related party transactions on the Group's financial position and financial results as at and for the years ended 31 December 2021, 2022 and 2023 please refer to note 26 of the Financial Statements, included elsewhere in this Prospectus.

Relationship with the Selling Shareholder

The Group transacts with the Selling Shareholder, joint ventures and entities controlled, jointly controlled, or significantly influenced by the Selling Shareholder, within the scope of its ordinary business activities, for example, the Selling Shareholder has entered into six lease agreements with Group entities.

Relationship with Spinneys Abu Dhabi LLC

The Group transacts with Spinneys Abu Dhabi LLC within the scope of its ordinary business activities. Pursuant to the Spinneys Abu Dhabi Services Agreement (see "*Material Agreements—Spinneys Abu Dhabi Services Agreement*") the Group operates 11 Spinneys Stores in Abu Dhabi owned by Spinneys Abu Dhabi LLC and provides certain complementary services to Spinneys Abu Dhabi LLC, including warehousing, ordering, logistics, marketing, technology support, operational and other miscellaneous services. Further, the Group is party to one lease agreement with Spinneys Abu Dhabi LLC.

Relationships with Suppliers

The Group contracts with a number of suppliers that are entities under common control with the Company, some of which are Key Suppliers of the Group. For example, Fine Fare Food Market LLC has supply agreements in place with Al Seer Trading Agencies, a Key Supplier of the Group, and Arabian Oasis Food Company LLC, entities that are under the common control of Mr. Ali Al Bwardy.

Relationship with Albwardy Engineering Enterprise

Albwardy Engineering Enterprise, an entity under the common control of Mr. Ali Al Bwardy, has entered into over 35 maintenance contracts with Group entities, including Spinneys Dubai LLC, to provide maintenance services to the Group's Stores. For example, Albwardy Engineering Enterprise provides air conditioning and ventilation maintenance services to the Group's Waitrose Store located in Khalifa City, Abu Dhabi and waste collection and disposal services to the Group's Production Facilities.

Material Agreements

The following is a summary of the agreements that the Group considers material or important or which may otherwise influence an investor's decision to invest in the Offer Shares. These summaries do not purport to describe all the applicable terms and conditions of such agreements.

Waitrose Agreements

Waitrose Licence Agreement

Finefair Food Market Services Limited ("**Finefair**"), an indirect and wholly owned subsidiary of the Company, renewed its licence agreement with Waitrose Limited on 27 May 2021, which was first signed in June 2008, was previously renewed twice, and was later amended on 28 October 2021 and 26 April 2022 (the "**Waitrose Licence Agreement**"), whereby Waitrose Limited granted an exclusive licence to Finefair to use trademarks owned by Waitrose Limited. In addition, the Waitrose License Agreement provides the Group with a license to operate a fixed number of pre-approved Waitrose branded stores, for which pre-approval remains for an additional store. Should the Group plan to open any further Waitrose stores in the UAE, it would need to submit certain information and agree with Waitrose on a development plan for which such stores, in accordance with the agreed procedures (see "*Risk Factors-Risks Related to the Group-Termination of the Waitrose License Agreement would result in the Group being unable to use the Waitrose brand and stock Waitrose and John Lewis Products in its Stores"*.)

The licence granted to Finefair pursuant to the Waitrose Licence Agreement is valid for a period of 10 years from 27 May 2021. On 28 May 2027, the sixth anniversary of the entry into the Waitrose Licence Agreement, the parties shall seek to agree the basis of any extension, beyond the tenth year of the term. If the parties are unable to agree the basis of any extension to the Waitrose Licence Agreement, the agreement will continue in full force for the remainder of the 10 year term, except the Group is not obliged to open any further Waitrose stores within the remainder of the term and Waitrose is free to negotiate granting rights to operate Waitrose stores to third-parties, but any such Waitrose store operated by a third party may not be opened until the expiry of the Waitrose Licence Agreement (see "*Risk Factors—Risks Related to the Group— Termination of the Waitrose Licence Agreement would result in the Group being unable to use the Waitrose brand and stock Waitrose and John Lewis products in its stores*").

Finefair is required to comply with certain obligations, such as, operating, advertising and promoting the Waitrose outlets, selling certain volumes of Waitrose products, carrying out the business, adhering to, inter alia, Waitrose Limited's planning principles in the opening of potential new Waitrose outlets, while maintaining the highest standards in connection with the business, in compliance with Waitrose Limited's instructions, principles and guidelines. Finefair is also required to develop, implement, maintain and enforce policies, operational practices and procedures to prevent any material breach of Waitrose Limited's Responsible Sourcing Code of Practice, and to provide Waitrose Limited with such documents at its request.

Waitrose Limited is entitled to terminate the Waitrose Licence Agreement immediately in certain circumstances, including, in the event Finefair knowingly provided Waitrose Limited with false or misleading information in the pre-signing negotiations or persistently neglects or violates its obligations in relation to the maintenance of high food hygiene standards. The Waitrose Licence Agreement also provides customary termination rights to both parties, such as, in the events of insolvency or illegality. Alternatively, Waitrose Limited is entitled to partially terminate the Waitrose Licence Agreement (i.e. termination of Finefair's right to operate one or more Waitrose outlets in a specific country) if any of the aforementioned events has occurred. In the event the Waitrose Licence Agreement is terminated, either at the end of the current 10-year term, or earlier, for example, as a result of the breach of the Waitrose Licence Agreement by the Group or insolvency of Waitrose Limited, the Group will be prevented from operating all, or some, of the Group's stores currently operating under the Waitrose brand. Moreover, the termination of the Waitrose Licence Agreement will trigger a cross-default across the Waitrose Adoption Agreement and the Waitrose Supply Agreement resulting in their termination, which will result in the Group being unable to sell Waitrose and John Lewis products in its Stores (see "*Risk Factors—Risks Related to the Group—Termination of the Waitrose Licence Agreement would result in the Group being unable to use the Waitrose brand and stock Waitrose and John Lewis products in its stores*").

Finefair is required to pay a trademark licensing fee to Waitrose Limited for each six-month period throughout the term of the agreement. Additionally, Finefair pays sourcing fee on all products sourced from Waitrose Limited or its suppliers (see "*—Waitrose Supply Agreement*").

Waitrose Adoption Agreement

Finefair entered into an adoption agreement with Waitrose Limited and Fine Fare Food Market LLC, a direct and wholly owned subsidiary of Finefair , and an indirect and wholly owned subsidiary of the Company, on 27 May 2021 (the "**Waitrose Adoption Agreement**"), whereby Finefair appoints Fine Fare Food Market LLC to own, open and operate Waitrose outlets in the UAE, pursuant to the Waitrose Licence Agreement, which applies *mutatis mutandis* to Fine Fare Food Market LLC in its capacity as operating affiliate. Fine Fare Food Market LLC is required to comply with the obligations imposed on Finefair , as applicable, with Finefair being jointly and severally liable to Waitrose Limited for all of Fine Fare Food Market LLC's obligations under the Waitrose Adoption Agreement and the Waitrose Licence Agreement. The Waitrose Adoption Agreement extends for the same duration as the Waitrose Licence Agreement and automatically terminates in the event the Waitrose Licence Agreement terminates (see "*—Waitrose Licence Agreement"*).

Waitrose Supply Agreement

Fine Fare Food Market LLC entered into a supply agreement with Waitrose Limited and J.H.F Limited, an indirect and wholly owned subsidiary of the Company, dated 27 May 2021, as amended on 26 April 2022 (the "**Waitrose Supply Agreement**"), whereby Waitrose Limited supplies: (i) Waitrose products; (ii) John Lewis branded products; (iii) third-party branded products; and (iv) any other general merchandise goods, to Fine Fare Food Market LLC and/or J.H.F Limited, as per the relevant purchase orders. The Waitrose Supply Agreement permits Fine Fare Food Market LLC to sell Waitrose and John Lewis branded products and arrange the supply of such products to the Group's Stores in the UAE, KSA and Oman. The Waitrose Supply Agreement extends for the same duration as the Waitrose Licence Agreement and automatically terminates in the event the Waitrose Licence Agreement terminates (see "*—Waitrose Licence Agreement"*). Fine Fare Food Market LLC pays a sourcing fee to Waitrose Limited for products sourced pursuant to the Waitrose Supply Agreement.

Spinneys Abu Dhabi Services Agreement

Spinneys Abu Dhabi LLC, an entity that does not form part of the Group, has entered into a services agreement with Spinneys Dubai LLC, a direct and wholly owned subsidiary of the Company, dated 1

January 2023, as amended on the same date (the "**Spinneys Abu Dhabi Services Agreement**"), whereby Spinneys Dubai LLC provides certain services, including warehousing, ordering, logistics, marketing, technology support, operational and other miscellaneous services to the stores operated by the Group that are owned by Spinneys Abu Dhabi LLC.

The Spinneys Abu Dhabi Services Agreement is valid for a period of six years and may be renewed for further periods by mutual written agreement of the parties. Spinneys Abu Dhabi LLC is required to pay an annual fee for operations services and separate monthly fees for each of ordering and warehousing services, logistics services, marketing services, IT services, staff training, E-commerce support services, sourcing of Waitrose products and Private Label products and head office support services.

Spinneys Dubai LLC is entitled to terminate the Spinneys Abu Dhabi Services Agreement in the event any of the aforementioned fees are not paid within thirty days from the relevant due date and for convenience on thirty days' notice. The Spinneys Abu Dhabi Services Agreement also provides customary termination rights to both parties, including, in the event of insolvency, illegality or material breach of the terms of the agreement (excluding the terms relating to payment). Upon termination of the Spinneys Abu Dhabi Services Agreement, Spinneys Abu Dhabi LLC may require that itself and Spinneys Dubai LLC mutually decide on the term required for an effective transfer of services from Spinneys Dubai LLC to Spinneys Abu Dhabi LLC or any third-party, for a maximum duration of three months.

Spinneys KSA Agreements

Spinneys KSA Joint Venture and Shareholders' Agreement

The Selling Shareholder entered into a joint venture and shareholders' agreement with Abdul Mohsen Al Hokair Holding Group, Sami Abdul Mohsen Al Hokair, Musaad Abdul Mohsen Al Hokair, and Majed Abdul Mohsen Al Hokair (the "**Al Hokair Family**") dated 4 March 2022 (the "**KSA Joint Venture Agreement**"), whereby the parties agreed to establish a joint venture company, which was registered under the name Al-Ma'kulat al-Fakhirah for Food Products (the "**KSA JV**"), in which the Selling Shareholder held 50% of the shareholding, in order to operate retail outlets, particularly supermarkets, hypermarkets and convenience stores under the Spinneys brand, in the KSA. The Selling Shareholder's interest in the KSA JV was transferred to the Company on 22 November 2023, and the Company signed an adherence agreement on the same date, assuming the rights and obligations of the Selling Shareholder and adhering to the KSA Joint Venture Agreement. The parties set out their intention to open a minimum of five outlets within five years from the date of establishment of the KSA JV, with the term of the KSA JV being 50 years starting from the date of registration in the commercial register; this term can be extended, decreased or terminated by virtue of an extraordinary general meeting resolution of the KSA JV. The Company is required to contribute up to SAR 15,000,000 of the total initial funding amount of SAR 30,000,000, based on monthly invoices provided for capital expenditure, inventory and initial operating losses. The Company has effective control on the board of directors by virtue of appointing the chairman who has a casting vote, however, it does not hold control over decisions taken at the shareholder-level as the Al Hokair Family also holds an ownership percentage of 50%. Such matters may include, *inter alia*, decisions to amend the KSA JV's constitutional documents, to appoint or remove directors and to amend the issued or authorised share capital of the KSA JV.

The KSA Joint Venture Agreement provides for customary termination rights for the parties: (i) in the event the Company and Al Hokair Holding Group cease to be partners in the KSA JV; (ii) by mutual written agreement of the parties; and (iii) in the event of bankruptcy, dissolution or ancillary events of any of the parties. In case of bankruptcy of any of the parties, the other parties will have the right to purchase the bankrupt party's shares on a pro-rata basis at their fair market value. Moreover, termination of the KSA Joint Venture Agreement will trigger a cross-default across the Spinneys KSA Operation and Management Agreement and the Spinneys KSA Trademark Licence Agreement. Furthermore, the KSA Joint Venture Agreement also contains non-compete and non-solicitation restrictions applicable to both parties thereto within the KSA.

The Spinneys KSA Joint Venture and Shareholders' Agreement provides that the KSA JV is required to enter into an Operation and Management Agreement with Fine Fare Food Market LLC and a Trademark Licence Agreement with Spinneys IP Limited.

Spinneys KSA Operation and Management Agreement

Following its incorporation, the KSA JV entered into an operation and management agreement with Fine Fare Food Market LLC on 7 February 2023 (the "**Spinneys KSA Operation and Management Agreement**"), whereby Fine Fare Food Market LLC was appointed as the sole and exclusive manager to operate, supervise and manage the Spinneys supermarkets in the KSA. The KSA JV shall employ a management team at its cost to be at the disposal of Fine Fare Food Market LLC. The KSA JV is required to pay Fine Fare Food Market LLC an annual management fee.

The Spinneys KSA Operation and Management Agreement extends for as long as the Company, or any of its affiliates, remains a shareholder of the KSA JV. Fine Fare Food Market LLC is entitled to terminate the Spinneys KSA Operation and Management Agreement in the event: (i) the material business licences required to operate are withdrawn or cancelled as a result of an act or omission of the KSA JV or if any of such licences are not renewed within a period of 180 days of expiry; and (ii) the KSA JV violates any of its obligations under the Spinneys KSA Operation and Management Agreement, including if the management fee remains unpaid for a period of 180 days from its due date. Furthermore, the termination of the KSA Joint Venture Agreement will lead to the termination of the Spinneys KSA Operation and Management Agreement. Upon termination of the Spinneys KSA Operation and Management Agreement, the KSA JV may require that itself and Fine Fare Food Market LLC mutually decide on the term required by the business for an effective transfer of services from Fine Fare Food Market LLC to the KSA JV or any third-party, for a minimum period of three months and which cannot exceed a period of 12 months.

Spinneys KSA Trademark Licence Agreement

Following its incorporation, the KSA JV entered into a trademark licence agreement with Spinneys IP Limited, a direct and wholly owned subsidiary of the Company, on 7 February 2023 (the "**Spinneys KSA Trademark Licence Agreement**"), which grants the KSA JV an exclusive right to use four trademarks owned by Spinneys IP Limited, in the KSA, in connection with the carrying on of the grocery, hypermarket and supermarket retail business. The licence granted pursuant to the Spinneys KSA Trademark Licence Agreement is valid for a period of 10 years commencing 15 days from the date of the agreement, which automatically renews for successive 10-year periods, unless the KSA JV notifies Spinneys IP Limited no less than one year prior to the expiry date of its intention not to renew. The KSA JV is required to comply with certain obligations, including: (i) using reasonable endeavours to maintain the highest standards, and to establish, maintain and increase the turnover, in connection with the business, and (ii) protecting Spinneys IP Limited's rights and interests as the registered owner of the trademarks in the KSA.

The KSA JV is required to pay a trademark licence fee amounting to 1% of the annual sales to Spinneys IP Limited, and such fee will be reviewed after three years from the effective date of the Spinneys KSA Trademark Licence Agreement.

Moreover, the Spinneys KSA Trademark Licence Agreement provides for customary termination rights for both parties, including: (i) in the event of bankruptcy, insolvency or ancillary events; and (ii) breach of the agreement, subject to a 60-day remedy period. Furthermore, the termination of the KSA Joint Venture Agreement will trigger the termination of the Spinneys KSA Trademark Licence Agreement. Upon termination, the KSA JV is required to cease using the trademarks that are the subject of the agreement within 180 days of the termination date.

Spinneys Trademark Licence Agreement

Mr. Ali Saeed Juma Al Bwardy, the ultimate beneficial owner of the Selling Shareholder (see "*Business—Principal Shareholders*") entered into a trademark licence agreement with Cupola Holdings Ltd, which later changed its name to GML, dated April 1999 (the "**Spinneys Trademark Licence Agreement**"), whereby GML granted Mr. Ali Saeed Juma Al Bwardy an exclusive licence to use the Spinneys name and logo in the UAE (excluding Abu Dhabi, where Spinneys Abu Dhabi LLC, an associate of the Selling Shareholder, is licensed to use the trademarks for the Spinneys name and logo). The licence granted by the Spinneys Trademark Licence Agreement is valid for a period of 10 years and may be renewed at the option of Mr. Al Bwardy for successive periods of 10 years. The Spinneys Trademark Licence Agreement was previously renewed in 2019. As consideration for the licence granted, Mr. Al Bwardy is required to pay USD 1,000 per annum to GML. Mr. Al Bwardy is required to comply with certain obligations including, ensuring that all companies and outlets enjoying the right to use the trademarks comply with international business operating standards. Mr. Al Bwardy is permitted to use the trademarks to carry on retail business in the UAE (excluding Abu Dhabi) through outlets he owns or through companies in which he is the majority owner, but he is prohibited from sub-licensing the trademarks or assigning his rights and obligations under the agreement without meeting certain conditions, including obtaining GML's prior written consent to the assignment and assigning a majority of his direct and indirect interests in Spinneys Dubai LLC or all of the interests Spinneys Dubai LLC holds in (i) Spinneys Sharjah LLC, (ii) Spinneys Ras Al Khaimah LLC, (iii) Spinneys Fujairah (Branch), (iv) Spinneys Um Al Quwain, (v) Spinneys Khorfakkan, (vi) Spinneys Jebel Ali (Branch) (see "*Risk Factors—Risks Related to the Group—The Group's brands are dependent upon intellectual property rights and the termination of the Group's intellectual property rights or the Group's inability to protect its intellectual property rights may have an adverse effect on its results of operations*").

The Spinneys Trademark Licence Agreement provides for customary termination rights, including material or persistent default in the performance of obligations subject to written notice and a 90-day remedial period, or the occurrence of bankruptcy, insolvency or ancillary events, on written notice. In the event the Spinneys Trademark Licence Agreement is terminated, either at the end of the current 10-year term, or earlier, for example due to a default by the Group, the Group will be prevented from using the Spinneys name and logo in the UAE, excluding Abu Dhabi.

Fourth Section: Other Details

1. Mechanism for adopting a governance system in the Company

The Board of Directors (the "**Board**") is committed to standards of corporate governance that are in line with international best practice. As at the date of this Prospectus, the Company complies, and intends to comply, with the corporate governance requirements of the DFM listing and disclosure rules.

2. The Company's proposed management structure

Company's Board structure

The Board consists of nine Directors of whom there are eight non-executive Directors, 3 of whom are independent Directors as set out below:

Name	Year of Birth	Nationality	Capacity	Year of appointment
Mr. Ali Saeed Juma Al Bwardy	1955	Emirati	Chairman/ Non-Executive Director	2023
Mr. Tariq Ali Saeed Juma Al Bwardy	1988	Emirati	Vice-Chairman/ Non-Executive Director	2024
Mr. Rashed Ali Saeed Juma Al Bwardy	1992	Emirati	Non-Executive Director	2024
Ms. Mazoon Ali Saeed Juma Al Bwardy	1985	Emirati	Non-Executive Director	2024
Mr. Saeed Mansoor Al Awar	1985	Emirati	Non-Executive Director	2024
Ms. Huda Al Lawati*	1977	Omani	Non-Executive Director	2024
Mr. Dominique Lecossois*	1955	French	Non-Executive Director	2024
Mr. Subramanian Suryanarayan*	1961	Singapore	Non-Executive Director	2024
Mr. Sunil Kumar	1967	Indian	Executive Director and Chief Executive Officer	2023

**Denotes that the Director is considered independent under the Governance Rules.*

- The business address of each of the Directors is: Unit 813B, Level 8, Liberty House, Dubai International Financial Centre, Dubai, United Arab Emirates.

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

Mr. Ali Saeed Juma Al Bwardy (Chairman)

Mr. Ali Al Bwardy serves as the Chairman of the Company, a role he has held since incorporation. Mr. Ali Al Bwardy is the chairman and serves on the boards of over 30 companies internationally, including, Al Bwardy Investment LLC, a role he has held since 1985, Al Seer Group LLC, a role he has held since 2000, and Al Bwardy Marine Engineering LLC, a role he has held since 1978. Mr. Ali Al Bwardy commenced his career in the Dubai Police from 1975 to 1976 and later as Chairman of Dubai Shipbuilding, after which he established Al Bwardy Transport, a business he sold in 1980.

Mr. Ali Al Bwardy graduated from the Police Academy, Jordan in 1975 and from a Maritime Course at the University of Colorado in 1976.

Mr. Tariq Ali Saeed Juma Al Bwardy (Vice Chairman)

Mr. Tariq Al Bwardy serves as a Director of the Company, a role he has held since 2024. Mr Tariq Al Bwardy also serves on the boards of over 10 companies, including, Al Bwardy Investment LLC, a role he has held since 2017, Al Seer Group LLC, a role he has held since 2017, and Pacman Middle East LLC, a role he has held since 2021 and he is the Policy and Planning Manager for FitFresh LLC, a role he has held since 2022.

Mr. Tariq Al Bwardy was awarded a Bachelors of Science and Business Management from the University of Plymouth in 2010.

Mr. Rashed Ali Saaed Juma Al Bwardy (Non-executive Director)

Mr. Rashed Al Bwardy serves as a Director of the Company, a role he has held since 2024. Mr. Rashed Al Bwardy also serves on the boards of over eight companies, including, Al Bwardy Investment LLC, a role he has held since 2017, Al Seer Group LLC, a role he has held since 2017, and Alumetal LLC, a role he has held since 2018 and he is the Business Services Manager for the Dubai Polo & Equestrian Club, a role he has held since 2022.

Mr. Rashed Al Bwardy was awarded a Bachelors of Science and Business Management from Staffordshire University in 2015.

Ms. Mazoon Ali Saeed Juma Al Bwardy (Non-executive Director)

Ms. Mazoon Al Bwardy serves as a Director of the Company, a role she has held since 2024. Ms. Mazoon Al Bwardy is the founder and chief executive officer of Saturn Trading and Binardie's F&B, companies she founded in 2022 and 2023, respectively, and serves on the board of ASB Investment LLC, a role she has held since 2017, and HMD Investment LLC, a role she has held since 2015. Ms. Mazoon Al Bwardy commenced her career as the creative director of Fit Fresh LLC, a role she held from 2018 to 2019, and later as creative director – head of special projects of Ember Lifestyle Manager, a role she held from 2019 to 2021.

Ms. Mazoon Al Bwardy was awarded a Bachelors of Science in Business Management and Marketing from the University of Phoenix in 2008. Ms. Mazoon Al Bwardy is vice president for, and serves on the board of, the Charitable Aid Association, Dubai, a role she has held since September 2023.

Mr. Saeed Mansoor Al Awar (Non-executive Director)

Mr. Saeed Mansoor Al Awar serves as a Director of the Company, a role he has held since 2024. Mr. Saeed Mansoor Al Awar is a partner and the head of the Middle East for Rothschild & Co, roles he has held since 2023 and 2019, respectively, and serves on the boards of ADC SPAC, a role he has held since 2022, and Xcube, a role he has held since 2022. Mr. Saeed Mansoor Al Awar commenced his career as a lawyer for Linklaters LLC, a role he held from 2008 to 2014.

Mr. Saeed Mansoor Al Awar was awarded a Bachelors of Law from Queen Mary, University of London in 2006 and a Legal Practice Diploma from the College of Law in 2008. Mr. Saeed Mansoor Al Awar serves on the Advisory Board of the International Chamber of Commerce, a role he has held since 2022.

Ms. Huda Al Lawati (Independent, Non-executive Director)

Ms. Huda Al Lawati serves as a Director of the Company, a role she has held since 2024. Ms. Huda Al Lawati is the founder and chief executive officer of Aliph Capital, an investment company she founded in 2021. Ms. Huda Al Lawati also serves on the boards of Magrabi Group Investments LLC, a role she has held since February 2023, and Saudi Fransi Capital, a role she has held since 2021. Prior to which, Ms. Huda Al Lawati was a partner at Gateway Partners Group, a role she held from 2019 to 2021, the chief investment officer for Savola Group, a role she held in 2016 and a partner and the chief investment officer for MENA for Abraaj Group, a role she held from 2004 to 2016. Ms. Huda Al Lawati commenced her career at Schlumberger in 2002.

Ms. Huda Al Lawati was awarded a Bachelors of Science in Neuroscience and a Bachelor of Arts in Business Economics from Brown University in 2001, respectively. Ms. Huda Al Lawati serves on the is a member of the Young Presidents Organisation, a role she has held since 2019 and is a member of Tumouh, a role she has held since January 2024.

Mr. Dominique Lecossois (Independent, Non-executive Director)

Mr. Dominique Lecossois serves as a Director of the Company, a role he has held since 2024. Mr. Dominique Lecossois is an adjunct professor and distinguished executive fellow at INSEAD, Paris, a role he has held since 2015, and he serves on the boards of Little Farms, Singapore, a role he has held since 2021, and Everyday Group, Nigeria, a role he has held since 2022. Mr. Lecossois previously worked as the vice president of Carrefour in Asia, a role he held from 1987 to 1998, the senior-executive vice president and board member of Tesco in Taiwan and Korea, roles he held from 1998 to 2003, as the chief executive officer and board member of Groupe Casino, roles he held from 2004 to 2011, and as a board strategic advisor and senior consultant of EmCap Partners, roles he held from 2011 to 2014.

Mr. Lecossois was awarded a Master’s Degree in International Relations, Chinese and Asian Studies from the Sorbonne University in 1979.

Mr. Subramanian Suryanarayan (Independent, Non-executive Director)

Mr. Subramanian Suryanarayan serves as a Director of the Company, a role he has held since 2024. Mr. Subramanian Suryanarayan is the independent chairman of the audit committee for Americana Restaurants International PLC, a role he has held since 2022, the independent chairman of the audit committee for Kuwait Food Company (Americana) KSCC, a role he has held since 2017, the chairman of the audit committee and member of the investment committee for E20 Investment Limited, a role he has held since February 2024, and a member of the audit committee of Dubai Holding, a role he was appointed to in 2024. Mr. Subramanian Suryanarayan previously worked as group chief financial officer for Emirates NBD, a role he held from 2010 to 2019, senior technical advisor for the Ministry of Finance, Singapore, from 2009 to 2010, and as the chief operating officer, international wealth management, for Royal Bank of Canada, Singapore, roles he held from 2007 to 2008.

Mr. Subramanian Suryanarayan was awarded a Bachelors of Commerce from St. Xavier's College, India, in 1982 and is a chartered accountant admitted as a member of the Institute of Chartered Accountants of India in 1985. Mr. Subramanian Suryanarayan was accredited as a senior board director and a listed entity director by the Singapore Institute of Directors in 2024 and 2021, respectively.

