IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached offering memorandum (the "**document**") and you are therefore advised to read this carefully before accessing, reading or making any other use of the attached document. In accessing the document, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access. You acknowledge that this electronic transmission and the delivery of the attached document is confidential and intended only for you and **you agree you will not forward, reproduce, copy, download or publish this electronic transmission or the attached document (electronically or otherwise) to any other person.**

THE SECURITIES REFERENCED IN THIS DOCUMENT MAY ONLY BE DISTRIBUTED IN "OFFSHORE TRANSACTIONS" AS DEFINED IN, AND IN ACCORDANCE WITH, REGULATION S UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"). ANY FORWARDING, REDISTRIBUTION OR REPRODUCTION OF THE DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES.

The document and the offer are only addressed to, and directed at, persons in member states of the European Economic Area ("**EEA**") (each, a "**Relevant State**") who are "qualified investors" within the meaning of Article 2(e) of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (including any relevant delegated regulations) ("**Qualified Investors**"). In the United Kingdom ("**UK**"), the document and the offer is only addressed to and directed at persons who are "qualified investors" ("**UK Qualified Investors**") (as defined under Article 2(e) of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018) (the "**UK Prospectus Regulation**") who are also: (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"); (ii) high net worth entities falling within in Article 49(2) (a) to (2d) of the Order; and/or (iii) other persons to whom it may lawfully be communicated (all such persons together "**Relevant Persons**"). Any investment or investment activity to which this document relates is only available to, and will only be engaged with: (i) in any Relevant State, Qualified Investors; and (ii) in the UK, Relevant Persons. In Australia, the document and offer is only provided and addressed to select investors who are able to demonstrate they fall within one or more of the categories of investors available under section 708 of the Corporations Act 2001 (Cth) ("**Corporations Act**") as set out below.

ANY FORWARDING, REDISTRIBUTION OR REPRODUCTION OF THE DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Information to Distributors - UK Product Governance: Solely for the purposes of the product governance requirements of Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK Product Governance Requirements**"), and/or any equivalent requirements elsewhere, and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the UK Product Governance Requirements and/or any equivalent requirements elsewhere) may otherwise have with respect thereto, the Sale Shares (as defined below) that are the subject of the Global Offering (as defined below) have been subject to a product approval process, which has determined that such Sale Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in Chapter 3 of the FCA Handbook Conduct of Business Sourcebook; and (ii) eligible for distribution through all permitted distribution channels (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the Sale Shares may decline and investors could lose all or part of their investment; the Sale Shares offer no guaranteed income and no capital protection; and an investment in the Sale Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to any contractual, legal or regulatory selling restrictions in relation to the Global Offering. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Joint Bookrunners will only procure investors who meet the criteria of professional clients and eligible counterparties. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Chapters 9A or 10A respectively of the FCA Handbook Conduct of Business Sourcebook; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Sale Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the Sale Shares and determining appropriate distribution channels.

Confirmation of your representation: By accepting electronic delivery of this document, you are deemed to have represented to Emirates NBD Capital PSC, HSBC Bank Middle East Limited, and Merrill Lynch International (the "**Joint Global Coordinators**") and EFG Hermes UAE Limited (acting in conjunction with EFG Hermes UAE LLC) (together with the Joint Global Coordinators, the "**Joint Bookrunners**"), Rothschild & Co Middle East Limited (the "**Independent Financial Adviser**"), the Company and the Selling Shareholder (as each such term is defined in the attached document) that (i) you are acting on behalf of, or you are, an institutional investor outside the United States (as defined in Regulation S under the Securities Act); (ii) if you are in the UK, (a) you are a Relevant Person; (b) in the case of any Sale Shares acquired by you as a financial intermediary, as that term is used in Article 5(1) of the UK Prospectus Regulation, (I) the Sale Shares acquired by you in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in the UK other than qualified investors, as that term is defined in the UK Prospectus Regulation, or in circumstances in which the prior consent of the Joint Global Coordinators has been given to the offer or resale; or (II) where Sale Shares have been acquired by you on behalf of persons in the UK other than qualified investors, the offer of those Sale Shares to you is not treated under the UK Prospectus Regulation or FSMA (as defined below) as having been made to such persons; (iii) if you are in any member state of the EEA (a) you are a Qualified Investor; (b) in the case of any Sale Shares acquired by you as a financial intermediary, as that term is used in Article 5(1) of the Prospectus Regulation: (I) the Sale Shares acquired by you in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant State other than qualified investors, as that term is defined in the Prospectus Regulation, or in circumstances in which the prior consent of the Joint Global Coordinators has been given to the offer or resale; or (II) where Sale Shares have been acquired by you on behalf of persons in any Relevant State other than qualified investors, the offer of those Sale Shares to you is not treated under the Prospectus Regulation as having been made to such persons; (iv) if you are in Australia (a) you are either (I) a "sophisticated investor" under section 708(8)(a) or (b) of the Corporations Act; (II) a "sophisticated investor" under section 708(8)(c) or (d) of the Corporations Act and that you have provided an accountant's certificate to the Company which complies with the requirements of section 708(8)(c)(i) or (ii) of the Corporations Act and related regulations before the offer has been made; (III) a person associated with the Company under section 708(12) of the Corporations Act; or (IV) a "professional investor" within the meaning of section 708(11)(a) or (b) of the Corporations Act, and to the extent that you are unable to confirm or warrant that you are an exempt sophisticated investor, associated person or professional investor under the Corporations Act any offer made to you under this document is void and incapable of acceptance; and (b) you warrant and agree that you will not offer any of the Sale Shares for resale in Australia within 12 months of the Sale Shares being issued unless any such resale offer is exempt from the requirement to issue a disclosure document under section 708 of the Corporations Act; and (v) if you are outside the US, UK, EEA and Australia (and the electronic mail addresses that you gave the Company and to which this document has been delivered are not located in such jurisdictions), you are a person into whose possession this document may lawfully be delivered in accordance with the laws of the jurisdiction in which you are located.

This document has been made available to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Company, the Selling Shareholder, the Joint Bookrunners, the Independent Financial Adviser, or any of their respective affiliates, directors, officers, employees or agents accepts any liability or responsibility whatsoever in respect of any difference between the document distributed to you in electronic format and any hard copy version. By accessing the linked document, you consent to receiving it in electronic form.

You are reminded that this document has been made available to you solely on the basis that you are a person into whose possession this document may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this document, electronically or otherwise, to any other person.

Restriction: Nothing in this electronic transmission constitutes, nor may be used in connection with, an offer of securities for sale to persons other than the specified categories of persons described above and to whom it is directed and access has been limited so that it shall not constitute a general solicitation. If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.

THE DOCUMENT IS IN PRELIMINARY FORM ONLY, IS NOT COMPLETE AND CONTAINS INFORMATION THAT IS SUBJECT TO COMPLETION AND CHANGE. NO OFFER OF SECURITIES WILL BE MADE AND NO INVESTMENT DECISION SHOULD BE MADE ON THE BASIS OF THIS DOCUMENT ALONE, BUT ONLY ON THE BASIS OF THIS DOCUMENT AS FINALISED AND COMPLETED BY THE RELEVANT PRICING NOTIFICATION.

None of the Joint Bookrunners, the Independent Financial Adviser or any of their respective affiliates, or any of their respective directors, officers, employees or agents, accepts any responsibility whatsoever for the accuracy, completeness or verification of the contents of this document or for any statement made or purported to be made by it, or on its behalf, in connection with the Company or the offer. Each of the Joint Bookrunners, the Independent Financial Adviser and any of their respective affiliates accordingly disclaims, to the fullest extent permitted by applicable law, all and any responsibility or liability, whether arising in tort, contract or otherwise, which it might otherwise have in respect of such document or any such statement. No representation or warranty, express or implied, is made by any of the Joint Bookrunners, the Independent Financial Adviser or any of their respective affiliates as to the accuracy, completeness, reasonableness, verification or sufficiency of the information set out in this document.

The Joint Bookrunners and the Independent Financial Adviser are acting exclusively for the Company and the Selling Shareholder and no one else in connection with the offer. They will not regard any other person (whether or not a recipient of this document) as their client in relation to the offer and will not be responsible to anyone other than the Company and the Selling Shareholder for providing the protections afforded to their clients, nor for giving advice in relation to the offer or any transaction or arrangement referred to herein.

You are responsible for protecting against viruses and other destructive items. Your receipt of this document via electronic transmission is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

(Spinneys 1961 Holding PLC, ***a public company limited by shares incorporated in the Dubai International Financial Centre, United Arab Emirates, pursuant to Companies Law DIFC Law No. 5 of 2018, as amended*****)**

Global Offering of 900,000,000 Sale Shares
Offer Price Range: AED 1.42 to 1.53 per Share

900,000,000 ordinary shares with a nominal value of AED 0.01 each (the "**Sale Shares**") of Spinneys 1961 Holding PLC (the "**Company or Spinneys**") are being offered in this global offering (the "**Global Offering**" or the "**Offering**") by the Company's shareholder, Al Seer Group LLC (the "**Selling Shareholder**"). The Selling Shareholder reserves the right to amend the size of the Global Offering at any time prior to the end of the subscription period at its sole discretion, subject to applicable laws and the approval of the UAE Securities and Commodities Authority (the "**SCA**"). The Company will not receive any of the proceeds of the sale of the Sale Shares, all of which will be paid to the Selling Shareholder (net of any expenses relating to the Global Offering).

The Global Offering comprises an offering of Sale Shares (i) outside the United States in reliance on Regulation S ("**Regulation S**") under the United States Securities Act of 1933, as amended (the "**Securities Act**") (the "**Institutional Offering**"); (ii) in the Dubai International Financial Centre ("**DIFC**") only as an Exempt Offer (the "**DIFC Exempt Offer**") pursuant to the Markets Rules of the Dubai Financial Services Authority ("**DFSA**"); (iii) in the Abu Dhabi Global Market ("**ADGM**") only as an Exempt Offer (the "**ADGM Exempt Offer**" and, together with the Institutional Offering and the DIFC Exempt Offer, the "**Qualified Investor Offering**") pursuant to the Market Rules of the Abu Dhabi Financial Services Regulatory Authority ("**FSRA**") and (iv) in the United Arab Emirates (the "**UAE**") pursuant to a prospectus (the "**UAE Prospectus**"), the publication of which was approved by the SCA to certain natural persons, companies, establishments and other entities (the "**UAE Retail Offer**").

In connection with the Global Offering, the Company and the Selling Shareholder will appoint BHM Capital Financial Services PJSC, a duly authorised price stabilisation manager by the Dubai Financial Market (the "**DFM**"), to act as a price stabilisation manager (the "**Stabilisation Manager**"), who may, to the extent permitted by applicable law, including Module Three of the DFM Rulebook: Membership, Trading, and Derivatives Rules Booklet (the "**DFM Trading Rules**"), and for stabilisation purposes, effect stabilising transactions on the DFM 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 Stabilisation Manager will be appointed for a time period commencing on the Closing Date (as defined below) and ending no later than 30 calendar days thereafter (the "**Stabilisation Period**"). All stabilising transactions will be undertaken in compliance with the DFM Trading Rules. In accordance with Rule 14.7 of the DFM Trading Rules, the Stabilisation Manager will disclose to the market the extent of any stabilising transactions conducted in relation to the Global Offering. None of the Joint Bookrunners (defined below) nor any of the Joint Bookrunners' or their respective affiliates, or any of their respective affiliates' 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 Stabilisation Manager. For further details on price stabilisation, see "*Sale of Sale Shares*".

Prior to the Global Offering, there has been no public market for the Sale Shares. The Company has applied for the Sale Shares to be listed on the DFM (the "**Admission**"). There will be no conditional dealings in the Sale Shares prior to Admission. It is expected that Admission will become effective and that dealings in the Sale Shares will commence on the DFM on or around 9 May 2024 (the "**Closing Date**").

Investing in the Sale Shares involves significant risks. Prospective investors should read this document in its entirety and, in particular, prospective investors are advised to examine all the risks that are relevant in connection with an investment in the Sale Shares. See "*Risk Factors*" for a discussion of certain risks and other factors that should be considered before making an investment decision with respect to the Global Offering.

The Sale Shares have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Sale Shares are being offered and sold outside the United States in reliance on Regulation S. For a description of these and certain further restrictions on offers, sales and transfers of the Sale Shares and the distribution of this preliminary offering memorandum (this "**Offering Memorandum**"), see "*Sale of Sale Shares*" and "*Transfer Restrictions*".

The Sale Shares are offered by the Joint Bookrunners named herein on behalf of the Selling Shareholder when, as and if delivered to, and accepted by, the Joint Bookrunners and subject to their right to reject orders in whole or in part. Purchasers will be required to make full payment for the Sale Shares to the Joint Bookrunners for receipt by the Joint Bookrunners two business days prior to the Closing Date, and delivery of the Sale Shares is expected to be made on the Closing Date through the book-entry facilities operated by the DFM.

The SCA and the DFM have not approved this Offering Memorandum, take no responsibility for the contents of this Offering Memorandum, make no representations as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from, or in reliance upon, any part of the contents of this Offering Memorandum.

DIFC Exempt Offer Statement: This Offering Memorandum relates to an Exempt Offer in the DIFC in accordance with the Market Rules of the DFSA. It is intended for distribution only to persons of a type specified in those rules. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Offering Memorandum nor taken steps to verify the information set out in it and have no responsibility for it. The securities to which this Offering Memorandum relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered may be required to bear the financial risks of this investment for an indefinite period of time and should conduct their own due diligence on the securities. If you do not understand the contents of this Offering Memorandum, you should consult an authorised financial adviser.

ADGM Exempt Offer Statement: This Offering Memorandum relates to an Exempt Offer in the ADGM in accordance with the Market Rules of the FSRA. It is intended for distribution only to persons of a type specified in those rules. It must not be delivered to, or relied on by, any other person. The FSRA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The FSRA has not approved this Offering Memorandum nor taken steps to verify the information set out in it and has no responsibility for it. The securities to which this Offering Memorandum relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered may be required to bear the financial risks of this investment for an indefinite period of time and should conduct their own due diligence on the securities. If you do not understand the contents of this Offering Memorandum, you should consult an authorised financial adviser.

Joint Global Coordinators and Joint Bookrunners

BofA Securities ***Emirates NBD Capital PSC*** ***HSBC Bank Middle East Limited***

Joint Bookrunner

EFG Hermes

Independent Financial Adviser

Rothschild & Co Middle East Limited

This Offering Memorandum is dated 23 April 2024.

IMPORTANT INFORMATION

This preliminary offering memorandum (this "Offering Memorandum") 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.

THIS OFFERING MEMORANDUM CONTAINS INFORMATION THAT IS SUBJECT TO COMPLETION AND CHANGE. NO OFFER OF SECURITIES WILL BE MADE AND NO INVESTMENT DECISION SHOULD BE MADE ON THE BASIS OF THIS OFFERING MEMORANDUM ALONE, BUT ONLY ON THE BASIS OF THIS OFFERING MEMORANDUM AS FINALISED AND COMPLETED BY THE RELEVANT PRICING INFORMATION.

Recipients of this Offering Memorandum are authorised solely to use this Offering Memorandum for the purpose of considering the acquisition of the Sale Shares, and may not reproduce or distribute this Offering Memorandum, in whole or in part, and may not disclose any of the contents of this Offering Memorandum or use any information herein for any purpose other than considering an investment in the Sale Shares. Such recipients of this Offering Memorandum agree to the foregoing by accepting delivery of this Offering Memorandum.

Prior to making any decision as to whether to invest in the Sale Shares, prospective investors should read this Offering Memorandum in its entirety and, in particular, the section titled "*Risk Factors*" when considering an investment in the Company. In making an investment decision, each investor must rely on their own examination, analysis and enquiry of the Company and the terms of the Global Offering, including the merits and risks involved. The investors also acknowledge that: (i) they have not relied on the Joint Bookrunners (as defined herein) or the Independent Financial Adviser (as defined herein) or any person affiliated with the Joint Bookrunners or the Independent Financial Adviser in connection with any investigation of the accuracy of any information contained in this Offering Memorandum or their investment decision; (ii) they have relied only on the information contained in this Offering Memorandum; and (iii) no person has been authorised to give any information or make any representations concerning the Company or the Sale Shares other than those contained in this Offering Memorandum and, if given or made, such information or representations must not be relied on as having been so authorised by the Company, the Selling Shareholder, the Joint Bookrunners or the Independent Financial Adviser. Neither the delivery of this Offering Memorandum nor any subscription or sale made under it shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this Offering Memorandum or that the information in it is correct as at any subsequent time to the date hereof.

None of the Company, the Selling Shareholder, the Joint Bookrunners or the Independent Financial Adviser or any of their respective representatives is making any representation to any prospective investor in the Sale Shares regarding the legality of an investment in the Sale Shares by such prospective investor under the laws applicable to such prospective investor. The contents of this Offering Memorandum should not be construed as legal, financial or tax advice. Each prospective investor should consult his, her or its own legal, business, financial or tax adviser for legal, business, financial or tax advice applicable to an investment in the Sale Shares.

No person has been authorised to give any information or make any representation other than those contained in this document and, if given or made, such information or representation must not be relied upon as having been so authorised.

The Company accepts responsibility for the completeness and accuracy of the information contained in this Offering Memorandum, and having taken all reasonable care to ensure that such is the case, the information contained in this Offering Memorandum is, to the best of the Company's knowledge, accurate and complete in all material respects and no material facts, the omission of which would make misleading any statements of fact or opinion herein, have been omitted. None of the Joint Bookrunners, the Independent Financial Adviser or any of their respective affiliates accepts any responsibility whatsoever for, or makes any representation or warranty, express or implied, as to, the accuracy, completeness or verification of the contents of this Offering Memorandum or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Sale Shares or the Global Offering, and nothing in this Offering Memorandum will be relied upon as a promise or representation in this respect, whether as to the past or future. Each of the Joint

Bookrunners, the Independent Financial Adviser and any of their respective affiliates accordingly disclaims, to the fullest extent permitted by applicable law, all and any responsibility or liability, whether arising in tort, contract or otherwise, which it might otherwise have in respect of this Offering Memorandum or any such statement. No representation or warranty, express or implied, is made by any of the Joint Bookrunners, the Independent Financial Adviser or any of their respective affiliates as to the accuracy, completeness, reasonableness, verification or sufficiency of the information set out in this Offering Memorandum.

None of the Company, the Selling Shareholder, the Joint Bookrunners or the Independent Financial Adviser accepts 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 Global Offering or the Company. None of the Company, the Selling Shareholder, the Joint Bookrunners or the Independent Financial Adviser makes any representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication.

Emirates NBD Capital PSC ("**ENBD**"), HSBC Bank Middle East Limited ("**HSBC**"), and Merrill Lynch International ("**BofA Securities**") have been appointed as joint global coordinators and joint bookrunners (the "**Joint Global Coordinators**"), and EFG Hermes UAE Limited ("**EFG DIFC**", acting in conjunction with EFG Hermes UAE LLC ("**EFG UAE**" and together with EFG DIFC, "**EFG Hermes**")) has been appointed as a joint bookrunner (together with the Joint Global Coordinators, the "**Joint Bookrunners**"). Rothschild & Co Middle East Limited has been appointed as Independent Financial Adviser (the "**Independent Financial Adviser**"). ENBD and EFG UAE are authorised and regulated by the Securities and Commodities Authority of the UAE (the "**SCA**"). HSBC is lead-regulated by the DFSA and regulated by the Central Bank of the United Arab Emirates and the SCA for licensed activities in the UAE. BofA Securities is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the UK. EFG DIFC is authorised and regulated by the DFSA. The Joint Bookrunners and the Independent Financial Adviser are acting exclusively for the Company and the Selling Shareholder and no one else in connection with the Global Offering, and will not regard any other person (whether or not a recipient of this Offering Memorandum) as their respective client in relation to the Global Offering and will not be responsible to anyone other than the Company and the Selling Shareholder for providing the protections afforded to their respective clients, nor for giving advice in relation to the Global Offering or any transaction or arrangement referred to in this Offering Memorandum.

In connection with the Global Offering, each of the Joint Bookrunners and any of their respective affiliates, may take up a portion of the Sale Shares in the Global Offering as a principal position and in that capacity, may subscribe for and/or acquire Sale Shares, and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for its own account in such Sale Shares and other securities of the Company or related investments in connection with the Global Offering or otherwise. Accordingly, references in this Offering Memorandum to the Sale Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, dealing or placing by, any of the Joint Bookrunners and any of their respective affiliates acting in such capacity. In addition, certain of the Joint Bookrunners or their affiliates may enter into financing arrangements (including swaps, warrants or contracts for differences) with investors in connection with which such Joint Bookrunners (or their affiliates) may from time to time acquire, hold or dispose of Sale Shares. Moreover, in the course of their business with the Company and with parties affiliated with the Company (including the Selling Shareholder), the Joint Bookrunners (and/or their respective affiliates) have from time to time been engaged, and may in the future engage, in commercial banking, financing, trading, hedging, investment banking and financial advisory and ancillary activities, for which they have received, and may in the future receive, customary compensation. In respect of the aforementioned, the sharing of information is generally restricted for reasons of confidentiality, by internal procedures or by rules and regulations. As a result of any such transactions, any Joint Bookrunner may have interests that may not be aligned, or could potentially conflict, with the interests of holders of Sale Shares or with the interests of the Company or the Selling Shareholder. None of the Joint Bookrunners intends to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

The Global Offering relates to securities of a DIFC public limited company to be listed on the DFM and potential investors should be aware that this Offering Memorandum and any other documents or announcements relating to the Global Offering have been or will be prepared solely in accordance with the disclosure requirements applicable to a public limited company established in the DIFC and listed on the DFM, all of which may differ from those applicable in any other jurisdiction.

This Offering Memorandum has been drafted in a specific manner to be addressed only to qualified investors, and in compliance with the laws and regulations of the relevant competent jurisdictions and acceptable to such jurisdictions, and it has not been approved by the SCA. This Offering Memorandum does not form part of the UAE Prospectus and the information contained herein does not form part of the UAE Prospectus, the review of this Offering Memorandum or any related advertisements does not fall under SCA's remit/jurisdiction.

This Offering Memorandum is not intended to constitute a financial promotion, offer, sale or delivery of shares or other securities under the DIFC Markets Law (DIFC Law No. 1 of 2012, as amended) (the "**Market Law**") or under the Markets Rules of the FSRA or the Market Rules of the DFSA (collectively, the "**Market Rules**"). The Global Offering has not been approved or licensed by the FSRA or the DFSA, and does not constitute an offer of securities in the ADGM or the DIFC in accordance with the Markets Law or the Markets Rules.

NOTICE TO INVESTORS

The Sale Shares are subject to transfer restrictions in certain jurisdictions. Prospective purchasers should read the restrictions described in the section "*Transfer Restrictions*". Each purchaser of the Sale Shares will be deemed to have made the relevant representations described therein.

The distribution of this Offering Memorandum and the offer of the Sale Shares in certain jurisdictions may be restricted by law. No action has been or will be taken by the Company, the Selling Shareholder, the Joint Bookrunners or the Independent Financial Adviser to permit a public offering of the Sale Shares or to permit the possession or distribution of this Offering Memorandum (or any other offering or publicity materials relating to the Sale Shares) in any jurisdiction where action for that purpose may be required, other than the UAE. Accordingly, neither this Offering Memorandum nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Memorandum comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. For further information on the manner of distribution of the Sale Shares, and the transfer restrictions to which they are subject, see "*Transfer Restrictions*".

In particular, save for the UAE, no actions have been taken to allow for a public offering of the Sale Shares under the applicable securities laws of any other jurisdiction, including Australia, New Zealand, Canada, Japan or the United States. Subject to certain exceptions, the Sale Shares may not be offered or sold in, or to or for the account or benefit of any national, resident or citizen of, Australia, Canada or Japan. This Offering Memorandum does not constitute an offer of, or the solicitation of an offer to subscribe for or buy any of, the Sale Shares in any jurisdiction where it is unlawful to make such offer or solicitation.

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

In relation to each Member State of the European Economic Area (the "**EEA**") which has implemented the Prospectus Regulation (each, a "**Relevant State**"), with effect from and including the date on which the Prospectus Regulation is implemented in that Relevant State, no Sale Shares which are the subject of the Global Offering contemplated herein have been offered of will be offered to the public in that Relevant State, except that an offer of Sale Shares may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation, if they are implemented in that Relevant State:

(i) to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation;

(ii) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation) per Relevant State, subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or

(iii) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Sale Shares shall result in a requirement for the publication by the Company, the Selling Shareholder or any Joint Bookrunner of a Prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation or any measure implementing the Prospectus Regulation in a Relevant State, and each person in a Relevant State who initially acquires any

Sale Shares or to whom any offer is made under the Global Offering will be deemed to have represented, acknowledged and agreed that it is a "**qualified investor**" as defined in the Prospectus Regulation.