Mr. Sunil Kumar (Chief Executive Officer)

See "**Senior Management—Mr. Sunil Kumar (Chief Executive Officer)".**

Senior Management

The day-to-day management of the Group's operations is conducted by the senior management team. The current members of the Group's senior management are as follows:

Name	**Position(s)**
Mr. Sunil Kumar	Chief Executive Officer
Mr. Paresh Buch	Deputy Chief Executive Officer
Mr. Mukesh Agarwal	Chief Financial Officer
Ms. Elmira Pelovello	General Manager Operations
Mr. Louis Botha	General Manager Supply Chain
Mr. Warwick Gird	General Manager Marketing
Mr. Michael Green	General Manager Human Resources
Mr. Tom Harvey	General Manager Commercial

Mr. Sunil Kumar (Chief Executive Officer)

Mr. Sunil Kumar serves as a Director and the Chief Executive Officer of the Company, roles he has held since its incorporation. Mr. Sunil Kumar serves on the boards of several Group companies, including Spinneys IP Limited, a role he has held since 2022, Centurio Holdings Ltd, a role he has held since 2020 and JHF Australia, a role he has held since 2002, as well as several related parties of the Group, including Spinneys Abu Dhabi LLC and ASB Retail SPV Limited, roles he has held since 2020 and 2022, respectively. Mr. Sunil Kumar commenced his career at the Group, serving as chief executive officer of Spinneys Dubai LLC, a position he has held since 2019 and as chief operations officer of Spinneys Dubai LLC from 2014 to 2019, first joining the Group in 1994 as a Store Management Trainee.

Mr. Kumar was awarded a Master of Business Administration in International Retailing from the International University, Missouri in 2004 and participated in the Advanced Management Program in INSEAD, Paris in 2017.

Mr. Mukesh Agarwal (Chief Financial Officer)

Mr. Mukesh Agarwal is the Chief Financial Officer for the Company, a role he has held since its incorporation. Mr. Mukesh Agarwal is the chief financial officer for Spinneys Dubai LLC, a role he has held since September 2023. Previously, Mr. Mukesh Agarwal was a partner at Ernst & Young, Dubai, a role he held from 2014 to 2023, previously holding various positions at Ernst & Young from 2004 to 2014. Mr. Mukesh Agarwal commenced his career at Sahni Natarajan & Bahl and Deloitte, India, holding various positions from 2000 to 2004.

Mr. Mukesh Agarwal was awarded a Bachelors Degree in Commerce from Delhi University in 2000 and is a Chartered Accountant admitted to the Institute of Chartered Accountants of India in 2003.

Mr. Paresh Buch (Deputy Chief Executive Officer)

Mr. Paresh Buch is the Deputy Chief Executive Officer for the Company, a role he has held since its incorporation and a role he plans to retire from in 2025. Mr. Paresh Buch is the deputy chief executive officer for Spinneys Dubai LLC, a role he has held since 2019, and serves on the boards of Spinneys Abu Dhabi LLC and Al Ma'kulat Al Fakirah for Food Products LLC, roles he has held since 2022. Previously, Mr. Paresh Buch was group finance manager for Spinneys Dubai LLC, a role he held from 1996 to 2019. Mr. Paresh Buch commenced his career at Castrol India Limited, holding various positions from 1984 to 1996.

Mr. Paresh Buch was awarded a Bachelors Degree in Commerce from Mumbai University in 1984 and is a Chartered Accountant admitted to the Institute of Chartered Accountants of India in 1985.

Ms. Elmira Pelovello (General Manager Operations)

Ms. Elmira Pelovello is the General Manager for Operations for the Company, a role she has held since its incorporation. Ms. Elmira Pelovello is the general manager for operations for Spinneys Dubai LLC, a role she has held since 2016. Previously, Ms. Elmira Pelovello was regional manager for the Group's Waitrose Stores, a role she held from 2009 to 2016, and a Store Manager for Spinneys Dubai LLC, a role she held from 2004 to 2008.

Ms. Elmira Pelovello was awarded a Bachelors Degree in Science in Business Management from St.

Joseph’s College of Quezon City in 2013.

Mr. Louis Botha (General Manager Supply Chain)

Mr. Louis Botha is the General Manager for Supply Chain for the Company, a role he has held since its incorporation. Mr. Louis Botha is the general manager for supply chain for Spinneys Dubai LLC, a role he has held since 2021. Previously, Mr. Louis Botha was supply chain manager for Spinneys Dubai LLC, a role he held from 2019 to 2021, and held various roles at Spinneys Dubai LLC from 2008 to 2019. Mr. Louis Botha commenced his career at Schlumnerger, where he held various roles, including as global material planning business process manager, from 2013 to 2015.

Mr. Louis Botha was awarded a Bachelors Degree in Engineering in Industrial Electronic Engineering from Stellenbosch University in 2002 and attended a Leadership Skills, Management Acceleration Program at INSEAD in 2011.

Mr. Warwick Gird (General Manager Marketing)

Mr. Warwick Gird is the General Manager for Marketing for the Company, a role he has held since its incorporation. Mr. Warwick Gird is the general manager for marketing for Spinneys Dubai LLC, a role he has held since 2021. Previously, Mr. Warwick Gird was marketing manager for Spinneys Dubai LLC, a role he held from 2019 to 2021. Mr. Warwick Gird commenced his career at Kraft Heinz, where he held various roles, include as a senior brand manager, from 2016 to 2019, at 34 Degrees, where he held various roles, from 2012 to 2016 and at Ogilvy & Mather, where he held various roles, from 2011 to 2012.

Mr. Warwick Gird was awarded a Bachelors Degree in Environmental Science from the University of Cape Town in 2010 and Post-Graduate Diploma in Marketing from the University of Cape Town in 2011 and attended a program in Digital Marketing Analytics at the Massachusetts Institute of Technology in 2022.

Mr. Michael Green (General Manager Human Resources)

Mr. Michael Green is the General Manager for Human Resources for the Company, a role he has held since its incorporation. Mr. Michael Green is the general manager for human resources for Spinneys Dubai LLC, a role he has held since September 2023. Previously, Mr. Michael Green was a human resources manager for Fall Creek Farm and Nursery, a role he held from 2019 to 2023, a human resources manager for technical systems, a role he held from 2011 to 2018, and a senior human resources consultant for Danshaw Consulting, a role he held from 2005 to 2010.

Mr. Michael Green was awarded a Bachelors Degree in Human Resources Management from Stellenbosch University in 2003 and a Post-Graduate Degree in Industrial Sociology and Human Resources Management from Stellenbosch University in 2005 and was admitted as a chartered human resources professional to the South African Board of Professional Practitioners in 2013.

Mr. Tom Harvey (General Manager Commercial)

Mr. Tom Harvey is the General Manager for Commercial for the Company, a role he has held since its incorporation. Mr. Tom Harvey is the general manager for commercial for Spinneys Dubai LLC, a role he has held since 2020. Previously, Mr. Tom Harvey was a commercial manager for Spinneys Dubai LLC, a role he held from 2017 to 2020. Mr. Tom Harvey commenced his career at Marks &

Spencer PLC, where he held various buyer roles, from 2011 to 2017, at J Sainsbury PLC, where he held various buyer roles, from 2005 to 2011, and at Somerfield PLC, where he was a buyer across fish, chicken and red meat, a role he held from 2002 to 2005.

Mr. Tom Harvey was awarded a Bachelors Degree in Hotel and Catering Management from Sheffield Hallam University in 2001.

Company's Organization Chart

Please refer to Annex 5.

Employment positions of members of the senior executive in the Company's subsidiaries and other public joint stock companies

Mr. Sunil Kumar holds a number of positions in the Group's subsidiaries.

Employment positions of members of the board of directors in the Company's subsidiaries and other public joint stock companies in UAE

Mr. Ali Al Bawardi, Mr. Tariq Al Bawardi, Mr. Rashid Al Bawardi, Ms. Mazoon Al Bawardi and Mr. Sunil Kumar hold a number of positions in the Group's subsidiaries.

Conditions of eligibility, election, removal and the Board of the Company

Board members will be elected by the shareholders. The Board of Directors was appointed by the Selling Shareholder for a period of three years commencing on the date of Listing.

If a position becomes vacant during the term of the Board, then a replacement may be appointed in accordance with the provisions of the Company's Articles of Association. Any such replacement shall serve the remaining term of the director who vacated her or his or her position.

The key responsibilities of the Board include:

- determining the Company's strategy, budget and structure;
- approving the fundamental policies of the Company;
- implementing and overseeing appropriate financial reporting procedures, risk management policies and other internal and financial controls;
- proposing the issuance of new ordinary shares and any restructuring of the Company;
- appointing executive management;
- determining the remuneration policies of the Company and ensuring the independence of Directors and that potential conflicts of interest are managed; and
- calling Shareholder meetings and ensuring appropriate communication with Shareholders.

3. Board Committees

The Board has an Audit Committee and a Nomination and Remuneration Committee (each of which will be subject to the composition requirements of the Governance Rules). If the need should arise, and subject to the Articles of Association, the Board may set up additional committees as appropriate. In accordance with the Governance Rules, the Chairman is not permitted to be a member of either the Audit Committee or the Nomination and Remuneration Committee.

A high-level overview of the mandate of each of these committees, as at Listing, is set out below.

4. Audit Committee

Certain members of the Board of Directors constitute a committee to review and oversee the Group's internal and external audit and financial and accounting policies. The members of the Audit Committee are as follows:

Name	Position
Mr. Subramanian Suryanarayan	Chairman
Ms. Huda Al Lawati	Member
Ms. Mazoon Ali Saeed Juma Al Bwardy	Member
Mr. Saeed Mansoor Al Awar	Member

The duties of the Audit Committee include assisting the Board of Directors in reviewing the Group's financial and accounting policies and procedures, monitoring and reviewing the integrity of the Group's financial statements and reports and its controls, overseeing matters relating to the Group's external auditor, overseeing matters relating to the Group's internal audit, reviewing related party transactions and making appropriate recommendations to the Board of Directors in respect of any such matters, and overseeing the Group's risk management. The ultimate responsibility for reviewing and approving the Group's annual report and financial statements remains with the Board of Directors. The Audit Committee shall be required to take appropriate steps to ensure that the Group's external auditors are independent of the Group.

The SCA Governance Rules require that the Audit Committee must have a minimum of three and a maximum of five members who are non-executive and at least two members who are independent, none of which may be the Chairman. One of the independent members must be appointed as chairman of the Audit Committee. All the members of the Audit Committee are required to be well-informed on financial and accounting matters and at least one of the members is required to have prior experience and/or certifications in accounting, finance or other related fields. The Audit Committee shall be required to meet at least once every three months.

5. Nominations and Remuneration Committee

Certain members of the Board of Directors constitute a committee to review and oversee the Group's Nominations and Remuneration Committee. The members of the Nominations and Remuneration Committee are as follows:

Name	Position
Ms. Huda Al Lawati	Chairman
Mr. Dominique Lecossois	Member
Mr. Saeed Mansoor Al Awar	Member
Mr. Tariq Al Bwardy	Member

The duties of the Nominations and Remuneration Committee include assisting the Board of Directors in developing a policy to apply for membership to the Board of Directors and senior management taking into account gender diversity, and relevant regulatory and independence requirements, ensuring the independence of independent Board members, reviewing and overseeing the remuneration and benefits of senior management and employees, reviewing human resource policies of the Group and making recommendations to the Board of Directors in respect of any of the relevant matters where appropriate. Moreover, the Committee is responsible for evaluating the balance of skills, knowledge and experience and the size, structure and composition of the Board of Directors and committees of the Board of Directors.

The SCA Governance Rules require that the Nominations and Remuneration Committee must be comprised of a minimum of three and a maximum of five members who are non-executive and at least two members who are independent, none of which may be the Chairman. One of the independent members must be appointed as chairman of the Nominations and Remuneration Committee. The Nominations and Remuneration Committee shall be required to meet at least once a year.

6. Legal matters

The following is a summary of the legal matters that will apply to the Company following its Listing. The legal matters listed below must be read in light of the provisions of the Company's Articles of Association (which are set out in Annex 2 of this Prospectus).

- **The applicability of the Governance Rules and the Companies Regulations**

  The Company decided voluntarily to comply with the Governance Rules as issued by the SCA, as amended from time to time. Accordingly, in the event of any contradictions between provisions of the Governance Rules and the provisions found in Company's Articles of Association which is based on the Companies Regulations, the Company shall comply with the Governance Rules as issued by the SCA and in particular, but not limited to the following: 1) the annual general meeting; 2) Board composition and required eligibility for each member; 3) all provisions related to the Board and in particular the remuneration of the Board; 4) permanent committees; 5) provisions for entering into related parties transactions; 6) insiders; 7) The independency requirements in relation to the Board; 8) provisions on the conflict of interest.

- **Articles of Association**

  The Company's Articles of Association and the Companies Regulations describe the rights and obligations associated with the ownership of the Shares in detail. The full text of the Articles of Association of the Company is can be seen in Annex 2 of this Prospectus.

- **Attending General Meeting and Voting rights**

Each Shareholder shall have the right to attend the General Meeting and shall have a number of votes equal to the number of his/her Shares. Please refer to the AoA of the Company for more information.

- **Share register**

  Upon listing on the DFM, the Shares will be dematerialized and the share register will be maintained by the DFM.

- **Financial information**

  A Shareholder is entitled to request a copy of the annual audited financial statements of the Company.

- **Financial year**

  The financial year of the Company will start on the 1 January and end on 31 December of each year.

- **Dividends and liquidation proceeds**

  The Company shall pay dividends on Shares in compliance with the relevant laws and regulations applicable to the Company. Shareholders shall have the sole right to the profits due on those Shares. In the event of liquidation of the Company, each Shareholder shall be entitled to a part of the Company's assets in accordance with the Company's Articles of Association and applicable laws and regulations in the DIFC.

- **General Meeting**

  An annual general meeting shall be held in accordance with the Companies Regulations, Articles of Association of the Company and the Governance Rules.

- **Liability of the Board**

  The members of the Board owe general duties to the Company in accordance with the Companies Regulations, Articles of Association of the Company and the Governance Rules (including exercising reasonable care, skill and diligence and acting to promote the success of the Company).

- **Appointment of the Chairperson and the Powers of the Chairperson**

  Mr. Ali Saeed Juma Al Bwardy is the chairman of the Board. The chairman of the Board chairs the Board meetings, and in the absence of the chairman, the vice-chairman shall fill the role.

7. Supervision and Regulation

Spinneys 1961 Holding plc is a public company limited by shares incorporated in the DIFC. The DIFC is a financial free zone within the meaning of UAE Federal Law No. 8 of 2004 (the "**Financial Free Zones Law**") and was established pursuant to UAE Federal Decree No. 35 of 2004. As a company incorporated in the DIFC, and in accordance with UAE Federal Law No. 8 of 2004 the

Financial Free Zones Law, Spinneys 1961 Holding plc is not subject to UAE federal civil and commercial laws. In particular, and without limitation, Spinneys 1961 Holding plc is not subject to the provisions of the UAE Commercial Companies Law nor a variety of other legislation which applies to companies incorporated 'onshore' in the UAE. Instead, Spinneys 1961 Holding plc is governed by applicable laws and regulations in the DIFC including the Companies Regulations.

In accordance with the DIFC legal framework applicable to public companies such as Spinneys 1961 Holding plc, its primary constitutional document is its Articles of Association. Apart from various matters governed by the Companies Regulations and other DIFC legislation, the principal corporate governance and disclosure and transparency rules applicable to Spinneys 1961 Holding plc are set out in the Governance Rules as issued by SCA (with which the Company has voluntarily decided to comply with), the provisions of the Chairman of Authority's Board of Directors' Decision no. 3 of 2000 concerning the regulations as to disclosure and transparency and in the Articles of Association and related documents (such as charters, policies and procedures adopted by the Board of Directors from time to time). The DIFC Board of Directors and, in certain circumstances, the Registrar of Companies has the power and authority to investigate violations of the Companies Regulations, including if it appears to it that there are circumstances suggesting that an DIFC company's affairs are being or have been conducted in a manner which is unfairly prejudicial to some part of its members, and in certain cases to refer such violations to DIFC courts. Shareholders in DIFC companies may also directly seek injunctions from DIFC courts against acts in violation of the Companies Regulations or constitutional documents and can seek to recover damages for such violations from DIFC companies and their directors.

DFM has the authority to apply the Governance Rules applicable to financial free zone companies such as Spinneys 1961 Holding plc that list securities on DFM.

Investors should familiarize themselves with applicable DIFC laws and regulations, and Spinneys 1961 Holding plc's Articles of Association annexed to the Prospectus.

8. DIFC No Objection

The Registrar of Companies has issued a certificate of no objection to the Listing and the Offering in accordance with Article 33 of SCA Decision No. 11 of 2016 concerning the Regulation of Offering and Issuing Shares in Public Joint Stock Companies (as amended).

9. Independent Auditors

Ernst & Young – Middle East (Dubai Branch)

ICD Brookfield Place, Al Mustaqbal Street

Dubai International Financial Centre

P.O. Box 9267

Dubai, United Arab Emirates

Tel: +971 4 332 4000 / +971 50 6 533 237

10. Details of any employee ownership scheme

The Company does not have any employee share ownership schemes.

Annex 1 – Financial Statements

Spinneys 1961 Holding Limited and its Subsidiaries

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED 31 DECEMBER 2023, 2022 AND 2021

SPINNEYS 1961 HOLDING LIMITED AND ITS SUBSIDIARIES

REPORT OF THE DIRECTORS

The Directors present their report together with the audited consolidated financial statements of Spinneys 1961 Holding Limited (the "Company") and its subsidiaries (together referred to as the "Group") for the years ended 31 December 2023, 2022 and 2021.

Principal activities

The Group is predominantly engaged in the retail supermarket and related business in the United Arab Emirates and Sultanate of Oman.

Review of business developments

The Group intends to increase its market footprint by aligning itself to the changing market environment, addition of new stores, enhancing its digital offering, introducing new concepts and launch of its operations in the Kingdom of Saudi Arabia in the year 2024. Further, the Group will continue to participate and support in Government initiatives towards sustainability and community wellbeing.

Financial results

The Group's revenue amounted to AED 2,871 million, AED 2,630 million and AED 2,523 million for the years ended 31 December 2023, 2022 and 2021, respectively.

The Group's profit for the year amounted to AED 254 million, AED 214 million and AED 192 million for the years ended 31 December 2023, 2022 and 2021, respectively.

Capital projects

Capital expenditure amounted to AED 336 million, AED 66 million and 87 million for the years ended 31 December 2023, 2022 and 2021, respectively. Capital expenditure for the year ended 31 December 2023 includes an amount of AED 244 million towards transfer of central distribution unit and Head office from Al Seer Group LLC. Other items included in capital expenditure are mainly in connection with the construction of the newly opened stores, and refurbishments in existing stores, production and distribution units.

Group reorganisation under common control

As a part of Al Seer Group LLC reorganisation, the shareholding and control of certain subsidiaries of Al Seer Group LLC predominantly engaged in the retail supermarket and related business were transferred to the Company.

Result and appropriations of profit

	AED 000's
Profit for the year ended 2021	192,175
Dividends declared and paid	197,178
Profit for the year ended 2022	214,273
Dividends declared and paid	218,713
Profit for the year ended 2023	256,152
Dividends declared and paid	197,639

Auditors

A resolution proposing the reappointment of Ernst & Young as auditors of the Company for the financial year ending 31 December 2024 will be presented to the Shareholder for approval.

Release

The Directors release from liability management and the external auditor in connection with their duties for the years ended 31 December 2023,2022 and 2021, to be presented to the Sharheolder for ratification.

Directors

Mr. Ali Saeed Juma Albwardy	Director
Mr. Sunil Kumar	Director

The Directors extend sincere appreciation to the esteemed management team and dedicated staff for their exceptional contributions. Looking forward to a successful and prosperous 2024 ahead.

Ali Saeed Juma Albwardy
Director

Date: 27 February 2024

Sunil Kumar
Director

Date: 27 February 2024

Building a better working world

Ernst & Young Middle East
(Dubai Branch)
P.O. Box 9267
Ground Floor, ICD Brookfield Place
Al Mustaqbal Street
Dubai International Financial Centre
Emirate of Dubai
United Arab Emirates

Tel: +971 4 701 0100
+971 4 332 4000
Fax: +971 4 332 4004
dubai@ae.ey.com
ey.com

PL No. 108937

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF SPINNEYS 1961 HOLDING LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion
We have audited the consolidated financial statements of Spinneys 1961 Holding Limited (the "Company") and its subsidiaries (together referred as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2023, 31 December 2022 and 31 December 2021, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023, 31 December 2022 and 31 December 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRSs").

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. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the shareholder of the Company, for our audit work, for this report, or for the opinion we have formed. We are independent of the Group in accordance with the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)* (the "IESBA Code") together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Dubai International Financial Centre ("DIFC"), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and The Board of Directors for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and in compliance with the applicable provisions of the Articles of Association of the Company and the Companies Law pursuant to DIFC Law No. 5 of 2018, 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.

The Board of Directors are responsible for overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF SPINNEYS 1961 HOLDING LIMITED (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

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 skepticism 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 the Board of Directors 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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF SPINNEYS 1961 HOLDING LIMITED (continued)

Report on Other Legal and Regulatory Requirements

We also confirm that, in our opinion, the consolidated financial statements include, in all material respects, the applicable requirements of the Companies Law pursuant to DIFC Law No. 5 of 2018. We have obtained all the information and explanations that we required for the purpose of our audit and, to the best of our knowledge and belief, no violations of the Companies Law pursuant to DIFC Law No. 5 of 2018 have occurred during the period from 21 November 2023 (incorporation date) to 31 December 2023 which would have had a material effect on the business of the Company or on its consolidated financial position.

Ernst & Young

11 March 2024

Dubai, United Arab Emirates

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the years ended 31 December 2023, 2022 and 2021

	Notes	*2023 AED'000*	*2022 AED'000*	*2021 AED'000*
Revenue from contracts with customers	5	**2,821,837**	**2,585,880**	**2,483,713**
Rental income	12	**49,327**	**44,241**	**38,849**
Revenue	4	**2,871,164**	**2,630,121**	**2,522,562**
Cost of sales		**(1,665,955)**	**(1,544,765)**	**(1,509,459)**
GROSS PROFIT		**1,205,209**	**1,085,356**	**1,013,103**
Other income	6	**19,214**	**12,117**	**11,206**
Selling, general and administrative expenses	7	**(661,997)**	**(593,275)**	**(551,896)**
Depreciation and impairment of right-of-use assets	12	**(180,508)**	**(175,360)**	**(167,831)**
Depreciation and impairment of property, plant and equipment	11	**(78,315)**	**(74,306)**	**(71,440)**
Impairment of goodwill	13	**(3,463)**	**(3,040)**	**(1,597)**
Finance income	26	**-**	**-**	**698**
Finance costs	8	**(44,546)**	**(36,384)**	**(38,886)**
PROFIT BEFORE TAX		**255,594**	**215,108**	**193,357**
Income tax expense	10	**(1,277)**	**(835)**	**(1,182)**
PROFIT FOR THE YEAR	9	**254,317**	**214,273**	**192,175**
Attributable to:				
Equity holders of the Company		**256,152**	**214,273**	**192,175**
Non-controlling interest		**(1,835)**	**-**	**-**
		254,317	**214,273**	**192,175**
Earnings per share				
Basic and diluted, profit for the year attributable to equity holders of the Company (in AED per share)	32	**0.63**	**-**	**-**

The attached notes 1 to 34 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the years ended 31 December 2023, 2022 and 2021

	Note	*2023 AED'000*	*2022 AED'000*	*2021 AED'000*
PROFIT FOR THE YEAR		**254,317**	**214,273**	**192,175**
Other comprehensive income/ (loss)				
Other comprehensive income/ (loss) that may be reclassified to profit or loss in subsequent periods (net of tax):				
Exchange differences on translation of foreign operations		**283**	**(776)**	**(111)**
Other comprehensive (loss)/ income that will not be reclassified to profit or loss in subsequent periods (net of tax):				
Remeasurement of employees' end of service benefits	19	**(119)**	**7,241**	**463**
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**164**	**6,465**	**352**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**254,481**	**220,738**	**192,527**
Attributable to:				
Equity holders of the Company		**256,316**	**220,738**	**192,527**
Non-controlling interest		**(1,835)**	**-**	**-**
		254,481	**220,738**	**192,527**

The attached notes 1 to 34 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2023, 2022 and 2021

	Notes	2023 AED'000	2022 AED'000	2021 AED'000
ASSETS				
Non-current assets				
Property, plant and equipment	11	408,582	149,945	161,560
Intangible assets	13	34,000	7,363	10,403
Right-of-use assets	12	808,475	676,642	712,046
Other non-current assets	15	50,148	33,547	32,426
Deferred tax assets	10	1,250	1,287	1,279
		1,302,455	868,784	917,714
Current assets				
Inventories	14	133,161	123,077	119,326
Trade receivables, prepayments and other receivables	15	59,244	44,893	51,092
Amounts due from related parties	16	6,722	406,246	344,902
Cash and short-term deposits	17	354,061	39,671	167,969
		553,188	613,887	683,289
TOTAL ASSETS		1,855,643	1,482,671	1,601,003
EQUITY AND LIABILITIES				
Equity				
Share capital	22	36,000	-	-
Restricted reserve	23	4,778	4,778	4,778
Retained earnings		66,155	20,854	25,294
Actuarial reserve	23	7,585	7,704	463
Foreign currency translation reserve	23	851	568	1,344
Equity attributable to equity holders of the company		115,369	33,904	31,879
Non-controlling interest		(1,688)	-	-
Total equity		113,681	33,904	31,879
Non-current liabilities				
Interest-bearing loans and borrowings	18	6,355	6,739	8,367
Other non-current liabilities	20	14,308	7,586	6,426
Lease liabilities	12	779,324	630,194	656,782
Employees' end of service benefits	19	68,480	65,300	67,757
		868,467	709,819	739,332
Current liabilities				
Trade payables, accruals and other payables	20	683,365	569,558	645,654
Lease liabilities	12	143,833	149,811	145,815
Interest-bearing loans and borrowings	18	762	722	809
Amounts due to related parties	21	45,535	18,857	37,514
		873,495	738,948	829,792
Total liabilities		1,741,962	1,448,767	1,569,124
TOTAL EQUITY AND LIABILITIES		1,855,643	1,482,671	1,601,003

Director

Director

The attached notes 1 to 34 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the years ended 31 December 2023, 2022 and 2021