For the purposes of this provision, the expression an offer of any Sale Shares to the public in relation to any Sale Shares in any Relevant State means the communication in any form and by any means of sufficient information of the terms of the offer and any Sale Shares to be offered so as to enable an investor to decide to purchase any Sale Shares, as the same may be varied in that Relevant State by any measure implementing the Prospectus Regulation in that Relevant State; the expression Prospectus Regulation means Regulation (EU) 2017/1129 and includes any relevant implementing measure in each Relevant State.

In the case of any Sale Shares being offered to a financial intermediary, as that term is used in Article 5(1) of the Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Sale Shares acquired by it have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Sale Shares to the public other than their offer or resale in a Relevant State to qualified investors as so defined or in circumstances in which the prior consent of the Joint Global Coordinators has been obtained to each such proposed offer or resale.

The Company, the Selling Shareholder, the Joint Bookrunners and their respective affiliates, and others will rely (and the Company and the Selling Shareholder each acknowledge that the Joint Bookrunners and their respective affiliates and others will rely) upon the truth and accuracy of the foregoing representations, acknowledgements and agreements and will not be responsible for any loss occasioned by such reliance.

NOTICE TO PROSPECTIVE INVESTORS IN THE UK

The Sale Shares have not been offered or will not be offered pursuant to the Global Offering in the UK, except that an offer to the public in the UK of any Sale Shares may be made at any time under the following exemptions under the UK Prospectus Regulation:

(i) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

(ii) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or

(iii) in any other circumstances falling under the scope of Section 86 of the FSMA,

provided that no such offer of Sale Shares shall require the Company, the Selling Shareholder or any Joint Bookrunner to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation and each person in the UK who initially acquires any Sale Shares or to whom any offer is made under the Global Offering will be deemed to have represented, acknowledged and agreed that it is a "**qualified investor**", as defined in the UK Prospectus Regulation.

For the purposes of this provision, the expression an offer of any Sale Shares to the public in relation to any Sale Shares in the UK means the communication in any form and by any means of sufficient information on the terms of the offer and any Sale Shares to be offered so as to enable an investor to decide to purchase, or subscribe for, any Sale Shares, and the expression UK Prospectus Regulation means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**").

This Offering Memorandum is only being distributed to, and is only directed at, and any investment or investment activity to which this Offering Memorandum relates is available only to, and will be engaged in only with persons who are qualified investors as defined under the UK Prospectus Regulation and who are: (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"), (ii) high net worth entities falling within Article 49(2)(a) to (2d) of the Order and/or (iii) other persons to whom it may be lawfully communicated (all being "**Relevant Persons**"). The Sale Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Sale Shares will be engaged only with Relevant Persons. Any person who is not a Relevant Person should not act or rely on this Offering Memorandum or any of its contents.

The Sale Shares are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "**UK Prospectus Regulation**").

NOTICE TO DISTRIBUTORS IN THE UK

Solely for the purposes of the product governance requirements of Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Requirements**") and/or any equivalent requirements elsewhere to the extent determined to be applicable, and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the UK MiFIR Product Governance Requirements and/or any equivalent requirements elsewhere to the extent determined to be applicable) may otherwise have with respect thereto, the Sale Shares have been subject to a product approval process, which has determined that the Sale Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, as respectively defined in paragraphs 3.5 and 3.6 of the FCA Handbook Conduct of Business Sourcebook and (ii) eligible for distribution through all permitted distribution channels (the "**UK Target Market Assessment**"). Notwithstanding the UK Target Market Assessment, distributors should note that: the price of the Sale Shares may decline and investors could lose all or part of their investment; the Sale Shares offer no guaranteed income and no capital protection; and an investment in the Sale Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The UK Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Global Offering. Furthermore, it is noted that, notwithstanding the UK Target Market Assessment, the Joint Bookrunners will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the UK Target Market Assessment does not constitute: (i) an assessment of suitability or appropriateness for the purposes of Chapters 9A or 10A respectively of the FCA Handbook Conduct of Business Sourcebook; or (ii) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Sale Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Sale Shares and determining appropriate distribution channels.

NOTICE TO PROSPECTIVE INVESTORS AND DISTRIBUTORS IN AUSTRALIA

The Sale Shares have not been offered and will not be offered pursuant to the Global Offering in Australia, except to select investors who are able to demonstrate that they fall within one or more of the following categories of investors:

(i) a "sophisticated investor" under section 708(8)(a) or (b) of the Corporations Act;

(ii) a "sophisticated investor" under section 708(8)(c) or (d) of the Corporations Act and that you have provided an accountant's certificate to the Company which complies with the requirements of section 708(8)(c)(i) or (ii) of the Corporations Act and related regulations before the offer has been made;

(iii) a person associated with the Company under section 708(12) of the Corporations Act; or

(iv) a "professional investor" within the meaning of section 708(11)(a) or (b) of the Corporations Act.

This document does not constitute a prospectus or other disclosure document under Chapter 6D.2 of the Corporations Act, has not been, and will not be, lodged or registered with the Australian Securities and Investments Commission ("**ASIC**") or the Australian Securities Exchange ("**ASX**") or any other regulatory body or agency in Australia and does not purport to include the information required of a disclosure document under Chapter 6D.2 of the Corporations Act.

NOTICE TO PROSPECTIVE INVESTORS IN THE ABU DHABI GLOBAL MARKET

This Offering Memorandum relates to a Global Offering which is not subject to any form of regulation or approval by the FSRA.

The FSRA has not approved this Offering Memorandum and does not have any responsibility for reviewing or verifying any document or other documents in connection with the Company. Accordingly, the FSRA has not approved this Offering Memorandum or any other associated documents nor taken any steps to verify the information set out in this Offering Memorandum, and has no responsibility for it.

The Sale Shares have not been offered and will not be offered to any persons in the Abu Dhabi Global Market except on the basis than an offer is:

(i) an "Exempt Offer" in accordance with the FSRA Financial Services and Markets Regulations (the FSMR) and Market Rules of the FSRA; and

(ii) made only to persons who are Authorised Persons or Recognised Bodies (as such terms are defined in the FSMR) or persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 18 of FSMR) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated.

NOTICE TO PROSPECTIVE INVESTORS IN THE DUBAI INTERNATIONAL FINANCIAL CENTRE

This Offering Memorandum relates to a Global Offering which is not subject to any form of regulation or approval by the DFSA.

The DFSA has not approved this Offering Memorandum and does not have any responsibility for reviewing or verifying any document or other documents in connection with the Company. Accordingly, the DFSA has not approved this Offering Memorandum or any other associated documents nor taken any steps to verify the information set out in this Offering Memorandum, and has no responsibility for it.

The Sale Shares have not been offered and will not be offered to any persons in the Dubai International Financial Centre except on the basis that an offer is:

(i) an "Exempt Offer" in accordance with the Markets Rules (MKT) module of the DFSA Rulebook; and

(ii) made only to persons who meet the Deemed Professional Client criteria set out in Rule 2.3.4 of the DFSA Conduct of Business Module of the DFSA Rulebook and who are not natural persons.

This Offering Memorandum must not, therefore, be delivered to, or relied on by, any other type of person.

The Sale Shares to which this Offering Memorandum relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Sale Shares should conduct their own due diligence on the Company and the Sale Shares. If you do not understand the contents of this Offering Memorandum you should consult an authorised financial advisor.

NOTICE TO PROSPECTIVE INVESTORS IN THE KINGDOM OF SAUDI ARABIA

This document may not be distributed in the Kingdom except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority.

The Capital Market Authority does not make any representation as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this document, you should consult an authorised financial advisor.

NOTICE TO PROSPECTIVE INVESTORS IN THE REPUBLIC OF SOUTH AFRICA

This Offering Memorandum does not constitute a registered prospectus, written statement or advertisement relating to a public offer in terms of Chapter 4, sections 98, 99 and 101 of the South African Companies Act, No. 71 of 2008 ("**SA Companies Act**"). No offer of Sale Shares to the public in South Africa, whether by way of subscription, sale or otherwise, can be made unless the offeror complies with Chapter 4 of the SA Companies Act and files the requisite disclosure documents with the South African Companies and Intellectual Property Commission in respect thereof. The "public" includes any section of the public. This Offering Memorandum does not constitute an offer of securities to the public in South Africa.

Certain offers of the Sale Shares are deemed, in terms of the safe harbour provisions of section 96 of the SA Companies Act, to not be offers to the public. These include offers to (i) persons whose ordinary business is dealing in securities, whether as principals or agents; (ii) the Public Investment Corporation; (iii) registered banks; (iv) authorised and licensed financial services providers; and (v) financial institutions as defined in the Financial Services Board Act, No. 97 of 1990, or a combination of any of the foregoing. Also included in the safe harbours are offers where the minimum offer consideration per offeree, acting as principal, is R1,000,000 (one million Rand). Accordingly, offers may be made to such institutions, or under such circumstances, in the Republic of South Africa without having to comply with Chapter 4 of the SA Companies Act.

Nothing in this Offering Memorandum shall be construed as being a recommendation, guidance or advice to an addressee or prospective investor in respect of a financial product as contemplated in the South African Financial Advisory and Intermediary Services Act, No. 37 of 2002.

TABLE OF CONTENTS

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

General

Spinneys 1961 Holding Limited was incorporated on 21 November 2023 as a wholly owned subsidiary of Al Seer Group LLC. Historically, the Company's operating subsidiaries were owned either directly or indirectly by Mr. Ali Al Bwardy, Al Bwardy Investment LLC and ASB Investment LLC.

Presentation of Financial Information

The historical financial information presented in this Offering Memorandum is based on the audited consolidated financial statements of Spinneys 1961 Holding Limited (now Spinneys 1961 Holding PLC) and its subsidiaries (together, the "**Group**") as at and for the years ended 31 December 2023, 2022 and 2021 (the "**Financial Statements**").

The Financial Statements were prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board and have been audited by Ernst & Young Middle East (Dubai Branch) in accordance with International Standards on Auditing ("**ISAs**") as stated in their report, which is included in this Offering Memorandum beginning on page F-1.

Non-IFRS Information

The Group presents in this Offering Memorandum certain measures that are not defined or recognised under, and thus not calculated and presented in accordance with IFRS, or any other generally acceptable accounting principles, including Gross Margin, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted EBITDA (post lease related expenses), Net Profit Margin, Dividend Payout, Net Working Capital, Return On Total Assets, Inventory Days, Receivable Days, Payable Days, Financial Debt, Gross Debt, Net Debt, Net leverage, Net leverage (excluding lease liabilities), Change in Net Working Capital, Free Cash Flow ("**FCF**"), Free Cash Flow Conversion and Like-for-like ("**LFL**") Growth (the "**Non-IFRS Measures**"). These Non-IFRS Measures are used by the Group to evaluate the efficiency of its operations and ability to employ its earnings toward repayment of debt, capital expenditures and working capital requirements. There are no generally accepted principles governing the calculation of these measures and the criteria upon which these measures are based can vary from company to company.

As these Non-IFRS Measures are not standardised, these measures, by themselves, do not provide a sufficient basis to compare the Company's performance with that of other companies and should not be considered in isolation or as a substitute for any measure as an indicator of operating performance, or as an alternative to cash generated from operating activities as a measure of liquidity. The Company has presented these Non-IFRS Measures because it believes these are helpful to investors and financial analysts in highlighting trends in the overall business of the Company.

None of the Non-IFRS Measures are a measurement of performance or liquidity under IFRS or any other generally accepted accounting principles and you should not consider these measures as an alternative to profit for the year or other financial measures determined in accordance with IFRS or other generally accepted accounting principles. Non-IFRS Measures have limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of the Group's operating performance reported in accordance with IFRS.

The Non-IFRS Measures are management's responsibility and are based on management's review of its financial results and estimates; accordingly, the above information has not been audited or reviewed by Ernst & Young Middle East (Dubai Branch), or any audit firm, and are to be read in conjunction with the underlying IFRS historical information presented in this Offering Memorandum, but is not intended to form part of the Company's statement of financial position or profit and comprehensive income up to the date hereof. Accordingly, prospective investors should not place undue reliance on the Non-IFRS Measures contained in this Offering Memorandum.

Some of the limitations of certain of the Non-IFRS Measures used by the Group are:

- they do not reflect the interest expense or cash requirements necessary to service interest or principal payments on the Group's debt;

- they do not reflect any cash income and certain other taxes that the Group may be required to pay in relation to such income;
- they are not adjusted for all cash income or expense items that are reflected in the Group's consolidated statements of cash flows;
- they do not reflect the impact of earnings or charges resulting from certain matters the Group considers not to be indicative of its ongoing operations;
- they do not reflect the Group's cash expenditures, or future requirements, for capital expenditures or contractual commitments;
- they do not reflect changes in, or cash requirements for, the Group's working capital needs; and
- although depreciation and amortisation are non-cash charges, the assets being depreciated and amortised will often have to be replaced in the future, and these measures do not reflect any cash requirements for such replacements.

The definition and method of calculation for the inclusion of Non-IFRS Measures are summarised in the following table:

Non-IFRS financial measure	Definition and method of calculation
Gross Margin	Gross profit divided by revenue
Adjusted EBITDA	Profit before tax plus depreciation and impairment of property, plant and equipment, depreciation and impairment of right-of-use assets, impairment of goodwill, finance costs minus finance income
Adjusted EBITDA margin	Adjusted EBITDA divided by revenue
Adjusted EBITDA (post lease related expenses)	Adjusted EBITDA minus depreciation and impairment on right-of-use assets and interest on lease liabilities
Net Profit Margin	Profit for the year divided by revenue
Dividend Payout	Dividends paid divided by profit for the year
Net Working Capital	Inventories plus trade receivables, refundable security deposits (receivable balance), prepaid expenses, VAT receivable, other receivables and amounts due from related parties, minus trade payables, accrued expenses, refundable security deposits (payable balance), VAT payable, net, purchase consideration payable, income tax payable, advances from tenants, other payables and amounts due to related parties
Return On Total Assets	Profit for the year divided by total assets (end of period)
Inventory Days	((Inventories (FY-1) plus inventories (FY0)) divided by 2) divided by cost of sales multiplied by 365 days
Receivable Days	((Trade receivables (FY-1) plus trade receivables (FY0)) divided by 2) divided by revenue from sale of goods multiplied by 365 days
Payable Days	((Trade payables (FY-1) plus trade payables (FY0)) divided by 2) divided by cost of sales multiplied by 365 days
Financial Debt	Total interest-bearing loans and borrowings
Gross Debt	Total interest-bearing loans and borrowings plus total lease liabilities
Net Debt	Total interest-bearing loans and borrowings plus lease liabilities minus cash and short-term deposits
Net leverage	Net Debt divided by Adjusted EBITDA
Net leverage (excluding lease liabilities)	(Net Debt minus lease liabilities) divided by Adjusted EBITDA (post lease related expenses)
Change in Net Working Capital*	Change in inventories plus change in trade receivables, prepayments and other receivables, change in related party balances and change in trade payables, and accruals and other payables
Free Cash Flow ("**FCF**")	Adjusted EBITDA +/– Change in net working capital ("**NWC**") +/– change in related party balances, minus purchase of property, plant and equipment, depreciation and impairment on right-of-use assets and interest on lease liabilities

Free Cash Flow Conversion	FCF divided by Adjusted EBITDA (post lease related expenses)
LFL Growth	Percentage change in revenue from sale of goods ("**Retail Revenue**") for stores generating monthly Retail Revenue over the 12 months in a given financial year, excluding stores which were closed during the period

*Relates to line items in the Financial Statements that include non-cash adjustments.

Certain Operational Data

This Offering Memorandum also contains a discussion of certain key performance indicators ("**KPIs**") of the Group, including Internal Rate of Return ("**IRR**"), Organic Product Revenue as % of Fresh Food Revenue, Fresh Food as a % of Retail Revenue, Meal Solutions as a % of Retail Revenue, Private Label as a % of Retail Revenue, Branded Products as a % of Retail Revenue, Online Penetration, Retail Revenue of Key Product Categories, Retail Revenue per GSA, Fresh Food Trade Margin, Food Trade Margin, Private Label Trade Margin, Branded Trade Margin, Meal Solutions Trade Margin, Meal Solutions, Organic Products, Private Label, Wastage, Retail Revenue from Food, Number of Branded SKUs, Number of SKUs for Meal Solutions, Growth in SKUs for Meal Solutions, Number for SKUs for Private Label, Growth in SKUs for Private Label, SKUs Produced per facility, Gross Leasable Area ("**GLA**"), Gross Selling Area ("**GSA**"), Stock-Keeping Units ("**SKUs**"), Facility Capex and Payback Period.

These KPIs are derived from management estimates and are based on operational, not financial data. These KPIs do not form part of the Group's financial reporting records and have not been audited or reviewed by the Group's independent auditors. These KPIs exclude the financial results of the Spinneys Stores in Abu Dhabi, which the Group manages pursuant to the Abu Dhabi Services Agreement. The computation methodology of these KPIs may not be comparable to the similar measures reported by other companies or by market reports or experts. Management believes that each of these measures is a useful indicator of the Group's business and performance.

The definition of these KPIs are summarised in the following table:

KPIs	**Definition**
Internal Rate of Return	The interest rate that makes the present value of an investment zero
Organic Product Revenue as % of Fresh Food Revenue	Retail Revenue from organic products, divided by Fresh Food Retail Revenue
Fresh Food as a % of Retail Revenue	Retail Revenue arising from the sale of fresh food, divided by Retail Revenue
Meal Solutions as a % of Retail Revenue	Retail Revenue arising from the sale of Meal Solutions items, divided by Retail Revenue
Private Label as a % of Retail Revenue	Retail Revenue arising from the sale of Private Label and Waitrose private label items, divided by Retail Revenue
Branded Products as a % of Retail Revenue	Retail Revenue arising from the sale of branded items, divided by Retail Revenue
Online Penetration	Revenue from E-commerce sales divided by Retail Revenue
Retail Revenue of Key Product Categories	Retail Revenue arising from the sale of a defined set of SKUs
Retail Revenue per GSA	Retail Revenue divided by Gross Selling Area
Trade Margin	Defined as price minus cost, divided by price for all items (front margin), expressed as a percentage. Excludes back margin, defined as income from suppliers

KPIs	Definition
Fresh Food Trade Margin	Defined as price minus cost, divided by price for fresh food items (front margin), expressed as a percentage. Excludes back margin, defined as income from suppliers
Food Trade Margin	Defined as price minus cost, divided by price for food items (front margin), expressed as a percentage. Excludes back margin, defined as income from suppliers
Private Label Trade Margin	Defined as price minus cost, divided by price for Private Label items and Waitrose private label items (front margin), expressed as a percentage. Excludes back margin, defined as income from suppliers
Branded Trade Margin	Defined as price minus cost, divided by price for branded items (front margin), expressed as a percentage. Excludes back margin, defined as income from suppliers
Meal Solutions Trade Margin	Defined as price minus cost, divided by price for Meal Solutions items (front margin), expressed as a percentage. Excludes back margin, defined as income from suppliers
Meal Solutions	All products sold loose from the Meal Solutions department
Organic Products	Defined as a product that has been certified as organic by a third-party accreditation body that is recognised by the authorities of UAE and Oman and requires storage in a refrigerated condition or will be unfit for consumption if stored in ambient conditions in less than 28 days from production
Private Label	Denoting a product manufactured or packaged for sale under the name of the retailer rather than that of the manufacturer
Wastage	Defined as products that are nearing or have surpassed their sell-by date and includes inventory write offs and allowance set aside in anticipation of inventory losses as a percentage of Retail Revenue
Retail Revenue from Food	Retail Revenue arising from the sale of food items; defined as items that can be consumed that nourish, sustain or supply customers as part of their diet
Number of Branded SKUs	Count of the number of branded SKU's sold in one year
Number of SKUs for Meal Solutions	Count of the number of Meal Solution SKUs sold in one year
Growth in SKUs for Meal Solutions	Compounded annual growth rate between two given years of Meal Solutions SKU numbers
Number for SKUs for Private Label	A count of the number of Private Label and Waitrose private label SKUs sold in one year
Growth in SKUs for Private Label	Compounded annual growth rate between two given years of Private Label and Waitrose private label SKU numbers
SKUs Produced per facility	The number of SKU's produced for one facility
Gross Leasable Area	Potential leasable space before any common areas; the areas of a building that can be used by tenants
Gross Selling Area	Shop floor where customers see and buy products
Stock-Keeping Units	Unit of measure for a single selling unit
Facility Capex	Capital expenditure on a facility

KPIs	Definition
Payback Period	The number of years required to recoup the initial capital expenditure outlay for the store

Currency Presentation

The Group's reporting currency is the UAE dirham. The dirham is the lawful currency of the UAE, and since 1997, the dirham has been pegged to the US Dollar. The mid-point between the official buying and selling rates for the dirham is at a fixed rate of AED 3.6725 to USD 1.00. All US$ translations of dirham amounts appearing in this Offering Memorandum have been translated at this fixed exchange rate, unless otherwise stated. Such translations should not be construed as representations that dirham amounts have been or could be converted into US Dollars at this or any other rate of exchange.

All references in this Offering Memorandum to "**$**", "**USD**" and "**US Dollars**" refer to US dollars being the legal currency for the time being of the United States of America; all references to "**dirham**" and "**AED**" are to UAE dirham being the legal currency of the UAE. References to a "**billion**" are to a thousand million.

Rounding

Certain figures and percentages, including data related to financial, statistical and operating information, included in this Offering Memorandum have been subject to rounding adjustments. Accordingly, figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Market, Economic and Industry Data

Unless the source is otherwise stated, the market, economic and industry data in this Offering Memorandum constitute the Group's estimates, using underlying data from third parties. Statistics, data and other information relating to markets, market sizes, market shares, market positions and other economic and industry data pertaining to the Group's business and markets in this Offering Memorandum are based on published and publicly available data obtained from multiple third-party sources. The Group cannot assure you that any of the assumptions underlying any statements regarding the market in which the Group operates are accurate or correctly reflect the Group or its competitors' position in such market. Market data and statistics are inherently predictive and speculative and are not necessarily reflective of actual market conditions. Such data and statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, as well as information publicly available related to the size of the market, including judgments about what types of products and transactions should be included in the relevant market. In addition, the value of comparisons of data or statistics for different markets is limited by many factors, including that (i) the markets are defined differently, (ii) the underlying information was gathered by different methods and (iii) different assumptions were applied in compiling the data or statistics. Accordingly, the market, economic and industry data and statistics and any other information from such third-party sources included in this Offering Memorandum should be viewed with caution and no representation or warranty is given by any person, including the Company, the Selling Shareholder or the Joint Bookrunners and their respective affiliates, as to their accuracy or completeness.

Unless otherwise specifically stated, the information in the "*Industry Overview*" is based on a report which has been prepared by A.T. Kearney Middle East Ltd (the "**Market Consultant**"), for the benefit of the Company in relation to the markets in which the Group operates. Information extracted from the Market Consultant's report which are referenced in this Offering Memorandum are referred to as the Market Report (the "**Market Report**"). Reliance by any party other than the Company on the contents of the Market Report shall be at the party's own risk. The Company confirms that the data and other information extracted or derived from the Market Report and any other third-party information included herein has been accurately reproduced and that, as far as it is aware and is able to ascertain from the Market Report and from information published by this and other third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Market Consultant makes no representation or warranty, expressed or implied, to any party with respect to the accuracy or completeness of the information attributable to the Market Consultant contained in the Market Report. The Market Report was prepared on 21 February 2024 and, as such, addresses matters stated therein at that time or at the times otherwise specified therein and does not take account of any changes or developments which may have occurred since then. The information and opinions expressed in the Market Report are subject to change without notice and the Market Consultant has no duty or responsibility to update the Market Report.

As at the date of this Offering Memorandum, the Market Consultant has given and not withdrawn its written consent for the use of each of its name, logo, statement market research and data supplied by it to the Company in the manner and format set out in this Offering Memorandum. The Market Consultant relied upon information provided by the Company as well as publicly sourced information for the Market Report. Estimates and projections set out in this section are prepared based on the analysis performed by the Market Consultant.

The Market Report contains information, estimates and data obtained or derived from a variety of public sources believed to be reliable, but the accuracy and completeness of such information, estimates and data is not guaranteed and has not been independently verified by the Company, the Market Consultant, the Selling Shareholder, the Joint Bookrunners or their respective affiliates. Taking into consideration the "*Forecasts and Forward-Looking Statements*" section, whilst the members of the Board of Directors believe that the information, estimates and data in this Offering Memorandum obtained from third-party sources, including the information, estimates and data obtained from the Market Consultants, is information, estimates and data that may be relied upon, this information, estimates and data has not been independently verified by the Company, the Board of Directors, their advisors, the Selling Shareholder, the Joint Bookrunners or their respective affiliates. The Company notes that neither the Market Consultant, other third-party sources, the Joint Bookrunners, the Independent Financial Adviser or their respective affiliates, accepts any liability for the accuracy of any such information, estimates or data or any other third-party information, estimates or data included herein, and prospective investors are advised to consider such information, estimates and data with caution.

No Incorporation of Website Information

None of the contents of the Company's website or any website directly or indirectly linked to this website has been verified and they do not form part of this Offering Memorandum, and investors should not rely on such information.

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This Offering Memorandum includes forward-looking statements which relate to, among other things, the Company's plans, objectives, goals, strategies, future operational performance and anticipated developments in markets in which it operates and in which it may operate in the future. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the Company's control and all of which are based on the Company's current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as "believes", "expects", "may", "will", "could", "should", "would", "risk", "intends", "estimates", "aims", "plans", "targets", "predicts", "continues", "assumes", "potential" or "anticipates" or the negative thereof, other variations thereon or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Offering Memorandum and include statements regarding intentions, beliefs and current expectations concerning, among other things, the Group's results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy and the industry in which it operates. In particular, the statements under the headings regarding the Company's strategy and other future events or prospects in the following sections are forward-looking statements: "*Summary*", "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Industry Overview*", "*Business*" and "*Financial and Operational Targets*".

The forward-looking statements and other statements contained in this Offering Memorandum regarding matters that are not historical facts involve predictions and are based on the beliefs of the Company's management, as well as the assumptions made by, and information currently available to, the Company's management. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, the Company cannot assure you that such expectations will prove to be correct. Given these uncertainties, you are cautioned not to place undue reliance on such forward-looking statements. Important factors that could cause actual results to differ materially from the Company's expectations are contained in cautionary statements in this Offering Memorandum, including, without limitation, in conjunction with the forward-looking statements included in this Offering Memorandum and specifically under the section entitled "*Risk Factors*" or the underlying assumptions.

If any of these risks and uncertainties materialise, or if any of the Company's underlying assumptions prove to be incorrect, the Company's actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. Under no circumstances should the inclusion of such forward-looking statements in this Offering Memorandum be regarded as a representation or warranty by us, the Selling Shareholder or the Joint Bookrunners or any other person with respect to the achievement of the results set out in such statements. Please refer to "*Information Regarding Forward-Looking Statements*" for further information in this regard.

The forward-looking statements contained in this Offering Memorandum speak only as at the date of this Offering Memorandum. The Company, the Selling Shareholder, the Joint Bookrunners and the Independent Financial Adviser expressly disclaim any obligation or undertaking to update these forward-looking statements contained in the document 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 by applicable law.

SUMMARY

This summary should be read as an introduction to this Offering Memorandum and is qualified in its entirety by, and is subject to, the detailed information contained elsewhere in this Offering Memorandum. Accordingly, any decision to invest in the Sale Shares should be based on consideration of the Offering Memorandum as a whole. Potential investors should read this entire Offering Memorandum carefully, including "Risk Factors" and the Financial Statements, including the related notes, before making any decision to invest in the Sale Shares.

Overview

Spinneys 1961 Holding PLC (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 converted to a public limited company on 29 March 2024.

The principal activity of the Company and its subsidiaries (the "**Group**") is as an operator of premium grocery retail 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 Offering Memorandum, 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 45 Spinneys Stores (which excludes the Spinneys Stores in Abu Dhabi operated by the Group pursuant to the Spinneys Abu Dhabi Services Agreement), 15 Waitrose Stores and four Al Fair Stores represented 61%, 36% and 3% of the Group's Retail Revenue for the year ended 31 December 2023, respectively. The Group's Key Markets benefit from a number of socio-economic factors that support growth in the Group's Target Markets (as defined below), including relatively young and growing populations, with a high proportion of expats and an increase in disposable income, resulting in a projected 5% increase in the size of their Target Markets between 2022 and 2028 (source: Kearney).

The principal activities of the Group are the sale of fresh products, representing 62% of the Group's revenue from sale of goods ("**Retail Revenue**") for the year ended 31 December 2023, as well as the sale of ambient products, which represented 38% of the Group's Retail Revenue for the same period. For the year ended 31 December 2023, 87% of the Group's Retail Revenue was generated from in-store sales, while the Group's Online Penetration was 13%, generated via both the Group's E-commerce channels and third-party aggregators.

The premium consumer experience and locations of the Group's Stores, as well as its operational efficiencies, helped the Group achieve strong Retail Revenue of AED 2,484 million, AED 2,586 million and AED 2,822 million for the years ended 31 December 2021, 2022 and 2023, respectively and an 8.7% Like-for-like Growth in Retail Revenue for the year ended 31 December 2023, as compared to the average of 0.8% for the two years ended 31 December 2021 and 2022. The Group's Adjusted EBITDA for the years ended 31 December 2021, 2022 and 2023 was AED 472 million, AED 503 million and AED 562 million, reflecting an Adjusted EBITDA Margin of 18.7%, 19.1% and 19.6% for the same periods, respectively. The Group generated profit for the years ended 31 December 2021, 2022 and 2023 of AED 192 million, AED 214 million and AED 254 million, respectively, with Net Profit Margins of 7.6%, 8.1% and 8.9%, for the same periods.

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. For the years ended 31 December 2021, 2022 and 2023, the Group's Private Label products, together with Waitrose private label products, represented 37.6%, 38.3% and 41.1% of the Group's Retail Revenue, respectively. The Group's Private Label and the Waitrose private labels together spanned more than 7,200 SKUs in 2023, across a range of products including Hass avocados, whole roast chicken, organic Irish salmon fillets, crunchy nut cornflakes, mozzarella cheese and chopped tomatoes.

The Group's operations are supported by a dedicated sourcing network, with three subsidiaries in Australia, the

UK and the USA, and two dedicated Production Facilities in the UAE, with plans to open a new sourcing office in Europe and a combined production facility in Dubai to replace the existing Production Facilities. The Group's sourcing and production network enables it to have a wide and diversified product mix and aims to achieve uninterrupted supply of quality merchandise at affordable prices, by being closer to the sources of fresh produce.

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

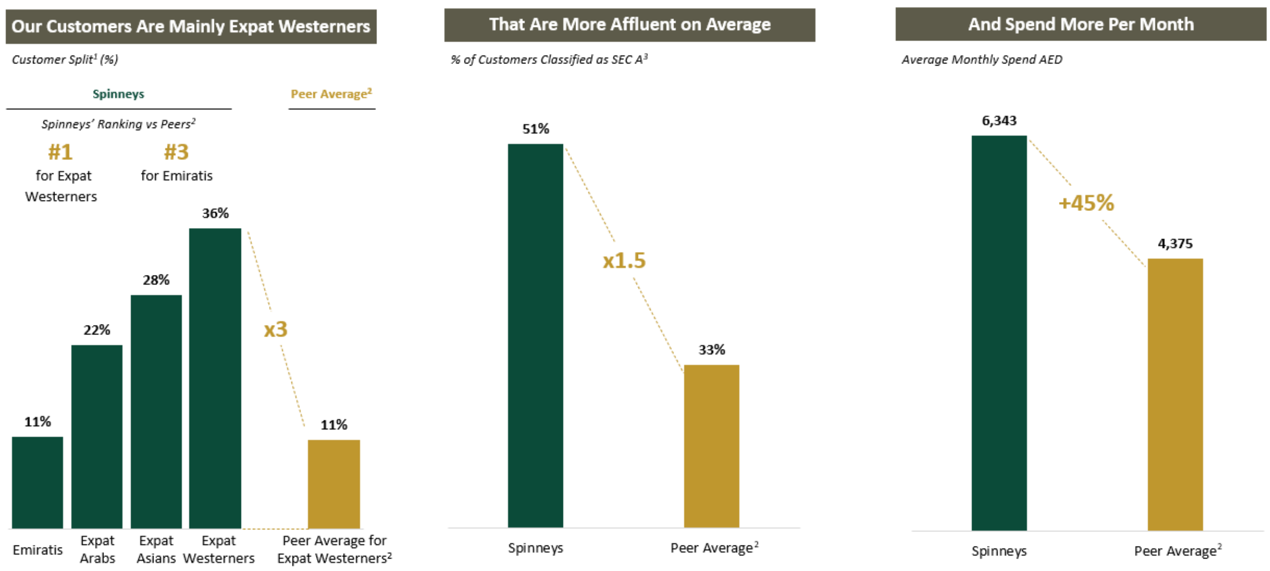
Operating predominantly in the UAE, the second largest economy in the GCC region, the Group is well positioned to capitalise on the UAE's robust market that is primed for growth. With a real GDP of AED 1,623 billion (equivalent to USD 442 billion) in 2022, the UAE's economy is expected to grow at a CAGR 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 (see "*Industry Overview—Spinneys' performance in the UAE Market—Macroeconomic Outlook*"). 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 (see "*Industry Overview—Spinneys' performance in the UAE Market—Macroeconomic Outlook*"). 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% (see "*Industry Overview—Spinneys' performance in the UAE Market—Macroeconomic Outlook*"). 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) (see "*Industry Overview—Spinneys' performance in the UAE Market*").

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

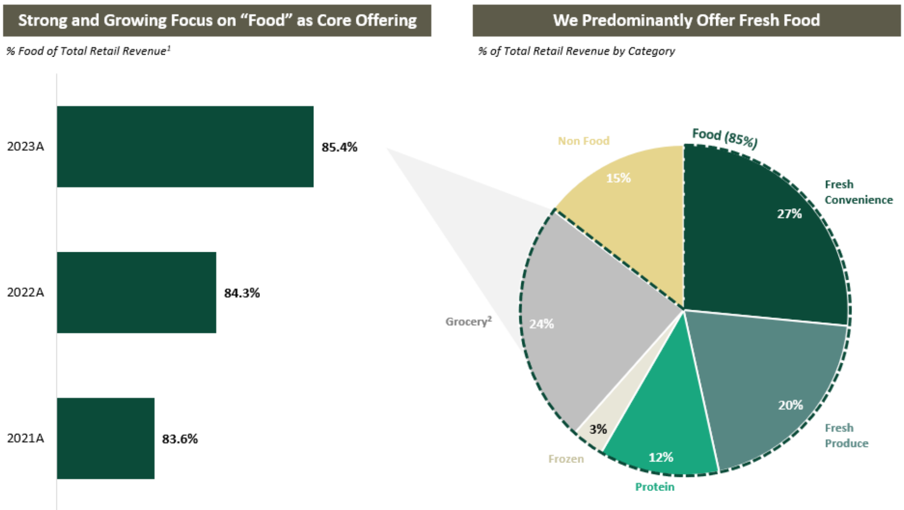
The Group commanded a 12% share of the Target Market in the UAE and a 27% share of the Target Market in Dubai in 2022 (see "*Industry Overview—Spinneys' performance in the UAE Market—Spinneys' Market Share and Market Size*"). As at 31 December 2023, 46 of the Group's Stores were in Dubai, further solidifying 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. Food-related products generated 85% of the Group's Retail Revenue for the year ended 31 December 2023, resulting in a 33.8% Food Trade Margin (excluding the back margin, being additional revenue earned from promotional activities conducted by the supplier).



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

The proportion of the Group's Retail Revenue generated from fresh food grew from 60% in both 2021 and 2022 to 62% in 2023, compared to the national average of fresh food as a percentage of total sales in the UAE grocery retail market, which stood at 45% in 2022 (source: Kearney). Retail Revenue from fresh food grew at a CAGR of 8.0% between 2021 and 2023, with a Fresh Food Trade Margin of 36% in 2023.

The Group targets 35% of its store space being focused on the display of fruit and vegetables. This emphasis has resulted in the Group's Average Basket Size growing at a CAGR of 3.3% from 2019 through 2023. In September 2023, the Spinneys monthly claimed basket value in AED was 27% greater than the Group's closest peer in the UAE (source: Nielsen).

The Group carefully selects the products that will form part of its fresh offering, including, for example, strawberries and blueberries, which resulted in J.H.F. Limited ("**JHF UK**") becoming one of the leading exporters of UK strawberries to the UAE, with the Group having doubled the value of its strawberry category over the last four years. The Group similarly increased the volume of its Spinneys blueberry category by 69% since 2019, with 29% of total blueberry sales coming from the Group's jumbo 500 grams variety.

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, generating 41.1% of the Group's Retail Revenue for the year ended 31 December 2023, compared to 38.3% and 37.6% for the years ended 31 December 2022 and 2021, respectively. The Private Label Trade Margin grew by 70 basis points from the average of 38.7% for 2021 and 2022 to 39.4% in 2023.

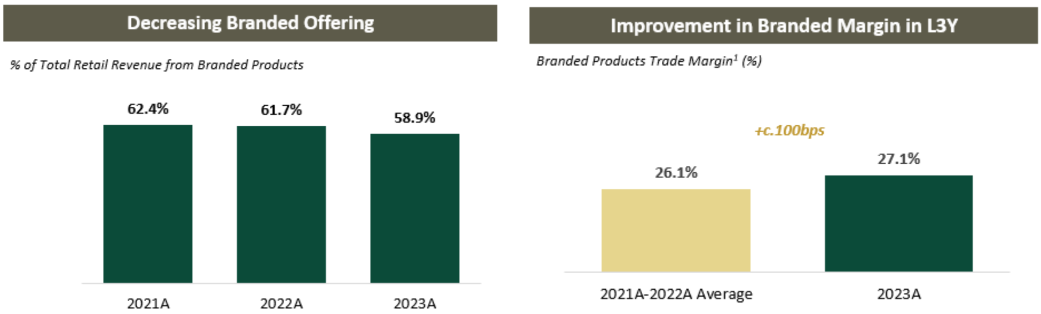
The portion of Private Label and Waitrose private label products in the sale of fresh products grew by 290 basis points from the average of 57.6% across 2021 and 2022 to an average of 60.5% across 2023, while 10% of the

Group's Private Label Retail Revenue is generated from ambient products, compared to the UAE industry average of 1% (source: Kearney).

The Group's 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 Group's 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

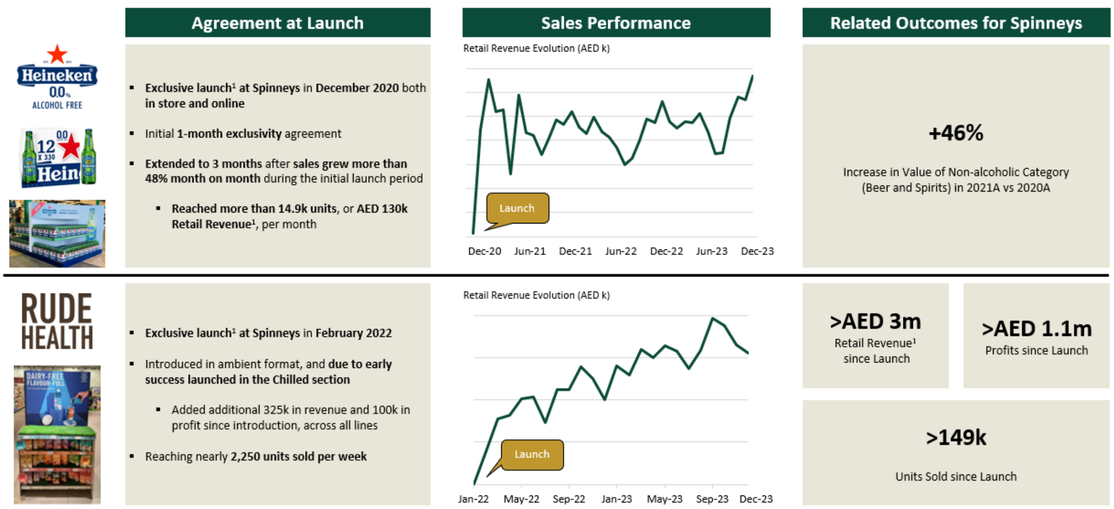
The Group has an extensive branded range, resulting in 59% of Retail Revenue being generated from branded products during the year ended 31 December 2023. The Group's Branded Trade Margin was 27.1% in 2023, having increased by approximately 100 basis points compared to the average trade margin for branded products between 2021 and 2022 of 26.1%. 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 3,984 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.

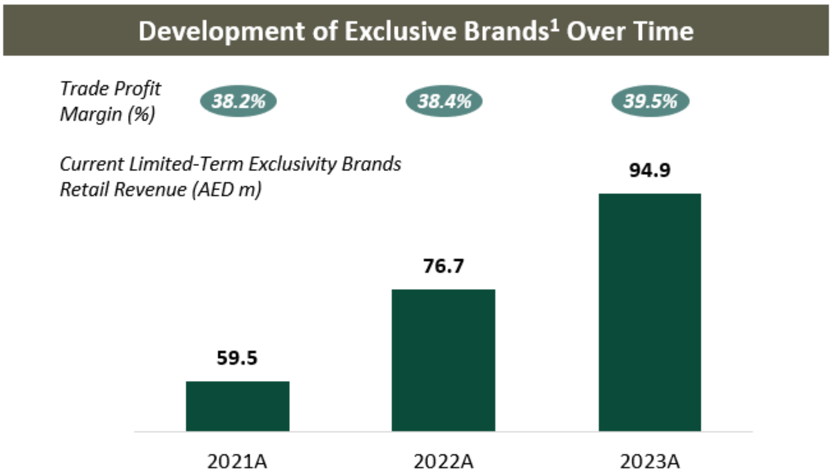
For limited-term periods, the Group periodically negotiates exclusive rights to sell certain products in the UAE, with limited-term exclusivity arrangements spanning approximately 289 brands during 2023, including Heineken 0%, Rude Health products, Truffle Hunter truffle oil, innocent smoothies and Warburtons 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.)

For the year ended 31 December 2023, 3.4% of the Group's Retail Revenue was generated from products the

Group had limited-term exclusive rights to sell in the UAE, with an average Branded Trade Margin in 2023 for the products the Group had limited-time exclusive rights to sell in the UAE of 39.5%. As demonstrated in the chart below, the Retail Revenue generated from brands with which the Group has limited-term exclusivity rights grew between 2021 and 2023.



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

For example, the Group had limited-term exclusive rights to sell Warburtons' bread from 2021 to 2023, which had year on year growth in sales of 532% in 2022 and 57% in 2023, resulting in Warburtons' bread becoming a top 10 line in the Group's bakery department in 2023.

Omni-Channel Platform Centred around Convenience

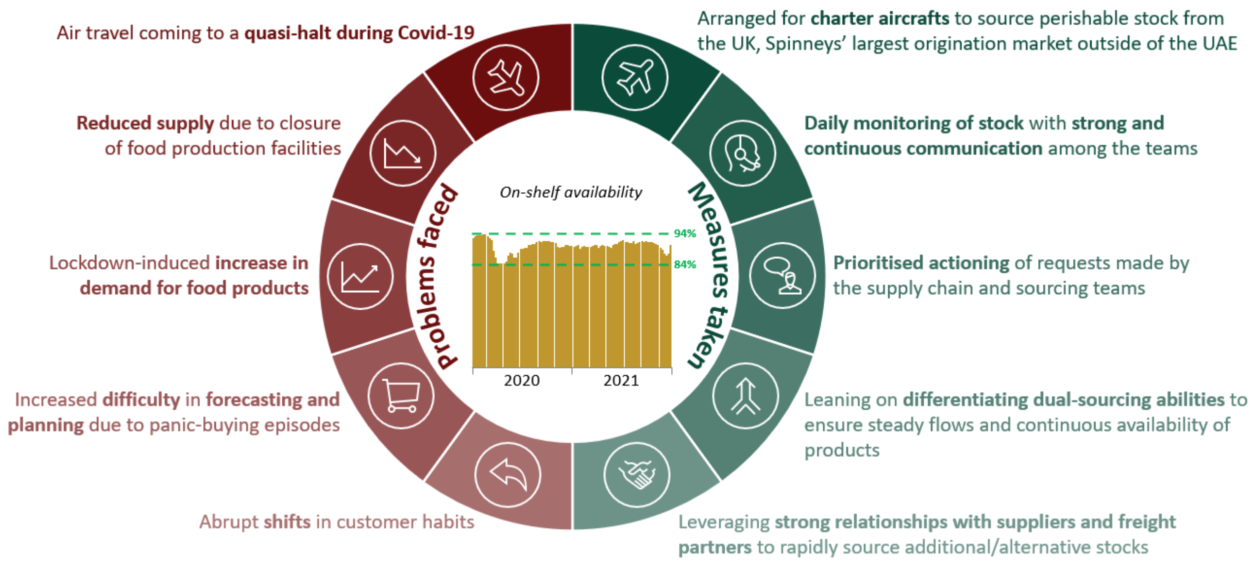
Through its omni-channel offering, the Group empowers consumers to shop flexibly and conveniently. The Group has multiple, flexible store formats in proximity to consumers. In 2023, 46 of the Group's Stores were in Dubai, 18 in Abu Dhabi (including 11 Stores managed by the Group pursuant to the Abu Dhabi 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. Following launch in 2020, as of 31 December 2023, the Group's Online Penetration was 13%, of which 13% of E-commerce sales were generated by the Group's platforms and 87% were generated by 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% 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:



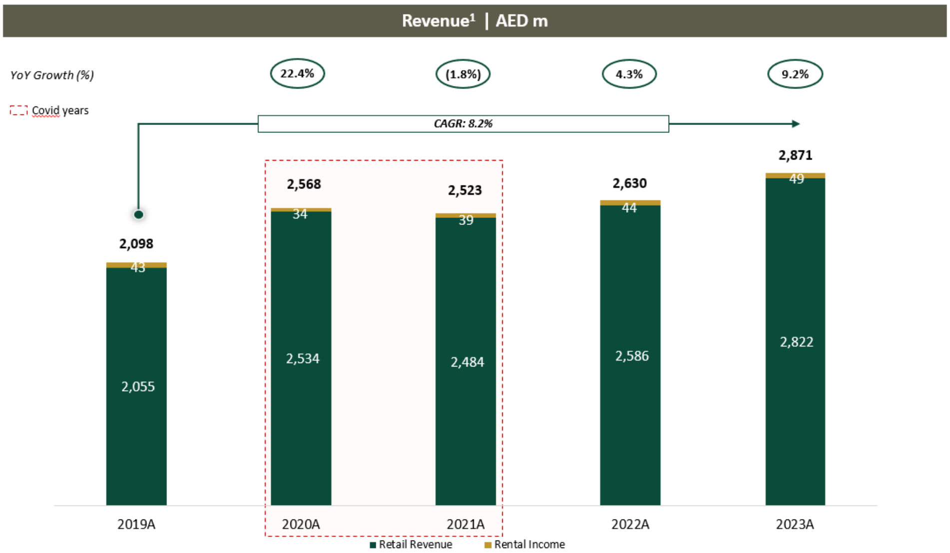
In addition, the Group operates two centralised production facilities (the "**Production Facilities**"), collectively delivering 1,498 SKUs daily. Further, the Group's well-invested, cloud-based IT infrastructure is ready to scale seamlessly and is supported by the Group's long-standing employee base, 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 c. AED 3,500 per sq.ft. in 2022, compared to a UAE market average in 2022 of c. AED 1,600 per sq.ft. (source: Kearney), and Gross Margin 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

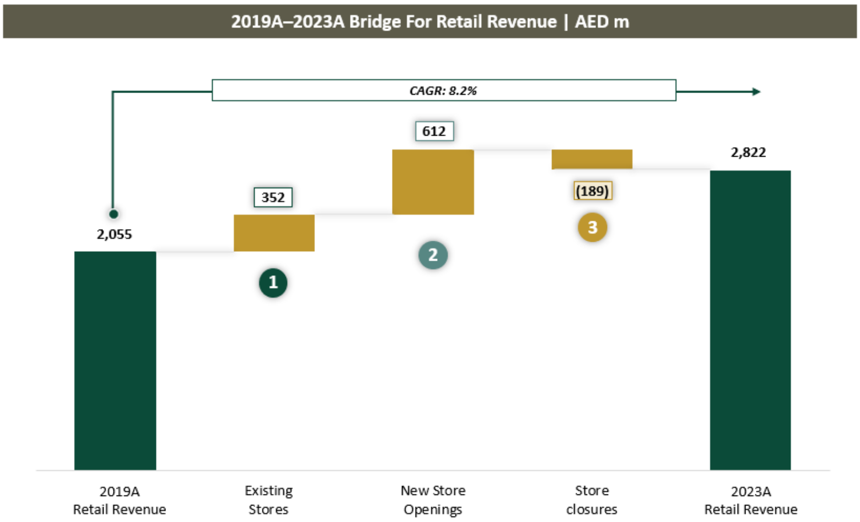
Robust Historical Growth Profile

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 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.