	Notes	*2023* *AED'000*	*2022* *AED'000*	*2021* *AED'000*
OPERATING ACTIVITIES				
Profit before tax		**255,594**	**215,108**	**193,357**
Adjustments to reconcile profit before tax to net cash flows:				
Net gain on disposal of property, plant and equipment and intangible assets	6	**(4,255)**	**(2,587)**	**(1,749)**
Finance income	26	**-**	**-**	**(698)**
Finance costs	8	**44,546**	**36,384**	**38,886**
Depreciation and impairment of property, plant and equipment	11	**78,315**	**74,306**	**71,440**
Depreciation and impairment of right of use assets	12	**180,508**	**175,360**	**167,831**
Impairment of goodwill	13	**3,463**	**3,040**	**1,597**
Provision/ (reversal of provision) for old and obsolete inventories	14	**10,940**	**2,158**	**(3,115)**
Gain on termination of leases		**(2,287)**	**(95)**	**(35)**
Provision for employees' end of service benefits	19	**10,182**	**9,087**	**7,916**
		577,006	**512,761**	**475,430**
Working capital adjustments:				
Inventories		**(21,024)**	**(5,909)**	**20,941**
Trade receivables, prepayments and other receivables		**(30,952)**	**5,078**	**(18,041)**
Related party balances*		**134,177**	**(81,268)**	**(63,921)**
Trade payables, accruals and other payables		**120,303**	**(53,095)**	**78,916**
		779,510	**377,567**	**493,325**
Employees' end of service benefits paid	19	**(6,609)**	**(5,261)**	**(5,238)**
Interest paid		**(489)**	**(307)**	**(228)**
Income tax paid	26	**(1,004)**	**(668)**	**(2,032)**
Net cash flows from operating activities		**771,408**	**371,331**	**485,827**
INVESTING ACTIVITIES				
Purchase of property, plant and equipment	11	**(91,550)**	**(64,048)**	**(86,515)**
Proceeds from disposal of property, plant and equipment and intangible assets		**8,316**	**3,601**	**1,767**
Payment of purchase consideration	27	**-**	**(22,018)**	**(5,939)**
Interest received		**-**	**-**	**698**
Net cash flows used in investing activities		**(83,234)**	**(82,465)**	**(89,989)**
FINANCING ACTIVITIES				
Dividends paid	24	**(197,639)**	**(218,713)**	**(197,178)**
Issuance of shares	22	**36,000**	**-**	**-**
Repayment of lease liabilities	12	**(210,951)**	**(198,555)**	**(183,666)**
Repayment of interest-bearing loans and borrowings	18	**(762)**	**(803)**	**(824)**
Net cash flows used in financing activities		**(373,352)**	**(418,071)**	**(381,668)**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**314,822**	**(129,205)**	**14,170**
Cash and cash equivalents at 1 January		**39,671**	**167,969**	**153,848**
Net foreign exchange difference		**(432)**	**907**	**(49)**
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	17	**354,061**	**39,671**	**167,969**

The attached notes 1 to 34 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the years ended 31 December 2023, 2022 and 2021

*Following non-cash transactions are excluded from the consolidated statement of cash flows:

	Notes	***2023 AED'000***	***2022 AED'000***	***2021 AED'000***
Property, plant and equipment transferred from related parties	11	**(244,384)**	**(2,223)**	**-**
Property, plant and equipment transferred to related parties	11	**9**	**-**	**-**
Intangible assets transferred from a related party	13	**(34,000)**	**-**	**-**
Settlement of purchase consideration for the transfer of certain subsidiaries	2	**(13,212)**	**-**	**-**
End of service benefits transferred, net	19	**(585)**	**956**	**107**
Investment in Al-Ma'kulat Al Fakhirah for Foods Products LLC		**147**	**-**	**-**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the years ended 31 December 2023, 2022 and 2021

	Notes	*Share capital AED'000*	*Restricted reserve AED'000*	*Retained earnings AED'000*	*Actuarial reserve AED'000*	*Foreign currency translation reserve AED'000*	*Total AED'000*	*Non-controlling interest AED'000*	*Total equity AED'000*
Balance at 1 January 2021		-	4,778	30,297	-	1,455	36,530	-	36,530
Profit for the year		-	-	192,175	-	-	192,175	-	192,175
Other comprehensive income for the year		-	-	-	463	(111)	352	-	352
Total comprehensive income for the year		-	-	192,175	463	(111)	192,527	-	192,527
Dividends declared and paid	24	-	-	(197,178)	-	-	(197,178)	-	(197,178)
Balance at 31 December 2021		-	**4,778**	**25,294**	**463**	**1,344**	**31,879**	-	**31,879**
Profit for the year		-	-	214,273	-	-	214,273	-	214,273
Other comprehensive income for the year		-	-	-	7,241	(776)	6,465	-	6,465
Total comprehensive income for the year		-	-	214,273	7,241	(776)	220,738	-	220,738
Dividends declared and paid	24	-	-	(218,713)	-	-	(218,713)	-	(218,713)
Balance at 31 December 2022		-	**4,778**	**20,854**	**7,704**	**568**	**33,904**	-	**33,904**
Profit for the year		-	-	256,152	-	-	256,152	(1,835)	254,317
Other comprehensive income for the year		-	-	-	(119)	283	164	-	164
Total comprehensive income for the year		-	-	256,152	(119)	283	256,316	(1,835)	254,481
Issuance of share capital of Spinneys 1961 Holding Limited	22	36,000	-	-	-	-	36,000	-	36,000
Investment in Al-Ma'kulat Al Fakhirah for Foods Products		-	-	-	-	-	-	147	147
Settlement of purchase consideration	2	-	-	(13,212)	-	-	(13,212)	-	(13,212)
Dividends declared and paid	24	-	-	(197,639)	-	-	(197,639)	-	(197,639)
Balance at 31 December 2023		**36,000**	**4,778**	**66,155**	**7,585**	**851**	**115,369**	**(1,688)**	**113,681**

The attached notes 1 to 34 form part of these consolidated financial statements.

1 ACTIVITIES

Spinneys 1961 Holding Limited (the "Company") is a Dubai International Financial Centre (DIFC) registered entity (registration No. 7699) that was incorporated on 21 November 2023 as a private company under the Companies Law, DIFC Law No. 5 of 2018. The registered address is Unit 813B, Level 8, Liberty House, DIFC, Dubai, United Arab Emirates.

The Company is a subsidiary of Al Seer Group (L.L.C.) (the "Parent") which is registered in the Emirate of Dubai as a limited liability company. The Parent is a subsidiary of Albwardy Investment (L.L.C.) (the "Ultimate Parent Company"), a limited liability company registered in the Emirate of Dubai, United Arab Emirates. The Ultimate Parent Company is majority owned and controlled by Mr. Ali Saeed Juma Albwardy (the "Owner").

These are the first set of the consolidated financial statements of the Company and its subsidiaries (together referred to as the "Group") and will be included in the Company's initial public offering application to be filed with the Securities and Commodities Authority ("SCA") of the United Arab Emirates.

As per the resolution of the shareholder dated 12 December 2023, the Parent transferred its subsidiaries as listed in note 34, predominantly engaged in the retail supermarket and related business, to a newly established and fully controlled entity named Spinneys 1961 Holding Limited (the "reorganisation"). The difference between the net book value of the subsidiaries transferred and the purchase consideration has been accounted within retained earnings under the consolidated statement of changes in equity (note 2). Further, Spinneys IP Limited was transferred at an agreed price and recorded as an asset addition (note 13).

As the reorganisation did not result in any change of economic substance and it involved transfer of entities under common control both before and after the transfer, it is not considered as a business combination as defined by IFRS 3 Business Combinations. Accordingly, the consolidated financial statements of the Group are prepared to reflect that the reorganisation is in substance a continuation of the subsidiaries of the Parent predominantly engaged in the retail supermarket business as if the Company has always owned them. Refer to "Group reorganisation and business combinations under common control in note 2 for further details.

The Company and its subsidiaries are principally engaged in the operation of supermarkets in United Arab Emirates, Sultanate of Oman and Saudi Arabia.

The consolidated financial statements were authorised for issue on 27 February 2024 by the Directors.

2 ACCOUNTING POLICIES

Basis of preparation
The consolidated financial statements for the years ended 31 December 2023, 2022 and 2021 have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and applicable provisions of DIFC Law No. 5 of 2018.

The consolidated financial statements have been prepared on a going concern basis under the historical cost basis, except for forward foreign exchange contracts and re-measurement of the defined benefit liability that have been measured at fair value.

Management believes that the Group has adequate resources to continue as a going concern in the foreseeable future.

Accounting convention
The presentation currency of the consolidated financial statements is the United Arab Emirates Dirham (AED), which is the Company's functional currency, and a significant proportion of the Group's assets, liabilities, income and expenses are denominated in AED. However, certain subsidiaries have functional currencies other than AED, in which case the respective local currency is the functional currency and the AED is the presentation currency. All values are rounded to the nearest thousand (AED '000), except when otherwise indicated.

2 ACCOUNTING POLICIES (continued)

Basis of consolidation
The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in the consolidated statement of profit or loss. Any investment retained is recognised at fair value.

Group reorganisation and business combinations under common control
In the absence of guidance in IFRS for the group reorganisation and business combinations under common control, IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors requires to use judgement in developing and applying an accounting policy that provides reliable and more relevant information, as such group reorganisation has no economic substance and is outside the scope of IFRS 3 Business Combinations.

The group reorganization is accounted for using the pooling of interests method as follows:

- assets and liabilities of the subsidiaries transferred to the Company, except for Spinneys IP Limited***, are reflected at their carrying amounts and no adjustments are made to reflect fair values, or recognise any new assets or liabilities, at the date of the reorganisation that would otherwise be done under the acquisition method;
- no goodwill is recognised as a result of the reorganisation, except to the extent that existing goodwill was previously recognised in one of the combining entities. Any difference between the consideration transferred and the equity of the entity acquired as at the date of the combination is reflected within equity;
- the income statement and retained earnings reflect the results of the subsidiaries of the Company;
- the Group adopted an accounting policy to report the comparative information as if the Group always owned the businesses acquired under common control from the date when such businesses were part of the Group;
- these consolidated financial statements represent consolidation of all assets, liabilities, revenues and expenses of the subsidiaries at their carrying values by applying the principles underlying the consolidation procedures of IFRS 10 "Consolidated Financial Statements".

2 ACCOUNTING POLICIES (continued)

Group reorganisation and business combinations under common control (continued)
With respect to the reorganisation as discussed in note 1, the Company was established on 21 November 2023 and therefore share capital was Nil for 2022 and 2021. It is not meaningful to present share capital or an analysis of reserve or components of other comprehensive income, other than foreign currency translation reserve, restricted reserve and actuarial reserve which are separately identifiable, for 2022 and 2021. The share capital of the subsidiaries transferred to the Company amounting to AED 9,824 thousand except for Spinneys IP Limited***, is recorded within retained earnings in the consolidated statement of changes in equity. The Company agreed to pay AED 13,212 thousand as a purchase consideration for the transfer of certain subsidiaries (excluding Spinneys IP Limited***) which was also recorded against retained earnings and settled against the receivable from the Parent as a non- cash transaction during the year 2023.

*** Spinneys IP Limited holds “Spinneys” trademark rights for the rest of the world (i.e. excluding the United Arab Emirates) and was transferred to the Company for an agreed price of AED 34,000 thousand. Spinneys IP Limited was treated as an asset purchase and therefore accounted for at the agreed purchase price as per the accounting policy of the Group. The above accounting policy for reorganisation and the transactions under common control does not apply to the acquisition of Spinneys IP Limited. Refer to note 13 for details.

New and amended standards and interpretations
The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2023 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

IFRS 17 Insurance Contracts
IFRS 17 Insurance Contracts is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. The overall objective of IFRS 17 is to provide a comprehensive accounting model for insurance contracts that is more useful and consistent for insurers, covering all relevant accounting aspects. IFRS 17 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

The new standard had no impact on the Group’s consolidated financial statements.

Definition of Accounting Estimates - Amendments to IAS 8
The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Group’s consolidated financial statements.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2
The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Group’s disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group’s consolidated financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12
The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

The amendments had no impact on the Group’s consolidated financial statements.

2 ACCOUNTING POLICIES (continued)

International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12
The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.

The amendments had no impact on the Group's consolidated financial statements.

Standards issued but not yet effective
The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback (effective for reporting periods beginning on or after 1 January 2024);
- Amendments to IAS 1: Classification of liabilities as current or Non-current (effective for annual reporting periods beginning on or after 1 January 2024); and
- Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7 (effective for annual reporting periods beginning on or after 1 January 2024).

The above standards, amendments and interpretations are not expected to have any material impact on the consolidated financial statements of the Group.

Summary of accounting policies
The accounting policies adopted in the preparation of the consolidated financial statements are set out below:

Revenue from contracts with customers
The Group is principally engaged in operation of Supermarkets. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements (except for retail goods transferred to Parent's associate mentioned in note 26) because it typically controls the goods or services before transferring them to the customer.

Sale of goods
Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

The Group considers whether there are other promises in a contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Variable consideration
If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The contracts for the sale of goods provide customers with a right of return. The rights of return give rise to variable consideration.

2 ACCOUNTING POLICIES (continued)

Summary of accounting policies (continued)

Revenue from contracts with customers (continued)

Rights of return
The Group provide the customer with a right to return the goods within a specified period. The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Group recognises a refund liability. A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover products from the customer.

Contract balances
Contract assets
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables
A receivable represents the Group right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Financial instruments – initial recognition and subsequent measurement.

Contract liabilities
A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Assets and liabilities arising from rights of return
Right of return assets
A right-of-return asset is recognised for the right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods and any potential decreases in value. The Group updates the measurement of the asset for any revisions to the expected level of returns and any additional decreases in the value of the returned products.

Refund liabilities
A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer. The Group's refund liabilities arise from customers' right of return. The liability is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

Royalty income
Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreement provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

Rental income
Rental income is recognized on an accrual basis in accordance with the lease contracts terms. Refer accounting policy for leases where the group is a lessor.

2 ACCOUNTING POLICIES (continued)

Summary of accounting policies (continued)

Revenue from contracts with customers (continued)

Rebates and other supplier benefits
The Group has agreements with suppliers whereby volume-related rebates and various other fees and discounts are received in connection with the purchase of goods ("the rebates and supplier benefits"). Such rebates and supplier benefits are considered as a reduction of prices paid for their products and services. Therefore, rebates and supplier benefits are recorded by way of a reduction to the cost of inventory. In certain cases, receipt of the rebates and supplier benefits amounts are conditional on the Group satisfying certain performance obligations associated with the purchase of the product. These include achieving agreed purchases or sales volume targets. The rebates and supplier benefits are recorded on an accrual basis when it is probable that the related performance obligations associated with the purchase of the products are achieved by the Group,, and the amounts can be measured reliably based on the terms of the contract with suppliers. For the purpose of presentation, inventories and cost of sales are shown net of rebates and supplier benefits.

Where the rebates and supplier benefits relate to inventories which are held by the Group at the end of a period, these amounts are deducted from the cost of those inventories, and recognized in cost of sales upon sale of those inventories. The Group offsets amounts due from suppliers against amounts owed to those suppliers and only the net amount payable or receivable is recognized.

Cost of sales
Cost of sales primarily consists of the cost of purchases net of the rebates and supplier benefits, changes in inventories (including impairments), exchange gains and losses on goods purchases and inbound shipping costs.

Fair value measurements
The Group measures financial instruments such as derivatives and re-measurement of the defined benefit liability, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

2 ACCOUNTING POLICIES (continued)

Summary of accounting policies (continued)

Fair value measurements (continued)
For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group has made necessary disclosures for fair value of financial instruments in note 19, note 25 and note 31. At 31 December 2023, 2022 and 2021, the Group does not have any non-financial assets or liability to be recorded at fair value.

Business combinations and goodwill
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in the consolidated statement of profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the consolidated statement of profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

2 ACCOUNTING POLICIES (continued)

Summary of accounting policies (continued)

Property, plant and equipment
Property, plant and equipment is stated at cost less accumulated depreciation and /or any accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the consolidated statement of profit or loss as incurred.

Depreciation recognized in the consolidated statement of profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. The estimated useful lives are as follows:

Buildings	10 to 50 years
Leasehold improvements*	5 to 10 years or over the period of the lease term whichever is less
Plant and machinery (including computer hardware and software)	1 to 5 years
Vehicles, furniture and equipment	1 to 5 years

*Leasehold improvements in market stores (i.e. stores of 10,000 square feet or less), refurbishments at supermarkets, and preliminary expenditure i.e. costs related to design, authority approvals, consultancy, mobilisation, testing and commissioning etc. are depreciated over 1 to 3 years.

Capital work-in-progress is stated at cost, net of accumulated impairment losses, if any.

Freehold land and capital work-in-progress are not depreciated.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss when the asset is derecognised.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively, if appropriate.

Fully depreciated property, plant and equipment are retained in the consolidated financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

Intangible assets
Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the consolidated statement of profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite.

2 ACCOUNTING POLICIES (continued)

Summary of accounting policies (continued)

Intangible assets (continued)
Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually or more frequently when there is an indicator of impairment either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e. at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gains or losses arising from derecognition of the asset (measured as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss.

Taxes
Current income tax
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax
Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all temporary differences except:

- when the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries and associates deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2 ACCOUNTING POLICIES (continued)

Summary of accounting policies (continued)

Taxes (continued)

Deferred tax (continued)
The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction is goodwill (as longer as it does not exceed goodwill) if it was incurred during the measurement period or recognised in the consolidated statement of profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Value Added Tax (VAT)
Revenue, expenses and assets are recognised at amounts net of value added tax except,

- where VAT incurred on purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognised as part of the cost of acquisition of the asset or part of the expense items, as applicable.
- where receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from or payable to the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

Current versus non-current classification
The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

2 ACCOUNTING POLICIES (continued)

Summary of accounting policies (continued)

Current versus non-current classification (continued)
The terms of the liability that could at the option of the counter party, result in its settlement by the issue of equity instalments do not affect its classification.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liability are classified as non-current assets and liabilities, respectively.

Financial instruments – initial recognition and subsequent measurement
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Group's financial assets include cash and short-term deposits, refundable security deposits, trade and other receivables and amounts due from related parties.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at fair value through profit or loss
- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

2 ACCOUNTING POLICIES (continued)

Summary of accounting policies (continued)

Financial instruments – initial recognition and subsequent measurement (continued)

Financial assets (continued)

Subsequent measurement (continued)

a) Financial assets at fair value through profit and loss
Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of profit or loss.

This category includes derivative instruments which the Group had not irrevocably elected to classify at fair value through OCI.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

The Group's financial assets at fair value through profit and loss include derivative financial instruments that include forward foreign exchange contracts. Refer accounting policy on derivatives for further information.

(b) Financial assets at amortised cost (debt instruments)
Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes cash and short-term deposits, refundable security deposits, trade and other receivables and amounts due from related parties.

(c) Financial assets at fair value through OCI (debt instruments)
For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Group has no debt instruments classified as fair value through OCI as at the reporting date.

(d) Financial assets designated at fair value through OCI (equity instruments)
Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under *IAS 32 Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group does not have any financial assets (equity instruments) at fair value through OCI.

2 ACCOUNTING POLICIES (continued)

Summary of accounting policies (continued)

Financial instruments – initial recognition and subsequent measurement (continued)

Financial assets (continued)

Derecognition
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  (a) The Group has transferred substantially all the risks and rewards of the asset, or
  (b) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset.

In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset, is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets
For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2 ACCOUNTING POLICIES (continued)

Summary of accounting policies (continued)

Financial instruments – initial recognition and subsequent measurement (continued)

Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, accruals and other payables, interest-bearing loans and borrowings, refundable security deposits of tenants, lease liabilities and amounts due to related parties.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the consolidated statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (loans and borrowings)
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings and amounts due to related parties.

Financial liabilities at amortised cost (Trade payable, accruals and other payables)
Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2 ACCOUNTING POLICIES (continued)

Summary of accounting policies (continued)

Inventories
Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition, are accounted for as follows:

- Goods for resale **-** purchase cost on a weighted average basis

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Goods in transit are recorded at cost when the rights and obligations relating to the goods are transferred to the Group.

Cash and short-term deposits
Cash and short-term deposits in the consolidated statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, net of outstanding bank overdrafts (if any) as they are considered an integral part of the Group's cash management.

Impairment of non-financial assets
The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 December at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

2 ACCOUNTING POLICIES (continued)

Summary of accounting policies (continued)

Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance costs.

Onerous contracts
If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Leases
The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee
The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets
The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies for impairment of non-financial assets.

2 ACCOUNTING POLICIES (continued)

Summary of accounting policies (continued)

Leases (continued)

Group as a lessee (continued)

Lease liabilities
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption for leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

The Group as a lessor
Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the consolidated statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Employees' end of service benefits
The Group's obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed at each reporting period using the projected unit credit method. Re-measurements of the defined benefit liability, which comprise actuarial gains and losses are recognised immediately in the consolidated statement of financial position through OCI in the period in which they occur. The Group determines the net interest expense on the obligation at the beginning of the annual period to the then defined benefit liability, taking into account any changes in the defined benefit liability during the period as a result of benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in consolidated statement of profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the consolidated statement of profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Derivative financial instruments
The Group uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The Group does not apply hedge accounting and therefore, the change in fair value is recorded directly in the consolidated statement of profit or loss.

2 ACCOUNTING POLICIES (continued)

Summary of accounting policies (continued)

Foreign currency translation
The Group's consolidated financial statements are presented in AED, which is the Company's functional currency. For each entity, the Group determines its own functional currency based on the main currency used in the component's business.

Transactions and balances
Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

Group entities
The assets and liabilities of foreign operations are translated into UAE Dirham at the rate of exchange prevailing at the reporting date and their income statements are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in the consolidated statement of profit or loss.

Contingencies
Contingent liabilities are not recognised in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

Segment information
IFRS 8 requires operating segment to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

Information reported to the Group's chief operating decision maker for the purpose of resources allocation and assessment of segment performance is specifically focused on the type of business activities undertaken as a Group.

Refer note 4 to the consolidated financial statements for information regarding the Group's operating segments for the year ended 31 December.

Cash dividend
The Group recognises a liability to pay a dividend when the distribution is authorised, and the distribution is no longer at the discretion of the Group. A distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. 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.

Other disclosures relating to the Group's exposure to risks and uncertainties includes:

- Capital management (note 30)
- Financial risk management objectives and policies (note 30)
- Sensitivity analyses disclosures (note 13, note 19 and note 30)

Judgments
In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant impact on the amounts recognised in the consolidated financial statements.

Determining the lease term of contracts with renewal and termination options – The Group as lessee
The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group includes the renewal period as part of the lease term for leases of buildings with the related parties that include extension option. For other leases, which have an extension option, the renewal options are not included as part of the lease term as these are not reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Property lease classification – The Group as lessor
The Group has entered into commercial property leases on its owned assets or leased assets. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

Going concern
The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has adequate financial resources, to continue in business for the foreseeable future. Furthermore, the Directors are not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on a going concern basis.

Estimates and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimates and assumptions (continued)

Provision for expected credit losses of trade receivables and other receivables
The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography and customer type).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Notes 15 and 30.

Impairment of inventories
Management estimates a provision to reduce the inventory value to its net realizable value, if the inventory cost is irrecoverable, inventory is damaged or became obsolete in whole or in part, if the selling price is lower than the cost, or if there are any factors that cause a decrease in the recoverable amount below the carrying value.

At the reporting date, gross inventories were AED 181,546 thousand as at 31 December 2023, AED 160,509 thousand as at 31 December 2022 and AED 154,600 thousand as at 31 December 2021, with provisions for old and obsolete inventories of AED 48,385 thousand as at 31 December 2023, AED 37,432 thousand as at 31 December 2022 and AED 35,274 thousand as at 31 December 2021. Any difference between the amounts actually realized in future periods and the amounts expected will be recognized in the consolidated statement of profit or loss.

Fair value measurement of financial instruments
When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Defined benefit plans (pension benefits)
The cost of the defined benefit pension plan is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers yield curve as published by U.S. Department of the Treasury, High Quality Market (HQM) Corporate Bond Yield curve. The local bond markets in UAE and Oman are not deep and liquid enough for to use the same for determining the discount rates.

The mortality rate is based on publicly available mortality tables for UAE and Oman. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases and pension increases are based on expected future inflation rates for UAE and Oman.

Further details about pension obligations are provided in Note 19.

3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimates and assumptions (continued)

Impairment of goodwill
Goodwill is tested for impairment annually as at reporting date and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods. The carrying amount of goodwill, net of impairment, at 31 December 2023, 2022 and 2021 was AED nil, AED 7,363 thousand and AED 10,403 thousand, respectively.

Impairment of other non-financial assets
The Group assesses whether there are any indicators of impairment for all other non-financial assets at each reporting date. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. Management has provided for AED 26,645 thousand during 31 December 2023, AED 31,157 thousand during 31 December 2022 and AED 29,163 thousand during 31 December 2021 as impairment losses on property, plant and equipment and right-of-use assets.

Taxes
Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

Useful lives and depreciation of property, plant and equipment
Management periodically reviews estimated useful lives and depreciation method to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

Leases – Estimating the incremental borrowing rate
The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating if any available).

Rebates and other supplier benefits
Management applies judgement in estimating the timing and amount of recognition of the rebates and other supplier benefits based on the assessment of the probability that conditions to earn a trade discount or rebate will be met, and that the amount can be estimated reliably.

4 SEGMENT INFORMATION

The Group is organised into operating segments based on geographical locations. The revenue, profit/(loss), assets and liabilities are reported on a geographical basis and measured in accordance with the same accounting basis used for the preparation of the consolidated financial statements. There are two main reportable segments: United Arab Emirates (UAE) and Sultanate of Oman (Oman).

4 SEGMENT INFORMATION (continued)

Following is the segment information which is consistent with the internal reporting presented to chief operating decision maker for the years ended:

	Reportable segments			*Intercompany transactions**			*Total*		
	2023 AED'000	*2022 AED'000*	*2021 AED'000*	*2023 AED'000*	*2022 AED'000*	*2021 AED'000*	*2023 AED'000*	*2022 AED'000*	*2021 AED'000*
Revenue									
UAE	**2,775,846**	**2,530,317**	**2,398,223**	**-**	**-**	**-**	**2,775,846**	**2,530,317**	**2,398,223**
Oman	**94,426**	**99,009**	**122,174**	**-**	**-**	**-**	**94,426**	**99,009**	**122,174**
Others	**343,095**	**276,613**	**290,632**	**(342,203)**	**(275,818)**	**(288,467)**	**892**	**795**	**2,165**
Total	**3,213,367**	**2,905,939**	**2,811,029**	**(342,203)**	**(275,818)**	**(288,467)**	**2,871,164**	**2,630,121**	**2,522,562**

*represents inter reportable segments sales and purchases transactions.

	Reportable segments		
	2023 AED'000	*2022 AED'000*	*2021 AED'000*
Profit/ (loss) before tax			
UAE	**258,972**	**217,658**	**192,725**
Oman	**(4,365)**	**(6,255)**	**(3,679)**
Others	**987**	**3,705**	**4,311**
Total	**255,594**	**215,108**	**193,357**
Unallocated:			
Income tax expense*	**(1,277)**	**(835)**	**(1,182)**
Profit for the year	**254,317**	**214,273**	**192,175**

*current taxes are not allocated to those segments as they are managed on a group basis.