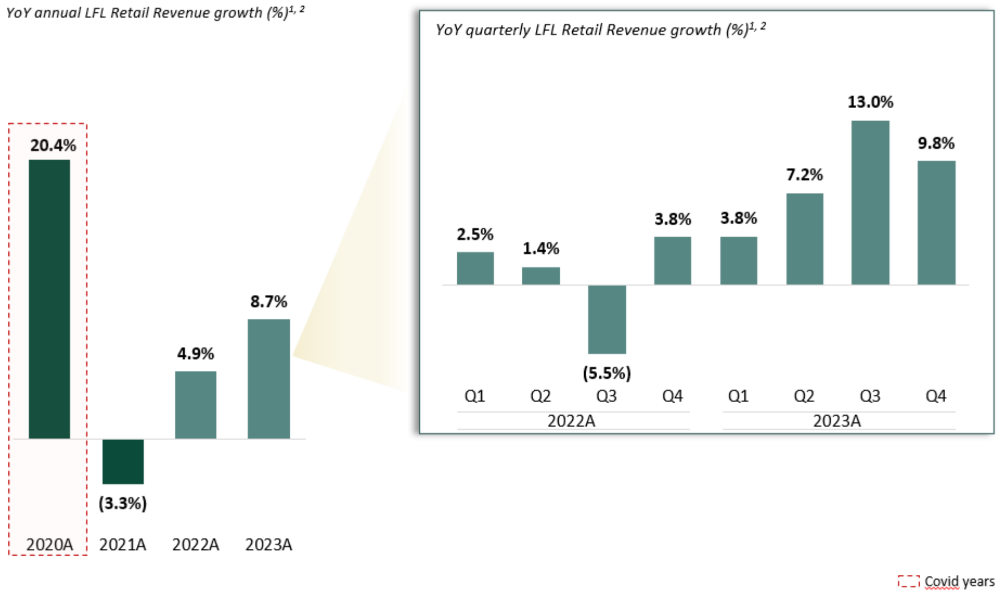


((1) All financial figures include Spinneys, Waitrose and Al Fair brands but exclude Spinneys Abu Dhabi Stores operated under Spinneys Abu Dhabi Services Agreement.)

The Group's Retail Revenue grew from AED 2,055 million for the year ended 31 December 2019, to AED 2,822 million for the year ended 31 December 2023, representing a CAGR of 8.2% through 2019 to 2023. Retail Revenue from existing Stores (excluding the Spinneys Stores in Abu Dhabi operated by the Group pursuant to the Spinneys Abu Dhabi Services Agreement) contributed a CAGR of 4% through 2019 to the end of 2023, primarily driven by a 22.0% increase in the total number of transactions through 2019 to the end of 2023. The opening of 31 Stores from 2019 through to the end of 2023 led to a 28.6% growth in GSA and a revenue CAGR of 6.7% across the same period. The closure of 24 stores from 2019 through to the end of 2023 resulted in AED 189 million of lost revenue, with 83% of closed Stores being legacy stores opened before 2019 (see "*Principal Operations—Store Portfolio Evolution*").



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.



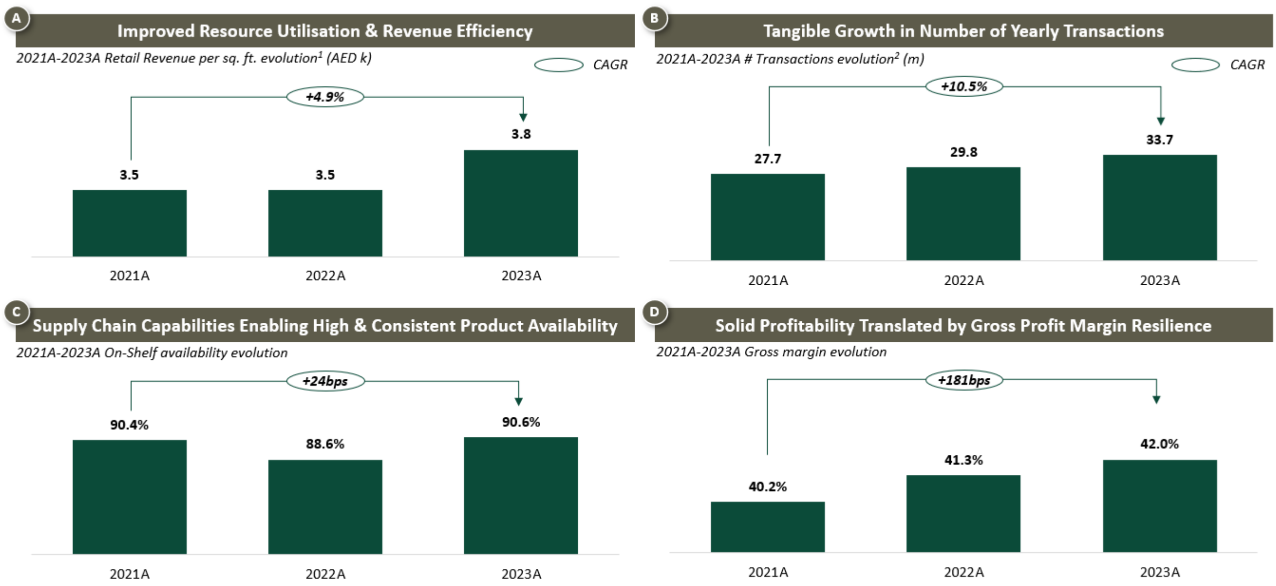
This Revenue growth has resulted in growth in the Group's gross profit and profit for the year. The Group's gross profit grew from AED 1,013 million for the year ended 31 December 2021, to AED 1,085 million for the year ended 31 December 2022 and to AED 1,205 million for the year ended 31 December 2023, resulting in Gross Margins of 40.2%, 41.3% and 42.0% across the same periods, respectively, reflecting a CAGR of 9.1% through 2021 to the end of 2023. In addition to growth in revenue, growth in the Group's gross profit was also driven by the Group's efficient sourcing network and supply chain, achieved through proximity to suppliers, providing a significant cost advantage.

The Group's Trade Margin averaged 32.8% across 2021 and 2022 and grew to 34.6% for the year ended 31 December 2023. In addition, the Group's Retail Revenue per GSA averaged c. AED 3,490 per sq.ft. across 2021 and 2022 and grew to c. AED 3,840 per sq.ft. in 2023 and the Group's Return on Total Assets was 12%, 14.5% and 13.7% for the years ended 31 December 2021, 2022 and 2023, respectively.

The Group's Adjusted EBITDA grew from AED 472 million for the year ended 31 December 2021, to AED 503 million for the year ended 31 December 2022 to AED 562 million for the year ended 31 December 2023, resulting in Adjusted EBITDA Margins of 18.7%, 19.1% and 19.6% across the same periods, respectively, reflecting year on year growth of negative 5.8% for the year ended 31 December 2021 and year on year growth of 6.6% for the year ended 31 December 2022 and 11.5% for the year ended 31 December 2023.

As a result, the Group's profit for the year grew from AED 192 million for the year ended 31 December 2021, to AED 214 million for the year ended 31 December 2022 to AED 254 million for the year ended 31 December 2023, at a CAGR of 15% through 2021 to the end of 2023.

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

The Group's disciplined cash flow management, coupled with revenue growth and strong margins, delivered Free Cash Flow amounting to AED 260 million, AED 174 million and AED 313 million for the financial years ended 31 December 2021, 2022 and 2023, respectively, resulting in FCF Conversion of 98.1%, 59.6% and 92.9%, for the same periods, respectively. This financial strength provides a strong lever for the Group to fund organic growth, while supporting shareholder value creation and ability to pay dividends. Furthermore, strong Free Cash Flow assisted the Group in maintaining Net Leverage of 1.4x, 1.5x and 1.0x as at 31 December 2021, 2022 and 2023, respectively, with Financial Debt of AED 9 million, AED 7 million and AED 7 million for the same periods, respectively, and Net Debt of AED 644 million, AED 747 million and AED 576 million for the same periods, respectively. Across the 2021 to end of 2023 period, over 99% of Gross Debt related to lease liabilities.

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*").

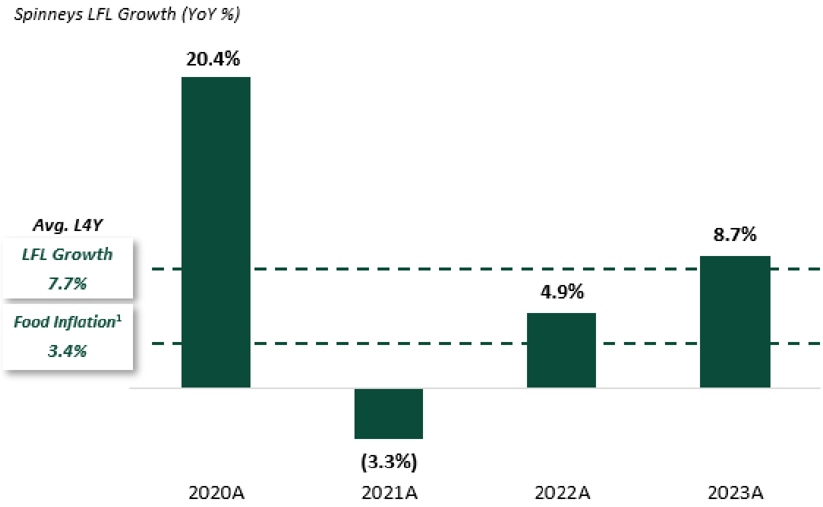
The Group is further supported by the founding shareholder, Chairman Mr. Ali Al Bwardy, a figurehead in the UAE retail sector, who is committed to the Group's ongoing success (See "*Management—Board of Directors*").

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.



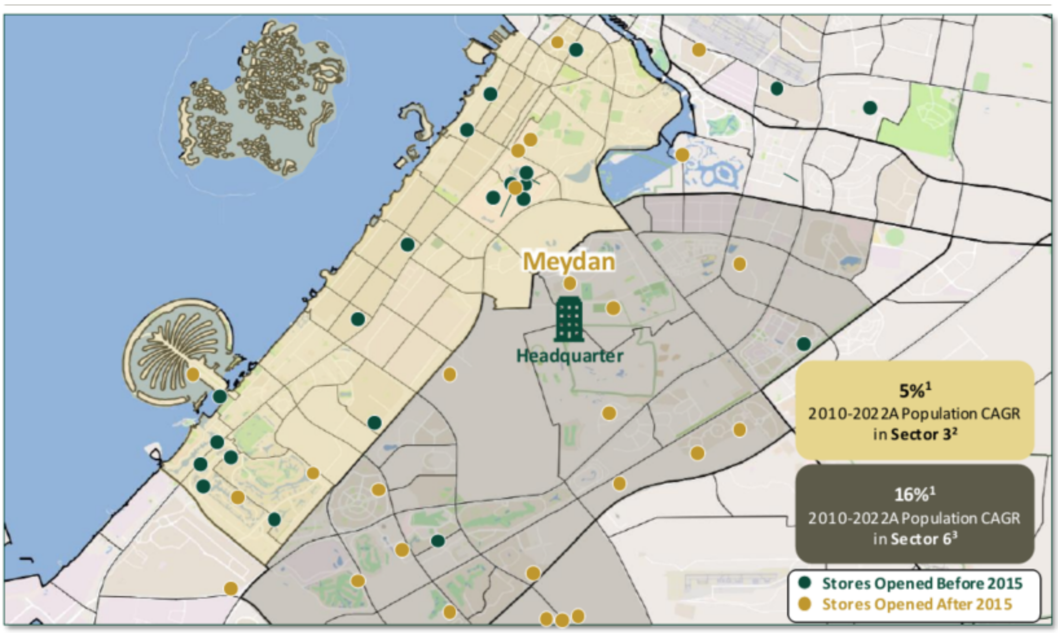
((1) Source: Euromonitor and UAE Statistics.)

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 (*source: Kearney*). Key internal drivers of Like-for-like Growth in the medium-term include increasing Retail Revenue from fresh products, which grew at a CAGR of 4.2% from 2019 to 2023, increasing Retail Revenue from sales of the Group's Private Label products together with Waitrose private label products, which grew at a CAGR of 9.8% from 2019 to 2023, and increasing Online Penetration, which grew to 13% from launch in 2020 to 2023.

UAE Whitespace Expansion

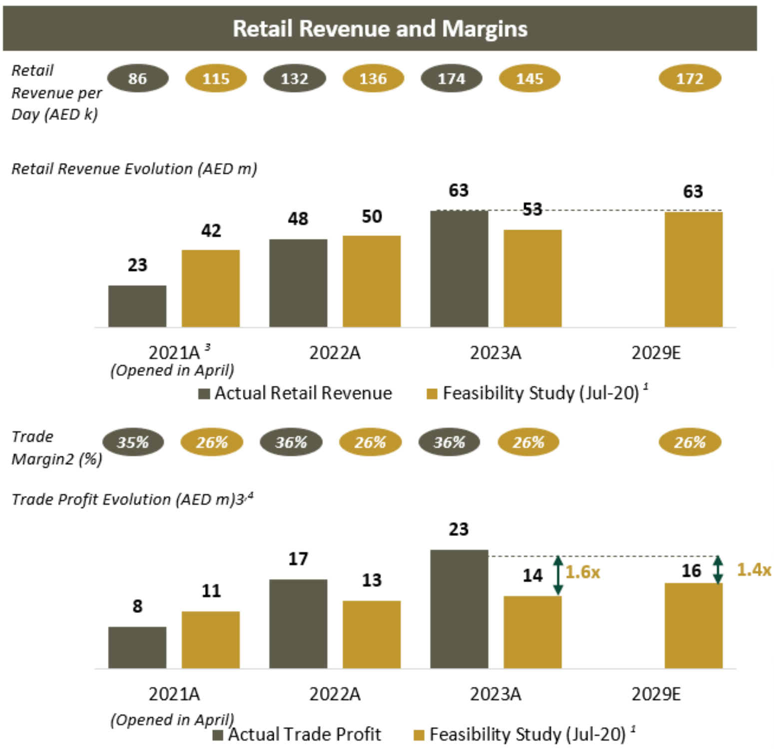
Whitespace in the UAE is projected to grow from 38 million sq.ft. in 2022 to 46 million sq.ft. in, equivalent to 538 Spinneys stores of 16,000 sq.ft. (source: Kearney), presenting a growth opportunity for the Group to open additional stores in the UAE and capture further market share in the UAE, following 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 (see "*Industry Overview—Spinneys' performance in the UAE Market—Government initiatives and targets*").

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.



((1) Dubai Statistics Centre; (2) Sector 3 as defined by the Dubai Statistics Centre as the area going from Dubai Marina to Al-Ḥamriyah; (3) Sector 6 as defined by the Dubai Statistics Centre as the area going from Me'aisem First to Warisan.)

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.

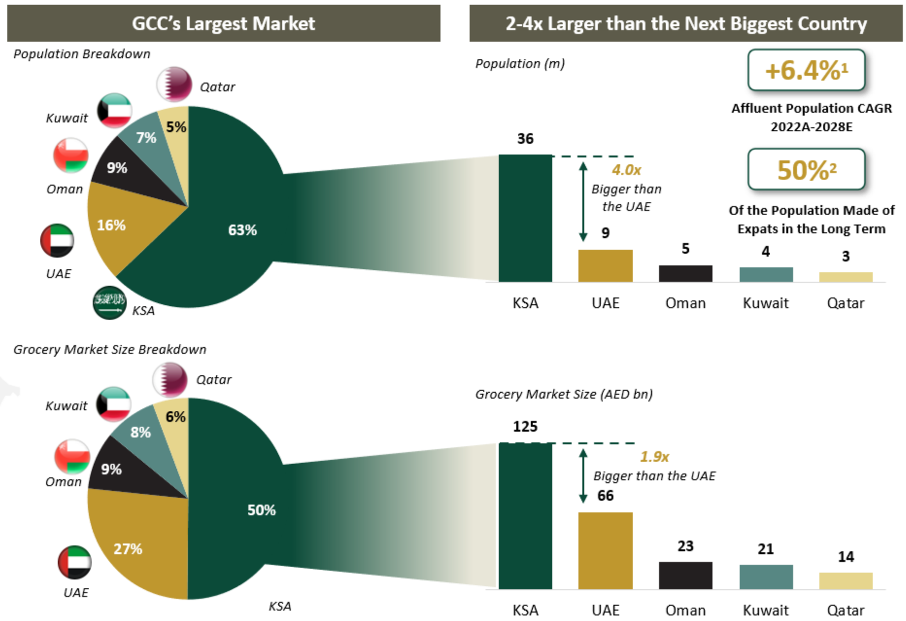


((1) Feasibility study assumed operations starting from Jan 1st 2021; (2) Excludes back margin; (3) Financial information considered from April 2021 when the store opened; (4) Gross profit for feasibility study refers to net gross profit calculated as gross profit – markdowns, breakages and shrinkage.)

The KSA Whitespace Expansion

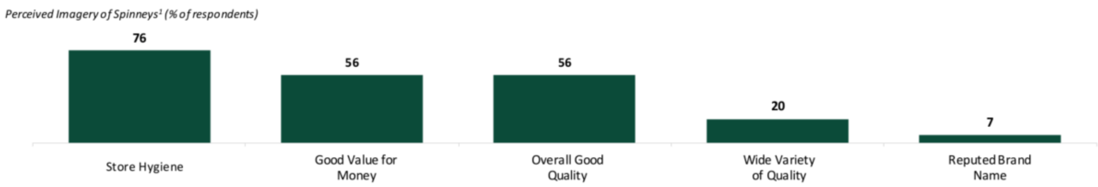
The Whitespace opportunity in the KSA presents an attractive opportunity for the Group's international expansion. Whitespace in the KSA is projected to increase to 86 million sq.ft. by 2033 (source: Kearney), equivalent to approximately 1,190 Spinneys stores. The growth in Whitespace in the KSA is further 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.

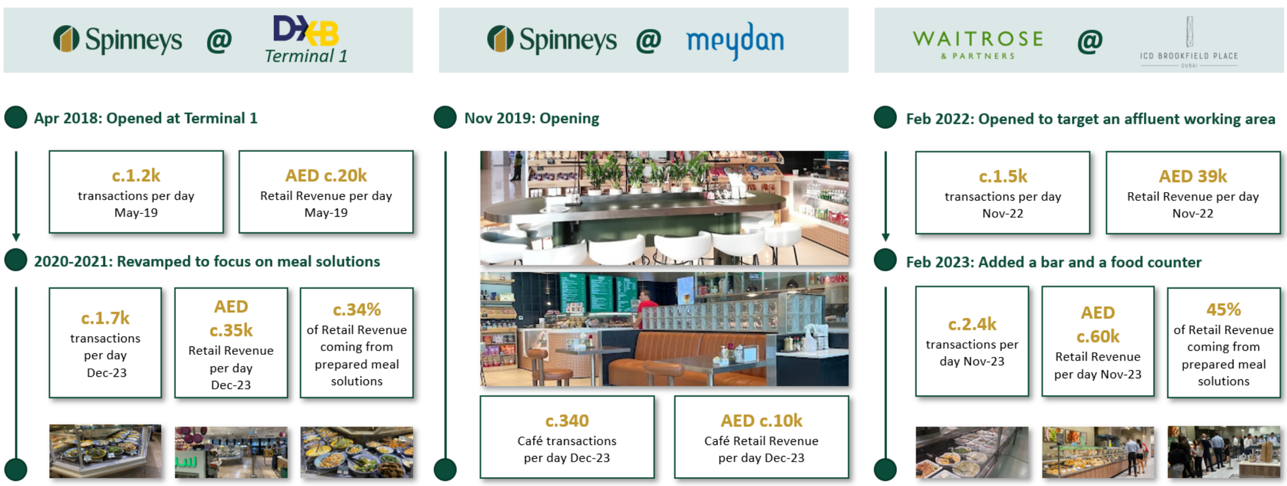
The Group has designed its logistics processes to transport products to its Stores in Saudi Arabia from suppliers based both locally and internationally. Locally, suppliers will deliver directly to Stores on a daily basis, in response to orders placed by the Replenishment Team, and the La Strada Store 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 café. 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 Exports PTY. LTD. ("**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 60th 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.

Recent Developments

For a discussion of the Group's sales and recent developments for the three months ended 31 March 2024 see "*Recent Developments*".

Risk Factors

Investing in and holding the Sale Shares involve significant risk, including the following:

Risks Relating to the Group's Business and Industry

- 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
- 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
- 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
- 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
- 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'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
- 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
- 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 operations, Stores, revenues, profits and cash flows are mainly concentrated in the UAE, particularly in Dubai
- 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
- The Group's expansion into the KSA is subject to a range of risks and external factors
- 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
- An increase in selling, general and administrative expenses may have a negative impact on the Group's business and results of operations
- 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
- 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
- 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 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 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 maintains ongoing business relationships with several related parties and enters into related party transactions in the ordinary course of its business
- 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
- 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
- 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'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'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

- 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
- 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
- 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 senior management of the Company does not have prior experience in managing a publicly listed Company
- 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 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
- 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
- The Group may need to raise additional debt or equity capital in the future

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
- 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
- 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
- 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
- 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 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 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

Risks Relating to the Offer Shares

- 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
- 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
- Following the Global 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
- 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
- It may be difficult for shareholders to enforce judgments against the Company in the UAE, or against its directors and senior management
- Prior to the Global Offering, there was no existing market for trading in the Shares. In addition, the DFM is significantly smaller in size than other established securities markets, which may also affect liquidity in the

Shares

- The Global 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
- 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

THE GLOBAL OFFERING

"**Company**"...............................	Spinneys 1961 Holding PLC
"**Selling Shareholder**".............	Al Seer Group LLC. Immediately following completion of the Global Offering, Al Seer Group LLC will continue to own at least 75% of the Company's issued and outstanding share capital assuming that the Selling Shareholder sell all of the Sale Shares being offered and that the size of the Global Offering is not increased.
"**Joint Global Coordinators and Joint Bookrunners**"..........	ENBD, HSBC and BofA Securities have been appointed as Joint Global Coordinators and Joint Bookrunners, and EFG Hermes has been appointed as a Joint Bookrunner.
"**Global Offering**"	900,000,000 ordinary shares are being offered in the Global Offering (the "**Sale Shares**"). The Global Offering comprises the Qualified Investor Offering (including the Institutional Offering) and the UAE Retail Offer. All of the Sale Shares are being sold by the Selling Shareholder. The Selling Shareholder reserves the right to amend the size of the Global Offering at any time prior to the end of the subscription period at its sole discretion. The net proceeds generated by the Global Offering (after base fees and discretionary fees are paid) will be received by the Selling Shareholder. The Company will not receive any proceeds from the sale of Sale Shares by the Selling Shareholder other than reimbursement from the Selling Shareholder for any expenses relating to the Global Offering. The Sale Shares are being offered outside the United States in reliance on Regulation S. The Exempt Offer is being made in the DIFC pursuant to an exemption from registration under the Markets Rules of the DFSA and in the ADGM pursuant to an exemption from registration under the Markets Rules of the FSRA. Subject to the approval of the SCA, the Company reserves the right to alter the percentage of the Global Offering which is to be made available to either the UAE Retail Offer, which shall not exceed 40.0% of the total Sale Shares offered in the Global Offering, or the Qualified Investor Offering, which shall not be reduced to less than 60.0% of the total Sale Shares offered in the Global Offering.
"**Qualified Investor Offering**".	95% of the Sale Shares being offered in the Global Offering are being offered to certain investors in the Qualified Investor Offering: (i) outside the United States in reliance on Regulation S; and (ii) pursuant to the Exempt Offer.
"**Exempt Offer**"........................	A number of Sale Shares to be determined by the Joint Global Coordinators, the Selling Shareholder and the Company are being offered in the DIFC Exempt Offer in the DIFC pursuant to an exemption from registration under the Markets Rules Module of the DFSA Rulebook, and in an ADGM Exempt Offer in the ADGM pursuant to an exemption from registration under the Markets Rules of the FSRA.
"**UAE Retail Offer**"	5% of the Sale Shares are being offered in the UAE pursuant to the UAE Prospectus, the publication of which was approved by the SCA, to (A) natural persons who hold a national investor number ("**NIN**") with the DFM and (B) other investors (including natural persons, companies and establishments) who do not participate in the Qualified Investor Offering that hold a NIN with the DFM.
"**Cornerstone Investors**"	On 23 April 2024, the Company and the Selling Shareholder entered into cornerstone investor agreements (the "**Cornerstone Investor Agreements**") with each of (i) Emirates International Investment Company LLC and (ii) Templeton Asset Management Ltd and Franklin Templeton Investments (ME) Ltd, as investment managers on behalf of

	certain funds and accounts (the "**Cornerstone Investors**" and each a "**Cornerstone Investor**"), pursuant to which each of the Cornerstone Investors severally (and neither jointly nor jointly and severally and, in the case of Emirates International Investment Company LLC, in conjunction with its affiliates) has committed to purchase Sale Shares in the Global Offering, and the Selling Shareholder has agreed to sell, and procure the allotment and transfer of, Sale Shares to the Cornerstone Investors from the Qualified Investor Offering at the offer price and in accordance with the commitments opposite each Cornerstone Investor's name in the table set out in "*Sale of Sale Shares—Cornerstone Investors*". The aggregate commitments of all the Cornerstone Investors pursuant to the Cornerstone Investor Agreements are approximately AED 275,437,500. The Cornerstone Investor Agreements are conditional upon Admission and certain other customary conditions being satisfied and will terminate automatically if such conditions have not been fulfilled on or before 9 May 2024 (or such other date as may be agreed between the Company, the Selling Shareholder and the Cornerstone Investors). For more information, see "*Sale of Sale Shares—Cornerstone Investors*".
"**Shares**"	The share capital consists of 3,600,000,000 ordinary shares (the "**Shares**"), each with a nominal value of AED 0.01, which are fully paid, issued and outstanding. The Shares have the rights described under "*Description of Share Capital*".
"**Offer Price Range**"	The offer price range is AED 1.42 to 1.53 per Share.
"**Commencement of the Global Offering**"..................................	On or around 23 April 2024.
"**Expected Pricing Date**"	On or around 1 May 2024.
"**Expecting Closing Date**"........	On or around 9 May 2024.
"**Payment and settlement**"	Payment for the Sale Shares purchased in connection with the Qualified Investor Offering shall be made in AED. Purchasers will be required to make full payment for the Sale Shares to the Joint Bookrunners for receipt by the Joint Bookrunners two business days prior to the Closing Date. In the event of a failure to make timely payment, purchasers of Sale Shares may incur significant charges. Delivery of the Sale Shares is expected to be made on the Closing Date to the accounts of purchasers through the book-entry facilities operated by the DFM. Trading of the Sale Shares will take place through the trading system of the DFM. Sale Shares will be held under NINs assigned by the DFM either to the holders directly or through custodian omnibus accounts and the ownership of the Sale Shares will be evidenced by the holdings under each such NIN. Clearing and settlement of trades on the DFM by brokers or custodians may be performed only through members of the DFM that are authorised clearing members (the "**Clearing Members**"). Settlement of securities trading on the DFM is governed by the DFM's rules and regulations, which are available from its website, www.dfm.ae.
Price Stabilisation....................	In connection with the Global Offering, the Company and the Selling Shareholder will appoint BHM Capital Financial Services PJSC, a duly authorised price stabilisation manager by the DFM, to act as a price Stabilisation Manager, who may, to the extent permitted by applicable law, including the DFM Trading Rules, and for stabilisation purposes, effect stabilising transactions on the DFM.