	Assets			*Liabilities*		
	2023 AED'000	*2022 AED'000*	*2021 AED'000*	*2023 AED'000*	*2022 AED'000*	*2021 AED'000*
UAE	**1,771,673**	**1,450,340**	**1,532,301**	**1,650,143**	**1,418,418**	**1,509,869**
Oman	**24,051**	**26,107**	**38,903**	**36,745**	**35,382**	**41,009**
Others	**111,557**	**65,041**	**68,089**	**100,066**	**51,417**	**54,247**
Eliminations and adjustment	**(51,638)**	**(58,817)**	**(38,290)**	**(44,992)**	**(56,450)**	**(36,001)**
Total	**1,855,643**	**1,482,671**	**1,601,003**	**1,741,962**	**1,448,767**	**1,569,124**

Other disclosures

	Reportable segments		
	2023 AED'000	*2022 AED'000*	*2021 AED'000*
(i) Capital expenditure @			
UAE	**330,341**	**66,124**	**86,014**
Oman	**31**	**108**	**433**
Others	**5,562**	**39**	**68**
Total	**335,934**	**66,271**	**86,515**

4 SEGMENT INFORMATION (continued)

Other disclosures (continued)

@consist of additions to property, plant and equipment and transfers from related parties.

	Reportable segments		
	2023 AED'000	***2022 AED'000***	***2021 AED'000***
(ii) Depreciation and impairment of property, plant and equipment and right-of-use assets			
UAE	**249,832**	239,748	229,021
Oman	**7,996**	9,477	9,713
Others	**995**	441	537
Total	**258,823**	249,666	239,271

5 REVENUE FROM CONTRACTS WITH CUSTOMERS

	2023 AED'000	***2022 AED'000***	***2021 AED'000***
Revenue from sale of goods	**2,821,837**	2,585,880	2,483,713

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	2023 AED'000	***2022 AED'000***	***2021 AED'000***
Geographical market			
United Arab Emirates	**2,726,866**	2,486,438	2,359,732
Sultanate of Oman	**94,079**	98,647	121,816
Others	**892**	795	2,165
	2,821,837	2,585,880	2,483,713
Timing of revenue recognition			
Goods transferred at a point in time	**2,821,837**	2,585,880	2,483,713

As at 31 December 2023, 2022 and 2021, right of return assets, refund liabilities, contract assets and contract liabilities were nil.

6 OTHER INCOME

	2023 AED'000	***2022 AED'000***	***2021 AED'000***
Net gain on disposal of property, plant and equipment and intangible assets (note 26)	**4,255**	2,587	1,749
Net foreign exchange gain	**1,093**	211	2,876
Others*	**13,866**	9,319	6,581
	19,214	12,117	11,206

*includes gain on termination of leases of AED 2,287 thousand (2022: AED 95 thousand and 2021: AED 35 thousand)

7 SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	2023 AED'000	*2022 AED'000*	*2021 AED'000*
Staff costs	**289,239**	263,412	238,084
Premises costs	**162,758**	154,500	151,559
Marketing costs	**19,342**	20,325	15,226
Warehousing, selling and distribution costs	**128,525**	115,984	105,590
Information system and communication costs	**23,626**	16,345	13,959
Legal and professional charges	**24,955**	17,607	12,308
Others	**13,552**	5,102	15,170
	661,997	593,275	551,896

8 FINANCE COSTS

	2023 AED'000	*2022 AED'000*	*2021 AED'000*
Interest on lease liabilities (note 12)	**44,057**	36,077	38,658
Interest on loans and borrowings	**489**	307	228
	44,546	36,384	38,886

9 PROFIT FOR THE YEAR

The profit for the year is stated after charging:

	2023 AED'000	*2022 AED'000*	*2021 AED'000*
Trade mark licensing fees	**10,575**	9,228	8,928

10 INCOME TAX

a. Tax on ordinary activities

The major components of income tax expense for the years ended 31 December 2023, 2022 and 2021 are:

	2023 AED'000	*2022 AED'000*	*2021 AED'000*
Current income tax:			
Current income tax charge	**1,230**	857	1,051
Adjustments in respect of current income tax of previous year	**-**	(12)	(5)
Deferred tax:			
Relating to the origination and reversal of temporary differences	**47**	(10)	136
Income tax expense reported in the consolidated statement of profit or loss	**1,277**	835	1,182

10 INCOME TAX (continued)

b. Reconciliation of tax charge

Reconciliation of tax expense and the accounting profit multiplied by the UAE's domestic tax rate for the years ended 31 December 2023, 2022 and 2021:

	2023 *AED'000*	*2022* *AED'000*	*2021* *AED'000*
Accounting profit before income tax	**255,594**	**215,108**	**193,357**
At UAE's statutory income tax rate of Nil (2022: Nil and 2021: Nil)	**-**	**-**	**-**
Effect of higher overseas tax rates	**1,277**	**835**	**1,182**
At the effective income tax rate of 2023: 0.50%, 2022: 0.39% and 2021: 0.61%	**1,277**	**835**	**1,182**

c. Deferred tax

	2023 *AED'000*	*2022* *AED'000*	*2021* *AED'000*
The deferred tax assets as at 31 December relate to:			
Deferred tax assets:			
Depreciation	**584**	**822**	**794**
Provision and reserve	**666**	**465**	**485**
	1,250	**1,287**	**1,279**

Deferred tax assets are only recognised on losses available for offsetting against future taxable income to the extent that it is probable that taxable profits will be available against which losses can be utilised. The Group has prepared a forecast which indicates that the Group will have sufficient taxable profits in the entities in the near future to support the recognition of the deferred tax assets.

Movement in deferred tax assets recognised in the consolidated statement of financial position is as follows:

Deferred tax assets:

	2023 *AED'000*	*2022* *AED'000*	*2021* *AED'000*
At 1 January	**1,287**	**1,279**	**1,427**
Deferred tax (charge)/ credit	**(47)**	**10**	**(136)**
Translation adjustment	**10**	**(2)**	**(12)**
At 31 December	**1,250**	**1,287**	**1,279**

11 PROPERTY, PLANT AND EQUIPMENT

2023

	Freehold land AED'000	*Buildings AED'000*	*Leasehold improvements AED'000*	*Plant and machinery AED'000*	*Vehicles, furniture and equipment AED'000*	*Capital work in progress AED'000*	*Total AED'000*
Cost:							
At 1 January 2023	13,165	10,223	377,838	196,778	158,011	9,871	765,886
Additions	2,248	4,832	18,467	8,833	9,967	47,203	91,550
Transfers from capital work in progress	-	-	21,410	9,300	10,808	(41,518)	-
Transfers	-	18,182	(18,182)	-	-	-	-
Transfers from a related party (note 26)	58,205	123,139	63,000	-	45	-	244,389
Transfers to a related party (note 26)	-	-	(227)	(339)	(596)	-	(1,162)
Disposals/ written off	-	(169)	(18,078)	(10,787)	(12,644)	-	(41,678)
Exchange differences	741	575	101	82	206	-	1,705
At 31 December 2023	**74,359**	**156,782**	**444,329**	**203,867**	**165,797**	**15,556**	**1,060,690**
Depreciation and impairment:							
At 1 January 2023	-	2,981	309,222	163,736	140,002	-	615,941
Depreciation charge for the year	-	1,330	28,638	14,903	10,799	-	55,670
Impairment charge for the year	-	-	16,202	3,191	3,252	-	22,645
Transfers	-	18,129	(18,129)	-	-	-	-
Relating to transfer from a related party (note 26)	-	-	-	-	5	-	5
Relating to transfers to a related party (note 26)	-	-	(227)	(339)	(587)	-	(1,153)
Relating to disposals	-	(169)	(18,078)	(10,697)	(12,573)	-	(41,517)
Exchange differences	-	173	89	73	182	-	517
At 31 December 2023	**-**	**22,444**	**317,717**	**170,867**	**141,080**	**-**	**652,108**
Net carrying amount:							
At 31 December 2023	**74,359**	**134,338**	**126,612**	**33,000**	**24,717**	**15,556**	**408,582**

11 PROPERTY, PLANT AND EQUIPMENT (continued)

2022

	Freehold land AED'000	*Buildings AED'000*	*Leasehold improvements AED'000*	*Plant and machinery AED'000*	*Vehicles, furniture and equipment AED'000*	*Capital work in progress AED'000*	*Total AED'000*
Cost:							
At 1 January 2022	14,764	11,464	355,932	184,408	158,883	4,061	729,512
Additions	-	-	11,441	6,697	11,901	34,009	64,048
Transfers from capital work in progress	-	-	19,197	10,466	759	(30,422)	-
Transfers from a related party	-	-	-	-	-	2,223	2,223
Disposals/ written off	-	-	(8,729)	(4,618)	(13,289)	-	(26,636)
Exchange differences	(1,599)	(1,241)	(3)	(175)	(243)	-	(3,261)
At 31 December 2022	**13,165**	**10,223**	**377,838**	**196,778**	**158,011**	**9,871**	**765,886**
Depreciation and impairment:							
At 1 January 2022	-	3,114	276,546	151,492	136,800	-	567,952
Depreciation charge for the year	-	205	28,011	15,184	11,249	-	54,649
Impairment charge for the year	-	-	13,401	1,739	4,517	-	19,657
Relating to disposals	-	-	(8,729)	(4,523)	(12,370)	-	(25,622)
Exchange differences	-	(338)	(7)	(156)	(194)	-	(695)
At 31 December 2022	**-**	**2,981**	**309,222**	**163,736**	**140,002**	**-**	**615,941**
Net carrying amount:							
At 31 December 2022	**13,165**	**7,242**	**68,616**	**33,042**	**18,009**	**9,871**	**149,945**

11 PROPERTY, PLANT AND EQUIPMENT (continued)

2021

	Freehold land AED'000	*Buildings AED'000*	*Leasehold improvements AED'000*	*Plant and machinery AED'000*	*Vehicles, furniture and equipment AED'000*	*Capital work in progress AED'000*	*Total AED'000*
Cost:							
At 1 January 2021	14,826	11,512	309,081	173,373	153,072	8,882	670,746
Additions	-	-	14,760	7,708	13,265	50,782	86,515
On account of acquisition (note 27)	-	-	-	-	3,684	-	3,684
Transfers from capital work in progress	-	-	41,725	9,738	4,138	(55,601)	-
Disposals/ written off	-	-	(9,627)	(6,403)	(15,255)	-	(31,285)
Exchange differences	(62)	(48)	(7)	(8)	(21)	(2)	(148)
At 31 December 2021	**14,764**	**11,464**	**355,932**	**184,408**	**158,883**	**4,061**	**729,512**
Depreciation and impairment:							
At 1 January 2021	-	2,897	249,176	139,913	135,847	-	527,833
Depreciation charge for the year	-	233	26,707	16,107	11,730	-	54,777
Impairment charge for the year	-	-	10,304	1,877	4,482	-	16,663
Transfers	-	-	1	(10)	9	-	-
Relating to disposals	-	-	(9,627)	(6,387)	(15,253)	-	(31,267)
Exchange differences	-	(16)	(15)	(8)	(15)	-	(54)
At 31 December 2021	**-**	**3,114**	**276,546**	**151,492**	**136,800**	**-**	**567,952**
Net carrying amount:							
At 31 December 2021	**14,764**	**8,350**	**79,386**	**32,916**	**22,083**	**4,061**	**161,560**

Capital work-in-progress as at 31 December 2023, 2022 and 2021 primarily relates to the cost of building new supermarkets and refurbishments of existing stores.

12 LEASES

The Group as a lessee
The Group has lease contracts for plot of land (lease terms between 5 to 38 years), premises used in its operations of supermarkets (lease terms between 1 to 10 years) and motor vehicles (lease term of 4 years). The Group's obligations under its leases are secured by the lessor's title to the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below:

Set out below are the carrying amounts of right-of-use assets recognised and the movements during 2023, 2022 and 2021:

2023

	Land	*Building/Stores*	*Motor vehicles*	*Total*
	AED'000	*AED'000*	*AED'000*	*AED'000*
At 1 January 2023	**109,868**	**566,756**	**18**	**676,642**
Additions	**35,045**	**134,289**	**140**	**169,474**
Depreciation expense	**(6,436)**	**(170,021)**	**(51)**	**(176,508)**
Impairment, net	**-**	**(4,000)**	**-**	**(4,000)**
Reversal on account of store closure/termination	**-**	**(22,657)**	**-**	**(22,657)**
Lease modifications	**-**	**165,438**	**-**	**165,438**
Translation difference	**-**	**87**	**(1)**	**86**
At 31 December 2023	**138,477**	**669,892**	**106**	**808,475**

2022

	Land	*Building/Stores*	*Motor vehicles*	*Total*
	AED'000	*AED'000*	*AED'000*	*AED'000*
At 1 January 2022	**115,443**	**596,489**	**114**	**712,046**
Additions	**-**	**68,149**	**-**	**68,149**
Depreciation expense	**(5,575)**	**(158,206)**	**(79)**	**(163,860)**
Impairment, net	**-**	**(11,500)**	**-**	**(11,500)**
Reversal on account of store closure/termination	**-**	**(5,422)**	**-**	**(5,422)**
Lease modifications	**-**	**77,240**	**-**	**77,240**
Translation difference	**-**	**6**	**(17)**	**(11)**
At 31 December 2022	**109,868**	**566,756**	**18**	**676,642**

2021

	Land	*Building/Stores*	*Motor vehicles*	*Total*
	AED'000	*AED'000*	*AED'000*	*AED'000*
At 1 January 2021	**121,017**	**664,013**	**214**	**785,244**
Additions	**-**	**60,702**	**-**	**60,702**
Depreciation expense	**(5,574)**	**(149,653)**	**(104)**	**(155,331)**
Impairment, net	**-**	**(12,500)**	**-**	**(12,500)**
Reversal on account of store closure/termination	**-**	**(1,224)**	**-**	**(1,224)**
Lease modifications	**-**	**35,191**	**-**	**35,191**
Translation difference	**-**	**(40)**	**4**	**(36)**
At 31 December 2021	**115,443**	**596,489**	**114**	**712,046**

12 LEASES (continued)

The Group as a lessee (continued)
Set out below are the carrying amounts of lease liabilities and the movements during 2023, 2022 and 2021:

	2023 AED'000	*2022 AED'000*	*2021 AED'000*
As at 1 January	**780,005**	**802,597**	**853,024**
Additions	**169,474**	**68,149**	**60,702**
Accretion of interest (note 8)	**44,057**	**36,077**	**38,658**
Reversal on account of store closure	**(24,944)**	**(5,517)**	**(1,259)**
Payments	**(210,951)**	**(198,555)**	**(183,666)**
Relating to lease modification	**165,438**	**77,240**	**35,191**
Translation difference	**78**	**14**	**(53)**
As at 31 December	**923,157**	**780,005**	**802,597**
Less: Current portion (disclosed under current liabilities)	**(143,833)**	**(149,811)**	**(145,815)**
Non-current portion as at 31 December	**779,324**	**630,194**	**656,782**

The maturity analysis of lease liabilities is disclosed in note 30.

The following are the amounts recognised in the consolidated statement of profit or loss:

	2023 AED'000	*2022 AED'000*	*2021 AED'000*
Depreciation and impairment of right-of-use assets	**180,508**	**175,360**	**167,831**
Interest expense on lease liabilities (included in finance costs)	**44,057**	**36,077**	**38,658**
Expense related to short-term lease (included in selling, general and administrative expenses)	**1,489**	**822**	**698**
Variable and other lease related expenses (included in selling, general and administrative expenses)	**25,508**	**25,205**	**31,429**
Gain on termination of leases	**(2,287)**	**(95)**	**(35)**
Total amount recognised in the consolidated Statement of profit or loss	**249,275**	**237,369**	**238,581**

The following are the amounts recognised in the consolidated statement of profit or loss and consolidated statement of financial position relating to leases entered with related parties:

	2023 AED'000	*2022 AED'000*	*2021 AED'000*
Depreciation of right-of-use assets	**55,822**	**47,427**	**47,530**
Interest expense on lease liabilities (included in finance costs)	**14,036**	**8,897**	**10,695**
Right-of use assets	**249,809**	**176,114**	**198,204**
Lease liabilities	**234,536**	**192,038**	**212,798**
Refundable security deposits (included within note 15)	**12,000**	**-**	**-**
Lease payments	**63,991**	**55,771**	**54,342**
Gain on termination of leases	**2,251**	**-**	**-**

The future cash outflows relating to leases that have not commenced as at the end of the respective reporting period are disclosed in note 28.

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised (see note 3).

12 LEASES (continued)

Group as a lessor
The Group has entered into operating leases on its owned assets or leased assets. These leases have terms of between 1 to 5 years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. Rental income recognised by the Group during 2023 is AED 49,327 thousand, during 2022 is AED 44,241 thousand and during 2021 is AED 38,849 thousand.

Future minimum rentals receivable under non-cancellable operating leases as at 31 December are as follows:

	2023 AED'000	*2022 AED'000*	*2021 AED'000*
Within one year	**39,794**	37,886	35,857
After one year but not more than five years	**61,181**	57,751	51,316
	100,975	95,637	87,173

13 INTANGIBLE ASSETS

2023:

	Goodwill AED'000	*Trademark rights AED'000*	*Total AED'000*
At 1 January	**7,363**	**-**	**7,363**
Addition (refer note below and note 26)	**-**	**34,000**	**34,000**
Impairment	**(3,463)**	**-**	**(3,463)**
Transfer to a related party (note 26)	**(3,900)**	**-**	**(3,900)**
At 31 December	**-**	**34,000**	**34,000**

2022:

	Goodwill AED'000	*Trademark rights AED'000*	*Total AED'000*
At 1 January	10,403	-	10,403
Impairment	(3,040)	-	(3,040)
At 31 December	7,363	-	7,363

2021:

	Goodwill AED'000	*Trademark rights AED'000*	*Total AED'000*
At 1 January	-	-	-
Additions	12,000	-	12,000
Impairment	(1,597)	-	(1,597)
At 31 December	10,403	-	10,403

13 INTANGIBLE ASSETS (continued)

Goodwill:
Goodwill as at 31 December represents the Group's share of the excess of the cost of acquisition over the fair value of identifiable net assets of retail supermarkets acquired from Souq Planet Trading – Sole Proprietorship LLC during 2021 (note 27).

Impairment testing of goodwill
The assessment of impairment is based on detailed planning of results of operations, which is prepared annually in the Group-wide budget planning process, taking account of the current business situation. Management estimates discount rates that reflect current market assessments of the time value of money and the risks specific to the cash-generating unit. The growth rates are based on management estimates having regard to industry growth rates. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

As a result of the above analysis, management identified an impairment charge of AED 3,463 thousand, AED 3,040 thousand and AED 1,597 thousand for the years ended 31 December 2023, 2022 and 2021, respectively.

Sensitivity to changes in assumptions:
With regard to the assessment of value in use of the cash generating units, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the units to materially exceed their recoverable amount.

Trademark rights:
During 2023, the Group acquired "Spinneys" trademark rights worldwide (except UAE) (included within the books of Spinneys IP Limited) for a consideration (at an agreed price) of AED 34,000 thousand from its Parent Company. These rights have an indefinite useful life and are tested for impairment annually.

14 INVENTORIES

	2023 *AED'000*	*2022* *AED'000*	*2021* *AED'000*
Goods for resale	**129,069**	120,995	116,874
Goods-in-transit	**4,092**	2,082	2,452
	133,161	123,077	119,326

During 2023, 2022 and 2021, AED 1,655,015 thousand, AED 1,542,607 thousand and AED 1,512,574 thousand, respectively were recognised as expense for inventories under cost of sales.

Set out below is the movement in the provision for old and obsolete inventories:

	2023 *AED'000*	*2022* *AED'000*	*2021* *AED'000*
At 1 January	**37,432**	35,274	38,387
Charge/ (reversal) for the year, net	**10,940**	2,158	(3,115)
Translation difference	**13**	-	2
At 31 December	**48,385**	37,432	35,274

15 TRADE RECEIVABLES, PREPAYMENTS AND OTHER RECEIVABLES

	2023 AED'000	*2022 AED'000*	*2021 AED'000*
Trade receivables	**32,831**	**19,557**	**27,267**
Refundable security deposits	**52,848**	**34,591**	**33,292**
Prepaid expenses	**14,585**	**13,624**	**14,869**
VAT receivable	**966**	**570**	**678**
Other receivables*	**8,162**	**10,098**	**7,412**
	109,392	**78,440**	**83,518**
Less: non-current portion:			
Refundable security deposits (disclosed as other non-current assets)	**(50,148)**	**(33,547)**	**(32,426)**
Current portion	**59,244**	**44,893**	**51,092**

*includes AED 3,134 thousand as at 31 December 2023, AED 2,491 thousand as at 31 December 2022 and AED 2,785 thousand as at 31 December 2021 relating to inventories held on behalf of a related party which have been subsequently billed and collected.

Trade receivables, prepayments and other receivables do not contain any impaired assets. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

			Days past due				
	Total AED'000	*Current AED'000*	*<30 days AED'000*	*30-60 days AED'000*	*61-90 days AED'000*	*91-120 days AED'000*	*>120 days AED'000*
2023							
Expected credit loss rate		**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
Estimated total gross carrying amount at default	**32,831**	**32,831**	**-**	**-**	**-**	**-**	**-**
Expected credit loss	**-**	**-**	**-**	**-**	**-**	**-**	**-**

			Days past due				
	Total AED'000	*Current AED'000*	*<30 days AED'000*	*30-60 days AED'000*	*61-90 days AED'000*	*91-120 days AED'000*	*>120 days AED'000*
2022							
Expected credit loss rate		**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
Estimated total gross carrying amount at default	**19,557**	**19,557**	**-**	**-**	**-**	**-**	**-**
Expected credit loss	**-**	**-**	**-**	**-**	**-**	**-**	**-**

15 TRADE RECEIVABLES, PREPAYMENTS AND OTHER RECEIVABLES (continued)

			Days past due				
	Total AED'000	*Current AED'000*	*<30 days AED'000*	*30-60 days AED'000*	*61-90 days AED'000*	*91-120 days AED'000*	*>120 days AED'000*
2021							
Expected credit loss rate		**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
Estimated total gross carrying amount at default	**27,267**	**27,267**	**-**	**-**	**-**	**-**	**-**
Expected credit loss	**-**	**-**	**-**	**-**	**-**	**-**	**-**

The information about the basis of calculation of expected credit loss is disclosed in note 30.

16 AMOUNTS DUE FROM RELATED PARTIES

	2023 AED'000	*2022 AED'000*	*2021 AED'000*
Ultimate Parent Company			
Albwardy Investment L.L.C.	**-**	**83**	**108**
Parent			
Al Seer Group (L.L.C.)	**3,119**	**403,776**	**343,453**
Entities under common control			
Al Seer Food Services LLC	**110**	**90**	**106**
Europacific LLC	**58**	**23**	**31**
Desert Palm L.L.C	**3**	**3**	**4**
ASB Development Limited	**-**	**4**	**-**
JHF Exports (Proprietary) Ltd.	**-**	**-**	**1,197**
Albwardy Technical and Industrial Establishment L.L.C.	**-**	**-**	**3**
Parent's associate			
Spinneys (Abu Dhabi) L.L.C.	**3,432**	**2,267**	**-**
	6,722	**406,246**	**344,902**

17 CASH AND SHORT-TERM DEPOSITS

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following amounts as at 31 December:

	2023 AED'000	*2022 AED'000*	*2021 AED'000*
Cash in hand	**5,479**	**4,727**	**6,116**
Cash at banks	**348,582**	**34,944**	**11,853**
Short-term deposits	**-**	**-**	**150,000**
Cash and cash equivalents	**354,061**	**39,671**	**167,969**

18 INTEREST-BEARING LOANS AND BORROWINGS

	2023 AED'000	*2022 AED'000*	*2021 AED'000*
Balance at 1 January	**7,461**	**9,176**	**10,027**
Less: Repayment of loan	**(762)**	**(803)**	**(824)**
Exchange differences	**418**	**(912)**	**(27)**
Balance at 31 December	**7,117**	**7,461**	**9,176**
Less: Current portion of the loans repayable within one year disclosed under current liabilities	**(762)**	**(722)**	**(809)**
Non-current portion at 31 December	**6,355**	**6,739**	**8,367**

Term loan carries interest charged at 2% above the bank's Sterling base rate and is repayable in monthly instalments. The bank loan is secured by way of a first legal charge over JHF Limited's (a subsidiary) land and buildings in the United Kingdom, an unlimited debenture incorporating a fixed charge over its book debts, a floating charge over all its other assets, and an unlimited composite corporate guarantee given by Al Seer Group (L.L.C.) to secure all liabilities of JHF Limited. Final instalment is due on 5 June 2033.

Instalments due after 12 months have been disclosed under non-current liabilities.

19 EMPLOYEES' END OF SERVICE BENEFITS

Movements in the provision recognised in the consolidated statement of financial position are as follows:

	2023 AED'000	*2022 AED'000*	*2021 AED'000*
At 1 January	**65,300**	**67,757**	**65,434**
Provided during the year	**10,182**	**9,087**	**7,916**
Remeasurement loss / (gain)	**119**	**(7,241)**	**(463)**
End of service benefits transferred, net (note 26)	**(585)**	**956**	**107**
End of service benefits paid	**(6,609)**	**(5,261)**	**(5,238)**
Exchange difference	**73**	**2**	**1**
At 31 December	**68,480**	**65,300**	**67,757**

Labour laws in the United Arab Emirates and Sultanate of Oman require employers to provide for other long-term employment benefits. These benefits are payable to employees on being transferred to another jurisdiction or on cessation of employment based on their final salary and number of years' service. The expected costs of these benefits are accrued over the period of employment.

Actuarial assumptions

	2023	*2022*	*2021*
Discount rate	**4.9%**	**4.8%–5%**	**1.7%–2.4%**
Long term salary increase rate	**4%**	**4%**	**3%**
Annual rate of employees expected to leave	**12%**	**12%**	**12%**

19 EMPLOYEES' END OF SERVICE BENEFITS (continued)

Sensitivity analysis

The Group has performed sensitivity analysis on the major assumptions for arriving at employees' end of service benefits. These assumptions include discount rate, salary increase rate and attrition rate.