As part of the Global Offering, the Selling Shareholder will sell 45,000,000 Sale Shares (the "**Stabilisation Shares**") and such shares will be allocated to investors as part of the normal allocation process for the Global Offering. The Selling Shareholder reserves the right to increase the number of Stabilisation Shares, up to a maximum of 10% of the Sale Shares, at any time prior to the end of the subscription period at its sole discretion, subject to applicable laws. If at any time during the Stabilisation Period the share price of the Shares on the DFM falls below the Offer Price, the Stabilisation 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.

None of the Joint Bookrunners or any of their respective affiliates, nor any of the Joint Bookrunners' or their respective affiliates' 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 Stabilisation Manager.

"**Exchange**"............................... The Dubai Financial Market

"**Restrictions on purchases and transfers of Sale Shares**"......... The Sale Shares are subject to certain restrictions on their purchase, resale and transfer. For more information, see "*Sale of Sale Shares*" and "*Transfer Restrictions*".

"**Dividends**" .... 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 the first half of 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. See "*Dividend Policy*".

"**Use of proceeds**".................... The net proceeds generated by the Global 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 Global Offering other than reimbursement from the Selling Shareholder for any expenses relating to the Global Offering. All expenses of the Global Offering (including base fees and any discretionary fees) will be borne by the Selling Shareholder. The Global 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 Sale Shares and raising the Group's profile with the investment community, as discussed under "*Use of Proceeds*".

"**Listing and trading**" .... Prior to the Global Offering, there has not been any public market for the Sale Shares. There will be no conditional dealings in the Sale Shares prior to Admission. It is expected that Admission will become effective and that dealings in the Sale Shares will commence on the DFM on or about the Closing Date.

"**Lock-up**"................................ The Selling Shareholder has contractually agreed, for a period of 180 days from the date of Admission (the "**Lock-up Period**"), not to (i) directly or indirectly, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant, or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or otherwise transfer or dispose of, directly or indirectly, any Shares or other shares of the Company, or securities convertible or exchangeable into or exercisable for any Shares or warrants or other rights to purchase Shares or any security or financial product whose value is determined directly or indirectly by reference to the price of the Shares (excluding for the avoidance of doubt any securities issued by the Selling Shareholder), (ii) enter into any swap, or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Shares, in each case, whether any such transaction is to be settled by delivery of Shares or other securities, in cash or otherwise or (iii) publicly announce such an intention to effect any such transaction, in each case, without the prior written consent of the Joint Global Coordinators, such consent not to be unreasonably withheld or delayed.

The foregoing restriction will not apply to, among others: (i) the offer and sale of the Shares in the Global Offering; (ii) any inter-company transfers of Shares by the Selling Shareholder in favour of its affiliates (provided that the transferee agrees to comply with the foregoing restrictions); (iii) accepting a general offer (including from the Company) made to all holders of Shares then in issue (other than Shares held by the person making the offer or its affiliates) on terms which treat all holders of Shares alike, or executing and delivering an irrevocable commitment or undertaking to accept such a general offer (without any further agreement to transfer or dispose of any Shares or any interest therein); (iv) taking up any rights granted in respect of a pre-emptive share offering by the Company; (v) selling or otherwise disposing of Shares pursuant to any offer by the Company to purchase its own Shares which is made on identical terms to all holders of Shares in the Company; (vi) any disposal by and/or allotment and issue of shares to the Selling Shareholder pursuant to any capital reorganisation in respect of any Shares beneficially owned, held or controlled by the Selling Shareholder; or (vii) transferring or otherwise disposing of Shares pursuant to a compromise or arrangement between the Company and its creditors or any class of them or between the Company and its members of any class of them which is agreed to by the creditor or members and (where required) sanctioned by any applicable authority.

The Company has contractually agreed, for the duration of the Lock-up Period, that neither it nor any of its affiliates nor any person acting on its or their behalf will, without the prior written consent of the Joint Global Coordinators (such consent not to be unreasonably withheld or delayed): (i) issue, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant, or contract to purchase, exercise any option to sell, purchase any option or contract to sell or otherwise transfer or dispose of, directly or indirectly, any ordinary shares or other shares of the Company, or securities convertible or exchangeable into or exercisable for any ordinary shares or warrants or other rights to purchase ordinary shares or any security or financial product whose value is determined, directly or indirectly, by reference to the price of the ordinary shares; (ii) enter into any swap, or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the ordinary shares, in each case, whether any such transaction is to be settled by delivery of ordinary shares or other securities, in cash or otherwise; or (iii) publicly announce such an intention to effect any such transaction.

See "*Sale of Sale Shares—Lock-up Arrangements*" for information on the lock-up or any applicable exceptions thereto.

Pursuant to the Cornerstone Investor Agreements, the Cornerstone Investors have respectively agreed that, subject to certain customary exceptions, during a period of not less than 90 days from the Closing Date, such Cornerstone Investor will not offer, sell or contract to sell, or otherwise dispose of, directly or indirectly, or announce an offer of any Sale Shares it has acquired under the Cornerstone Investor Agreements (or any interest therein in respect thereof) or enter into any transaction with the same economic effect as any of the foregoing.

"**Taxation**"................................ For a discussion of certain tax considerations relevant to an investment in the Sale Shares, see "*Taxation*".

"**General Information**"............ The security identification numbers of the Sale Shares offered hereby are as follows:

Sale Shares ISIN: AEE01377S248

DFM Trading Symbol: SPINNEYS

"**Risk Factors**".......................... You should read "*Risk Factors*" for a discussion of factors that you should consider carefully before deciding to invest in the Global Offering.

SUMMARY HISTORICAL FINANCIAL INFORMATION

The summary historical financial information set forth below is based upon the Financial Statements, which have been prepared in accordance with IFRS.

The summary historical financial information should be read in conjunction with the "Selected Historical Financial Information", "Management's Discussion and Analysis of Financial Condition and Results of Operations", and the Financial Statements, including the related notes, included elsewhere in this Offering Memorandum.

Consolidated statement of profit or loss data

	For the year ended 31 December		
	2021	**2022**	**2023**
		AED 000	
Revenue from contracts with customers	2,483,713	2,585,880	2,821,837
Rental income	38,849	44,241	49,327
Revenue	**2,522,562**	**2,630,121**	**2,871,164**
Cost of sales	(1,509,459)	(1,544,765)	(1,665,955)
GROSS PROFIT	**1,013,103**	**1,085,356**	**1,205,209**
Other income	11,206	12,117	19,214
Selling, general and administrative expenses	(551,896)	(593,275)	(661,997)
Depreciation and impairment of right-of-use assets	(167,831)	(175,360)	(180,508)
Depreciation and impairment of property, plant and equipment	(71,440)	(74,306)	(78,315)
Impairment of goodwill	(1,597)	(3,040)	(3,463)
Finance income	698	-	-
Finance costs	(38,886)	(36,384)	(44,546)
PROFIT BEFORE TAX	**193,357**	**215,108**	**255,594**
Income tax expense	(1,182)	(835)	(1,277)
PROFIT FOR THE YEAR	**192,175**	**214,273**	**254,317**
Attributable to:			
Equity holders of the Company	192,175	214,273	256,152
Non-controlling interest	-	-	(1,835)
	192,175	**214,273**	**254,317**
Earnings per share			
Basic and diluted, profit for the year attributable to equity holders of the Company (in AED per share)	-	-	0.63

Consolidated statement of comprehensive income data

	For the year ended 31 December		
	2021	**2022**	**2023**
		AED 000	
PROFIT FOR THE YEAR	**192,175**	**214,273**	**254,317**
Other comprehensive (loss)/income			
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods (net of tax):			
Exchange differences on translation of foreign operation	(111)	(776)	283
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods (net of tax):			
Remeasurement of employees' end if service benefits	463	7,241	(119)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**352**	**6,465**	**164**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**192,527**	**220,738**	**254,481**
Attributable to:			
Equity holders of the company	192,527	220,738	256,316
Non-controlling interest	-	-	(1,835)
	192,527	220,738	254,481

Consolidated statement of financial position data

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

Consolidated statement of cash flows data

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

*Excludes certain non-cash transactions. Refer to page F-11 of the Financial Statements for more information.

Consolidated statement of changes in equity data

	Share capital	Restricted reserve	Retained earnings	Actuarial reserve	Foreign currency translation reserve	Total	Non-controlling interest	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	-	-	(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	-	-	(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	36,000	-	-	-	-	36,000	-	36,000
Investment in Al-Ma'kulat Al Fakhirah For Foods Products	-	-	-	-	-	-	147	147
Settlement of purchase consideration		-	(13,212)	-	-	(13,212)	-	(13,212)
Dividends declared and paid	-	-	(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**

RISK FACTORS

Investing in and holding the Sale Shares involves financial risk. Prospective investors in the Sale Shares should carefully review all of the information contained in this Offering Memorandum and should pay particular attention to the following risks associated with an investment in the Company, its Group and the Sale Shares, which should be considered together with all other information contained in this Offering Memorandum. If one or more of the following risks were to arise, the Group's business, financial condition, results of operations, prospects or the price of the Sale 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, its Group and the Sale Shares. Additional risks and uncertainties not currently known to the Group or which the Group currently deem immaterial may arise or become material in the future and may have a material adverse effect on the Group's business, results of operations, financial condition, prospects or the price of the Sale Shares.

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 Offering Memorandum, 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 may 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. Furthermore, the Group will be subject to renewal fees applied by the Dubai Land Department and other land authorities upon renewal of the registration of its leases and the Group may incur additional fees payable to the Dubai Land Department and other land authorities in connection with certain leases or grants following the Global Offering, which the Group is unable to determine or quantify.

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 (See "*Regulation—United Arab Emirates*"). 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. For more information about the financial and operational performance of the Group see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*".

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 (see "*Regulation*").

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 see "*Regulation*".

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 Offering Memorandum, 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 with related parties for the years ended 31 December 2021, 2022 and 2023, respectively. As at the date of this Offering Memorandum, 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 Offering Memorandum, 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 Offering Memorandum, pegged to the US dollar at an exchange rates 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 Offering Memorandum, 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 the first half of 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% 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 Offering Memorandum: 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, a 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, for example:

- inconsistencies between and among the constitution, federal law, presidential, governmental and ministerial decrees, and conflicts between federal, regional and local legislation;
- lack of fully developed corporate and securities laws;
- lack of judicial and administrative guidance on interpreting legislation;
- gaps in the regulatory structure due to delay or absence of implementing legislation;
- the relative inexperience of judges and courts in interpreting legislation;
- lack of an independent judiciary;
- difficulty in enforcing court orders;
- a high degree of discretion on the part of governmental authorities, which could result in arbitrary actions such as suspension or termination of the Group's licences; and
- under-developed bankruptcy or insolvency procedures that are subject to abuse.

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 Offering Memorandum, 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 Global 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 Global 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 Admission. 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 Closing 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 Global Offering) will be sold in the open market following the completion of the Global 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 Global Offering, there was no existing market for trading in the Shares. In addition, the DFM is significantly smaller in size than other established securities markets, which may also affect liquidity in the Shares

Prior to the Global 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 Global 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 Global 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 Global 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 Global 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 Global 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.

USE OF PROCEEDS

The net proceeds generated by the Global 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 Global Offering other than reimbursement from the Selling Shareholder for any expenses relating to the Global Offering. All expenses of the Global Offering (including base fees and any discretionary fees) will be borne by the Selling Shareholder. The Global Offering is being conducted, among other reasons, to allow the Selling Shareholder to sell part of their respective shareholdings, while providing increased trading liquidity in the Sale Shares and raising the Group's profile with the investment community.

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 the first half of 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.

CAPITALISATION

The tables should be read together with "*Presentation of Financial and Other Information*", "*Selected Historical Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and the Financial Statements and the related notes thereto, appearing elsewhere in this Offering Memorandum.

The following table sets out the Group's cash and cash equivalents, and total capitalisation as at 31 December 2023.

	As at 31 December 2023 *(AED thousand)*
Cash and cash equivalents (1)	**354,061**
Indebtedness	
Interest-bearing loans and borrowings (2)	7,117
Total indebtedness	**7,117**
Equity	
Share capital	36,000
Restricted reserve	4,778
Retained earnings	66,155
Actuarial reserve	7,585
Foreign currency translation reserve	851
Non-controlling interest	(1,688)
Total equity	**113,681**
Total capitalisation (3)	**120,798**

(1) 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.

(2) Interest-bearing loans and borrowings consist of the total of current and non-current interest-bearing loans and borrowings.

(3) Total capitalisation is calculated as the sum of total equity and total indebtedness.

SELECTED HISTORICAL FINANCIAL INFORMATION

Consolidated statement of profit or loss data

	For the year ended 31 December		
	2021	2022	2023
		AED 000	
Revenue from contracts with customers	2,483,713	2,585,880	2,821,837
Rental income	38,849	44,241	49,327
Revenue	**2,522,562**	**2,630,121**	**2,871,164**
Cost of sales	(1,509,459)	(1,544,765)	(1,665,955)
GROSS PROFIT	**1,013,103**	**1,085,356**	**1,205,209**
Other income	11,206	12,117	19,214
Selling, general and administrative expenses	(551,896)	(593,275)	(661,997)
Depreciation and impairment of right-of-use assets	(167,831)	(175,360)	(180,508)
Depreciation and impairment of property, plant and equipment	(71,440)	(74,306)	(78,315)
Impairment of goodwill	(1,597)	(3,040)	(3,463)
Finance income	698	-	-
Finance costs	(38,886)	(36,384)	(44,546)
PROFIT BEFORE TAX	**193,357**	**215,108**	**255,594**
Income tax expense	(1,182)	(835)	(1,277)
PROFIT FOR THE YEAR	**192,175**	**214,273**	**254,317**
Attributable to:			
Equity holders of the Company	192,175	214,273	256,152
Non-controlling interest	-	-	(1,835)
	192,175	**214,273**	**254,317**
Earnings per share			
Basic and diluted, profit for the year attributable to equity holders of the Company (in AED per share)	-	-	0.63

Consolidated statement of comprehensive income data

	For the year ended 31 December		
	2021	2022	2023
		AED 000	
PROFIT FOR THE YEAR	**192,175**	**214,273**	**254,317**
Other comprehensive (loss)/income			
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods (net of tax):			
Exchange differences on translation of foreign operation	(111)	(776)	283
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods (net of tax):			
Remeasurement of employees’ end if service benefits	463	7,241	(119)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**352**	**6,465**	**164**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**192,527**	**220,738**	**254,481**
Attributable to:			
Equity holders of the company	192,527	220,738	256,316
Non-controlling interest	-	-	(1,835)
	192,527	220,738	254,481

Consolidated statement of financial position data

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

Consolidated statement of cash flows data

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

*Excludes certain non-cash transactions. Refer to page F-11 of the Financial Statements for more information.

Consolidated statement of changes in equity data

	Share capital	Restricted reserve	Retained earnings	Actuarial reserve	Foreign currency translation reserve	Total	Non-controlling interest	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	-	-	(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	-	-	(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	36,000	-	-	-	-	36,000	-	36,000
Investment in Al-Ma’kulat Al Fakhirah For Foods Products	-	-	-	-	-	-	147	147
Settlement of purchase consideration		-	(13,212)	-	-	(13,212)	-	(13,212)
Dividends declared and paid	-	-	(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**

RECENT DEVELOPMENTS

Group Sales Update

The Group's sales for the first three months of 2024 were inline with its annual estimates, reflective of both the Group's forward-looking guidance and seasonality trends expected for the first quarter of the year.

Release of Corporate Guarantees

The Group had given three corporate guarantees for the benefit of its related parties (see "*Management's Discussion and Analysis of Financial Condition and Results of Operations —Off-balance sheet arrangements—Contingencies*"). One corporate guarantee was released on 26 March 2024, with the remaining two guarantees being released on 27 March 2024.

Intellectual Property License Agreement

Spinneys IP Limited, a direct subsidiary of the Company, entered into a trademark license agreement on 28 March 2024 with Gray Mackenzie Retail Lebanon Sal ("**GMRL**"), whereby it granted GMRL a licence to use the Spinneys trademark in relation to retail businesses in the Republic of Iraq, for a term of 10 years, in return for a licensing fee.

Cornerstone Investor Agreements

On 23 April 2024, the Company and the Selling Shareholder entered into cornerstone investor agreements (the "**Cornerstone Investor Agreements**") with each of (i) Emirates International Investment Company LLC and (ii) Templeton Asset Management Ltd and Franklin Templeton Investments (ME) Ltd, as investment managers on behalf of certain funds and accounts (the "**Cornerstone Investors**" and each a "**Cornerstone Investor**"), pursuant to which each of the Cornerstone Investors severally (and neither jointly nor jointly and severally and, in the case of Emirates International Investment Company LLC, in conjunction with its affiliates) has committed to purchase Sale Shares in the Global Offering, and the Selling Shareholder has agreed to sell, and procure the allotment and transfer of, Sale Shares to the Cornerstone Investors from the Qualified Investor Offering at the offer price and in accordance with the commitments opposite each Cornerstone Investor's name in the table set out in "*Sale of Sale Shares—Cornerstone Investors*". The aggregate commitments of all the Cornerstone Investors pursuant to the Cornerstone Investor Agreements are approximately AED 275,437,500. The Cornerstone Investor Agreements are conditional upon Admission and certain other customary conditions being satisfied and will terminate automatically if such conditions have not been fulfilled on or before 9 May 2024 (or such other date as may be agreed between the Company, the Selling Shareholder and the Cornerstone Investors). For more information, see "*Sale of Sale Shares—Cornerstone Investors*".

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of the Group's financial condition and results of operations as at and for the years ended 31 December 2021, 2022 and 2023 should be read in conjunction with the Group's Financial Statements, including the related notes, and the information relating to Group's business included elsewhere in this Offering Memorandum. Investors should read the whole of this Offering Memorandum and not just rely upon summarised information.

The discussion includes forward-looking statements that reflect the current view of the Group's management and involves risks and uncertainties. See "Forward-Looking Statements" and "Risk Factors" for a discussion of important factors that could cause the Group's actual results to differ materially from the forward-looking statements contained herein.

Overview

The Company is a holding company whose objective is to manage its subsidiaries and provide support required to its subsidiaries. The Company and its subsidiaries are principally engaged in the operation of supermarkets in the UAE and Oman. The Group prepares consolidated financial statements for the Company and its subsidiaries.

Directors' Declaration on the Financial Statements

To the best of the Directors' knowledge, the Financial Statements fairly represent, in all material respects, the consolidated financial position, results of operations and cash flows of the Group.

Key Factors Affecting the Results of Operations and Financial Performance

The most significant factors that have affected or are expected to affect the Group's results of operations and financial condition include the following:

- macroeconomic and geopolitical conditions;
- the restructuring of the Group;
- new Store openings and the resulting scaling of the Group's operations;
- seasonality;
- introduction of the UAE Corporate Tax Law;
- changing customer trends and food habits; and
- growth in Private Label penetration.

The above factors are described in more detail below.

Macroeconomic and geopolitical conditions

Macroeconomic conditions, including, but not limited to, the global economic recovery from the Covid-19 pandemic, inflation in the USA and Europe, and population growth, Affluent Population growth and disposable income growth in the UAE, driven by, among other factors the UAE's golden visa program and events such as Expo2020, as well as global geopolitical conditions, including the global repercussions of the ongoing conflicts in Ukraine and Gaza, have impacted the Group's operations for the periods under review.

The global economic recovery from Covid-19 resulted in a 3.3% decrease in LFL Growth in 2021, due to the exceptional spike in demand in 2020 driven by the COVID-19 pandemic. LFL Growth continued to grow year-on-year by 4.9% in 2022 and 8.7% in 2023, primarily driven by the Group's expanding Private Label penetration and growing Online Penetration and partially and indirectly driven by overall population growth in the UAE and, in particular by the growing Affluent Population in the UAE and disposable income growth in the UAE (see "*Business—Competitive Strengths—Sizeable, Growing and Long-term Resilient Demand for Premium Food across the GCC Region—Growing and Increasingly Affluent Populations*"). LFL Growth is expected to be supported by the projected 3.9% CAGR growth in the UAE total grocery retail market between 2022 and 2028 (source: Kearney), the projected 4.8% CAGR growth in the KSA total grocery retail market between 2022 and 2028 (source: Kearney), and the projected 6.8% CAGR growth in the UAE total food service market between 2022 and 2028 (source: Kearney).

Further, global political conditions have impacted the Group's operations for the periods under review. For example, ongoing disruption in the Red Sea has negatively impacted the Group's cost of sales for certain of the goods it purchases and increased freight costs for some of the Group's shipments, as the Group has been forced to divert a number of shipments via longer routes and increase the volume of products transported via air freight, whilst global inflation in the USA and Europe triggered by the conflict in Ukraine has increased the costs of some of the goods purchased by the Group from these regions (see "*Risk Factors—Risks Relating to the Group's Business and Industry—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*").

Group Restructuring

In contemplation of the Global Offering, a restructuring of the Selling Shareholder and its subsidiaries was conducted during the year ended 31 December 2023. As part of the restructuring, a cash sweep-in facility in place between Group entities and the Selling Shareholder was terminated in December 2023. In settlement of the receivable due to the Group by the Selling Shareholder arising on the cancellation of the cash sweep-in facility, strategic properties were transferred from the Selling Shareholder to the Company with a book value of AED 244.4 million during the year ended 31 December 2023, including the Group's headquarters and the Kezad warehouse.

Furthermore, as part of the restructuring, shares in certain Group entities were transferred to the Company from the Selling Shareholder, including, for example, Al Ma'kulat Al Fakhirah for Food Products, Spinneys Dubai LLC, Fine Fare Food Market LLC, Al Fair SPC (formerly Al Fair LLC), J.H.F. Limited, JHF USA Exports, INC., JHF Australia Exports PTY. LTD. and Spinneys IP Limited. As a result of the cancellation of the cash sweep-in facility and the management of the treasury function for the Group being transferred from the Selling Shareholder to the Company, cash and cash equivalents amounted to AED 354 million as at 31 December 2023.

Number of stores

Between 2019 and 31 December 2023, the Group opened 31 new Stores, which contributed an additional AED 612 million to revenue from the sale of goods, and closed 24 Stores, which resulted in a reduction to revenue from the sale of goods of AED 189 million, resulting in an overall net increase in the number of Stores of seven and an overall net increase in GSA of 165,074 sq.ft. (see "*Business—Principal Operations—Store Portfolio Evolution*"). The resulting scaling of the Group's operations to serve the net increase in the number of Stores, coupled with an increase in online penetration of 13%, resulted in an increase in, among others, the Group's cost of sales, selling, general and administrative expenses, lease liabilities and inventories, in addition to growing the Group's revenue by a CAGR of 8.2%.

A key element of the Group's strategy is expanding its Store network and capturing Whitespace in the UAE and KSA via the opening of Spinneys Stores in Dubai and the KSA and Waitrose Stores in Dubai and Abu Dhabi. The Group is targeting 25 new Store openings in the UAE between 2024 and 2028, of which three are targeted to open in 2024, with no Store closures planned for 2024. The Group is targeting between 10 and 12 new Store openings in the KSA between 2024 and 2028, of which four are targeted to open in 2024. Resulting Facility Capex is targeted to be between AED 10 to AED 15 million per Store.

The Group's targeted network expansion is contingent on the continued operation of certain material agreements, including the Waitrose License Agreement, the KSA Joint Venture Agreement and the Spinneys Trademark Licence Agreement (see "*Material Agreements*"). For example, for the year ended 31 December 2023, Spinneys Stores contributed 61% of the Group's Retail Revenue and Waitrose Stores contributed 36% of the Group's Retail Revenue, and pursuant to the KSA Joint Venture Agreement, the Group and the Al Hokair Family are required to make equal capital contributions to the KSA JV. As such, the termination of, or variation in the terms of, any of the aforementioned agreements, or a default by their respective counterparties, could impact the Group's rate of growth, operations and financial performance going forward.

Seasonality

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 growth then dips during Ramadan, due to the impact of Muslims fasting, there is a further substantial decrease in sales growth over the third quarter as residents leave the UAE to travel for summer vacations and an increase in sales during the fourth quarter as a result of high tourist numbers and schools reopening increasing the number of residents in the city. The following table sets out the percentage of the Group's Retail Revenue that is generated in each quarter:

	Quarter 1	**Quarter 2**	**Quarter 3**	**Quarter 4**
		(%)		
2021	26.0%	25.0%	21%	28%
2022	27.0%	25.0%	20%	27%
2023	26.0%	25.0%	21%	28%

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.

Introduction of the UAE Corporate Tax Law

Historically, income tax expenses have had a limited impact on the Group's Profit for the Year, representing 0.05%, 0.03% and 0.04% of the Group's revenue for the years ended 31 December 2021, 2022 and 2023, respectively. 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*").

Changing customer trends and food habits

The Group's operations are impacted by changing trends and food habits, such as an increase in the demand for quality healthy food due to consumers' concerns regarding their health and the impact of dietary choices on their health. For example, for the year ended 31 December 2023, the Group's Organic Product Revenue as % of Fresh Food Revenue was 7.5%.

In addition, the Group's results of operations have benefited from consumers increasingly choosing time-saving food options due to lifestyle changes, such as choosing to shop online and purchase convenient meal solutions options. The Group's Online Penetration grew to 13% for the year ended 31 December 2023, and the Group's Meal Solutions as a % of Retail Revenue grew from 6.1% for the year ended 31 December 2021, to 7.0% for the year ended 31 December 2022, to 7.9% for the year ended 31 December 2023.

Private Label Penetration

The Group's results of operations for the periods under review have been positively impacted by the growth in sales of the Group's Private Label products, together with an increase in sales of Waitrose private label products. The Group's Retail Revenue generated from sales of its Private Label products, together with the sale of Waitrose private label products, grew from 37.6% for the year ended 31 December 2021, to 38.3% for the year ended 31 December 2022, to 41.1% for the year ended 31 December 2023.

Non-IFRS financial measures

The Group presents certain measures in this Offering Memorandum to assess the financial performance of its business that are termed "non-IFRS measures" because they exclude amounts that are included in, or include amounts that are excluded from, the most directly comparable measure calculated and presented in accordance with IFRS, or are calculated using financial measures that are not calculated in accordance with IFRS. These selected non-IFRS financial measures are Gross Margin, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted EBITDA (post lease related expenses), Net Profit Margin, Dividend Payout, Net Working Capital, Return On Total Assets, Inventory Days, Receivable Days, Payable Days, Financial Debt, Gross Debt, Net Debt, Net leverage, Net leverage (excluding lease liabilities), Change in Net Working Capital, Free Cash Flow ("**FCF**"), Free Cash Flow Conversion and Like-for-like ("**LFL**") Growth.

The Management believes that the projected non-IFRS financial measures are useful as an additional tool to help the Management and investors make informed decisions. The non-IFRS measures the Group presents herein may not be comparable to similar measures computed by other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of the Group's operating results as reported under IFRS. The non-IFRS measures of the Group should be read only in conjunction with underlying IFRS historical financial information.

The definition and method of calculation of each of these measures are summarised in the following table:

Non-IFRS financial measure	Definition and method of calculation
Gross Margin	Gross profit divided by revenue
Adjusted EBITDA	Profit before tax plus depreciation and impairment of property, plant and equipment, depreciation and impairment of right-of-use assets, impairment of goodwill, finance costs minus finance income
Adjusted EBITDA margin	Adjusted EBITDA divided by revenue
Adjusted EBITDA (post lease related expenses)	Adjusted EBITDA minus depreciation and impairment on right-of-use assets and interest on lease liabilities
Net Profit Margin	Profit for the year divided by revenue
Dividend Payout	Dividends paid divided by profit for the year
Net Working Capital	Inventories plus trade receivables, refundable security deposits (receivable balance), prepaid expenses, VAT receivable, other receivables and amounts due from related parties, minus trade payables, accrued expenses, refundable security deposits (payable balance), VAT payable, net, purchase consideration payable, income tax payable, advances from tenants, other payables and amounts due to related parties
Return On Total Assets	Profit for the year divided by total assets (end of period)
Inventory Days	((Inventories (FY-1) plus inventories (FY0)) divided by 2) divided by cost of sales multiplied by 365 days
Receivable Days	((Trade receivables (FY-1) plus trade receivables (FY0)) divided by 2) divided by revenue from sale of goods multiplied by 365 days
Payable Days	((Trade payables (FY-1) plus trade payables (FY0)) divided by 2) divided by cost of sales multiplied by 365 days
Financial Debt	Total interest-bearing loans and borrowings
Gross Debt	Total interest-bearing loans and borrowings plus total lease liabilities
Net Debt	Total interest-bearing loans and borrowings plus lease liabilities minus cash and short-term deposits
Net leverage	Net Debt divided by Adjusted EBITDA
Net leverage (excluding lease liabilities)	(Net Debt minus lease liabilities) divided by Adjusted EBITDA (post lease related expenses)
Change in Net Working Capital*	Change in inventories plus change in trade receivables, prepayments and other receivables, change in related party balances and change in trade payables, and accruals and other payables

Free Cash Flow (“**FCF**”)	Adjusted EBITDA +/– Change in net working capital (“**NWC**”) +/– change in related party balances, minus purchase of property, plant and equipment, depreciation and impairment on right-of-use assets and interest on lease liabilities
Free Cash Flow Conversion	FCF divided by Adjusted EBITDA (post lease related expenses)
LFL Growth	Percentage change in revenue from sale of goods (“**Retail Revenue**”) for stores generating monthly Retail Revenue over the 12 months in a given financial year, excluding stores which were closed during the period

*Relates to line items in the Financial Statements that include non-cash adjustments.

The following table sets forth the Group’s key non-IFRS measures for the years ended 31 December 2021, 2022 and 2023.

	As at and for the year ended 31 December		
	2021	**2022**	**2023**
	AED million, except for percentages, days count and ratios		
Non-IFRS measures summary:			
Gross margin	40.2%	41.3%	42.0%
Adjusted EBITDA	472	503	562
Adjusted EBITDA margin	18.7%	19.1%	19.6%
Adjusted EBITDA (post lease related expenses)	265	292	337
Net Profit Margin	7.6%	8.1%	8.9%
Dividend payout	102.6%	102.1%	77.7%
Net working capital	(143)	13	(493)
Change in net working capital	18	(135)	202
Return on total assets	12.0%	14.5%	13.7%
Inventory days	30	29	28
Receivable days	3	3	3
Payable days	68	75	82
Financial Debt	9	7	7
Gross Debt	812	787	930
Net debt	644	747	576
Net leverage	1.4x	1.5x	1.0x
Net leverage (excluding lease liabilities)	(0.6)x	(0.1)x	(1.0)x
Free cash flow	260	174	313
Free cash flow conversion	98.1%	59.6%	92.9%

The following table sets forth the Group’s Adjusted EBITDA, Adjusted EBITDA margin and Adjusted EBITDA (post lease related expenses) for the years ended 31 December 2021, 2022 and 2023.

	For the year ended 31 December		
	2021	**2022**	**2023**
	AED million, except for percentages		
Adjusted EBITDA:			
Profit Before Tax	193	215	256
Add: Depreciation and impairment of property, plant and equipment	71	74	78
Depreciation and impairment of right-of-use assets	168	175	181
Impairment of goodwill	2	3	3
Finance costs	39	36	45
Less:			
Finance income	(1)	-	-
Adjusted EBITDA	472	503	562
Adjusted EBITDA margin:			
Revenue	2,523	2,630	2,871
Adjusted EBITDA	472	503	562
Adjusted EBITDA margin	18.7%	19.1%	19.6%
Adjusted EBITDA (post lease related expenses):			
Adjusted EBITDA	472	503	562

Less: Depreciation and impairment on right-of-use assets	(168)	(175)	(181)
Less: Interest on lease liabilities	(39)	(36)	(44)
Adjusted EBITDA (post lease related expenses)	265	292	337

The following table sets forth the Group's Net working capital and Change in net working capital for the years ended 31 December 2021, 2022 and 2023.

	As at / for the year ended 31 December		
	2021	**2022**	**2023**
		AED million	
Net working capital:			
Inventories	119	123	133
Add: Trade receivables	27	20	33
Add: Refundable security deposits (receivable balance)	33	35	53
Add: Prepaid expenses	15	14	15
Add: VAT receivable	1	1	1
Add: Other receivables	7	10	8
Add: Amounts due from related parties	345	406	7
Less: Trade payables	(310)	(329)	(420)
Less: Accrued expenses	(200)	(207)	(239)
Less: Refundable security deposits (payable balance)	(7)	(8)	(8)
Less: VAT payable, net	(6)	(7)	(7)
Less: Purchase consideration payable	(22)	-	-
Less: Income tax payable	-	-	-
Less: Advances from tenants	(13)	(13)	(10)
Less: Other payables	(94)	(13)	(13)
Less: Amounts due to related parties	(38)	(19)	(46)
Net working capital	(143)	13	(493)
*Change in net working capital:**			
Change in inventories	21	(6)	(21)
Add/(less): Change in trade receivables, prepayments and other receivables	(18)	5	(31)
Add/(less): Change in related party balances	(64)	(81)	134
Add/(less): Change in trade payables, accruals and other payables	79	(53)	120
Change in net working capital	18	(135)	202

*Relates to line items in the Financial Statements that include non-cash adjustments.

The following table sets forth the Group's Inventory Days, Receivable Days and Payable Days for the years ended 31 December 2021, 2022 and 2023.

	As at/for the year ended 31 December		
	2021	**2022**	**2023**
		AED million, except for days count	
Inventory days:			
Average inventories*	122	121	128
Cost of sales	(1,509)	(1,545)	(1,666)
Inventory days	30	29	28
Receivable days:			
Average trade receivables**	20	24	27
Revenue	2,523	2,630	2,871
Receivable days	3	3	3
Payable days:			
Average trade payables***	282	320	375
Cost of sales	(1,509)	(1,545)	(1,666)
Payable days	68	75	82

*Defined as the sum of opening inventories, plus closing inventories for the year, divided by two.
** Defined as the sum of opening trade receivables, plus closing trade receivables for the year, divided by two.
*** Defined as the sum of opening trade payables, plus closing trade payables for the year, divided by two.

The following table sets forth the Group's Financial Debt, Gross Debt, Net debt, Net leverage and Net leverage (excluding lease liabilities) for the years ended 31 December 2021, 2022 and 2023.

	As at/for the year ended 31 December		
	2021	**2022**	**2023**
	AED million, except for ratios		
Financial debt:			
Total interest-bearing loans and borrowings	9	7	7
Financial debt	9	7	7
Gross debt:			
Total interest-bearing loans and borrowings	9	7	7
Add: total lease liabilities	803	780	923
Gross debt	812	787	930
Net debt:			
Total interest-bearing loans and borrowings	9	7	7
Add: lease liabilities	803	780	923
Less: Cash and short-term deposits	(168)	(40)	(354)
Net debt	644	747	576
Net leverage:			
Adjusted EBITDA	472	503	562
Net debt	644	747	576
Net leverage	1.4x	1.5x	1.0x
Net leverage (excluding lease liabilities):			
Net debt	644	747	576
Less: lease liabilities	(803)	(780)	(923)
Adjusted EBITDA (post lease related expenses)	265	292	337
Net leverage (excluding lease liabilities)	(0.6)x	(0.1)x	(1.0)x

The following table sets forth the Group's Free cash flow and Free cash flow conversion for the years ended 31 December 2021, 2022 and 2023.

	For the year ended 31 December		
	2021	**2022**	**2023**
	AED million, except for percentages		
Free cash flow:			
Adjusted EBITDA	472	503	562
Add/(Less): Change in net working capital	18	(135)	202
Add/(Less): Change in related party balances	64	81	(134)
Less: Purchase of property, plant and equipment	(87)	(64)	(92)
Less: Depreciation and impairment on right-of-use assets	(168)	(175)	(181)
Less: Interest on lease liabilities	(39)	(36)	(44)
Free cash flow	260	174	313
Free cash flow conversion:			
Free cash flow	260	174	313
Adjusted EBITDA (post lease related expenses)	265	292	337
Free cash flow conversion	98.1%	59.6%	92.9%

The following table sets forth the Group's Gross margin and Net Profit Margin for the years ended 31 December 2021, 2022 and 2023.

	For the year ended 31 December		
	2021	**2022**	**2023**
	AED million, except for percentages		
Gross margin:			
Revenue	2,523	2,630	2,871
Gross Profit	1,013	1,085	1,205
Gross margin	40.2%	41.3%	42.0%
Net Profit Margin:			

Revenue	2,523	2,630	2,871
Profit for the year	192	214	254
Net Profit Margin	7.6%	8.1%	8.9%

The following table sets forth the Group's Dividend payout and Return on total assets for the year margin ended 31 December 2021, 2022 and 2023.

	As at/for the year ended 31 December		
	2021	**2022**	**2023**
	AED million, except for percentages		
Dividend payout:			
Profit for the year	192	214	254
Dividends paid	(197)	(219)	(198)
Dividend payout	102.6%	102.1%	77.7%
Return on total assets:			
Profit for the year	192	214	254
Total assets as at the end of the year	1,601	1,483	1,856
Return on total assets	12.0%	14.5%	13.7%

Description of Key Line Items

Revenue

Revenue comprises: (i) revenue from contracts with customers; and (ii) rental income. Revenue from contracts with customers consists almost entirely of sale of goods in the UAE, as well as Oman and other geographical locations. 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.

Rental income comprises revenue generated from subleasing surplus retail space to tenants, including pharmacies, fashion stores and others.

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.

Selling, general and administrative expenses

Selling, general and administrative expenses consist primarily of staff costs, premises costs, marketing, warehousing, selling, and distribution costs, information system and communication costs, as well as legal and professional charges, and other costs, which include printing and stationery charges, local and international travel, bank charges, insurance costs and entertainment expenses.

Depreciation and impairment of right-of-use assets

Depreciation and impairment of right-of-use assets represent depreciation and impairment of the Group's right-of-use assets relating to the lease contracts for plots 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).

Depreciation and impairment of property, plant and equipment

Depreciation and impairment of property, plant and equipment represent depreciation and impairment of the Group's buildings, leasehold improvements, plant and machinery (including computer hardware and software), vehicles, furniture and equipment. Depreciation of the Group's property, plant and equipment recognised on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

Finance costs

Finance costs consist primarily of interest on lease liabilities and interest on loans and borrowings.

Consolidated statement of profit or loss data

The following table presents the Group's consolidated statement of profit or loss data for the years ended 31 December 2021, 2022 and 2023.

	For the year ended 31 December			Increase/(Decrease)	
	2021	2022	2023	31 December 2021 - 31 December 2022	31 December 2022 - 31 December 2023
		(AED 000)		*(%)*	
Revenue from contracts with customers	2,483,713	2,585,880	2,821,837	4.1%	9.1%
Rental income	38,849	44,241	49,327	13.9%	11.5%
Revenue	**2,522,562**	**2,630,121**	**2,871,164**	**4.3%**	**9.2%**
Cost of sales	(1,509,459)	(1,544,765)	(1,665,955)	2.3%	7.8%
GROSS PROFIT	**1,013,103**	**1,085,356**	**1,205,209**	**7.1%**	**11.0%**
Other income	11,206	12,117	19,214	8.1%	58.6%
Selling, general and administrative expenses	(551,896)	(593,275)	(661,997)	7.5%	11.6%
Depreciation and impairment of right-of-use assets	(167,831)	(175,360)	(180,508)	4.5%	2.9%
Depreciation and impairment of property, plant and equipment	(71,440)	(74,306)	(78,315)	4.0%	5.4%
Impairment of goodwill	(1,597)	(3,040)	(3,463)	90.4%	13.9%
Finance income	698	-	-	N/A	-
Finance costs	(38,886)	(36,384)	(44,546)	(6.4)%	22.4%
PROFIT BEFORE TAX	**193,357**	**215,108**	**255,594**	**11.2%**	**18.8%**
Income tax expense	(1,182)	(835)	(1,277)	(29.4)%	52.9%
PROFIT FOR THE YEAR	**192,175**	**214,273**	**254,317**	**11.5%**	**18.7%**
Attributable to:					
Equity holders of the Company	192,175	214,273	**256,152**	11.5%	19.5%
Non-controlling interest	-	-	**(1,835)**	-	N/A
Earnings per share					
Basic and diluted, profit for the year attributable to equity holders of the Company (in AED per share)	-	-	0.63	-	N/A

Revenue

Revenue from contracts with customers

The following table presents the breakdown of the Group's revenue from contracts with customers by geography for the years ended 31 December 2021, 2022 and 2023.

	For the year ended 31 December			Increase/(decrease)	
	2021	2022	2023	31 December 2021 - 31 December 2022	31 December 2022 - 31 December 2023
		(AED 000)		*(%)*	
UAE	2,359,732	2,486,438	2,726,866	5.4%	9.7%
Oman	121,816	98,647	94,079	(19.0)%	(4.6)%
Others	2,165	795	892	(63.3)%	12.2%
Sale of goods	**2,483,713**	**2,585,880**	**2,821,837**	**4.1%**	**9.1%**

Revenue from contracts with customers increased by AED 236.0 million, or by 9.1%, to AED 2,821.8 million for the year ended 31 December 2023, compared to AED 2,585.9 million for the year ended 31 December 2022. The increase in revenue from contracts with customers was primarily due to an increase in the sale of goods to customers in the UAE, with an increase in LFL Growth from 4.9% in 2022 to 8.7% in 2023, and increase in E-commerce transaction count of 13.2% from 2022 to 2023.

The increase in revenue from contracts with customers in the UAE was slightly offset by a decrease in revenue from contracts with customers in Oman. Revenue from contracts with customers in Oman decreased to AED 94.1 million for the year ended 31 December 2023, a decrease of AED 4.6 million, or 4.6%, compared to AED 98.6 million for the year ended 31 December 2022, this decrease was primarily due to a reduction in transaction count for the Group's Stores in Oman.

Revenue from contracts with customers increased by AED 102.2 million, or by 4.1%, to AED 2,585.9 million for the year ended 31 December 2022, compared to AED 2,483.7 million for the year ended 31 December 2021. The increase in revenue from contracts with customers was primarily due to an increase in the sale of goods to customers in the UAE, with an increase in LFL Growth from -3.3% in 2021 to 4.9% in 2022, and an increase in E-commerce transaction count of 7.7% from 2021 to 2022.

The increase in revenue from contracts with customers in the UAE was slightly offset by a decrease in revenue from contracts with customers in Oman. Revenue from contracts with customers in Oman decreased to AED 98.6 million for the year ended 31 December 2022, a decrease of AED 23.2 million, or 19.0%, compared to AED 121.8 million for the year ended 31 December 2021, this decrease was primarily due to a reduction in transaction count for the Group's Stores in Oman.

Cost of sales

Cost of sales increased by AED 121.2 million, or by 7.8%, to AED 1,666.0 million for the year ended 31 December 2023, compared to AED 1,544.8 million for the year ended 31 December 2022. The increase in cost of sales was primarily due to an increase in the volume and cost of goods purchased, resulting from the net increase in the number of stores owned by the Group across the period and inflation of the cost of goods, and to a lesser extent due to movements in foreign exchange rates, inventory holding periods impacting Wastage levels and an increase in inbound freight costs and supplier rebates.

Cost of sales increased by AED 35.3 million, or by 2.3%, to AED 1,544.8 million for the year ended 31 December 2022, compared to AED 1,509.5 million for the year ended 31 December 2021. The increase in cost of sales was primarily due to an increase in the volume and cost of goods purchased, resulting from the net increase in the number of stores owned by the Group across the period and inflation of the cost of goods, and to a lesser extent due to movements in foreign exchange rates, inventory holding periods impacting Wastage levels and an increase in inbound freight costs and supplier rebates.

Gross profit

As a result of the foregoing factors, gross profit increased by AED 119.9 million, or by 11.0%, to AED 1,205.2 million for the year ended 31 December 2023, compared to AED 1,085.4 million for the year ended 31 December 2022.

Gross profit increased by AED 72.3 million, or by 7.1%, to AED 1,085.4 million for the year ended 31 December 2022, compared to AED 1,013.1 million for the year ended 31 December 2021. This was principally as a result of the reasons stated above.

Selling, general and administrative expenses

The following table presents the breakdown of the Group's selling, general and administrative expenses for the years ended 31 December 2021, 2022 and 2023.

	For the year ended 31 December			Increase/(Decrease)	
	2021	**2022**	**2023**	**31 December 2021 - 31 December 2022**	**31 December 2022- 31 December 2023**
		(AED 000)		*(%)*	
Staff costs	238,084	263,412	289,239	10.6%	9.8%
Premises costs	151,559	154,500	162,758	1.9%	5.3%
Marketing costs	15,226	20,325	19,342	33.5%	(4.8)%
Warehousing, selling and distribution costs	105,590	115,984	128,525	9.8%	10.8%
Information system and communication costs	13,959	16,345	23,626	17.1%	44.5%
Legal and professional charges	12,308	17,607	24,955	43.1%	41.7%
Others	15,170	5,102	13,552	(66.4)%	165.6%
Selling, general and administrative expenses	**551,896**	**593,275**	**661,997**	**7.5%**	**11.6%**

Selling, general and administrative expenses increased by AED 68.7 million, or by 11.6%, to AED 662.0 million for the year ended 31 December 2023, compared to AED 593.3 million for the year ended 31 December 2022. The increase in selling, general and administrative expenses was primarily due to an increase in the number of employees and increases in their salaries and benefits, an increase in premises costs and warehousing, selling and distribution costs, resulting from an increase in the number of stores owned by the Group and the related increased operational expenses, and to a lesser extent by costs associated with the migration to SAP S/4 HANA, including termination costs with the previous technology platform provider, and legal and professional costs incurred in relation to the Global Offering.

Selling, general and administrative expenses increased by AED 41.4 million, or by 7.5%, to AED 593.3 million for the year ended 31 December 2022, compared to AED 551.9 million for the year ended 31 December 2021. The increase in selling, general and administrative expenses was primarily due to an increase in the number of employees and increases in their salaries and benefits, an increase in premises costs, resulting from an increase in the number of stores owned by the Group and to a lesser extent the related increased operational expenses in line with the scaling of operations in the period.

Depreciation and impairment of right-of-use assets

The following table presents the breakdown of the Group's depreciation and impairment of right-of-use assets for the years ended 31 December 2021, 2022 and 2023.