The table below shows the sensitivity analysis using the different assumptions as at 31 December 2023, 2022 and 2021:

	2023 AED'000	*2022 AED'000*	*2021 AED'000*
Provision amount in base rate	**68,480**	**65,300**	**67,757**
Discount rate: +1%	**64,845**	**61,825**	**63,632**
Discount rate: -1%	**72,475**	**69,191**	**72,428**
Salary escalation rate: +1%	**72,474**	**69,189**	**72,325**
Salary escalation rate: -1%	**64,781**	**61,769**	**63,645**
Attrition rate: 25% increase	**68,746**	**65,545**	**66,523**
Attrition rate: 25% decrease	**68,026**	**64,956**	**69,409**

20 TRADE PAYABLES, ACCRUALS AND OTHER PAYABLES

	2023 AED'000	*2022 AED'000*	*2021 AED'000*
Trade payables	**419,512**	**329,354**	**309,776**
Accrued expenses	**239,488**	**207,181**	**200,124**
Refundable security deposits	**8,417**	**7,940**	**7,023**
VAT payable, net	**6,631**	**6,585**	**5,862**
Purchase consideration payable (note 27)	**-**	**-**	**22,018**
Income tax payable	**463**	**237**	**60**
Advances from tenants	**10,109**	**12,887**	**12,892**
Other payables	**13,053**	**12,960**	**94,325**
	697,673	**577,144**	**652,080**
Less: non-current portion:	**(14,308)**	**(7,586)**	**(6,426)**
Current portion	**683,365**	**569,558**	**645,654**

21 AMOUNTS DUE TO RELATED PARTIES

	2023 AED'000	*2022 AED'000*	*2021 AED'000*
Ultimate Parent Company			
Albwardy Investment L.L.C.	**5**	**-**	**-**
Entities under common control			
Albwardy Engineering Enterprise	**17,718**	**7,553**	**10,206**
Al Seer Trading Agencies LLC	**3,964**	**1,912**	**5,351**
Fit Fresh LLC	**4,722**	**1,700**	**1,594**
Arabian Oasis Food Co LLC	**2,232**	**1,452**	**2,377**
Fine Fair Commercial Complex LLC	**2,265**	**1,057**	**2,035**
Al Seer Group LLC, Oman	**145**	**110**	**190**
Istana Furniture	**44**	**42**	**76**
Technical Resources Establishment	**27**	**18**	**45**
Indian Pavilion Restaurant LLC	**4**	**-**	**-**
Totale Cleaning Services	**131**	**-**	**-**
Albwardy Technical and Industrial L.L.C.	**-**	**-**	**10**

21 AMOUNTS DUE TO RELATED PARTIES (continued)

	2023 AED'000	*2022 AED'000*	*2021 AED'000*
Ultimate Parent Company's joint venture			
National Industrial Services Co LLC	**17**	16	-
Pacman Middle East LLC	**853**	952	697
Non-controlling shareholder			
Abdul Mohsen Al Hokair Holding Group	**6,705**	-	-
Parent's associate			
Nestle UAE L.L.C	**3,521**	2,169	2,426
FerGulf Trading UAE L.L.C.	**1,827**	1,064	911
Reckitt Benckiser Arabia Trading LLC	**1,355**	812	1,227
Spinneys (Abu Dhabi) L.L.C.	**-**	-	10,221
Spinneys Ras Al Khaimah LLC	**-**	-	148
	45,535	18,857	37,514

22 SHARE CAPITAL

	2023 AED'000	*2022 AED'000*	*2021 AED'000*
Authorised, issued and fully paid up capital			
3,600,000,000 ordinary shares of AED 0.01 each	**36,000**	-	-

23 RESERVES

(a) Restricted reserve

Restricted reserve represents the statutory reserves of the subsidiaries (Spinneys Dubai (L.L.C.) amounting to AED 4,150 thousand, Fine Fare Food Market (L.L.C.) amounting to AED 150 thousand and Al Fair SPC amounting to AED 478 thousand). The reserve is not available for distribution.

(b) Actuarial reserve

Actuarial reserve arises due to re-measurements of the defined benefit liability, which comprise actuarial gains and losses recognised immediately in the consolidated statement of financial position through OCI in the period in which they occur.

(c) Foreign currency translation reserve

The translation reserve records the exchange differences arising from the translation of the financial statements of foreign subsidiaries whose functional currencies are different from the Company's presentation currency.

24 DIVIDENDS

During the year ended 31 December 2023, the Directors approved a dividend of AED 0.055 per share amounting to AED 197,639 thousand.

Dividends declared and paid during the year ended 31 December 2022 and 31 December 2021 amounted to AED 218,713 thousand and AED 197,178 thousand respectively.

25 DERIVATIVES NOT DESIGNATED AS HEDGING INSTRUMENTS

Forward foreign exchange contracts

The Group is party to forward foreign exchange contracts which are used to manage foreign exchange risks arising or expected to arise from the Group's contracted or anticipated commitments under contracts for the purchase of goods.

The Group had 24 forward foreign exchange contracts outstanding as at 31 December 2023, 26 forward foreign exchange as at 31 December 2022 and 18 forward foreign exchange contracts as at 31 December 2021. The amount of Dirhams (AED) contracted to be paid, the contract exchange rates and the settlement dates of outstanding contracts at the year-end were as follows:

		Exchange rate		*2023*	*2022*	*2021*
	2023	*2022*	*2021*	*AED'000*	*AED'000*	*AED'000*
Pound Sterling						
- 3 months or less	**4.5558**	**4.2888**	**4.9712**	**45,699**	**28,066**	**30,389**
Euro						
- 3 months or less	**3.9502**	**3.7388**	**4.2223**	**31,270**	**26,108**	**27,804**
Australian Dollars						
- 3 months or less	**2.3899**	**2.3933**	**2.7021**	**19,576**	**11,375**	**11,249**
South African Rand						
- 3 months or less	**0.1937**	**0.2043**	**-**	**3,381**	**2,521**	**-**
				99,926	**68,070**	**69,442**

The fair value of forward foreign exchange contracts as at 31 December 2023 was AED 3,011 thousand positive, as at 31 December 2022 was AED 2,927 thousand positive, each included within other receivables and as at 31 December 2021 was AED 594 thousand negative, included within other payables.

The forward foreign exchange contract transactions do not qualify as hedges for the purpose of hedge accounting. Accordingly, the change in fair value of AED 84 thousand positive during the year 2023, AED 3,521 thousand positive during the year 2022 and AED 3,498 thousand negative during the year 2021 has been recognised under selling, general and administrative expenses in the consolidated statement of profit or loss.

Product type

Foreign exchange contracts are contractual agreements to either buy or sell a specified currency at a specific price and date in the future.

Related credit risk

Credit risk in respect of foreign exchange contracts arises from the potential for a counterparty to default on its contractual obligation and is limited to the positive fair value of instruments that are favourable to the Group. All of the Group's contracts are entered into with reputable banks.

26 RELATED PARTY DISCLOSURES

Related parties comprise the Owner, the Ultimate Parent Company, the Parent, key management personnel and the business entities in which they have substantial interests or are capable of exercising significant management influence. Prices and terms for these transactions are approved by the Directors.

Details of significant related party transactions entered during 2023, 2022 and 2021 are as follows:

2023

	Purchase/ (transfer) of intangible assets AED'000	*Liability for employees' end of service benefits transferred AED'000*	*Sale of goods AED'000*	*Purchase of goods AED'000*	*Insurance AED'000*	*Stock transferred AED'000*	*Interest received AED'000*	*Selling, general and administrative expenses AED'000*	*Purchase/ (transfer) of property, plant and equipment AED'000*	*Capital expenditure AED'000*	*Rental income AED'000*
Ultimate Parent Company	-	-	-	-	-	-	-	-	-	-	**20**
Parent	**34,000**	-	**104**	-	-	-	-	**15,341**	**244,384***	-	-
Entities under common control	-	-	**2,000**	**66,614**	**19,144**	-	-	**39,335@**	-	**42,594**	**6**
Parent's associate	**(6,000)****	**(585)**	-	**41,102**	-	**159,216#**	-	-	**(600)*****	-	**377**

2022

	Liability for employees' end of service benefit transferred AED'000	*Sale of goods AED'000*	*Purchase of goods AED'000*	*Group's staff medical insurance AED'000*	*Stock transferred AED'000*	*Interest received AED'000*	*Selling, general and administrative expenses AED'000*	*Purchase of property, plant and equipment AED'000*	*Capital expenditure AED'000*	*Rental income AED'000*
Parent	-	-	-	-	-	-	**4,746**	**2,223**	-	-
Entities under common control	-	**2,164**	**72,533**	**16,127**	-	-	**27,601@**	-	**32,058**	-
Parent's associate	**956**	-	**43,437**	-	**148,427#**	-	-	-	-	-

2021

	Liability for employees' end of service benefits transferred AED'000	*Sale of goods AED'000*	*Purchases of goods AED'000*	*Group's staff medical insurance AED'000*	*Stock transferred AED'000*	*Interest received AED'000*	*Selling, general and administrative expenses AED'000*	*Purchase of property, plant and equipment AED'000*	*Capital expenditure AED'000*	*Rental income AED'000*
Parent	-	-	-	-	-	**698**	**6,020**	-	-	-
Entities under common control	-	**2,097**	**76,520**	**15,406**	-	-	**30,395@**	-	**55,327**	-
Parent's associate	**107**	-	**42,366**	-	**167,901#**	-	-	-	-	-

*the Parent transferred certain property, plant and equipment at an agreed price and to that extent, settled its payable to the Group which is a non cash transaction.
#represents retail goods transferred at an agreed rate to the Parent's associate which is accounted for on a net basis as the Group acts as an agent to procure and deliver goods for the related party.
@include stores maintenance costs under the maintenance contract entered with related parties amounting to AED 36,027 thousand during 2023, AED 26,867 thousand during 2022 and AED 29,010 thousand during 2021.
**include gain on transfer of goodwill amounting to AED 2,100 thousand (included in other income, note 6)
***gain on disposal of property, plant and equipment amounting to AED 591 thousand included in other income, note 6

26 RELATED PARTY DISCLOSURES (continued)

Other related party transactions entered during 2023, 2022 and 2021 are as follows:

- During 2023, 2022 and 2021, the Group recharged expenses amounting to AED 16,142 thousand, AED 16,204 thousand and AED 18,615 thousand, respectively to Spinneys (Abu Dhabi) LLC (Parent's associate). Also, during 2023, the Group charged operation services fees of AED 600 thousand as per the service agreement dated 1 January 2023 (included in other income within others, note 6);
- Capital expenditure commitments amounting to AED 14,065 thousand as at 31 December 2023, AED 10,137 thousand as at 31 December 2022 and AED 10,281 thousand as at 31 December 2021 are included within capital expenditure commitments as disclosed in note 28; and
- During 2023, 2022 and 2021, the Parent, through its central cash management function, managed and monitored the working capital requirements for the Group. There was a sweep in facility between the Parent and the Group and all the bank transfers between the Group and Parent for the purposes of the central working capital management were recorded through due from related party account. This central working capital management through sweep in arrangement was terminated in December 2023.

Terms and conditions of transactions with related parties
The terms of trade with related parties are based on terms and conditions agreed upon with them by the Directors.

Outstanding balances at the year-end arise in the normal course of business, are unsecured and interest free and settlement generally occurs in cash. Amounts due from and due to related parties are disclosed in notes 15, 16 and 21. Refer note 12 for the balances and transactions relating to leases entered with related parties and note 29 for the corporate guarantees issued on behalf of the entities under common control. For the years ended 31 December 2023, 2022 and 2021, the Group has not recorded any provision for expected credit losses relating to due from related parties and corporate guarantees. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Compensation of key management personnel of the Group
The remuneration of directors and other members of key management during the years ended was as follows:

	2023 AED'000	*2022 AED'000*	*2021 AED'000*
Short term employee benefits	**7,330**	6,013	5,661
Employees' end of service benefits	**190**	140	138
Total compensation paid to key management personnel	**7,520**	**6,153**	**5,799**

27 BUSINESS COMBINATION

Acquisition of the supermarket business of Souq Planet Trading – Sole Proprietorship LLC
On 20 October 2021, the Group acquired the retail supermarket business of Souq Planet Trading – Sole Proprietorship LLC. The acquisition was made to expand the Group's retail operations in the UAE.

The fair values of the identifiable assets of the retail supermarket business acquired as at the date of acquisition were:

	AED'000
Assets:	
Property, plant and equipment (note 11)	**3,684**
Inventories	**11,603**
Prepayments	**670**
Total identifiable net assets at fair value	**15,957**
Goodwill arising on acquisition (note 13)	**12,000**
Purchase consideration	**27,957**
Analysis of cash flows on acquisition:	
Cash paid in 2021	**(5,939)**
Net cash flow on acquisition	**(5,939)**
Purchase consideration payable as at 31 December 2021 (paid in 2022)	**22,018**

From the date of acquisition, retail supermarket business of Souq Planet Trading contributed AED 3,468 thousand of revenue and incurred loss of AED 2,992 thousand for the year 2021.

28 COMMITMENTS

	2023	*2022*	*2021*
	AED'000	***AED'000***	***AED'000***
Capital expenditure commitments:			
Estimated capital expenditure contracted for at the reporting date but not provided for:			
Property, plant and equipment	**53,072**	**24,354**	**20,880**

Lease and non-lease commitments

Future minimum rentals under such non-cancellable lease contracts that have not commenced and non-lease payments under all the non-cancellable lease agreements (including those commenced and not commenced) as at 31 December are as follows:

	2023	*2022*	*2021*
	AED'000	***AED'000***	***AED'000***
Within one year	**41,103**	23,666	21,846
After one year but not more than five years	**205,325**	96,231	85,279
More than five years	**93,944**	64,175	72,064
Total operating lease expenditure contracted for at the reporting date	**340,372**	**184,072**	**179,189**

29 CONTINGENCIES

At 31 December 2023, 2022 and 2021, in addition to the below corporate guarantees, the Group had contingent liabilities in respect of bank and other guarantees including performance guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise, amounting to AED 9,763 thousand, AED 9,767 thousand and AED 9,126 thousand, respectively.

At 31 December 2023, 2022 and 2021, the Group has given corporate guarantees for the related parties (under common control) in respect of their bank facilities amounting to USD 45 million (fully drawn facility) and AED 163.3 million (undrawn facility). Further, the Group is one of the original guarantors in a bank facility of the Ultimate Parent Company amounting to AED 390 million.

30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise interest bearing loans and borrowings, trade payables, accruals and other payables, lease liabilities and amounts due to related parties. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as trade receivables and other receivables, refundable security deposits, amounts due from related parties and cash and short-term deposits, which arise directly from its operations.

The Group also enters into derivative transactions, primarily forward foreign exchange contracts. The purpose is to manage the currency risks arising from the Group's operations and its sources of finance.

It is, and has been throughout 2023, 2022 and 2021, the Group's policy that no trading in derivative instruments shall be undertaken.

The main risks arising from the Group's financial instruments are:

- interest rate risk;
- foreign currency risk;
- credit risk; and
- liquidity risk.

30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations. The Directors reviews and agrees policies for managing each of these risks which are summarised below:

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk on its interest-bearing loans and borrowings which bear interest at variable rates and exposes the Group to cash flow interest rate risk.

The following table demonstrates the sensitivity of the consolidated statement of profit or loss to reasonably possible changes in interest rates, with all other variables held constant.

There is no direct impact on the Group's equity other than the impact resulting from the effect on profit for the year.

	2023		*2022*		*2021*	
Currency	***Change in basis points***	***Effect on profit for the year AED'000***	***Change in basis points***	***Effect on profit for the year AED'000***	***Change in basis points***	***Effect on profit for the year AED'000***
AED	**+15**	**(1)**	**+15**	**(1)**	**+15**	**(1)**
AED	**-15**	**1**	**-15**	**1**	**-15**	**1**

Foreign currency risk
Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Currency risks mainly arise from future commercial transactions, recognised assets and liabilities and net investments in foreign operations that are denominated in a currency other than the respective functional currencies of the Group entities. The Group operates internationally and is exposed to currency risk arising from various currency exposures, primarily with respect to the Great British Pounds, Australian Dollars, Euro and South African Rand. The Group's statement of financial position is not affected significantly by movements in other currencies as majority of its transactions are in AED or currencies pegged to the AED. The United Arab Emirates Dirham is currently pegged to the USD. The Group mitigates the effect of its structural currency exposure on future commercial transactions by borrowing in the respective currencies of the operating units.

The Group also has transactional currency exposures primarily with respect to the Pounds Sterling and Australian dollars. Such exposure arises from sales or purchases by an operating unit in currencies other than the unit's functional currency.

The Group requires all of its operating units to use forward currency contracts to eliminate the currency exposures on any individual transactions for which payment is anticipated more than one month after the Group has entered into a firm commitment for a sale or purchase. The forward currency contracts must be in the same currency as the hedged item.

Other than unhedged trade payables of AED 2,148 thousand as at 31 December 2023, AED 2,717 thousand as at 31 December 2022 and AED 7,016 thousand as at 31 December 2021 in the following denominations due in foreign currencies, the Group is not exposed to significant currency risk.

Foreign currency amounts in '000	***2023***	***2022***	***2021***
THB	**8,173**	**6,243**	**9,053**
NZD	**431**	**740**	**1,564**
BRL	**362**	**267**	**703**
ZAR	**-**	**-**	**5,983**
CAD	**-**	**-**	**91**

30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign currency risk (continued)
There is no direct impact on the Group's equity other than the impact resulting from the effect on profit for the year.

	Increase/ decrease in FC rate rate to the AED	*Effect on profit AED'000*
2023	**+15%**	**(322)**
	-15%	**322**
2022	**+15%**	**(408)**
	-15%	**408**
2021	**+15%**	**(1,053)**
	-15%	**1,053**

Credit risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

Credit risk is limited to the carrying values of financial assets in the consolidated statement of financial position. The Group is exposed to credit risk as follows:

	2023 AED'000	*2022 AED'000*	*2021 AED'000*
Amounts due from related parties	**6,722**	**406,246**	**344,902**
Trade receivables	**32,831**	**19,557**	**27,267**
Refundable security deposits	**52,848**	**34,591**	**33,292**
Other receivables	**8,162**	**10,098**	**7,412**
Bank balances and short-term deposits	**348,582**	**34,944**	**161,853**
	449,145	**505,436**	**574,726**

Due from related parties
Outstanding balances at the year-end arise in the normal course of business and are unsecured and interest free. Management does not expect any losses from non-performance by such related parties. For the years ended 31 December 2023, 31 December 2022 and 31 December 2021, the Group has not recorded any expected credit loss on amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Trade receivable
Customer credit risk is managed in accordance with the Group's established policy, procedures and control relating to customer credit risk management. Outstanding trade receivables are regularly monitored by management.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by customer type and coverage by letters of credit or other forms of credit insurance (if any). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off when the management has resorted to all the available options and concludes that there is no probability of recovering the dues and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value disclosed in Note 15. The Group does not hold collateral as security.

Other receivables
With respect to credit risk arising from other financial assets, including deposits, the Group's exposure to credit arises from default of the counter party with maximum exposure equal to the carrying amount of these assets.

Bank balances and short-term deposits
The Group manages credit risk exposure arising from cash at banks by dealing with well-established banks.

30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk
Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group manages liquidity risk by maintaining banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Group's terms of sale require amounts to be paid upfront. Trade payables are normally settled within 60 days of the date of purchase.

The table below summarises the maturities of the Group's undiscounted financial liabilities at 31 December, based on contractual payment dates and current market interest rates.

At 31 December 2023:

	Less than 3 months AED'000	*3 to 12 months AED'000*	*1 to 5 years AED'000*	*>5 years AED'000*	*Total AED'000*
Trade payables, accruals and other payables	**535,437**	**130,725**	**14,308**	**-**	**680,470**
Amounts due to related parties	**45,535**	**-**	**-**	**-**	**45,535**
Lease liabilities	**50,398**	**137,651**	**566,578**	**420,628**	**1,175,255**
Interest-bearing loans and borrowings	**-**	**1,197**	**4,316**	**3,940**	**9,453**
Total	**631,370**	**269,573**	**585,202**	**424,568**	**1,910,713**

At 31 December 2022:

	Less than 3 months AED'000	*3 to 12 months AED'000*	*1 to 5 years AED'000*	*>5 years AED'000*	*Total AED'000*
Trade payables, accruals and other payables	**432,986**	**116,863**	**7,586**	**-**	**557,435**
Amounts due to related parties	**18,857**	**-**	**-**	**-**	**18,857**
Lease liabilities	**49,128**	**132,844**	**495,855**	**257,465**	**935,292**
Interest-bearing loans and borrowings	**-**	**1,173**	**4,245**	**4,540**	**9,958**
Total	**500,971**	**250,880**	**507,686**	**262,005**	**1,521,542**

At 31 December 2021:

	Less than 3 months AED'000	*3 to 12 months AED'000*	*1 to 5 years AED'000*	*>5 years AED'000*	*Total AED'000*
Trade payables, accruals and other payables	**458,796**	**168,044**	**6,426**	**-**	**633,266**
Amounts due to related parties	**37,514**	**-**	**-**	**-**	**37,514**
Lease liabilities	**46,131**	**133,217**	**503,305**	**293,986**	**976,639**
Interest-bearing loans and borrowings	**-**	**1,074**	**4,058**	**5,645**	**10,777**
Total	**542,441**	**302,335**	**513,789**	**299,631**	**1,658,196**

Capital management
The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise returns to the shareholders.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirement of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2023, 31 December 2022 and 31 December 2021 other than reorganisation as disclosed in note 1.

31 FAIR VALUE MEASUREMENT

Set out is a comparison by category of carrying amounts and fair values of all of the Group's financial instruments that are carried in the consolidated financial statements:

	Carrying value			*Fair value*		
	2023 AED'000	*2022 AED'000*	*2021 AED'000*	*2023 AED'000*	*2022 AED'000*	*2021 AED'000*
Financial assets						
Trade receivables	**32,831**	**19,557**	**27,267**	**32,831**	**19,557**	**27,267**
Other receivables	**8,162**	**10,098**	**7,412**	**8,162**	**10,098**	**7,412**
Refundable security deposits	**52,848**	**34,591**	**33,292**	**52,848**	**34,591**	**33,292**
Amounts due from related parties	**6,722**	**406,246**	**344,902**	**6,722**	**406,246**	**344,902**
Bank balances and cash	**354,061**	**39,671**	**167,969**	**354,061**	**39,671**	**167,969**
Financial liabilities						
Interest-bearing loans and borrowings	**7,117**	**7,461**	**9,176**	**7,117**	**7,461**	**9,176**
Trade payables	**419,512**	**329,354**	**309,776**	**419,512**	**329,354**	**309,776**
Accrued expenses	**239,488**	**207,181**	**200,124**	**239,488**	**207,181**	**200,181**
Purchase consideration payable	**-**	**-**	**22,018**	**-**	**-**	**22,018**
Refundable security deposits	**8,417**	**7,940**	**7,023**	**8,417**	**7,940**	**7,023**
Lease liabilities	**923,157**	**780,005**	**802,597**	**923,157**	**780,005**	**802,597**
Other payables	**13,053**	**12,960**	**94,325**	**13,053**	**12,960**	**94,325**
Amounts due to related parties	**45,535**	**18,857**	**37,514**	**45,535**	**18,857**	**37,514**

Financial assets consist of cash and short-term deposits, trade and other receivables, refundable security deposits to landlords and amounts due from related parties. Financial liabilities consist of interest-bearing loans and borrowings, lease liabilities, trade and other payables, accrued expenses, refundable security deposits from tenants, purchase consideration payable and amounts due to related parties. Derivative instruments consist of forward foreign exchange contracts and are included in other receivables and payables above amounting to AED 3,011 thousand, AED 2,927 thousand and AED 594 thousand in 2023, 2022 and 2021, respectively.

The fair value of derivatives has been calculated by discounting the expected future cash flows at prevailing interest rates.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of assets and liability by valuation technique:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

31 FAIR VALUE MEASUREMENT (continued)

Fair value hierarchy (continued)

At 31 December 2023

	Level 1 AED'000	*Level 2* AED'000	*Level 3* AED'000	*Total* AED'000
Asset measured at fair value				
Foreign exchange forward contracts (note 25)	**-**	**3,011**	**-**	**3,011**

At 31 December 2022

	Level 1 AED'000	*Level 2* AED'000	*Level 3* AED'000	*Total* AED'000
Asset measured at fair value				
Foreign exchange forward contracts (note 25)	**-**	**2,927**	**-**	**2,927**

At 31 December 2021

	Level 1 AED'000	*Level 2* AED'000	*Level 3* AED'000	*Total* AED'000
Liability measured at fair value				
Foreign exchange forward contracts (note 25)	**-**	**594**	**-**	**594**

There were no transfers between Level 1 and Level 2 during 2023, 2022, 2021.

32 EARNING PER SHARE

Basic earnings per share is calculated by dividing profit for the year attributable to the shareholders by weighted average number of shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the profit attributable to ordinary equity holders of the Parent (adjusted for the effect of dilution, if any) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. As at 31 December 2023, there were no shares which were dilutive in nature.

The information necessary to calculate basic and diluted earnings per share is as follows:

	2023 *AED*
Profit for the year attributable to equity holders of the parent	**256,152,000**
Weighted average number of shares – basic and diluted*	**404,383,562**
Attributable to the shareholders:	
Basic and diluted earnings per share (in AED per share)	**0.63**

*the weighted average number of shares takes into account the weighted average effect of period from the date of incorporation of the Company to the consolidated statement of financial position date.

No earning per share information is disclosed for 2022 and 2021 as the Company was incorporated during 2023 and had no share capital (refer note 1).

33 CORPORATE INCOME TAX

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 (CT) regime in the UAE. The CT regime is effective from 1 June 2023 and accordingly, it has an income tax related impact on the consolidated financial statements for accounting periods beginning on or after 1 June 2023.

Decision No. 116 of 2022 (published in December 2022 and considered to be effective from 16 January 2023) specifies that taxable income not exceeding AED 375,000 would be subject to the 0% UAE CT rate, and taxable income exceeding AED 375,000 would be subject to the 9% UAE CT rate. With the publication of this Decision, the UAE CT Law is considered to be substantively enacted for the purposes of accounting for Income Taxes.

The UAE CT Law shall apply to the Group with effect from 1 January 2024. The Ministry of Finance continues to issue supplemental Decisions of the Cabinet of Ministers of the UAE (Decisions) to further clarify certain aspects of the UAE CT Law. Such decisions, and other interpretive guidance of the UAE Federal Tax Authority, are required to fully evaluate the impact of the UAE CT Law on the Group.

Since the provisions of UAE CT law will apply to Tax Periods commencing on or after 1 June 2023, the related current taxes shall be accounted for in the consolidated financial statements for the period beginning 1 January 2024. However, the related deferred tax accounting impact has been considered for the year ended 31 December 2023. Following assessment of the potential impact of the UAE CT Law on the consolidated statement of financial position, the Group’s management has concluded that there is no material temporary differences on which deferred taxes should be accounted.

The Group’s management will continue to monitor the publication of subsequent decisions and related guidance, as well as continuing its more detailed review of its financial matters, to consider any changes to this position for the subsequent reporting dates.