	For the year ended 31 December			Increase/(Decrease)	
	2021	**2022**	**2023**	**31 December 2021 - 31 December 2022**	**31 December 2022- 31 December 2023**
		(AED 000)		(%)	
Depreciation:					
Land	5,574	5,575	6,436	0.0%	15.4%
Buildings/Stores	149,653	158,206	170,021	5.7%	7.5%
Motor vehicles	104	79	51	(24.0)%	(35.4)%
Impairment, net:					
Land	-	-	-	-	-
Buildings/Stores	12,500	11,500	4,000	(8.0)%	(65.2)%
Motor vehicles	-	-	-	-	-
Total	**167,831**	**175,360**	**180,508**	**4.5%**	**2.9%**

Depreciation and impairment of right-of-use assets increased by AED 5.1 million, or by 2.9%, to AED 180.5 million for the year ended 31 December 2023, compared to AED 175.4 million for the year ended 31 December 2022. The increase in depreciation and impairment of right-of-use assets was almost entirely due to the addition of new leases entered into in connection with the opening of additional Stores and modification of leases in place in respect of existing Stores owned by the Group, which was partially offset by a decrease in impairment charges during the period.

Depreciation and impairment of right-of-use assets increased by AED 7.6 million or by 4.5%, to AED 175.4 million for the year ended 31 December 2022, compared to AED 167.8 million for the year ended 31 December 2021. The increase in depreciation and impairment of right-of-use assets was almost entirely due to the addition of new leases entered into in connection with the opening of additional Stores and modification of leases in place in respect of existing Stores.

Depreciation and impairment of property, plant and equipment

Depreciation and impairment of property, plant, and equipment increased by AED 4.0 million, or by 5.4%, to AED 78.3 million for the year ended 31 December 2023, compared to AED 74.3 million for the year ended 31 December 2022. The increase in depreciation and impairment of property, plant, and equipment was primarily due to an increase in impairment charges primarily relating to refurbishments and low performing stores owned by the Group.

Depreciation and impairment of property, plant, and equipment increased by AED 2.9 million, or by 4.0%, to AED 74.3 million for the year ended 31 December 2022, compared to AED 71.4 million for the year ended 31 December 2021. The increase in depreciation and impairment of property, plant, and equipment was primarily due to an increase in impairment charges relating primarily to refurbishments and low performing stores owned by the Group.

Finance costs

Set out below is a breakdown of the Group’s finance costs for the years ended 31 December 2021, 2022 and 2023:

	For the year ended 31 December			Increase/(Decrease)	
	2021	**2022**	**2023**	**31 December 2021 - 31 December 2022**	**31 December 2022- 31 December 2023**
		(AED 000)		(%)	
Interest on lease liabilities	38,658	36,077	44,057	(6.7)%	22.1%
Interest on loans and borrowings	228	307	489	34.6%	59.3%
Finance costs	**38,886**	**36,384**	**44,546**	**(6.4)%**	**22.4%**

Finance costs increased by AED 8.1 million, or by 22.4%, to AED 44.5 million for the year ended 31 December 2023, compared to AED 36.4 million for the year ended 31 December 2022. The increase in finance cost was primarily due to an increase in interest on lease liabilities resulting from entry into new leases in the UAE and the KSA, and to a lesser extent to an increase in interest on loans and borrowings due to an increase in the incremental borrowing rate, compared to the previous period.

Finance costs decreased by AED 2.5 million, or by 6.4%, to AED 36.4 million for the year ended 31 December 2022, compared to AED 38.9 million for the year ended 31 December 2021. The decrease in finance cost was primarily due to a decrease in interest on lease liabilities due to the repayment of lease liabilities during the year ended 31 December 2022, which was partially offset by an increase relating to new leases entered into in the UAE.

Income tax expense

Income tax expense increased by AED 0.4 million, or by 52.9%, to AED 1.2 million for the year ended 31 December 2023, compared to AED 0.8 million for the year ended 31 December 2022. The increase in income tax expense was primarily due to variations in the tax expenses incurred in the UK, USA and Australia by J.H.F. Limited, JHF USA Exports, INC. and JHF Australia Exports PTY. LTD.

Income tax expense decreased by AED 0.4 million, or by 29.4%, to AED 0.8 million for the year ended 31 December 2022, compared to AED 1.2 million for the year ended 31 December 2021. The decrease in income tax expense was primarily due to variations in the tax expenses incurred in the UK, USA and Australia by J.H.F. Limited, JHF USA Exports, INC. and JHF Australia Exports PTY. LTD.

Profit for the year

As a result of the foregoing factors, profit for the year ended 31 December 2023 increased by AED 40.0 million, or by 18.7%, to AED 254.3 million, compared to AED 214.3 million for the year ended 31 December 2022.

Profit for the year ended 31 December 2022 increased by AED 22.1 million, or by 11.5%, to AED 214.3 million, compared to AED 192.2 million for the year ended 31 December 2021. This was principally as a result of the foregoing factors.

Consolidated statement of financial position data

The following table presents the consolidated statement of financial position data of the Group as at 31 December 2021, 2022 and 2023:

	As at 31 December			Increase/(Decrease)	
	2021	**2022**	**2023**	**2021 vs 2022**	**2022 vs 2023**
		(AED 000)		(%)	
ASSETS					
Non-current assets					
Property, plant and equipment	161,560	149,945	408,582	(7.2)%	172.5%
Intangible assets	10,403	7,363	34,000	(29.2)%	361.8%
Right of use of assets	712,046	676,642	808,475	(5.0)%	19.5%
Other non-current assets	32,426	33,547	50,148	3.5%	49.5%
Deferred tax assets	1,279	1,287	1,250	0.6%	(2.9)%
	917,714	**868,784**	**1,302,455**	**(5.3)%**	49.9%
Current assets					
Inventories	119,326	123,077	133,161	3.1%	8.2%
Trade receivable, prepayments and other receivables	51,092	44,893	59,244	(12.1)%	32.0%
Amounts due from related parties	344,902	406,246	6,722	17.8%	(98.3)%
Cash and short-term deposits	167,969	39,671	354,061	(76.4)%	792.5%
	683,289	**613,887**	**553,188**	**(10.2)%**	(9.9)%
Total assets	**1,601,003**	**1,482,671**	**1,855,643**	**(7.4)%**	25.2%
EQUITY AND LIABILITIES					
Equity					
Share Capital	-	-	36,000	-	N/A
Restricted reserve	4,778	4,778	4,778	0.0%	0.0%
Retained earnings	25,294	20,854	66,155	(17.6)%	217.2%
Actuarial reserve	463	7,704	7,585	1,563.9%	(1.5)%
Foreign currency translation reserve	1,344	568	851	(57.7)%	49.8%
Equity attributable to equity holders of the company	**31,879**	**33,904**	**115,369**	**6.4%**	240.3%
Non-controlling interest	-	-	(1,688)	-	N/A
Total equity	**31,879**	**33,904**	**113,681**	**6.4%**	235.3%
Non-current liabilities					
Interest-bearing loans and borrowings	8,367	6,739	6,355	(19.5)%	(5.7)%
Other non-current liabilities	6,426	7,586	14,308	18.1%	88.6%
Lease liabilities	656,782	630,194	779,324	(4.0)%	23.7%
Employees’ end of services benefits	67,757	65,300	68,480	(3.6)%	4.9%
	739,332	**709,819**	**868,467**	**(4.0)%**	22.4%
Current liabilities					
Trade payables, accruals, and other payables	645,654	569,558	683,365	(11.8)%	2.0%
Lease liabilities	145,815	149,811	143,833	2.7%	(4.0)%
Interest-bearing loans and borrowings	809	722	762	(10.8)%	5.5%
Amounts due to related parties	37,514	18,857	45,535	(49.7)%	141.5%
	829,792	**738,948**	**873,495**	**(10.9)%**	**18.2%**
Total liabilities	**1,569,124**	**1,448,767**	**1,741,962**	**(7.7)%**	**20.2%**
Total equity and liabilities	**1,601,003**	**1,482,671**	**1,855,643**	**(7.4)%**	**25.2%**

Assets

Non-current assets

Property, plant, and equipment

Property, plant and equipment of the Group include freehold land, buildings, leasehold improvements, plant and machinery, vehicles, furniture and equipment, and capital work in progress (“**CWIP**”).

	As at 31 December 2021	As at 31 December 2022	As at 31 December 2023	Increase/(Decrease) 31 December 2021 - 31 December 2022	Increase/(Decrease) 31 December 2022- 31 December 2023
Cost:		*(AED 000)*		(%)	
Freehold land	14,764	13,165	74,359	(10.8)%	464.8%
Buildings	11,464	10,223	156,782	(10.8)%	1,433.6%
Leasehold improvements	355,932	377,838	444,329	6.2%	17.6%
Plant and machinery	184,408	196,778	203,867	6.7%	3.6%
Vehicles, furniture and equipment	158,883	158,011	165,797	(0.5)%	4.9%
Capital work in progress	4,061	9,871	15,556	143.1%	57.6%
Cost	**729,512**	**765,886**	**1,060,690**	**5.0%**	**38.5%**
Accumulated depreciation and impairment:					
Freehold land	-	-	-	-	-
Buildings	3,114	2,981	22,444	(4.3)%	652.9%
Leasehold improvements	276,546	309,222	317,717	11.8%	2.7%
Plant and machinery	151,492	163,736	170,867	8.1%	4.4%
Vehicles, furniture and equipment	136,800	140,002	141,080	2.3%	0.8%
Capital work in progress	-	-	-	-	-
Accumulated Depreciation and impairment	**567,952**	**615,941**	**652,108**	**8.4%**	**5.9%**
Net Carrying Amount:					
Freehold land	14,764	13,165	74,359	(10.8)%	464.8%
Buildings	8,350	7,242	134,338	(13.3)%	1,755.0%
Leasehold improvements	79,386	68,616	126,612	(13.6)%	84.5%
Plant and machinery	32,916	33,042	33,000	0.4%	(0.1)%
Vehicles, furniture and equipment	22,083	18,009	24,717	(18.4)%	37.2%
Capital work in progress	4,061	9,871	15,556	143.1%	57.6%
Net carrying amount	**161,560**	**149,945**	**408,582**	**(7.2)%**	**172.5%**

Property, plant, and equipment increased by AED 258.7 million, or by 172.5%, to AED 408.6 million as at 31 December 2023, compared to AED 149.9 million as at 31 December 2022. The increase in property, plant, and equipment was primarily due to the transfer of assets to the Company from the Selling Shareholder of AED 244.4 million during the year ended 31 December 2023, mainly comprising the Company's head office, Kezad warehouse, and other additions of AED 91.5 million during the year ended 31 December 2023, which was partially offset by the depreciation and impairment charge of AED 78.3 million recorded during the year ended 31 December 2023.

Property, plant, and equipment decreased by AED 11.7 million, or by 7.2%, to AED 149.9 million as at 31 December 2022, compared to AED 161.6 million as at 31 December 2021. The decrease in property, plant, and equipment was primarily due to depreciation and impairment charge of AED 74.3 million, which was partially offset by additions amounting to AED 64.0 million during the year ended 31 December 2022.

Intangible assets

Intangible assets increased by AED 26.6 million, or by 361.8%, to AED 34.0 million as at 31 December 2023, compared to AED 7.4 million as at 31 December 2022. The increase in intangible assets was primarily due to the acquisition by the Group of the Spinneys trademark globally (excluding the UAE) from the Selling Shareholder, which was partially offset by impairment of goodwill and the transfer of goodwill to a related party.

Intangible assets decreased by AED 3.0 million, or by 29.2%, to AED 7.4 million as at 31 December 2022, compared to AED 10.4 million as at 31 December 2021. The decrease in intangible assets was primarily due to the impairment of goodwill, representing 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 and the acquisition of the "Spinneys" trademark rights worldwide (excluding the UAE).

Right-of-use assets

Right-of-use assets represents lease contracts the Group has for plots 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.

Right-of-use assets increased by AED 131.9 million, or by 19.5%, to AED 808.5 million as at 31 December 2023, compared to AED 676.6 million as at 31 December 2022. The increase in right-of-use assets was primarily due to leases entered into in respect of new stores owned by the Group and the modification of existing leases, which was offset by depreciation and impairment charges recorded for the year ended 31 December 2023.

Right-of-use assets decreased by AED 35.4 million, or by 5.0%, to AED 676.6 million as at 31 December 2022, compared to AED 712.0 million as at 31 December 2021. The decrease in right-of-use assets was primarily due to depreciation and impairment charges recorded for the year ended 31 December 2022, which was partially offset by leases entered into in respect of new stores owned by the Group and modification of existing leases.

Other non-current assets

The Group's other non-current assets are refundable security deposits primarily with landlords of the stores leased by the Group.

Other non-current assets increased by AED 16.6 million, or by 49.5%, to AED 50.1 million as at 31 December 2023, compared to AED 33.5 million as at 31 December 2022. The increase in other non-current assets was primarily due to an increase in refundable security deposits held by landlords.

Other non-current assets increased by AED 1.1 million, or by 3.5%, to AED 33.5 million as at 31 December 2022, compared to AED 32.4 million as at 31 December 2021. The increase in other non-current assets was primarily due to an increase in refundable security deposits held by landlords.

Deferred tax assets

Deferred tax assets remained relatively stable at AED 1.3 million as at 31 December 2021, 2022 and 2023.

Current assets

Inventories

The following table sets out the Group's inventories as at 31 December 2021, 2022 and 2023.

				Increase/(Decrease)	
	As at 31 December 2021	**As at 31 December 2022**	**As at 31 December 2023**	**31 December 2021 - 31 December 2022**	**31 December 2022 - 31 December 2023**
		(AED 000)		(%)	
Goods for resale	116,874	120,995	129,069	3.5%	6.7%
Goods-in-transit	2,452	2,082	4,092	(15.1)%	96.5%
	119,326	**123,077**	**133,161**	**3.1%**	**8.2%**

Inventories increased by AED 10.1 million, or by 8.2%, to AED 133.2 million as at 31 December 2023, compared to AED 123.1 million as at 31 December 2022. The increase in inventories was primarily due to the opening of new stores owned by the Group in the year ended 31 December 2023, which was partially offset by an increase in the provision for old and obsolete inventories. The increase in inventories was primarily due to an AED 8.1 million increase in goods for resale inventories, due to the opening of new Stores in the year ended 31 December 2023, and an increase in goods-in-transit inventories, which was partially offset by an increase in the provision for old and obsolete inventories.

Inventories increased by AED 3.8 million, or by 3.1%, to AED 123.1 million as at 31 December 2022, compared to AED 119.3 million as at 31 December 2021. The increase in inventories was primarily due to an AED 4.1 million increase in goods for resale inventories, due to the opening of new Stores in the year ended 31 December 2022, which was partially offset by an increase in the provision for old and obsolete inventories and AED 0.4 million decrease in goods-in transit inventories.

Trade receivables, prepayments and other receivables

The current portion of the Group's trade receivables, prepayments and other receivables comprise trade receivables, refundable security deposits, prepaid expenses, VAT receivables and other receivables. The following table sets out the Group's trade receivables, prepayments and other receivables as at 31 December 2021, 2022 and 2023.

				Increase/(Decrease)	
	As at 31 December 2021	**As at 31 December 2022**	**As at 31 December 2023**	**31 December 2021 - 31 December 2022**	**31 December 2022 - 31 December 2023**
		(AED 000)		(%)	
Trade receivables	27,267	19,557	32,831	(28.3)%	67.9%
Refundable security deposits	33,292	34,591	52,848	3.9%	52.8%
Prepaid expenses	14,869	13,624	14,585	(8.4)%	7.1%
VAT receivable	678	570	966	(15.9)%	69.5%
Other receivables	7,412	10,098	8,162	36.2%	(19.2)%
	83,518	**78,440**	**109,392**	**(6.1)%**	**39.5%**
Less: non-current portion:					
Refundable security deposits (disclosed as other non-current assets)	(32,426)	(33,547)	(50,148)	3.5%	49.5%
Current portion	**51,092**	**44,893**	**59,244**	**(12.1)%**	**32.0%**

The current portion of the Group's trade receivables, prepayments and other receivables increased by AED 14.3 million, or by 32.0%, to AED 59.2 million as at 31 December 2023, compared to AED 44.9 million as at 31 December 2022. The increase in trade receivables, prepayments and other receivables was primarily due to a 67.9% increase in trade receivables due to an increase in receivables from credit card providers and from third-party e-commerce aggregators, and a 52.8% increase in refundable security deposits due to additional refundable security deposits provided to landlords in respect of leases for new Stores and provided to the Selling Shareholder in respect of properties it leased to Group entities.

The current portion of the Group's trade receivables, prepayments and other receivables decreased by AED 6.2 million, or by 12.1%, to AED 44.9 million as at 31 December 2022, compared to AED 51.1 million as at 31 December 2021. The decrease in the current portion of the Group's trade receivables, prepayments and other receivables was primarily due to a 28.3% decrease in trade receivables due to a decrease in receivables from credit card providers, which was offset slightly by a 36.2% increase in other receivables, due to an increase in the fair value of forward foreign exchange contracts included within other receivables.

Amounts due from related parties

The following table sets out the amounts due to the Group from related parties as at 31 December 2021, 2022 and 2023.

	As at 31 December 2021	As at 31 December 2022	As at 31 December 2023	Increase/(Decrease) 31 December 2021 - 31 December 2022	Increase/(Decrease) 31 December 2022 - 31 December 2023
		(AED 000)		(%)	
Ultimate parent company					
Albwardy Investment L.L.C	108	83	-	(23.1)%	N/A
Parent company					
Al Seer Group (L.L.C)	343,453	403,776	3,119	17.6%	(99.2)%
Entities under common control					
Al Seer Food Services LLC	106	90	110	(15.1)%	22.2%
Europacific LLC	31	23	58	(25.8)%	152.2%
Desert Palm L.L.C	4	3	3	(25.0)%	0.0%
ASB Development Limited	-	4	-	-	N/A
JHF Exports (Proprietary) Ltd.	1,197	-	-	N/A	-
Albwardy Technical and Industrial Establishment L.L.C	3	-	-	N/A	-
Parent's associate					
Spinney (Abu Dhabi) L.L.C	-	2,267	3,432	-	51.4%
	344,902	**406,246**	**6,722**	**17.8%**	**(98.3)%**

Amounts due from related parties decreased by AED 399.5 million, or by 98.3%, to AED 6.7 million as at 31 December 2023, compared to AED 406.2 million as at 31 December 2022. The decrease in amounts due from related parties was primarily due to a decrease in amounts payable by the Selling Shareholder to the Group by AED 400.7 million, primarily on account of the settlement of this balance, primarily via the transfer of property, plant and equipment and intangible assets from the Selling Shareholder to the Group, the settlement of the purchase consideration paid by the Company to the Selling Shareholder for the transfer of certain Group entities, with the remaining balance being settled in cash. The cash sweep-in facility entered into between the Group and the Selling Shareholder was terminated in December 2023.

Amounts due from related parties increased by AED 61.3 million, or by 17.8%, to AED 406.2 million as at 31 December 2022, compared to AED 344.9 million as at 31 December 2021. The increase in amounts due from related parties was primarily due to an increase in amounts payable by the Selling Shareholder to the Group by AED 60.3 million, in relation to a cash sweep-in facility between the Group and the Selling Shareholder for the purposes of centralised working capital management, which has now been settled, as detailed above, and an amount of AED 2.3 million payable by Spinneys (Abu Dhabi) LLC in relation to stock transferred and expenses recharged during the year ended 31 December 2022, which were partially offset by a decrease in amounts payable by other related parties.

Cash and short-term deposits

The following table sets out the Group's cash and short-term deposits as at 31 December 2021, 2022 and 2023.

	As at 31 December 2021	As at 31 December 2022	As at 31 December 2023	Increase/(Decrease) 31 December 2021 - 31 December 2022	Increase/(Decrease) 31 December 2022 - 31 December 2023
		(AED 000)		(%)	
Cash in hand	6,116	4,727	5,479	(22.7)%	15.9%
Cash at banks	11,853	34,944	348,582	194.8%	897.5%
Short-term deposits	150,000	-	-	N/A	-
Cash and short-term deposits	**167,969**	**39,671**	**354,061**	**(76.4)%**	**792.5%**

Cash and short-term deposits increased by AED 314.4 million, or by 792.5%, to AED 354.1 million as at 31 December 2023, compared to AED 39.7 million as at 31 December 2022. The increase in cash and short-term deposits was primarily due to an increase in cash at banks of 897.5% as at 31 December 2023, as compared to 31 December 2022, due to the cancellation and settlement of the cash sweep-in facility previously in place between the Selling Shareholder and the Group, for the purposes of centralised working capital management.

Cash and short-term deposits decreased by AED 128.2 million, or by 76.4%, to AED 39.7 million as at 31 December 2022, compared to AED 167.9 million as at 31 December 2021. The decrease in cash and short-term deposits was primarily due to a decrease in short-term deposits.

Equity and Liabilities

Equity

Share Capital

As at 31 December 2023, the Company's share capital was AED 36.0 million. The Company was established on 21 November 2023 and therefore share capital was nil for 2022 and 2021. See Note 22 of the Financial Statements.

Restricted Reserve

As at 31 December 2023, the restricted reserve represents the statutory reserves of Spinneys Dubai L.L.C., amounting to AED 4.2 million, Fine Fare Food Market L.L.C., amounting to AED 0.1 million and Al Fair SPC (previously Al Fair LLC) amounting to AED 0.5 million. The restricted reserve is not available for distribution.

The Group's restricted reserve remained stable at AED 4.8 million as at 31 December 2021, 2022 and 2023.

Retained earnings

Retained earnings increased by AED 45.3 million, or by 217.2%, to AED 66.2 million as at 31 December 2023, compared to AED 20.9 million as at 31 December 2022. The increase in retained earnings was primarily due to an increase in profit for the year, which was partially offset by dividends declared and the settlement of purchase consideration in respect of the transfer of Group entities to the Company from the Selling Shareholder.

Retained earnings decreased by AED 4.4 million, or by 17.6%, to AED 20.9 million as at 31 December 2022, compared to AED 25.3 million as at 31 December 2021. The decrease in retained earnings was primarily due to dividends declared and paid, which was partially offset by profit for the year ended 31 December 2022.

Actuarial reserve

The 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 other comprehensive income in the year in which they occur.

The Group's actuarial reserve decreased by AED 0.1 million, or by 1.5%, to AED 7.6 million as at 31 December 2023, compared to AED 7.7 million as at 31 December 2022. The decrease in actuarial reserve was primarily due to the loss on remeasurement of employees' end of service benefits as at 31 December 2023.

The Group's actuarial reserve increased by AED 7.2 million, or by 1,563.9%, to AED 7.7 million as at 31 December 2022, compared to AED 0.5 million as at 31 December 2021. The increase in actuarial reserve was primarily due to the gain on remeasurement of employees' end of service benefits as at 31 December 2022.

Foreign currency translation reserve

The foreign currency translation reserve records the exchange differences arising from the translation of the financial statements of foreign subsidiaries whose functional currencies are different from the Group's presentation currency.

Foreign currency translation reserve increased by AED 0.3 million, or by 49.8%, to AED 0.9 million as at 31 December 2023, compared to AED 0.6 million as at 31 December 2022. The increase in foreign currency translation reserve was primarily due to favourable foreign exchange differences on the translation of foreign operations during the period.

Foreign currency translation reserve decreased by AED 0.7 million, or by 57.7%, to AED 0.6 million as at 31 December 2022, compared to AED 1.3 million as at 31 December 2021. The decrease in foreign currency translation reserve was primarily due to unfavourable foreign exchange differences on the translation of foreign operations during the period.

Total equity

As a result of the foregoing factors, the total equity increased by AED 79.8 million, or by 235.3%, to AED 113.7 million as at 31 December 2023, compared to AED 33.9 million as at 31 December 2022.

The total equity increased by AED 2.0 million, or by 6.4%, to AED 33.9 million as at 31 December 2022, compared to AED 31.9 million, as at 31 December 2021. This was principally as a result of the reasons stated above.

Non-current liabilities

Interest-bearing loans and borrowings

The non-current portion of interest-bearing loans and borrowings decreased by AED 0.3 million, or by 5.7%, to AED 6.4 million as at 31 December 2023, compared to AED 6.7 million as at 31 December 2022. The decrease in interest-bearing loans and borrowings was primarily due to the repayment of a loan during the year ended 31 December 2023, which was partially offset by exchange differences.

The non-current portion of interest-bearing loans and borrowings decreased by AED 1.7 million, or by 19.5%, to AED 6.7 million as at 31 December 2022, compared to AED 8.4 million as at 31 December 2021. The decrease in interest-bearing loans and borrowings was primarily due to the repayment of a loan during the year ended 31 December 2023, which was partially offset by exchange differences.

Other non-current liabilities

Other non-current liabilities primarily comprise refundable security deposits and advance fees collected in respect of licensing of trademark rights owned by the Group.

Other non-current liabilities increased by AED 6.7 million, or by 88.6%, to AED 14.3 million as at 31 December 2023, compared to AED 7.6 million as at 31 December 2022. The increase in other non-current liabilities was primarily due to an increase in refundable security deposits collected from tenants and fees collected in advance in respect of the licensing of trademark rights owned by the Group.