34 ENTITIES

The controlled entities included in the consolidated financial statements are as reflected below:

Entities	*Country of incorporation*	% of shareholding *2023*	*2022*	*2021*	*Principal activities*
Spinneys Dubai (L.L.C.)	United Arab Emirates	**100%**	**100%**	**100%**	Engaged in the operation of supermarkets in United Arab Emirates
Al Fair SPC	Sultanate of Oman	**100%**	**100%**	**100%**	Engaged in the operation of supermarkets in Oman
Spinneys Shj. Ltd. Co.	United Arab Emirates	**100%**	**100%**	**100%**	Engaged in operation of supermarket in Sharjah
Fine Fare Food Market (LLC)	United Arab Emirates	**100%**	**100%**	**100%**	Engaged in the operation of supermarkets in United Arab Emirates
JHF Limited	United Kingdom	**100%**	**100%**	**100%**	Engaged in the trading in and export of foodstuffs, grocery and non-food products
JHF USA Exports, Inc.	United States of America	**100%**	**100%**	**100%**	Engaged in business of purchase of goods for export and all related activities
Centurio Holdings Ltd.	British Virgin Islands	**100%**	**100%**	**100%**	Investment holding company
JHF Australia Exports Pty. Ltd.	Australia	**100%**	**100%**	**100%**	Engaged in wholesale of food stuff, groceries and consumer products
Finefair Food Market Services Limited	British Virgin Islands	**100%**	**100%**	**100%**	Investment holding company
Spinneys IP Limited	United Arab Emirates	**100%**	**-**	**-**	Holding company of "Spinneys" trademark rights worldwide (except UAE)
Al Ma'kulat Al-Fakhirah for Food Products LLC*	Saudi Arabia	**50%**	**50%**	**-**	Engaged in operation of supermarkets in Saudi Arabia
Spinneys Factories For Bakery Products LLC	United Arab Emirates	**100%**	**100%**	**100%**	Engaged in production of bakery products
Spinneys Fresh Food Industries LLC	United Arab Emirates	**100%**	**100%**	**100%**	Engaged in processing of meat for supermarkets
Spinneys Shopping Center L.L.C	United Arab Emirates	**100%**	**100%**	**100%**	Engaged in operating a shopping center
Waitrose Shopping Centre L.L.C	United Arab Emirates	**100%**	**100%**	**100%**	Engaged in operating a shopping center

*Considered as a subsidiary based on the agreement between the shareholders.

Annex 2 – Articles of Association

DIFC COMPANIES LAW NO. 5 OF 2018

PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION OF

SPINNEYS 1961 HOLDING PLC

REGISTERED NO. 7699

(ADOPTED BY SPECIAL RESOLUTION PASSED ON 27 MARCH 2024)

1. PRELIMINARY

1.1 Interpretation

A. In these articles, unless the contrary intention appears, the following definitions apply:

'address'	means, in relation to electronic communications, any number or email address used for the purpose of such communications;
Al Seer Group	means Al Seer Group L.L.C, a limited liability company incorporated under the laws of the Emirate of Dubai, duly registered with the Dubai Economy and Tourism Department under the license number 521703
'these articles'	means, these articles of association, as amended from time to time;
'Associated Company'	means in respect of an individual any company in respect of which he is (and any persons Connected with him, together are) entitled to exercise, or does exercise, the control of shares comprising at least one-fifth of the equity share capital of that company;
'auditors'	means the auditors from time to time of the Company;
'board'	means the board of directors for the time being of the Company;
'business day'	means a day (not being a Saturday or Sunday) on which clearing banks are open for business in Dubai;
'certificated'	means, in relation to a share, a share which is not in uncertificated form;
'clear days'	means, in relation to the period of a notice, that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;
'company'	includes any body corporate or association of persons, whether or not a company within the meaning of the Law;
'the Company'	means Spinneys 1961 Holding plc, a public company limited by shares incorporated in the Dubai International Financial Centre, with registered number 7699;
'connected'	means, in the case of an individual: (i) that person's spouse, Relative, or the spouse of such a Relative; (ii) any Associated Company of that individual;

(iii) in his capacity as trustee of a Settlement, a Settlor, any person who is Connected with such a Settlor, any company being under the control of five or fewer participators whose participators include the trustees of the Settlement (or any company of which that company has Control) and any beneficiaries of such a Settlement being persons Connected with the individual or a company with which he is associated; or

(iv) any person with whom he is in partnership, and with the spouse or Relative of any individual with whom he is in partnership, except in relation to acquisitions or disposals of partnership assets pursuant to bona fide commercial arrangements;

'Control' means, in the case of a company, the power of any person (whether alone or in connection with any other persons who, acting together, shall be taken to have Control) to secure directly or indirectly (whether by means of a holding of shares or the possession of voting power, or by virtue of any powers conferred by the by-laws, articles of association or other document or otherwise) that the affairs of the company are conducted in accordance with his wishes provided that if one person owns, directly or indirectly, more than fifty per cent of the share capital, voting securities, partnership or other ownership interests or membership interests of another person, such person shall be deemed to Control such other person;

'Dematerialised Investments Regulations' means the DIFC Dematerialised Investments Regulations, as amended from time to time, including any provisions of or under the Laws which alter or replace such regulations;

'DIFC' means the Dubai International Financial Centre;

'director' means a director for the time being of the Company;

'electronic form and electronic copy' means a document or information sent or supplied by:

(i) electronic means (for example by email or fax); or

(ii) any other means while in an electronic form (for example sending a disk by post);

'electronic means' a document or information that is:

(i) sent initially and received at its destination by means of electronic equipment for the processing (which expression includes digital compression) or storage of data; and

(ii) entirely transmitted, conveyed and received by wire, radio, by optical means or by other electromagnetic means;

'employee share scheme'	means any employees', non-employees', directors' and/or independent contractors' share scheme that the Company may from time to time adopt;
'entitled by transmission'	means entitled to a share as a consequence of the death or bankruptcy of a member, or as a result of any other event giving rise to its transmission of entitlement by operation of law;
'executed'	includes, in relation to a document, execution under hand or under seal or by any other method permitted by law;
'Governance Regulations'	means Chairman of Authority's Board of Directors' Decision no. (3/Chairman) of 2020 concerning Approval of Joint Stock Companies Governance Guide (as amended) including any statutory modification or re-enactment thereof for the time being in force;
'hard copy form and hard copy'	means a document or information that is sent or supplied in a paper copy or similar form capable of being read;
'holder'	holder in relation to any share means the member whose name is entered in the register as the holder of that share;
'in writing'	means in hard copy form, or, to the extent permitted by the Laws, in any other form;
'Law'	means the DIFC Companies Law No. 5 of 2018 including any statutory modification or re-enactment thereof for the time being in force;
'Laws'	means the Law, the Regulations and all laws, regulations and subordinate legislation made thereunder, for the time being in force concerning companies and affecting the Company;
'Mandatory Provisions'	are the mandatory provisions set out under the Law and the Regulations, which the Company and/or its directors and/or members may not exclude, disapply or limit its legal effect,
'member'	means a member of the Company;
'office'	means the registered office for the time being of the Company;
'ordinary resolution or resolution'	means an ordinary resolution, as defined in the Law;
paid, paid up and paid-up	means paid or credited as paid;
'Policies and Charters'	means the policies and charters of the Company, as may be approved

or amended by the directors from time to time or as the case may be, by the members of the Company, as required by each policy and/or charter or stipulated in the Governance Regulations. The Policies and Charters should be read together with these articles and, in the case of any conflict between the provisions of the Policies and Charters and these articles, the provisions of the Policies and Charters shall prevail unless the Mandatory Provisions provide otherwise,

‘register’	means the register of members of the Company kept pursuant to section 44 of the Law or the register of members maintained pursuant to Regulation 3 of the Dematerialised Investments Regulations and, where the context requires, any register maintained by the Company or its agent of persons holding any renounceable right of allotment of a share and cognate expressions shall be construed accordingly;
‘Regulations’	means the DIFC Companies Regulations;
‘Relative’	means father, mother, brother, sister, children, spouse, father-in-law, mother-in-law, and children of the spouse in accordance with the Governance Regulations;
‘relevant system’	means any computer-based system and procedures which enable title to shares or interests in shares to be evidenced and transferred without a written instrument;
‘seal’	means any common seal of the Company or any official or securities seal which the Company may have or may be permitted to have under the Laws;
‘secretary’	means the secretary of the Company or, if there are joint secretaries, any of the joint secretaries and includes an assistant or deputy secretary and any person appointed by the board to perform any of the duties of the secretary of the Company;
‘Settlement’	means any disposition, trust, covenant, agreement or arrangement pursuant to which any person transfers the legal title in property to another person or persons to be held for the benefit of the Settlor and/or a third party;
‘Settlor’	means, in relation to a Settlement, any person by whom the Settlement was made, whether directly or indirectly, and including if he has provided or undertaken to provide funds directly or indirectly for the purpose of the Settlement, or has made with any other person a reciprocal arrangement for that other person to make or enter into the Settlement;
‘special resolution’	means a Special Resolution, as defined in the Law;

‘UAE’	means the United Arab Emirates;
‘uncertificated proxy instruction’	means an instruction or notification sent by means of a relevant system and received by such participant in that system acting on behalf of the Company as the board may prescribe, in such form and subject to such terms and conditions as may from time to time be prescribed by the board (subject always to the facilities and requirements of the relevant system concerned); and
'uncertificated’	means, in relation to a share, a share title which is recorded in the register as being held in uncertificated form and title to which, by virtue of the Dematerialised Investments Regulations, may be transferred by means of an instruction;

B. any other words or expressions defined in the Law, or if not defined in the Law, in any of the Laws (in each case as in force on the date of adoption of these articles) have the same meaning in these articles, except where the word or expression is otherwise defined in these articles;

C. all references in these articles to the giving of instructions by means of a relevant system shall be deemed to relate to a properly authenticated dematerialised instruction given in accordance with the Dematerialised Investments Regulations. The giving of such instructions shall be subject to:

i. the facilities and requirements of the relevant system;

ii. the Dematerialised Investment Regulations; and

iii. the extent to which such instructions are permitted by or practicable under the rules and practices from time to time of the operator of the relevant system;

D. subject to the Laws, a special resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required;

E. references to a meeting shall not be taken as requiring more than one person to be present in person if any quorum requirement can be satisfied by one person;

F. a reference to a class of shares is to shares to which the same rights are attached as to voting and as to participation, both as respects dividends and as respects capital, in a distribution;

G. words importing the singular number include the plural number and vice versa, words including one gender include the other gender and words importing persons include bodies corporate and unincorporated associations;

H. the headings in these articles are inserted for convenience only and do not affect the interpretation of these articles;

I. references to a debenture include debenture stock;

J. any reference in these articles to any statute or statutory provision includes, unless otherwise specified, a reference to any modification, re-enactment or amendment thereto for the time being in force (provided that this article does not affect the interpretation of paragraph 1.1(a)(ii) above);

K. reference to a Dirham or Dirhams or AED are references to the legal currency of the UAE;

L. reference to a Dollar or Dollars or US$ are references to the legal currency of the United States of America;

M. any reference to a show of hands includes such other method of casting votes as the board may from time to time approve; and

N. where the Company has a power of sale or other right of disposal in relation to any share, any reference to the power of the Company or the board to authorise a person to transfer that share to or as directed by the person to whom the share has been sold or disposed of shall, in the case of an uncertificated share, be deemed to include a reference to such other action as may be necessary to enable that share to be registered in the name of that person or as directed by him.

1.2 Company Name and Status

The Company's name is 'Spinneys 1961 Holding plc'. The Company is a public company limited by shares.

1.3 Company Registered Office

The registered office of the Company shall be in the DIFC.

1.4 Company Objectives

(a) The principal business activities of the Company are in general, to engage in any lawful act or activity for which companies may be organised under the Law.

(b) The objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by the Laws.

2. APPLICABILITY OF THE GOVERNANCE REGULATIONS

2.1 The Governance Regulations shall apply in its entirety on the Company. Any conflict between the provisions of the Governance Regulations and the articles, the Governance Regulations shall prevail, unless the Mandatory Provisions provide otherwise.

3. SHARE CAPITAL

3.1 Authorised Capital

3.1.1 The issued paid up share capital of the Company is AED 36,000,000 (thirty-six million Dirhams) divided into 3,600,000,000 (three billion and six hundred million) ordinary shares of AED 0.01 each.

3.2 Allocation of Share Capital

3.2.1 The share capital of the Company is represented as per the table below:

Share Class	Total number of shares	Nominal value per share
Ordinary	3,600,000,000	AED 0.01

3.2.2 The share capital of the Company is allocated, in full, to Al Seer Group; the sole member of the Company.

3.3 Alteration of Share Capital

3.3.1 Subject to the Law, these articles and the Governance Regulations, the Company may through a special resolution:

(a) increase its share capital by creating new shares of an existing class with the same nominal value, or a new class of shares of such nominal value as it thinks fit;

(b) consolidate and divide its share capital (whether allotted or not) into shares representing a larger nominal value than their existing nominal value;

(c) sub-divide its shares, or any of them, into shares representing a smaller nominal value than their existing nominal value, provided that the proportion between the amount paid, and the amount unpaid, if any, on each sub-divided share shall be the same as it was in the case of the share from which the sub-divided share is derived, and so that the resolution whereby any share is subdivided may determine that the shares resulting from such sub-division have amongst themselves such preferred, deferred or other special rights or advantages or be subject to any such restrictions as the Company has the power to attach to unissued or new shares;

(d) redenominate all or any of its share capital and reduce its share capital in connection with such a redenomination; and

(e) cancel shares which, at the date of the passing of the resolution to cancel them, have not been taken or agreed to be taken by a person and diminish the amount of its share capital by the amount of the shares so cancelled.

3.4 Commission

The Company may in connection with the issue of any shares exercise all powers of paying commission or brokerage conferred or permitted by the Laws.

3.5 Redeemable Shares

Subject to the Laws and to the rights conferred on the holders of any existing shares, shares may be issued, or existing non-redeemable shares may be converted into shares, on terms that they are to be redeemed or, at the option of the Company or the holder, are liable to be redeemed.

3.6 Variation of Rights

(a) Whenever the share capital of the Company is divided into different classes of shares, all or any of the rights for the time being attached to any class of shares in issue may from time to time (whether or not the Company is being wound up) be varied in such manner as those rights may provide or (if no such provision is made) either with the consent in writing of the holders of three-quarters in nominal value of the issued shares of that class or with the authority of a special resolution passed at a separate general meeting of the holders of those shares.

(b) The provisions of these articles relating to general meetings of the Company or to the proceedings at general meetings shall apply, mutatis mutandis, to every such separate general meeting, except that:

(i) the quorum at any such meeting (other than an adjourned meeting) shall be two members present in person or by proxy holding at least one-third in nominal amount of the issued shares of the class;

(ii) at an adjourned meeting the quorum shall be one member present in person or by proxy holding shares of the class;

(iii) every holder of shares of the class shall, on a poll, have one vote in respect of every share of the class held by him; and

(iv) a poll may be demanded by any one holder of shares of the class whether present in person or by proxy.

(c) Unless otherwise expressly provided by the rights attached to any class of shares those rights shall not be deemed to be varied by the creation or issue of further shares ranking pari passu with them or by the purchase or redemption by the Company of any of its own shares.

3.7 Purchase of Own Shares

Subject to the Laws, the Governance Regulations and to the rights conferred on the holders of any existing shares, the Company may purchase, or agree to purchase in the future, any shares of any class (including redeemable shares) in its own capital in any way.

3.8 Reduction of Capital

Subject to the Laws, the Governance Regulations and to the rights conferred on the holders of any existing shares, the Company may by special resolution reduce its share capital, any capital redemption reserve, share premium account or other distributable reserve in anyway.

3.9 Class of Shares

If there is more than one class of share created, these articles shall be amended to state the name of each of these classes, the voting rights of each class and how the various classes will rank for any distribution by way of dividend and return of capital.

3.10 Trusts Not Recognised

Except as ordered by a court of competent jurisdiction or as required by the Laws, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be in any way to be bound by or required to recognise (even when having notice of it) any interest in, or in respect of, any share other than holder's absolute ownership of it and all the rights attaching to it.

3.11 Liens

The Company may not take a lien over any of the shares.

4. TRANSFER OF SHARES

4.1 Method of Transfer

(a) A member may transfer all or any of his certificated shares by instrument of transfer in writing in any usual form or in any other form which the board may approve, and the instrument shall be executed by or on behalf of the transferor.

(b) All transfers of uncertificated shares shall be made in accordance with the Mandatory Provisions, the Governance Regulations and the Dematerialised Investments Regulations and be subject to the facilities and requirements of any relevant system and in accordance with any arrangements implemented and/or approved by the board pursuant to article 6(a).

(c) In relation to the transfer of any share (whether certificated or uncertificated), the transferor of a share shall be deemed to remain the holder of the share until the name of the transferee is entered in the register in respect of the share.

(d) without prejudice to any contrary provision in these articles, the Mandatory Provisions and the Governance Regulations, the board may decide (i) what documents or combination of documents or what other form of consent or instruction shall be sufficient to constitute an instruction and/or instrument of transfer to the Company's registrar or depositary, or to any custodian or other nominee on behalf of such registrar or depositary, to hold the shares in the capital of the Company, or any such shares, represented by depositary interests or similar interests, instruments or securities or out of which depositary interests or similar interests, instruments or securities are derived from time to time and (ii) the identity of the person or persons who may execute, make or give the same and in whose favour the same shall be made or given. Nothing appearing elsewhere in these articles with regard to the transfer of shares in the capital of the Company shall prejudice the authority given to the board in this article.

4.2 Right to Refuse Registration

(a) Subject to these articles, the Mandatory Provisions and the Governance Regulations, shares of the Company are free from any restriction on transfer.

(b) If the board refuses to register the transfer of a certificated share it shall, as soon as practicable and in any event within 14 days after the date on which the instrument of transfer was lodged with the Company, send notice and reason for the refusal to the transferee and the transferor. An instrument of transfer which the board refuses to register shall (except in the case of suspected fraud) be returned to the person depositing it. Subject to article 21.1, the Company may retain all instruments of transfer which are registered.

(c) In accordance with and subject to the provisions of the Dematerialised Investments Regulations, the operator of the relevant system shall register a transfer of title to any uncertificated share or any renounceable right of allotment of a share which is a participating security held in uncertificated form unless the Dematerialised Investments Regulations permit the operator of the relevant system to refuse to register such a transfer in certain circumstances in which case the said operator may refuse such registration.

(d) If the operator of the relevant system refuses to register the transfer of an uncertificated share or of any such uncertificated renounceable right of allotment of a share it shall send notice of the refusal to the transferee.

4.3 No Fees on Registration

Unless otherwise required by Law, the Company may not charge a fee for registering the transfer of a share or the renunciation of a renounceable letter of allotment or other document or instructions relating to or affecting the title to a share or the right to transfer it or for making any other entity in the register.

4.4 Suspension of Registration and Closing of Register

Subject to the Mandatory Provisions and the Governance Regulations, the registration of transfers of any shares or any class of shares and closing of the register may be suspended at such times and for such period (not exceeding 30 days in any year) as the board may decide in its discretion and either generally or in respect of a particular class of shares.

5. TRANSMISSION OF SHARES

5.1 Transmission on Death

If a member dies, the survivor, where the deceased was a joint holder, and his personal representatives where he was a sole or the only surviving holder, shall be the only person or persons recognised by the Company as having any title to his shares; but nothing in these articles shall release the estate of a deceased holder from any liability in respect of any share held by him solely or jointly.

5.2 Election of Person Entitled by Transmission

(a) A person becoming entitled to a share in consequence of the death or bankruptcy of a member or of any other event giving rise to a transmission by operation of law may, upon production of such evidence as the board may require as to his entitlement and subject as provided in this article, elect either to be registered as the holder of the share or to have a person nominated by him registered as the holder of the share.

(b) If he elects to be registered himself, he shall give notice to the Company to that effect. If he elects to have another person registered, he shall:

(i) if it is a certificated share, execute an instrument of transfer of the share to that person; or

(ii) if it is an uncertificated share procure that instructions are given by means of a relevant system to effect transfer of the share to that person.

(c) The provisions of these articles relating to the transfer of shares apply to the notice or instrument of transfer or other document or action (as the case may be) as if it were a transfer effected by the person from whom the title by transmission is derived and the event giving rise to such transmission had not occurred.

(d) The board may give notice requiring a person to make the election referred to in paragraph (a) above.

(e) If that notice is not complied with within 60 days, the board may withhold payment of all dividends and other amounts payable in respect of the share until notice of election has been made.

5.3 Rights of Person Entitled by Transmission

(a) A person becoming entitled to a share in consequence of a death or bankruptcy or of any other event giving rise to a transmission by operation of law shall have the right to receive and give a discharge for any dividends or other moneys payable in respect of the share and shall have the same rights in relation to the share as he would have if he were the holder except that, until he becomes the holder, he shall not be entitled to attend or vote at any general meeting of the Company.

(b) The board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and, if after 60 days the notice has not been complied with, the board may withhold payment of all dividends or other moneys payable in respect of the share until the requirements of the notice have been complied with.

6. UNCERTIFICATED SHARES – GENERAL POWERS

(a) Notwithstanding any provisions of these articles, the board shall, subject to the Mandatory Provisions, the Governance Regulations, the Dematerialised Investments Regulations and any other applicable laws and regulations and the facilities and requirements of any relevant system concerned, have power to implement any arrangements they may, in their absolute discretion, think fit in relation to the evidencing of title to and transfer of uncertificated shares and to the extent such arrangements are so implemented, no provision of these articles shall apply or have effect to the extent that it is in any respect inconsistent with the holding or transfer of shares in uncertificated form. Unless otherwise determined by the board and permitted by the Laws, the Dematerialised Investments Regulations and any other applicable laws and regulations, no person shall be entitled to receive a certificate in respect of any share for so long as the title to that share is evidenced otherwise than by a certificate and for so long as transfers of that share may be made otherwise than by a written instrument.

(b) In relation to any share which is for the time being held in uncertificated form, the Company may dispatch the relevant system in which it is held to the fullest extent available from time to time in the exercise of any of its powers or functions under the Laws or these articles or otherwise in effecting any actions and the board may from time to time determine the manner in which such powers, functions and actions shall be so exercised or effected.

(c) Subject to the Mandatory Provisions, the Governance Regulations, the Dematerialised Investments Regulations and any other applicable laws and regulations and the facilities and requirements of any relevant system concerned:

(i) conversion of a certificated share into an uncertificated share, and vice versa, may be made in such manner as the board may, in its absolute discretion, think fit;

(ii) the Company shall enter on the register how many shares are held by each member in uncertificated form and in certificated form and shall maintain the Register of members in each case to the extent required by the Mandatory Provisions, the Governance Regulations, the Dematerialised Investments Regulations and any other applicable laws and regulations and any relevant system concerned and unless the board otherwise determines, holdings of the same holder or joint holders in certificated form and uncertificated form shall be treated as separate holdings; and

(iii) the Company shall, subject to the Laws and any other applicable laws and regulations, be entitled to require the conversion of any uncertificated share into certificated form to enable it to deal with that share in accordance with any provision in these articles.

(d) For the purpose of effecting any action by the Company, the board may determine that shares held by a person in uncertificated form shall be treated as a separate holding from shares held by that person in certificated form but shares of a class held by a person in uncertificated form shall not be treated as a separate class from shares of that class held by that person in certificated form.

(e) For the avoidance of any doubt, a member holding uncertificated shares may, in accordance with any arrangements implemented by the board under paragraph (a) above and subject to compliance with the Laws and other applicable laws and regulations, require such uncertificated shares to be converted into certificated shares.

7. GENERAL MEETINGS

7.1 Annual General Meetings

The Company shall hold an annual general meeting in accordance with the Laws and the Governance Regulations. Such meetings shall be convened by the board at such time and place as it thinks fit.

7.2 General Meetings

All general meetings of the Company other than annual general meetings are called general meetings.

7.3 Convening of General Meetings

The board may convene a general meeting whenever it thinks fit. The board must convene a general meeting immediately on receipt of a requisition from members in accordance with the Laws and the Governance Regulations. A general meeting may also be convened in accordance with article 14.2.

7.4 Length and Form of Notice

(a) An annual general meeting shall be called by not less than 21 clear days' notice. A general meeting shall be called by not less than 14 clear days' notice.

(b) Subject to the Laws, and although called by shorter notice than that specified in paragraph (a) above: (i) a general meeting is deemed to have been duly called if it is so agreed by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95% in nominal value of the shares giving that right; and (ii) an annual general meeting is deemed to have been duly called if it is so agreed by all of the members.

(c) The notice of a meeting shall specify:

(i) whether the meeting is an annual general meeting or a general meeting;

(ii) the place, the date and the time of the meeting;

(iii) the general nature of the business to be transacted;

(iv) state out the intention to propose an ordinary resolution or special resolution and state such resolution; and

(v) with reasonable prominence, that a member entitled to attend and vote may appoint one or more proxies to attend and, on a poll, vote instead of him and that a proxy need not also be a member.

(d) Notice of every general meeting shall be given to all members other than any who, under these articles or the terms of allotment or issue of shares, are not entitled to receive such notice, and also to each director and to the auditors (or, if more than one, each of them).

(e) Subject to the Governance Regulations, the board may determine that persons entitled to receive notices of meetings are those persons entered on the register at the close of business on a day determined by the board.

(f) The notice of meeting may also specify a time by which a person must be entered on the register in order to have the right to attend or vote at the meeting. Changes to entries on the register after the time so specified in the notice shall be disregarded in determining the rights of any person to so attend or vote.

7.5 Omission to Send or Non-Receipt of Notice

The accidental omission to give notice of a general meeting or to send, supply or make available any document or information relating to the meeting, or the non-receipt of any such notice, document or information by a person entitled to receive any such notice, document or information shall not invalidate the proceedings at that meeting.

7.6 Postponement of General Meetings

If the board, in its absolute discretion, considers that it is impractical or unreasonable for any reason to hold a general meeting at the time or place specified in the notice calling the general meeting, it may move and/or postpone the general meeting to another time and/or place. When a meeting is so moved and/or postponed, notice of the time and place of the moved and/or postponed meeting shall (if practical) be placed in at least one national newspaper in the UAE. Notice of the business to be transacted at such moved and/or postponed meeting is not required. The board must take reasonable steps to ensure that members trying to attend the general meeting at the original time and/or place are informed of the new arrangements for the general meeting. Proxy forms can be delivered as specified in article 9.4. Any postponed and/or moved meeting may also be postponed and/or moved under this article.

8. PROCEEDINGS AT GENERAL MEETINGS

8.1 Quorum

(a) No business shall be transacted at any general meeting unless the requisite quorum is present when the meeting proceeds to business. The absence of a quorum does not prevent the appointment of a chairman in accordance with these articles, which shall not be treated as part of the business of the meeting.

8.2 Subject to Articles and the Governance Regulations, the quorum for a valid general meeting is the attendance of members holding 50% of the issued share capital of the Company, present in person or by proxy and entitled to vote. Procedure if Quorum Not Present

(a) If a quorum is not present within half an hour from the time stated for the meeting, the meeting shall be adjourned to a place and time determined by the directors. If during the meeting a quorum ceases to be present the meeting shall be adjourned to a place and time determined by the directors.

(b) At an adjourned meeting the quorum shall be satisfied with any number of shares present in the meeting.

8.3 Chairman

(a) Subject to the Governance Regulations, the chairman (if any) of the board or, in his absence or unwillingness to act, the deputy chairman (if any) shall preside as chairman at a general meeting. If there is no chairman or deputy chairman, or if at a meeting neither is present and willing and able to act within five minutes after the time fixed for the start of the meeting or neither is willing and able to act, the directors present shall select one of their own to be chairman. If the directors fail to appoint a member to chair the general meeting, it shall be chaired by any person selected by the members present at the general assembly meeting.

(b) Without prejudice to any other power which he may have under the provisions of these articles or at law, the chairman may take such action as he thinks fit to promote the orderly conduct of the business of the meeting as specified in the notice of meeting and the chairman’s decision on matters of procedure or arising incidentally from the business of the meeting shall be final, as shall be his determination as to whether any matter is of such a nature.

8.4 Right to Attend and Speak

(a) Each director shall be entitled to attend and speak at any general meeting of the Company and at a separate meeting of the holders of a class of shares or debentures, whether or not he is a member.

(b) The chairman may invite any person to attend and speak at any general meeting of the Company if he considers that such person has the appropriate knowledge or experience of the Company’s business to assist in the deliberations of the meeting.

8.5 Power to Adjourn

(a) The chairman may, with the consent of any general meeting at which a quorum is present (and shall, if so directed by the meeting) adjourn the meeting from time to time and from place to place or for an indefinite period.

(b) In addition, the chairman may, without the consent of the meeting, interrupt or adjourn a meeting from time to time and from place to place or for an indefinite period if he decides that it has become necessary to do so in order to:

(i) secure the proper and orderly conduct of the meeting;

(ii) give all persons entitled to do so a reasonable opportunity of speaking and voting at the meeting; or

(iii) ensure that the business of the meeting is properly disposed of.

(c) Nothing in this article shall limit any other power vested in the chairman of the meeting to adjourn the meeting.

8.6 Notice of Adjourned Meeting

(a) Whenever a meeting is adjourned for 28 days or more or for an indefinite period pursuant to article 9.5, at least seven clear days' notice specifying the place, date and time of the adjourned meeting and the general nature of the business to be transacted shall be given to the members (other than any who, under the provisions of these articles or the terms of allotment or issue of the shares, are not entitled to receive notice), the directors and the auditors. Except in these circumstances it is not necessary to give notice of a meeting adjourned pursuant to article 8.5 or of the business to be transacted at the adjourned meeting.

(b) The board may determine that persons entitled to receive notice of an adjourned meeting in accordance with this article are those persons entered on the register at the close of business on a day determined by the board.

(c) The notice of an adjourned meeting given in accordance with this article may also specify a time by which a person must be entered on the register in order to have the right to attend or vote at the meeting. Changes to entries on the register after the time so specified in the notice shall be disregarded in determining the rights of any person to so attend or vote.

8.7 Business at Adjourned Meeting

No business may be transacted at an adjourned meeting other than the business which might properly have been transacted at the meeting from which the adjournment took place.

8.8 Accommodation of Members at Meeting

(a) A general meeting may be held at more than one place if:

(i) the notice convening the meeting specifies that it shall be held at more than one place; or

(ii) the board resolves, after the notice convening the meeting has been given, that the meeting shall be held at more than one place; or

(iii) it appears to the chairman of the meeting that the place of the meeting specified in the notice convening the meeting is inadequate to accommodate all persons entitled and wishing to attend.

(b) A general meeting held at more than one place is duly constituted and its proceedings are valid if (in addition to the other provisions of these articles relating to general meetings being satisfied) the chairman of the meeting is satisfied that facilities (whether by electronic means or otherwise) are available to enable each person present at each place to participate in the business of the meeting.

(c) Each person present at each place in person or by proxy and entitled to vote shall be counted in the quorum for, and shall be entitled to vote at, the meeting. The meeting is deemed to take place at the place at which the chairman of the meeting is present.

8.9 Security

The board may make any such arrangements and impose any restrictions which it considers appropriate to ensure the security of a general meeting including, without limitation, the searching of a person attending the meeting and the restriction of the items of personal property that may be taken into the meeting place. The board may authorise one or more persons, who shall include a director or the secretary or the chairman of the meeting to:

(a) refuse entry to a meeting to any person who refuses to comply with any such arrangements or restrictions; and

(b) eject from a meeting any person who causes the proceedings to become disorderly.

9. VOTING

9.1 Method of Voting

The members of the Company agree that the vote of a resolution put to members at a general meeting must be decided on by a poll.

9.2 Procedure on a Poll

(a) If a poll is properly demanded (and the demand is not withdrawn), it shall be taken in such manner and at such time as the chairman directs. He may appoint scrutineers, who need not be members, and may fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

(b) A poll demanded on the election of a chairman or on any question of adjournment shall be taken at the meeting and without adjournment. A poll demanded on another question shall be taken at such time and place as the chairman decides, either at once or after an interval or adjournment (but not more than 30 clear days after the date of the demand).

(c) No notice need be given (unless the chairman of the meeting otherwise directs) of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll shall be taken.

(d) The demand for a poll may be withdrawn but only with the consent of the chairman of the meeting. A demand withdrawn in this way validates the result of a show of hands declared before the demand was made. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.

(e) On a poll, votes may be given in person or by proxy and a member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way, whether present in person or by proxy.

9.3 Votes of Members

(a) Subject to these articles and to any special rights or restrictions as to voting for the time being attached to any class of shares in the Company, at a general meeting, every member present in person or by proxy has on a poll one vote for every share of which he is the holder.

(b) In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote or votes of the other joint holder or holders, and seniority is determined by the order in which the names of the holders stand in the register.

9.4 Voting by Proxy

(a) Subject to paragraph (b) below and the Governance Regulations, an instrument appointing a proxy shall be in writing in any usual form (or in another form approved by the board) executed under the hand of the appointor or his duly authorised agent or, if the appointor is a corporation, under its seal or under the hand of its duly authorised officer or agent or other person authorised to sign. The signature must be witnessed.

(b) Subject to the Laws and the Governance Regulations, the board may accept the appointment of a proxy received by electronic means on such terms and subject to such conditions as it considers fit. The appointment of a proxy received by electronic means shall not be subject to the requirements of paragraph (a) above. The board may require the production of any evidence it considers necessary to determine the validity of such an appointment.

(c) Unless the contrary is stated in it, the appointment of a proxy shall be deemed to confer the same rights as the member, including, without limitation, the right to speak at the meeting, to vote (but only to the extent allowed by the appointment or by these articles) and to demand or join in a demand for a poll.

(d) A proxy need not be a member and a member may appoint more than one proxy to attend on the same occasion. When two or more valid but differing appointments of proxy are delivered or received for the same share for use at the same meeting, the one which is last validly delivered or received (regardless of its date or the date of its execution) shall be treated as replacing and revoking the other or others as regards that share. If the Company is unable to determine which appointment was last validly delivered or received, none of them shall be treated as valid in respect of that share.

(e) Delivery or receipt of an appointment of proxy does not prevent a member attending and voting in person at the meeting or an adjournment of the meeting or on a poll.

(f) The appointment of a proxy shall (unless the contrary is stated in it) be valid for an adjournment of the meeting as well as for the meeting or meetings to which it relates. The appointment of a proxy shall be valid for 12 months from the date of execution or, in the case of an appointment of proxy delivered by electronic means, for 12 months from the date of delivery unless otherwise specified by the board.

(g) Subject to the Laws, the Company may send a form of appointment of proxy to all or none of the persons entitled to receive notice of and to vote at a meeting. If sent, the form shall provide for two-way voting on all resolutions set out in the notice of meeting.

9.5 **Appointment of Proxy**

9.5.1 Subject to the Governance Regulations, the form of appointment of a proxy, and (if required by the board) a power of attorney or other authority under which it is executed or a copy of it notarised or certified in some other way approved by the board, shall be:

(i) in the case of an instrument of proxy in hard copy form, delivered to the office, or another place in the UAE specified in the notice convening the meeting or in the form of appointment of proxy or other accompanying document sent by the Company in relation to the meeting not less than 48 hours before the time for holding the meeting or adjourned meeting or the taking of a poll at which the person named in the form of appointment of proxy proposes to vote;

(ii) in the case of an appointment of a proxy sent by electronic means, where the Company has given an electronic address:

(a) in the notice calling the meeting; or

(b) in an instrument of proxy sent out by the Company in relation to the meeting; or

(c) an invitation to appoint a proxy issued by the Company in relation to a meeting. received at such address not less than 48 hours before the time for holding the meeting at which the person named in the form of appointment of proxy proposes to vote;

(iii) in the case of a meeting adjourned for less than 28 days but more than 48 hours or in the case of a poll taken more than 48 hours after it is demanded, delivered or received as required by subparagraphs (i) or (ii) above not less than 24 hours before the time appointed for the holding of the adjourned meeting or the taking of the poll; or

(iv) in the case of a meeting adjourned for not more than 48 hours or in the case of a poll not taken immediately but taken not more than 48 hours after it was demanded, delivered at the adjourned meeting or at the meeting at which the poll was demanded to the chairman or to the secretary or to a director.

An appointment of proxy not delivered or received in accordance with this article is invalid.

9.5.2 Without limiting the foregoing, in relation to any shares which are held in uncertificated form, the board may from time to time permit appointments of a proxy to be made by electronic means in the form of an uncertificated proxy instruction and may in a similar manner permit supplements to, or amendments or revocations of, any such uncertificated proxy instruction to be so made. The board may in addition prescribe the method of determining the time at which any such uncertificated proxy instruction (and/or other instruction or notification) is to be treated as received by the Company or a participant acting on its behalf. The board may treat any such uncertificated proxy instruction which purports to be or is expressed to be sent on behalf of a holder of a share as sufficient evidence of the authority of the person sending that instruction to send it on behalf of that holder.

9.6 When Votes by Proxy Valid Although Authority Revoked

A vote cast or poll demanded by a proxy or authorised representative of a company is valid despite the previous death or insanity or revocation of the appointment of the proxy or of the authority under which the appointment was made unless notice of such prior death, insanity or revocation shall have been received by the Company at the office or, in the case of a proxy, any other place specified for delivery or receipt of the form of appointment of proxy or, where the appointment of proxy was sent by electronic means, at the address at which the form of appointment was received, not later than the last time at which an appointment of proxy should have been delivered or received in order to be valid for use at the meeting or adjourned meeting at which the vote is cast or the poll demanded or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for use on the holding of the poll at which the vote is cast.

9.7 Representation of Corporations

Any corporation which is a member may, by resolution of its board or other governing body, authorise one or more persons to act as its representatives at a general meeting or at a separate meeting of the holders of a class of shares. Each such representative is entitled to exercise on behalf of the corporation those powers that the corporation could exercise if it were an individual member, including the authority to execute a form of appointment of proxy. The corporation is for the purposes of these articles deemed to be present in person at a meeting if a representative is present. All references to attendance and voting in person shall be construed accordingly.

9.8 Objections to and Error in Voting

No objection may be raised to the qualification of any person voting or to the counting of, or failure to count, a vote, except at the general meeting or adjourned general meeting at which the vote objected to is tendered or at which the error occurs. An objection properly made shall be referred to the chairman and only invalidates the decision of the meeting on any resolution if, in the opinion of the chairman, it is of sufficient magnitude to affect the decision of the meeting. The decision of the chairman on such matters is conclusive and binding on all concerned.

9.9 Amendments to Resolutions

(a) No amendment to a resolution duly proposed as a special resolution (other than an amendment to correct a patent error) may be considered or voted on. No amendment to a resolution duly proposed as an ordinary resolution (other than an amendment to correct a patent error) may be considered or voted on unless either:

  (i) at least 48 hours before the time appointed for holding the meeting or adjourned meeting at which the ordinary resolution is to be considered, notice of the terms of the amendment and intention to move it has been lodged at the office; or

  (ii) the chairman in his absolute discretion decides that the amendment may be considered or voted on.

(b) If an amendment proposed to a resolution under consideration is ruled out of order by the chairman the proceedings on the substantive resolution are not invalidated by an error in his ruling.

9.10 **Class Meetings**

A separate meeting for the holders of a class of shares shall be convened and conducted as nearly as possible in the same way as a general meeting, except that:

(a) no member is entitled to notice of it or to attend unless he is a holder of shares of that class;

(b) no vote may be cast except in respect of a share of that class;

(c) the quorum at the meeting is two persons present in person holding or representing by proxy at least one-third in nominal value of the issued shares of that class;

(d) the quorum at an adjourned meeting is one person holding shares of that class present in person or by proxy; and

(e) a poll may be demanded in writing by a member present in person or by proxy and entitled to vote at the meeting and on a poll each member has one vote for every share of that class of which he is the holder.

10. AMENDMENT OF THE CONSTITUTIONAL DOCUMENTS

The directors shall ensure that the Company's shareholders approve by special resolution any alteration of the constitutional documents of the Company, including any alteration to the articles of association, bylaws or any other instrument constituting the Company.

11. APPOINTMENT, RETIREMENT AND REMOVAL OF DIRECTORS

11.1 Number of Directors

Subject to the Mandatory Provisions and the Governance Regulations, the number of directors (other than alternate directors) shall not be less than three and not more than eleven.

11.2 Election of Directors by the Company

Subject to these articles and the Governance Regulations, the Company may by ordinary resolution appoint any person who is willing to act to be a director, either to fill a vacancy or as an additional director, but so that the total number of directors may not exceed any maximum number fixed by or in accordance with these articles.

11.3 Separate Resolutions for Election of Each Director

Every resolution of a general meeting for the election of a director shall relate to one named person and a single resolution for the election of two or more persons shall be void, unless a resolution that it shall be so proposed has been first agreed to by the meeting without any vote being cast against it.

11.4 Term of the Directors

a) Subject to these articles, the Mandatory Provisions and the Governance Regulations, the term of each director shall be no more than three (3) years.

b) The election of new directors thereafter shall be in accordance with the Governance Regulations.

11.5 Vacation of Office by Director

(a) the office of a director shall be vacated if:

(i) he resigns by notice delivered to the secretary at the office or tendered at a board meeting;

(ii) where he has been appointed for a fixed term, the term expires;

(iii) he ceases to be a director by virtue of a provision of the Laws, is removed from office pursuant to these articles or becomes prohibited by law from being a director;

(iv) he becomes bankrupt or he makes any arrangement or composition with his creditors generally;

(v) he is or has been suffering from mental ill health or becomes a patient for the purpose of any statute relating to mental health or any court claiming jurisdiction on the ground of mental disorder (however stated) makes an order for his detention or for the appointment of a guardian, receiver or other person (howsoever designated) to exercise powers with respect to his property or affairs, and in any such case the board resolves that his office be vacated;

(vi) both he and his alternate director appointed pursuant to the provisions of these articles (if any) are absent, without the permission of the board, from board meetings for six consecutive months and the board resolves that his office be vacated; or

(vii) he is removed from office by notice addressed to him at his last-known address and signed by all his co-directors (without prejudice to a claim for damages for breach of contract or otherwise).

(b) A resolution of the board declaring a director to have vacated office under the terms of this article is conclusive as to the fact and grounds of vacation stated in the resolution.

(c) If the office of a director is vacated for any reason, he shall cease to be a member of any committee of the board.

12. ALTERNATE DIRECTORS

(a) Each director may, by written instrument, appoint another director or any other person who is willing to act as his alternate and may remove him from that office. The appointment as an alternate director of any person who is not himself a director shall be subject to the approval of a majority of the directors or a resolution of the board.

(b) An alternate director shall be entitled to receive notice of all board meetings and of all meetings of committees of which the director appointing him is a member, to attend and vote at any such meeting at which the director appointing him is not personally present and at the meeting to exercise and discharge all the functions, powers and duties of his appointor as a director and for the purposes of the proceedings at the meeting these articles shall apply as if he were a director.

(c) Every person acting as an alternate director shall (except as regards power to appoint an alternate and remuneration) be subject in all respects to these articles relating to directors and shall alone be responsible to the Company for his acts and defaults and shall not be deemed to be the agent of the director appointing him. An alternate director may be paid expenses and shall be entitled to be indemnified by the Company to the same extent as if he were a director but shall not be entitled to receive from the Company any fee in his capacity as an alternate director.

(d) Every person acting as an alternate director shall have one vote for each director for whom he acts as alternate, in addition to his own vote if he is also a director, but he shall count as only one for the purpose of determining whether a quorum is present.

(e) Any person appointed as an alternate director shall vacate his office as alternate director if the director by whom he has been appointed vacates his office as director (otherwise than by retirement at a general meeting of the Company at which he is re-appointed) or removes him by notice to the Company or on the happening of any event which, if he is or were a director, causes or would cause him to vacate that office.

(f) Every appointment or removal of an alternate director shall be made by notice and shall be effective (subject to paragraph (a) above) on receipt by the secretary of the notice.

13. REMUNERATION, EXPENSES AND PENSIONS

13.1 Directors' Fees

Unless otherwise decided by the Company by ordinary resolution, and subject to any limitations found under the Governance Regulations, the Company may pay to the directors for their services as directors such amount of aggregate fees as the board decides. The aggregate fees shall be divided among the directors in such proportions as the board decides or, if no decision is made, equally. A fee payable to a director pursuant to this article is distinct from any salary, remuneration or other amount payable to him pursuant to other provisions of these articles or otherwise and accrues from day to day.

13.2 Expenses

The Company may pay any reasonable expenses which the director properly incurred by him to discharge his duties, including his expenses of travelling to and from board meetings, committee meetings and general meetings.

14. POWERS OF THE BOARD

14.1 General Powers of the Board to Manage the Company's Business

Subject to the Laws, the Governance Regulations and these articles and to directions given by special resolution of the Company, the business and affairs of the Company shall be managed by the board which may exercise all the powers of the Company whether relating to the management of the business or not. No special resolution or alteration of these articles shall invalidate any prior act of the board which would have been valid if the resolution had not been passed or the alteration had not been made. The provisions of these articles giving specific powers to the board do not limit the general powers given by this article.

14.2 Power to Act Notwithstanding Vacancy

If the number of directors is less than the minimum prescribed by these articles or decided by the Company by ordinary resolution, the remaining director or directors may act only for the purposes of appointing an additional director or directors to make up that minimum or convening a general meeting of the Company for the purpose of making such appointment. If no director or directors is or are able or willing to act, two members may convene a general meeting for the purpose of appointing directors. An additional director appointed in this way holds office (subject to these articles) only until the dissolution of the next annual general meeting after his appointment unless he is reappointed during the meeting.

14.3 Delegation to Committees

The board may delegate any of its powers, authorities and discretions (with power to sub-delegate) to a committee consisting of one or more persons (whether a member or members of the board or not) as it thinks fit. A committee may exercise its power to sub-delegate by sub-delegating to any person or persons (whether or not a member or members of the board or of the committee) as it thinks fit. The board may retain or exclude its right to exercise the delegated powers, authorities or discretions collaterally with the committee. The board may at any time revoke the delegation or alter any terms and conditions or discharge the committee in whole or in part. Where a provision of these articles refers to the exercise of a power, authority or discretion by the board and that power, authority or discretion has been delegated by the board to a committee, the provision shall be construed as permitting the exercise of the power, authority or discretion by the committee.

14.4 Powers of Attorney

The board may by power of attorney or otherwise appoint any person to be the agent of the Company and may delegate to that person any of its powers, authorities and discretions for such purposes, for such time and on such terms and conditions (including as to remuneration) as it may decide. In particular, without limitation, the board may grant the power to sub-delegate and may retain or exclude the right of the board to exercise the delegated powers, authorities or discretions collaterally with the agent. The board may at any time revoke or alter the terms and conditions of the appointment or delegation.

14.5 Exercise of Voting Powers

The board may exercise or cause to be exercised the voting powers conferred by shares in the capital of another company held or owned by the Company, or a power of appointment to be exercised by the Company, in any manner it thinks fit (including the exercise of the voting power or power of appointment in favour of the appointment of a director as an officer or employee of that company or in favour of the payment of remuneration to the officers or employees of that company).

14.6 Provision for Employees

The board may exercise any of the powers conferred on the Company by the Laws to make provision for the benefit of any person employed or formerly employed by the Company or any of its subsidiaries (or any member of his family, including a spouse or former spouse, or any person who is or was dependent on him) in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or any of its subsidiaries.

14.7 Registers

Subject to the Laws and the Dematerialised Investments Regulations, the board may exercise the powers conferred on the Company with regard to the keeping of an overseas, local or other register and may make and vary regulations as it thinks fit concerning the keeping of a register.

14.8 Directors' Interests

(a) Subject to the Laws and the Governance Regulations and provided he has disclosed to the board the nature and extent of any direct or indirect interest of his, a director, notwithstanding his office:

(i) may enter into or otherwise be interested in any contract, arrangement, transaction or proposal with the Company or in which the Company is otherwise interested either in connection with his tenure of any office or position in the management, administration or the conduct of the business of the Company or as vendor, purchaser or otherwise;

(ii) may hold any other office or place of profit with the Company (except that of auditor or auditor of a subsidiary of the Company) in conjunction with his/her office of director and may act by himself or through his firm in a professional capacity to the Company, and in that case for such period and on such terms as to remuneration and otherwise as the board may decide either in addition to or in lieu of any remuneration provided for by another provision of these articles;

(iii) may be or become a member or a director or other officer of, or employed by, or a party to a contract, transaction, arrangement or proposal with or otherwise interested in, a company promoted by the Company or in which the Company is otherwise interested or as regards which the Company has a power of appointment; and

(iv) is not liable to account to the Company for a profit, remuneration or other benefit dispatch by such contract, arrangement, transaction, proposal, office or employment and no such contract, arrangement, transaction or proposal is avoided on the grounds of any such interest or benefit.

(b) A director who, to his knowledge, is in any way (directly or indirectly) interested in a contract, arrangement, transaction or proposal with the Company shall declare the nature of his interest at the meeting of the board at which the question of entering into the contract, arrangement, transaction or proposal is first considered, if he knows his interest then exists or, in any other case, at the first meeting of the board after he knows that he is or has become interested. For the purposes of this article:

(i) a general notice given to the board by a director that he is to be regarded as having an interest (of the nature and extent specified in the notice) in a contract, transaction, arrangement or proposal in which a specified person or class of persons is interested is a sufficient disclosure under this article in relation to that contract, transaction, arrangement or proposal; and

(ii) an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge is not treated as his interest.

(c) A director may not vote (or be counted in the quorum at a meeting) in respect of any resolution of the board or of a committee of the board concerning a contract, arrangement, transaction or proposal to which the Company is or is to be a party and in which he has an interest which is, to his knowledge, a material interest (otherwise than by virtue of his interest in shares or debentures or other securities of or otherwise in or through the Company), but this prohibition does not apply to a resolution concerning any of the following matters:

(i) the giving of a guarantee, security or indemnity in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings;

(ii) the giving of a guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertaking for which he himself has assumed responsibility in whole or in part, either alone or jointly with others, under a guarantee or indemnity or by the giving of security;

(iii) a contract, arrangement, transaction or proposal concerning an offer of shares, debentures or other securities of the Company or any of its subsidiary undertakings for subscription or purchase, in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;

(iv) a contract, arrangement, transaction or proposal to which the Company is or is to be a party concerning another company (including a subsidiary undertaking of the Company) in which he is interested (directly or indirectly) whether as an officer, shareholder, creditor or otherwise, if he does not to his knowledge hold an interest in shares representing 1% or more of either any class of the equity share capital of or the voting rights in that company;

(v) a contract, arrangement, transaction or proposal for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom it relates; and

(vi) a contract, arrangement, transaction or proposal concerning the purchase or maintenance of any insurance policy for the benefit of directors or for the benefit of persons including directors.

(d) A director may not vote (or be counted in the quorum) in respect of any resolution of the board or committee of the board concerning his own appointment (including, without limitation, fixing or varying the terms of his appointment or its termination) as the holder of an office or place of profit with the Company or any other company in which the Company is interested. Where proposals are under consideration concerning the appointment (including, without limitation, fixing or varying the terms of appointment or its termination) of two or more directors to offices or places of profit with the Company or a company in which the Company is interested, such proposals shall be divided and a separate resolution considered in relation to each director. In that case each of the directors concerned (if not otherwise debarred from voting under this article) is entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

(e) If a question arises at a meeting as to the materiality of an interest of a director (other than the interest of the chairman of the meeting) or as to the entitlement of a director (other than the chairman of the meeting) to vote or be counted in a quorum and the question is not resolved by his voluntarily agreeing to abstain from voting or being counted in the quorum, the question shall be referred to the chairman of the meeting and his ruling in relation to the director concerned shall be final and conclusive and binding on all concerned. If a question arises at a meeting as to the materiality of the interest of the chairman of the meeting or as to the entitlement of the chairman to vote or be counted in a quorum and the question is not resolved by his voluntarily agreeing to abstain from voting or being counted in the quorum, the question shall be decided by resolution of the directors or committee members present at the meeting (excluding the chairman) whose majority vote shall be final and conclusive and binding on all concerned.

(f) For the purposes of this article, the interest of a person who is for the purposes of the Laws Connected with a director is treated as the interest of the director and, in relation to an alternate director, the interest of his appointor is treated as the interest of the alternate director in addition to an interest which the alternate director otherwise has. This article applies to an alternate director as if he were a director otherwise appointed.

(g) Subject to the Laws, the Company may by ordinary resolution suspend or relax the provisions of this article to any extent or ratify any contract, arrangement, transaction or proposal not properly authorised by reason of a contravention of this article.

15. PROCEEDINGS OF THE BOARD

15.1 Board Meetings

Subject to these articles and the Governance Regulations, the board may meet for the dispatch of business, adjourn and otherwise regulate its proceedings as it thinks fit. A director may, and the secretary at the request of a director shall, summon a board meeting at any time. The board shall meet at least on a quarterly basis or otherwise sufficiently regularly to discharge its duties effectively.

15.2 Notice of Board Meetings

Notice of a board meeting is deemed to be duly given to a director if it is given to him personally or by electronic means to an address given by him to the Company for that purpose or sent in writing to him at his last-known address or another address given by him to the Company for that purpose. A director may waive the requirement that notice be given to him of a board meeting, either prospectively or retrospectively. A director absent or intending to be absent from the UAE may request that notices of board meetings during his absence be sent in hard copy form or by electronic means to him to an address given by him to the Company for that purpose. If no request is made (and/or if no such non-UAE address is given) it is not necessary to give notice of a board meeting to a director who is absent from the UAE.

15.3 Quorum

The quorum necessary for the transaction of the business of the board may be fixed by the board and, unless so fixed at any other number, shall be the majority of directors present in person or by alternate director.

15.4 Competence of Board Meetings

A duly convened meeting of the board at which a quorum is present is competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the board.

15.5 Voting

Questions arising at any meeting of the board shall be determined by a majority of votes. In case of an equality of votes the chairman of the meeting shall have a second or casting vote.

15.6 Board Meetings through the Telephone

A director or his alternate director may participate in a meeting of the board or a committee of the board through the medium of conference telephone, video teleconference or similar form of communication equipment if all persons participating in the meeting are able to hear and speak to each other throughout the meeting. A person participating in this way is deemed to be present in person at the meeting and is counted in a quorum and entitled to vote. Subject to the Laws, all business transacted in this way by the board or a committee of the board is for the purposes of these articles deemed to be validly and effectively transacted at a meeting of the board or a committee of the board although fewer than two directors or alternate directors are physically present at the same place. The meeting is deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.

15.7 Resolution in Writing

A resolution in writing executed by all directors for the time being entitled to vote on that resolution or by all members of a committee of the board for the time being entitled to vote on that resolution shall be as valid and effective for all purposes as a resolution passed at a meeting of the board (or committee, as the case may be) duly called and constituted. The resolution in writing may be contained in one document or several documents in like form each executed by one or more of the directors or members of the relevant committee. The resolution in writing need not be executed by an alternate director if it is executed by his appointer and a resolution executed by an alternate director need not be executed by his appointer.

15.8 Proceedings of Committees

(a) Proceedings of any committee of the board consisting of two or more members shall be conducted in accordance with terms prescribed by the board (if any). Subject to those terms and paragraph (b) below, proceedings shall be conducted in accordance with applicable provisions of these articles regulating the proceedings of the board.

(b) Where the board resolves to delegate any of its powers, authorities and discretions to a committee and that resolution states that the committee shall consist of any one or more unnamed directors, it is not necessary to give notice of a meeting of that committee to directors other than the director or directors who form the committee.

15.9 Minutes

(a) The board shall cause minutes to be made in books kept for the purpose:

(i) of all appointments of officers and committees made by the board and of any remuneration fixed by the board; and

(ii) of the names of all the directors present at every meeting of the board, committees of the board, meetings of the Company or meetings of the holders of a class of shares or debentures, and all orders, resolutions and proceedings of such meetings.

(b) If purporting to be signed by the chairman of the meeting at which the proceedings were held or by the chairman of the next succeeding meeting, minutes are receivable as prima facie evidence of the matters stated in them.

15.10 Validity of Acts in Spite of Formal Defect

All acts done by a meeting of the board, or of a committee of the board, or by a person acting as a director, alternate director or member of a committee shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of a person or persons acting, or that they or any of them were or was disqualified from holding office or not entitled to vote, or had in any way vacated their or his office, be as valid as if every such person had been duly appointed, and was duly qualified and had continued to be a director, alternate director or member of a committee and entitled to vote.

16. SECRETARY AND AUTHENTICATION OF DOCUMENTS

16.1 Secretary

Subject to the Laws, the board shall appoint a secretary or joint secretaries (who shall not also act as directors) and may appoint one or more persons to be an assistant or deputy secretary on such terms and conditions (including, without limitation, remuneration) as it thinks fit. The board may remove a person appointed pursuant to this article from office and appoint another or others in his place.

16.2 Authentication of Documents

A director or the secretary or another person appointed by the board for the purpose may authenticate documents affecting the constitution of the Company (including, without limitation, the memorandum of association and these articles) and resolutions passed by the Company, holders of shares, the board or a committee of the board and books, records, documents and accounts relating to the business of the Company, and to certify copies or extracts as true copies or extracts.

17. SEAL

(a) The Company may exercise the powers conferred by the Laws with regard to having official seals and those powers shall be vested in the board.

(b) The board shall provide for the safe custody of every seal of the Company.

(c) A seal shall be used only by the authority of the board or a duly authorised committee but that authority may consist of an instruction or approval given in writing or in electronic form by a majority of the directors or of the members of a duly authorised committee.

(d) The board may determine who shall sign any instrument to which a seal is applied, either generally or in relation to a particular instrument or type of instrument, and may also determine, either generally or in any particular case, that such signatures shall be dispensed with.

(e) Unless otherwise decided by the board:

(i) certificates for shares, debentures or other securities of the Company issued under seal need not be signed; and

(ii) every other instrument to which a seal is applied shall be signed by at least one director and the secretary or by at least two directors or by one director in the presence of a witness who attests the signature.

18. DIVIDENDS AND OTHER PAYMENTS

18.1 Declaration of Dividends by the Company

Subject to the Laws, the Governance Regulations and these articles, the Company may by ordinary resolution declare a dividend to be paid to the members according to their respective rights and interests, and may fix the time for payment of such dividend, but no dividend may exceed the amount recommended by the board.

18.2 Fixed and Interim Dividends

Subject to the Laws and the Governance Regulations, the board may declare and pay such interim dividends (including, without limitation, a dividend payable at a fixed rate) as appear to the board to be justified by the profits of the Company available for distribution. No interim dividend shall be declared or paid on shares which do not confer preferred rights with regard to a dividend if, at the time of declaration, any dividend on shares which do confer a right to a preferred dividend is in arrears. If the board acts in good faith, none of the directors shall incur any liability to the holders of shares conferring preferred rights for any loss such holders may suffer in consequence of the lawful payment of an interim dividend on shares ranking after those with preferred rights.

18.3 Entitlement to Dividends

Except as otherwise provided by the rights attached to shares, dividends may be declared or paid in any currency. The board may agree with any member that dividends which may at any time or from time to time be declared or become due on his shares in one currency shall be paid or satisfied in another, and may agree the basis of conversion to be applied and how and when the amount to be paid in the other currency shall be calculated and paid and for the Company or any other person to bear any costs involved. Any amount paid up by a member in advance of a call on any share may (at the discretion of the board) entitle that member to interest on the amount so paid up until the date such amount is due but shall not entitle the member to participate in respect of that amount in any dividend until after the date that such amount is due.

18.4 Method of Payment

(a) The Company may pay any dividend, interest or other sum payable in respect of a share:

(i) in cash;

(ii) by cheque, warrant or money order made payable to or to the order of the person entitled to the payment (and may, at the Company's option, be crossed "account payee" where appropriate);

(iii) by a bank or other funds transfer system to an account designated in writing by the person entitled to the payment;

(iv) if the board so decides, by means of a relevant system in respect of an uncertificated share, subject to any procedures established by the board to enable a holder of uncertificated shares to elect not to receive dividends by means of a relevant system and to vary or revoke any such election; or

(v) in such other way as the person entitled to the payment may in writing direct and the board may agree.

(b) The Company may send a cheque, warrant or money order by post:

(i) in the case of a sole holder, to his registered address;

(ii) in the case of joint holders, to the registered address of the person whose name stands first in the register;

(iii) in the case of a person or persons entitled by transmission to a share, as if it were a notice given in accordance with these articles; or

(iv) in any case, to a person and address that the person or persons entitled to the payment may in writing direct.

(c) Where a share is held jointly or two or more persons are jointly entitled by transmission to a share:

(i) the Company may pay any dividend, interest or other amount payable in respect of that share to any one joint holder, or any one person entitled by transmission to the share, and in either case that holder or person may give an effective receipt for the payment; and

(ii) for any of the purposes of this article 18.4, the Company may rely in relation to a share on the written direction or designation of any one joint holder of the share, or any one person entitled by transmission to the share.

(d) Every cheque, warrant or money order sent by post is sent at the risk of the person entitled to the payment. If payment is made by bank or other funds transfer, by means of a relevant system or by another method at the direction of the person entitled to payment, the Company is not responsible for amounts lost or delayed in the course of making that payment.

(e) Without prejudice to article 18.2, the board may withhold payment of a dividend (or part of a dividend) payable to a person entitled by transmission to a share until he has provided such evidence of his right as the board may reasonably require.

18.5 Dividends Not to Bear Interest

No dividend or other sum payable by the Company on or in respect of a share shall bear interest as against the Company unless otherwise provided by the rights attached to the share.

18.6 Unclaimed Dividends etc.

All unclaimed dividends, interest or other sums payable by the Company in respect of a share may be invested or otherwise made use of by the board for the benefit of the Company until claimed. A dividend unclaimed for a period of seven years from the date it was declared or became due for payment shall be forfeited and shall cease to remain owing by the Company. The payment of any unclaimed dividend, interest or other sum payable by the Company in respect of a share into a separate account does not constitute the Company a trustee in respect of it.

18.7 Uncashed Dividends

If, in respect of a dividend or other amount payable in respect of a share, on any one occasion:

(a) a cheque, or money order is returned undelivered or left uncashed; or

(b) a transfer made by a bank or other funds transfer system is not accepted,

and reasonable enquiries have failed to establish another address or account of the person entitled to the payment, the Company is not obliged to send or transfer a dividend or other amount payable in respect of that share to that person until he notifies the Company of an address or account to be used for that purpose. If the cheque, warrant or money order is returned undelivered or left uncashed or transfer not accepted on two consecutive occasions, the Company may exercise this power without making any such enquiries.

18.8 **Dividends in Specie**

(a) The board may, with the prior authority of an ordinary resolution of the Company, direct that payment of a dividend may be satisfied wholly or in part by the distribution of specific assets and in particular of paid-up shares or debentures of any other company.

(b) Where any difficulty arises in connection with the distribution, the board may settle the difficulty as it thinks fit and in particular, without limitation, may:

(i) ignore fractions;

(ii) fix the value for distribution of the specific assets (or any part of them);

(iii) decide that a cash payment be made to a member on the basis of the value so fixed, in order to secure equality of distribution; and

(iv) vest any of the specific assets in trustees on such trusts for the persons entitled to the dividend the board may think fit.

18.9 Capitalisation of Reserves

Subject to the Laws and the Governance Regulations, the board may, with the authority of an ordinary resolution of the Company:

(a) resolve to capitalise any sum standing to the credit of any reserve account of the Company (including a share premium account, capital redemption reserve and profit and loss account), whether or not it is available for distribution;

(b) appropriate the sum resolved to be capitalised to the members in proportion to the nominal amount of shares held by them respectively and apply that sum on their behalf in or towards:

(i) paying up the amounts (if any) for the time being unpaid on shares held by them respectively; or

(ii) paying up in full unissued shares or debentures of a nominal amount equal to that sum,

and allot the shares or debentures, credited as fully paid, to the members (or as they may direct) in those proportions, or partly in one way and partly in the other, but the share premium account, the capital redemption reserve and profits which are not available for distribution may, for the purposes of this article, only be applied in paying up unissued shares to be allotted to members credited as fully paid;

(c) make any arrangements it thinks fit to resolve a difficulty arising in the distribution of a capitalised reserve and in particular, without limitation, where shares or debentures become distributable in fractions the board may deal with the fractions as it thinks fit, including issuing fractional certificates, disregarding fractions or selling shares or debentures representing the fractions to a person for the best price reasonably obtainable and distributing the net proceeds of the sale in due proportion amongst the members (except that if the amount due to a member is less than US$ I0, or such other sum as the board may decide, the sum may be retained for the benefit of the Company);

(d) authorise a person to enter into (on behalf of all the members concerned) an agreement with the Company providing for either:

(i) the allotment to the members respectively, credited as fully paid, of shares or debentures to which they may be entitled on the capitalisation; or

(ii) the payment by the Company on behalf of the members (by the application of their respective proportions of the reserves resolved to be capitalised) of the amounts or part of the amounts remaining unpaid on their existing shares,

an agreement made under the authority being effective and binding on all those members; and

(e) generally do all acts and things required to give effect to the resolution.

18.10 Record Dates

Notwithstanding any other provision of these articles, but subject to the Laws, the Governance Regulations and rights attached to any shares, the Company or the board may fix any date as the record date by reference to which a dividend will be declared or paid or a distribution, allotment or issue will be made. The record date may be on or at any time before or after a date on which the dividend, distribution, allotment or issue is declared, made or paid.

19. ACCOUNTS

19.1 Accounting Records

(a) The board shall cause accounting records of the Company to be kept in accordance with the Laws.

(b) The accounting records shall be kept at the office or, subject to the Laws, at another place decided by the board and shall be available during business hours for the inspection of the directors and other officers. No member (other than a director or other officer) shall have any right to inspect an accounting record or other document except if that right is conferred by the Laws or he is authorised by the board or by an ordinary resolution of the Company.

19.2 Accounts to be Sent to Members etc.

(a) In respect of each financial year, a copy of the Company’s annual accounts, the directors’ report and the auditors’ report on those accounts shall be sent to:

(i) every member (whether or not entitled to receive notices of general meetings);

(ii) every holder of debentures (whether or not entitled to receive notices of general meetings); and

(iii) every other person who is entitled to receive notices of general meetings,

not less than 21 clear days before the date of the general meeting at which copies of those documents are to be laid in accordance with the Laws. This article does not require copies of the documents to which it applies to be sent to:

1. a member or holder of debentures of whose address the Company is unaware; or

2. more than one of the joint holders of shares or debentures.

(b) The board may determine that persons entitled to receive a copy of the Company's annual accounts, the directors' report and the auditors' report on those accounts are those persons entered on the register at the close of business on a day determined by the board, provided that, if the Company is a participating issuer, the day determined by the board may not be more than 21 days before the day that the relevant copies are being sent.

(c) Where permitted by the Laws, a summary financial statement derived from the Company's annual accounts and the directors' report in the form and containing the information prescribed by the Laws may be sent by post or delivered to a person so electing in place of the documents required to be sent or delivered by paragraph (a) above.

20. NOTICES AND COMMUNICATIONS

20.1 Communications by the Company

Save where these articles expressly require otherwise, any notice, document or information to be sent or supplied by the Company (including, for the avoidance of doubt, the accounts to be sent to members may be sent or supplied in hard copy form, in electronic form or by means of a website.

20.2 Deemed Delivery of Notices, Documents and Information

(a) A notice, document or information sent by post and addressed to a member at his registered address or address for service in the UAE is deemed to be given to or received by the intended recipient 48 hours after it was put in the post and in proving service it is sufficient to prove that the envelope containing the notice, document or information was properly addressed, pre-paid and posted.

(b) A notice, document or information sent or supplied by electronic means to an address specified for the purpose by the member is deemed to have been given to or received by the intended recipient 24 hours after it was sent, and in proving service it is sufficient to prove that the communication was properly addressed and sent.

(c) A notice, document or information sent or supplied by means of a website is deemed to have been given to or received by the intended recipient when (i) the material was first made available on the website or (ii) if later, when the recipient received (or, in accordance with this article 20.3, is deemed to have received) notification of the fact that the material was available on the website.

(d) A notice, document or information not sent by post but left at a registered address or address for service in the UAE is deemed to be given on the day it is left.

(e) Where notice is given by newspaper advertisement, the notice is deemed to be given to all members and other persons entitled to receive it at noon on the day when the advertisement appears or, where notice is given by more than one advertisement and the advertisements appear on different days, at noon on the last of the days when the advertisement appear.

(f) A notice, document or information served or delivered by the Company by any other means authorised in writing by the member concerned is deemed to be served when the Company has taken the action it has been authorised to take for that purpose.

(g) A member present in person or by proxy at a meeting of the holders of a class of shares is deemed to have received due notice of the meeting and, where required, of the purposes for which it was called.

20.3 Notice Binding on Transferees etc.

A person who becomes entitled to a share by transmission, transfer or otherwise is bound by a notice in respect of that share which, before his name is entered in the register, has been properly served on a person from whom he derives his title.

20.4 Notice to Person Entitled by Transmission

Where a person is entitled by transmission to a share, any notice or other communication shall be given to him, as if he were the holder of that share and his address noted in the register were his registered address. In any other case, any notice or other communication given to any member pursuant to these articles shall, notwithstanding that the member is then dead or bankrupt or that any other event giving rise to the transmission of the share by operation of law has occurred and whether or not the Company has notice of the death, bankruptcy or other event, be deemed to have been properly given in respect of any share registered in the name of that member as sole or joint holder.

21. MISCELLANEOUS

21.1 Destruction of Documents

(a) The board may authorise or arrange the destruction of documents held by the Company as follows:

(i) at any time after the expiration of ten years from the date of registration, all instruments of transfer of shares and all other documents transferring or purporting to transfer shares or representing or purporting to represent the right to be registered as the holder of shares on the faith of which entries have been made in the register;

(ii) at any time after the expiration of one year from the date of cancellation, all registered share certificates which have been cancelled;

(iii) at any time after the expiration of two years from the date of recording them, all dividend mandates and notifications of change of address; and

(iv) at any time after the expiration of one year from the date of actual payment, all paid dividend warrants and cheques.

(b) It shall conclusively be presumed in favour of the Company that:

(i) every entry in the register purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made;

(ii) every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered;

(iii) every share certificate so destroyed was a valid certificate duly and properly cancelled;

(iv) every other document mentioned in paragraph (a) above so destroyed was a valid and effective document in accordance with the particulars of it recorded in the books and records of the Company; and

(v) every paid dividend warrant and cheque so destroyed was duly paid.

(c) The provisions of paragraph (b) above shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties to it) to which the document might be relevant.

(d) Nothing in this article shall be construed as imposing on the Company or the board any liability in respect of the destruction of any document earlier than as stated in (a) above or in any other circumstances in which liability would not attach to the Company or the board in the absence of this article.

(e) References in this article to the destruction of any document include references to its disposal in any manner.

21.2 **Winding-Up**

On a voluntary winding-up of the Company the liquidator may, on obtaining any sanction required by law, divide among the members in kind the whole or any part of the assets of the Company, whether or not the assets consist of property of one kind or of different kinds, and vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he, with the like sanction, shall determine. For this purpose, the liquidator may set the value he deems fair on a class or classes of property, and may determine the basis of that valuation and in accordance with the then existing rights of members how the division is to be carried out between members or classes of members. The liquidator may not, however, distribute to a member without his consent an asset to which there is attached a liability or potential liability for the owner.

21.3 **Indemnity and Insurance**

As far as the Laws allow, the Company may:

(a) indemnify any director of the Company (or of an associated body corporate) against any liability;

(b) indemnify a director of a company that is a trustee of an occupational pension scheme for employees (or former employees) of the Company (or of an associated body corporate) against liability incurred in connection with the company's activities as trustee of the scheme;

(c) Purchase and maintain insurance against any liability for any director referred to in (a) or (b) above; and

(d) provide any director referred to in paragraphs (a) or (b) above with funds (whether by loan or otherwise) to meet expenditure incurred or to be incurred by him in defending any criminal, regulatory or civil proceedings or in connection with an application for relief (or to enable any such director to avoid incurring such expenditure).

The powers given by this article shall not limit any general powers of the Company to grant indemnities, purchase and maintain insurance or provide funds (whether by way of loan or otherwise) to any person in connection with any legal or regulatory proceedings or applications for relief.

____

Signed by and on behalf of the AL SEER GROUP (L.L.C)

Name: Anthony Leo Fernandes

Title: Authorised Individual

Date:

Annex 3 – Receiving Banks' Branches

ENBD - Participating Branches

#	Branch name	Area	Branch Timing	Subscription Timing	Branch Location
1	Group Head Office Branch	Dubai	Monday to Thursday (8:00 AM - 3:00 PM) Friday (7:30 AM - 12:15 PM)	Monday to Thursday (8:00 AM - 2:00 PM) Friday (7:30 AM - 11:15 PM)	Ground Floor, Emirates NBD Group Head Office, Baniyas Road, Deira, Dubai
2	Jumeirah Branch	Dubai	Monday to Thursday (8:00 AM - 2:00 PM) Friday (7:30 AM - 12:15 PM) Saturday (8:00 AM - 2:00 PM)	Monday to Thursday (8:00 AM - 1:00 PM) Friday (7:30 AM - 11:15 PM) Saturday (8:00 AM - 1:00 PM)	Emirates NBD Building, Al Wasl Rd Intersection, Umm Suquiem 3, Jumeirah, Dubai
3	Abu Dhabi Main Branch	Abu Dhabi	Monday to Thursday (8:00 AM - 3:00 PM) Friday (7:30 AM - 12:15 PM)	Monday to Thursday (8:00 AM - 2:00 PM) Friday (7:30 AM - 11:15 PM)	Ground Floor, Al Neem Building, Shaikh Khalifa Street, Abu Dhabi
4	Al Muroor Branch	Abu Dhabi	Monday to Thursday (8:00 AM - 2:00 PM) Friday (7:30 AM - 12:15 PM) Saturday (8:00 AM - 2:00 PM)	Monday to Thursday (8:00 AM - 1:00 PM) Friday (7:30 AM - 11:15 PM) Saturday (8:00 AM - 1:00 PM)	New Airport Road, Muroor, Abu Dhabi
5	Al Ain Main Branch	Al Ain	Monday to Thursday (8:00 AM - 2:00 PM)	Monday to Thursday (8:00 AM - 1:00 PM)	Sheikh Khalifa Bin Zayed St, (in front of Burjeel Hospital), Al Ain

			Friday	Friday	
			(7:30 AM - 12:15 PM)	(7:30 AM - 11:15 PM)	
			Saturday	Saturday	
			(8:00 AM - 2:00 PM)	(8:00 AM - 1:00 PM)	
6	Sharjah Main Branch	Sharjah	Monday to Thursday	Monday to Thursday	Ground Floor, Emirates NBD Building, Immigration Road, Al Qassimia Area, Sharjah
			(8:00 AM - 2:00 PM)	(8:00 AM - 1:00 PM)	
			Friday	Friday	
			(7:30 AM - 11:30 AM)	(7:30 AM - 10:30 PM)	
			Saturday	Saturday	
			(8:00 AM - 2:00 PM)	(8:00 AM - 1:00 PM)	
7	Ajman Branch	Ajman	Monday to Thursday	Monday to Thursday	Emirates NBD Building, Sheikh Rashid Bin Humaid St, Al Sawan, Ajman
			(8:00 AM - 2:00 PM)	(8:00 AM - 1:00 PM)	
			Friday	Friday	
			(7:30 AM - 12:15 PM)	(7:30 AM - 11:15 PM)	
			Saturday	Saturday	
			(8:00 AM - 2:00 PM)	(8:00 AM - 1:00 PM)	

FAB - Participating Branches

S.No	Branch name	Branch Location-Area	Branch Address
1	Bur Dubai	Dubai	Intersection of Shaikh Khalifa Street and Baniyas Street, PO BOX:2993
5	Sheikh Zayed Rd.	Dubai	ALQUZE NEXT TO GOLDEN DAIMOND, PO BOX:52053
2	Oud Al Touba	Al Ain - Abu Dhabi	Oud Al Touba Area, National housing loans building, Ali Bin Abi Talieb Street, Al Ain.
3	Business Park, Abu Dhabi	Abu Dhabi	Khalifa Park Al Qurm, PO BOX:6316

4	FAB One Tower, Abu Dhabi	Abu Dhabi	Intersection of Shaikh Khalifa Street and Baniyas Street, PO BOX:2993
6	Sharjah	Sharjah	Al Reem Plaza, Ground floor Buheira Corniche, Sharjah, PO BOX:1109
7	RAK (LNBAD)	Ras Al Khaimah	FAB RAK (LNBAD), Corniche Al Qawasim Road, Near to NMC Royal Medical Center, RAK

MBANK - Participating Branches

#	Branch name	Area	Branch Timing	Subscription Timing	Branch Location
1	Al Maryah Community Bank, Innovation Hub	Abu Dhabi	Mon-Sat: 8AM to 5PM	Mon-Sat: 8AM to 5PM and 24x7 through Mbank app	Al Maryah Community Bank, Innovation Hub, 454 Shakbout Bin Sultan Street, Abu Dhabi, UAE
			Fri: 8AM to 3PM	Fri: 8AM to 3PM and 24x7 through Mbank app	
			Sunday Closed	24x7 through Mbank app	
2	Al Maryah Community Bank, Mall of the Emirates	Dubai	Mon-Sun: 10AM to 10PM	Mon-Sun: 10AM to 10PM and 24x7 through Mbank app	Al Maryah Community Bank, Level 1, Ski Dubai Entrance, Mall of the Emirates, Dubai, UAE
3	Al Maryah Community Bank, ADNOC HQ	Abu Dhabi	Mon-Thu: 8AM to 4PM	Mon-Thu 8AM to 4PM and 24x7 through Mbank app	Al Maryah Community Bank, ADNOC HQ, Corniche, Abu Dhabi, UAE
			Fri: 8AM to 3PM	Fri: 8AM to 3PM and 24x7 through Mbank app	
			Saturday and Sunday Closed	24x7 through Mbank app	
4	Al Maryah Community Bank, Capital Mall	Abu Dhabi	Mon-Sun: 10AM to 10PM	Mon-Sun: 10AM to 10PM and 24x7 through Mbank app	Al Maryah Community Bank, Mohammed Bin Zayed City, Mussaffah - Abu Dhabi, UAE

CBD - Participating Branches

#	Branch name	Area	Branch Timing	Subscription Timing	Branch Location
1	Main Branch	Deira, Dubai	08:00 AM - 03:30 PM (Monday, Tuesday, Wednesday, Thursday, Saturday)	08:00 AM - 02:00 PM (Monday, Tuesday, Wednesday, Thursday, Saturday)	Al Ittihad Road, Port Saeed Area, Dubai
			07:30 AM - 12:30 PM (Friday)	08:00 AM - 11:00 AM (Friday)	
2	Jumeirah Branch	Jumeirah	08:00 AM - 03:30 PM (Monday, Tuesday, Wednesday, Thursday, Saturday)	08:00 AM - 02:00 PM (Monday, Tuesday, Wednesday, Thursday, Saturday)	Jumeirah Road, Dubai
			07:30 AM - 12:30 PM (Friday)	08:00 AM - 11:00 AM (Friday)	
4	Sheikh Zayed Road Branch	Sh. Zayed Rd., Dubai	08:00 AM - 03:30 PM (Monday, Tuesday, Wednesday, Thursday, Saturday)	08:00 AM - 02:00 PM (Monday, Tuesday, Wednesday, Thursday, Saturday)	Sheikh Zayed Road, Dubai
			07:30 AM - 12:30 PM (Friday)	08:00 AM - 11:00 AM (Friday)	
5	Zayed the First branch	Abu Dhabi	08:00 AM - 03:30 PM (Monday, Tuesday, Wednesday, Thursday, Saturday)	08:00 AM - 02:00 PM (Monday, Tuesday, Wednesday, Thursday, Saturday)	Zayed The First Road, Abu Dhabi
			07:30 AM - 12:30 PM (Friday)	08:00 AM - 11:00 AM (Friday)	
6	Sharjah Branch	Sharjah	08:00 AM - 03:30 PM (Monday, Tuesday, Wednesday, Thursday, Saturday)	08:00 AM - 02:00 PM (Monday, Tuesday, Wednesday, Thursday, Saturday)	King Abdulaziz Road, Sharjah
			07:30 AM - 12:30 PM (Friday)	08:00 AM - 11:00 AM (Friday)	

Annex 4 – Company's Investments in the Subsidiaries[2] of the Company

#	Subsidiary
1	Spinneys Dubai (L.L.C.)
2	Spinneys Fresh Food Industries L.L.C
3	Spinneys Factories For Bakery Products L.L.C
4	Fine Fare Food Market L.L.C
5	Spinneys SHJ. LTD. Co SP
6	Spinneys Shopping Center L.L.C
7	Waitrose Shopping Centre L.L.C
8	Spinneys IP Limited
9	Al Ma'kulat Al Fakhirah For Food Products LLC
10	Al Fair SPC
11	Centurio Holding Ltd
12	FineFair Food Market Services Limited (BVI)
13	JHF Australia Exports Pty Ltd
14	JHF Limited (UK)
15	JHF USA Exports. Inc.

[2] Subsidiaries are entities in which the Company holds at least 50% of its share capital.

Annex 5 – Company's Organization Chart