Other non-current liabilities increased by AED 1.2 million, or by 18.1%, to AED 7.6 million as at 31 December 2022, compared to AED 6.4 million as at 31 December 2021. The increase in other non-current liabilities was primarily due to an increase in refundable security deposits collected from tenants.

Lease liabilities

The non-current portion of lease liabilities increased by AED 149.1 million, or by 23.7%, to AED 779.3 million as at 31 December 2023, compared to AED 630.2 million as at 31 December 2022. The increase in lease liabilities was primarily due to leases entered into in respect of new stores owned by the Group and modification of existing leases, which was partially offset by the payment of lease liabilities and lease terminations during the year ended 31 December 2023.

The non-current portion of lease liabilities decreased by AED 26.6 million, or by 4.0%, to AED 630.2 million as at 31 December 2022, compared to AED 656.8 million as at 31 December 2021. The decrease in lease liabilities was primarily due to the payment of lease liabilities during the period, which was partially offset by leases entered into in respect of new stores owned by the Group and modification of existing leases.

Employees' end of services benefits

Employees' end of services benefits increased by AED 3.2 million, or by 4.9%, to AED 68.5 million as at 31 December 2023, compared to AED 65.3 million as at 31 December 2022. The increase in employees' end of services benefits was primarily due to provisions set aside during the year ended 31 December 2023, which were partially offset by payments made to employees retiring and resigning during the year ended 31 December 2023.

Employees' end of services benefits decreased by AED 2.5 million, or by 3.6%, to AED 65.3 million as at 31 December 2022, compared to AED 67.8 million as at 31 December 2021. The decrease in employees' end of services benefits was primarily due to payments made to employees retiring and resigning and a remeasurement gain made during the year ended 31 December 2022, which was partially offset by provisions set aside during the year ended 31 December 2022.

Current liabilities

Trade payables, accruals, and other payables

The following table sets out the Group's trade payables, accruals and other payables as at 31 December 2021, 2022 and 2023.

				Increase/(Decrease)	
	As at 31 December 2021	**As at 31 December 2022**	**As at 31 December 2023**	**31 December 2021 - 31 December 2022**	**31 December 2022 - 31 December 2023**
		(AED 000)		*(%)*	
Trade payables	309,776	329,354	419,512	6.3%	27.4%
Accrued expenses	200,124	207,181	239,488	3.5%	15.6%
Refundable security deposits	7,023	7,940	8,417	13.1%	6.0%
VAT payable, net	5,862	6,585	6,631	12.3%	0.7%
Purchase consideration payable	22,018	-	-	N/A	-
Income tax payable	60	237	463	295.0%	95.4%
Advance from tenants	12,892	12,887	10,109	0.0%	(21.6)%
Other payables	94,325	12,960	13,053	(86.3)%	0.7%
	652,080	**577,144**	**697,673**	**(11.5)%**	**20.9%**
Less: non-current-portion:	(6,426)	(7,586)	(14,308)	18.1%	88.6%
Current portion	**645,654**	**569,558**	**683,365**	**(11.8)%**	**20.0%**

The current portion of the Group's trade payables, accruals, and other payables increased by AED 113.8 million, or by 20.0%, to AED 683.4 million as at 31 December 2023, compared to AED 569.6 million as at 31 December 2022. The increase in trade payables was primarily due to an increase in trade payable arising as a result of 30 and 31 December 2023 falling on the weekend in the UAE, resulting in payment being made to suppliers in 2024, along with an increase in the number of stores owned by the Group and the related scaling of operations resulting in larger balances due to suppliers. The increase in accruals was primarily due to increases in accrual for bonuses paid to employees and increases in accruals with respect to freight providers due to higher volumes of products being shipped in December 2023, as compared to the same period in 2022.

The current portion of the Group's trade payables, accruals, and other payables decreased by AED 76.1 million, or by 11.8%, to AED 569.6 million as at 31 December 2022, compared to AED 645.7 million as at 31 December 2021. The decrease in trade payables, accruals, and other payables was primarily due to a decrease in other payables, being cheques provided in favour of suppliers but not cleared due to 31 December 2021 being the weekend in the UAE, in addition to a reduction in purchase consideration payable with none remaining outstanding as at 31 December 2022, as compared to as at 31 December 2021.

Lease liabilities

The current portion of the Group's lease liabilities decreased by AED 6.0 million, or by 4.0%, to AED 143.8 million as at 31 December 2023, compared to AED 149.8 million as at 31 December 2022. The decrease in lease liabilities was primarily due to the derecognition of leases in relation to properties transferred to the Company from the Selling Shareholder, that were previously leased to Group entities by the Selling Shareholder.

The current portion of the Group's lease liabilities increased by AED 4.0 million, or by 2.7%, to AED 149.8 million as at 31 December 2022, compared to AED 145.8 million as at 31 December 2021. The increase in lease liabilities was primarily due to the entry into new leases during the year ended 31 December 2022 in respect of new stores owned by the Group.

Interest-bearing loans and borrowings

The current portion of the Group's interest-bearing loans and borrowings remained stable at AED 0.7 million as at 31 December 2022 and 2023 and AED 0.8 million as at 31 December 2021.

Amount due to related parties

The following table sets out the amounts due from the Group to related parties as at 31 December 2021, 2022 and 2023.

	As at 31 December 2021	As at 31 December 2022	As at 31 December 2023	Increase/(Decrease) 31 December 2021 - 31 December 2022	Increase/(Decrease) 31 December 2022 - 31 December 2023
		(AED 000)		*(%)*	
Ultimate Parent Company					
Albwardy Investment L.L.C.	-	-	5	-	N/A
Entities under common control					
Albwardy Engineering Enterprise	10,206	7,553	17,718	(26.0)%	134.6%
Al Seer Trading Agencies LLC	5,351	1,912	3,964	(64.3)%	107.3%
Fit Fresh LLC	1,594	1,700	4,722	6.6%	177.8%
Arabian Oasis Food Co LLC	2,377	1,452	2,232	(38.9)%	53.7%
Fine Fair Commercial Complex LLC	2,035	1,057	2,265	(48.1)%	114.3%
Al Seer Group LLC, Oman	190	110	145	(42.1)%	31.8%
Istana Furniture	76	42	44	(44.7)%	4.8%
Technical Resources Establishment	45	18	27	(60.0)%	50.0%
Indian Pavilion Restaurant LLC	-	-	4	-	N/A
Totale Cleaning Services	-	-	131	-	N/A
Albwardy Technical and Industrial L.L.C	10	-	-	N/A	-
Ultimate parent company's joint venture					
National Industrial Services Co LLC	-	16	17	-	6.3%
Pacman Middle East LLC	697	952	853	36.6%	(10.4)%
Non-controlling shareholder					
Abdul Mohsen Al Hokair Holding Group	-	-	6,705	-	N/A
Parent's associate					
Nestle UAE L.L.C	2,426	2,169	3,521	(10.6)%	62.3%
FerGulf Trading UAE L.L.C.	911	1,064	1,827	16.8%	71.7%
Reckitt Benckiser Arabia Trading LLC	1,227	812	1,355	(33.8)%	66.9%
Spinneys (Abu Dhabi) L.L.C.	10,221	-	-	N/A	-
Spinneys Ras Al Khaimah LLC	148	-	-	N/A	-
	37,514	**18,857**	**45,535**	**(49.7)%**	**141.5%**

Amounts due to related parties increased by AED 26.6 million, or by 141.5%, to AED 45.5 million as at 31 December 2023, compared to AED 18.9 million as at 31 December 2022. The increase in amount due to related parties was primarily due to an increase in amounts due to Al Bwardy Engineering Enterprises, in respect of maintenance services in relation to stores owned by the Group, Abdul Mohsen Al Hokair Holding Group, toward funding the Group's operations in the KSA, and other related parties, due to timing differences in making payments for purchases and services from the related parties.

Amount due to related parties decreased by AED 18.6 million, or by 49.7%, to AED 18.9 million as at 31 December 2022, compared to AED 37.5 million as at 31 December 2021. The decrease in amount due to related parties was primarily due to a decrease in amounts due to Spinneys Abu Dhabi LLC and Al Seer Trading Agencies LLC, due to timing differences in the making of the payments.

Consolidated statement of cash flows data

The following tables set forth certain information about the Group's cash flows for the years ended 31 December 2021, 2022 and 2023:

	Year ended 31 December			Increase/(Decrease)	
	2021	2022	2023	2021-2022	2022-2023
		(AED 000)			(%)
Net cash flows from operating activities	485,827	371,331	771,408	(23.6)%	107.7%
Net cash flows used in investing activities	(89,989)	(82,465)	(83,234)	8.4%	(0.9)%
Net cash flows used in financing activities	(381,668)	(418,071)	(373,352)	(9.5)%	(10.7) %
Net increase/ (decrease) in cash and cash equivalents	14,170	(129,205)	314,822	N/A	N/A
Cash and cash equivalents at 1 January	153,848	167,969	39,671	9.2%	(76.4)%
Net foreign exchange difference	(49)	907	(432)	N/A	N/A
Cash and cash equivalents at 31 December	**167,969**	**39,671**	**354,061**	**(76.4)%**	**792.5%**

Net cash flows from operating activities

For the year ended 31 December 2023, the net cash flows from the Group's operating activities increased by 107.7% or AED 400.1 million, from AED 371.3 million in 2022 to AED 771.4 million in 2023. This increase was primarily due to significant working capital movements, primarily on account of settlement of balances resulting from the transfer of property, plant and equipment and intangible assets to the Group from the Selling Shareholder, arising from the cancellation of cash sweep-in facility, in contemplation of the Global Offering, and settlement of purchase consideration for certain subsidiaries transferred to the Company from the Selling Shareholder, in contemplation of the Global Offering, along with an increase in profit before tax for the year and increase in trade payables.

The net cash flows from the Group's operating activities for the year ended 31 December 2022, decreased by 23.6% or AED 114.5 million, from AED 485.8 million in 2021 to AED 371.3 million in 2022. This decrease was primarily due to negative movement in trade payables, accruals and other payables, and related party receivables, which was partially offset by an increase in profit before tax for the year ended 31 December 2022.

Net cash flows used in investing activities

For the year ended 31 December 2023, the net cash flows used in the Group's investing activities increased by AED 0.7 million or 0.9%, from AED 82.5 million in 2022 to AED 83.2 million in 2023. This increase was primarily due to an increase in capital expenditure, which was partially offset by purchase consideration paid in 2022 in respect of the acquisition of Souq Planet.

The net cash flows used in the Group's investing activities for the year ended 31 December 2022, decreased by 8.4% or AED 7.5 million, from AED 90 million in 2021 to AED 82.5 million in 2022. This decrease was primarily due to a reduction in purchase of property, plant, and equipment during the year ended 31 December 2022, as compared to the year ended 31 December 2021, which was partially offset by additional payment of purchase consideration paid in respect of the acquisition of Souq Planet.

Net cash flows used in financing activities

For the year ended 31 December 2023, the net cash flows used in the Group's financing activities decreased by AED 44.7 million or 10.7%, from AED 418.1 million in 2022 to AED 373.4 million in 2023. This decrease was primarily due to the issuance of shares of the Company through capital injection from the Selling Shareholder in 2023, in anticipation of the Global Offering.

The net cash flows used in the Group's financing activities for the year ended 31 December 2022, increased by 9.5% or AED 36.4 million, from AED 381.7 million in 2021 to AED 418.1 million in

2022. This increase was primarily due to an increase in dividends paid and higher repayments of lease liabilities in 2022, as compared to the previous period.

Liquidity and capital resources

The Group's primary liquidity requirements are trade payables, accruals and other payables, amounts due to related parties, lease liabilities and interest-bearing loans and borrowings.

The Group's primary source of financing is cash from operations. During the periods under review, the Group has funded its working capital needs and capital expenditure requirements from cash from operations and borrowings. As at 31 December 2021, 2022 and 2023, the Group had AED 8.4 million, AED 6.7 million and AED 6.4 million of interest-bearing loans and borrowings, respectively.

Non-current portion of interest-bearing loans and borrowings

The following is a description of the Group's non-current portion of interest-bearing loans and borrowings as at 31 December 2021, 2022 and 2023.

	Year ended 31 December			**Increase/(Decrease)**	
	2021	**2022**	**2023**	**2021-2022**	**2022-2023**
		(AED 000)			*(%)*
Balance at 1 January	10,027	9,176	7,461	(8.5)%	(18.7)%
Less: Repayment of loan	(824)	(803)	(762)	(2.5)%	5.1%
Exchange differences	(27)	(912)	418	3277.8%	N/A
Balance at 31 December	**9,176**	**7,461**	**7,117**	**(18.7)%**	**(4.6)%**
Less: Current portion of the loans repayable within one year disclosed under current liabilities	(809)	(722)	(762)	(10.8)%	(5.5)%
Non-current portion at 31 December	**8,367**	**6,739**	**6,355**	**(19.5)%**	**(5.7)%**

Off-balance sheet arrangements

Contingencies

As 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, in respect of customs duties, payment guarantees and other matters, arising in the ordinary course of business amounting to AED 9.8 million, AED 9.8 million and AED 9.1 million, respectively.

As 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 facility 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 Albwardy Investment L.L.C amounting to AED 390 million. As at the date of this Offering Memorandum, all three corporate guarantees have been released.

Commitments

The following table provides a breakdown of the commitments of the Group for the years ended 31 December 2021, 2022 and 2023. The Group's commitments comprised lease and non-lease commitments, being future minimum rentals under non-cancellable lease contracts that have not commenced and non-lease payments under all non-cancellable lease agreements (including those commenced and not commenced), and estimated capital expenditure contracted for at the reporting date but not provided for, relating to new stores owned by the Group and the refurbishment of existing stores owned by the Group.

	Year ended 31 December			Increase/(Decrease)	
	2021	2022	2023	2021-2022	2022-2023
		(AED 000)			*(%)*
Capital expenditure commitments:					
Estimated capital expenditure contracted for at the reporting date but not provided for:					
Property, plant and equipment	20,880	24,354	53,072	16.6%	117.9%
Lease and non-lease commitments:					
Total operating lease expenditure contracted for at the reporting date	179,189	184,072	340,372	2.7%	84.9%

For the year ended 31 December 2023, lease and non-lease commitments increased by AED 156.3 million or 84.9%, from AED 184.1 million in 2022 to AED 340.4 million in 2023. This increase was primarily due to the Group entering into new leases that were signed but not accounted for pursuant to the IFRS-16 standard.

Financial Risk Management Objectives and Policies

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.

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 Pounds Sterling, 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 to which AED is pegged. 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 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 2.1 million as at 31 December 2023, AED 2.7 million as at 31 December 2022 and AED 7.0 million as at 31 December 2021 in the following denominations due in foreign currencies, the Group is not exposed to significant currency risk.

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.

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 2021, 2022 and 2023 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 geographical region, 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 Group does not hold collateral as security.

Bank balances and short-term deposits

The Group manages credit risk exposure arising from cash at banks by dealing with well-established banks.

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.

See Note 30 of the Financial Statements for further information on the Group's financial risk management objectives and policies.

INDUSTRY OVERVIEW

Unless otherwise specifically stated, the information set forth below is based the Market Report which has been prepared by the Market Consultants, for the benefit of the Company in relation to the markets in which the Group operates. See "Market, Economic and Industry Data".

Introduction

The Group has commissioned A.T. Kearney Middle East Ltd (the "**Market Consultant**"), an independent management consultancy firm to prepare a market study on the grocery retail industry such as supermarkets, hypermarkets, discounters, convenience stores and e-commerce in three key markets the UAE, the KSA and Oman, as defined by the Group.

Except where expressly indicated, the information in this section has been extracted from the market study report prepared by the Market Consultant exclusively for the benefit of the Company in relation to the markets in which the Company operates (the "**Market Report**"). The Market Report contains information obtained or derived from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed.

Forecasts and other forward-looking information contained or referenced in this section (if any) are subject to the same qualifications and uncertainties as the other forward-looking statements in this Prospectus (see "*Information Regarding Forward-Looking Statements*"). The Market Consultant provides advisory services in the field of market research and management consultancy. For more information about the Market Consultant, visit its website (www.kearney.com).

The Market Consultant has prepared the Market Report in an independent and objective manner, and it has taken adequate care to ensure its accuracy and completeness. Research has been conducted with an "overall industry" perspective, and it may not necessarily reflect the performance of individual companies in the industry. The preparation and disclosure of information or summary extracted from the Market Report in this Prospectus is not intended to create, and the Market Consultant does not accept, any duty of care to any recipient of the Prospectus or any liability for damages suffered by any party resulting from their use of the information included in this Prospectus. Other than the Company, the Market Consultant does not accept reliance by any other party on information which has been extracted from the Market Report and included herein and any such reliance shall be at such party's own risk.

The Market Report was prepared on 21st February 2024 and as such addresses statements and matters stated therein or at the times otherwise specified therein and does not take account of any changes or developments which may have occurred since. The information in this section is therefore subject to change. The Market Consultant's conclusions, or any information or summary extracted from the Market Report and contained or referred to herein are subject to certain assumptions and qualifications set forth in the Market Report.

The information provided in this section is based on analysis by the Market Consultant of primary and secondary information, knowledge available internally or in the public domain, and should be read in conjunction with the same. Quantitative market information was sourced from interviews by way of primary research, and therefore, the information is subject to fluctuations due to possible changes in the business and industry climate. Market estimates and assumptions are based on varying levels of quantitative and qualitative analyses, and actual results and future events could differ materially from such estimates, predictions, or such statements. Nothing in the Market Report constitutes valuation or advice. The Market Consultant makes no representation or warranty, expressed or implied, to any party with respect to the accuracy or completeness of any of the information contained or referenced in this section.

The Market Consultant does not, nor do any of its Subsidiaries, affiliates, partners, shareholders, directors, managers, or their relatives, own any shares or any interest of any kind in the Company or its Subsidiaries.

As at the date of this Prospectus, the Market Consultant has given, and not withdrawn, its written consent for the use of its name, logo, statements, and market research and data supplied by it to the Company in the manner and format set out in this Prospectus.

Methodology for analysis

All data, analysis and research estimates in this section is based on research work conducted between September 2023 and December 2023. This prospectus contains raw data coming from different sources (e.g., Euromonitor, Nielsen, Oxford Economics), along with figures derived from analyses conducted by Kearney. Market size and competition related analysis depends primarily on Euromonitor figures for various segments, Nielsen's FMCG research for brick and mortar modern trade for 2022, triangulated through expert calls. Addressable market analysis was conducted using data from Oxford Economics and a consumer research conducted through Nielsen (September 2023). It is noted that the Company provided its audited sales data for the period 2020 to 2023 which was used to estimate its shares. The share for the Company across the UAE, Dubai and Oman markets is calculated using the Company's audited sales data over the total market size as estimated by the sources mentioned above.

Executive Summary

The Group is a leading premium supermarket chain currently operating in the UAE and Oman, with the UAE serving as its largest market, accounting for 97% of total revenue in 2023. Since its establishment, The Group has earned a strong reputation for freshness and exceptional customer service. The management aims to expand into the attractive KSA market by the second quarter of 2024 to continue its growth trajectory. As of December 2023, the Company operated 75 stores including 11 in Abu Dhabi under an operations agreement. Of the 75 stores, 46 are located in Dubai, underpinning the group's strong presence in the Emirate[1].

Leveraging robust macroeconomic tailwinds in the UAE, KSA, and Oman, Spinneys is strategically positioned to capitalize on emerging market opportunities. For instance, the UAE's GDP is expected to grow at a healthy rate of 3.4% from 2022 to 2028, with a significant post-COVID-19 recovery in tourism levels, and the affluent[2] segment of the population (the "**Affluent Population**") expected to grow at a CAGR of 4.3% over the 2022-28 period.

Spinneys' value proposition is expected to have higher appeal to customers with greater spending power (monthly income of AED 20,000+) looking for premium quality and fresh assortment. This target market in the UAE in 2022 is valued at AED 23.0 Bn and is expected to grow at 4.4% CAGR until 2028, 1.1 times faster than the overall grocery market. Spinneys has captured a 12% market share in this target market and 27% in Dubai.

Supportive consumer trends, such as the rising demand for quality healthy food, convenience, and e-commerce growth, further reinforce Spinneys' growth prospects. In 2023, Spinneys derived 61.5% of its revenue from the fresh category, highlighting its commitment to providing high-quality, fresh products. With its e-commerce channel accounting for 13% of its revenue in 2023 (outperforming by ~2 times the market average), Spinneys is well positioned to tap into the fast-growing UAE e-commerce grocery market, which is forecasted to increase its share of the overall UAE grocery market from 5% in 2022 to 7% in 2028 (8.8% CAGR). Additionally, Private label penetration is

1 As per management internal reporting
2 Adults in earning age range with yearly income higher than AED110k (USD ~30k)

expected to increase, with Spinneys' private label assortment accounting for 10% of its revenue in non-fresh and non-food groceries (rising to 41% when including the fresh category) as of 2023.

The target market in KSA is sizeable with the two regions of Riyadh and Jeddah estimated to be AED 8 Bn in size and growing at CAGR 6.7% over the period between 2022 to 2028. The growth is underpinned by rise in population which is estimated to grow at CAGR 1.4% over the same period, with middle and upper income segments rising at a higher rate of 6.4% CAGR over the same period. The cities of Riyadh and Jeddah which the Company is looking to target has a higher disposable income than the wider KSA market and is home to approximately 33% of the residents and approximately 36% of the total grocery market of the country.

The KSA grocery market is highly fragmented with competitors primarily focusing on price but lagging behind in areas such as fresh products, good quality, product availability / variety and cleanliness. In contrast, Spinneys ranks highly on these parameters in the UAE, and is known for its store hygiene, eco-friendliness, premium assortment variety and fresh fruits and vegetables, which are expected to be its key differentiators in KSA. A Nielsen survey conducted in April 2022 in Riyadh estimates that more than 30% of the population were aware of the Spinneys brand and its differentiated premium positioning and more than 70% would consider visiting a store which sets the right conditions for Spinneys entry and growth in the market.

Spinneys' performance in the UAE Market

Macroeconomic Outlook

The UAE is the second-largest economy in the MENA[3] region and is expected to maintain a healthy GDP growth of 3.4% from 2022 to 2028. Post-COVID, the UAE has witnessed a strong rebound in economic activity, attributed partially to factors including ongoing implementation of economic reforms; increased foreign direct investment inflows; attraction of high-net-worth individuals; rising tourism levels; and a recovery in global crude oil prices. Further, the UAE showed a high GDP per capita (AED 173K in 2022) and a low inflation of 0.2% between 2019 and 2022.

Table 1: Selected regions' real GDP (Bn USD)

Real GDP	**2017A**	**2019A**	**2020A**	**2022A**	**2028F**	**CAGR[4] (2017A-19A)**	**CAGR[4] (2019A-20A)[3]**	**CAGR[4] (2020A-22A)**	**CAGR[4] (2022A-28F)**
UAE	403	413	393	442	539	1.2%	-5.0%	6.1%	3.4%
KSA	708	733	701	793	956	1.8%	-4.3%	6.3%	3.2%
Oman	90	90	87	94	109	0.1%	-3.4%	3.7%	2.4%
MENA[1]	3,231	3,343	3,205	3,570	4,249	1.7%	-4.1%	5.5%	2.9%
OECD[2]	49,343	51,414	49,311	53,630	59,124	2.1%	-4.1%	4.3%	1.6%
Global	79,819	84,507	81,907	89,753	104,526	2.9%	-3.2%	4.6%	2.7%

Source: Oxford Economics
Notes: 1. Middle East and North Africa; 2. Organization for Economic Co-operation and Development, made up of 38 member states; 3. COVID-19 Impact; 4. Slight differences in CAGR due to rounding of real GDP numbers

The GDP drop in 2020 in the region was driven by the impact of COVID-19 and corresponding socioeconomic implications. However, substantial recovery is seen in tourism across the region, with 83% of pre-COVID levels achieved by 2022. Further, the recovery was propelled by an increase in international visitors in Dubai, religious tourism in Saudi Arabia, and events such as the FIFA World Cup in Qatar.

In contrast to the global trend, the UAE and the KSA have demonstrated remarkable resilience and stability in managing inflation rates[4].

3 Middle East and North Africa
4 Euromonitor

Strategies for regulating prices of essential goods and services (e.g., price caps) were adopted, mitigating the risk of sudden inflationary spikes. In addition, both the UAE and the KSA have invested in strong social policies for their citizens to ensure the welfare of consumers by providing subsidies on basic goods, housing, education, and healthcare. The currency peg with the US dollar has also played a crucial role in sustaining low inflation rates as it eliminates the inflationary pressure that could arise from currency depreciation. Both the UAE and the KSA are large oil exporters and are benefiting from the increase in oil prices. While raising the price of oil is usually associated with higher inflation, in the case of large exporters such as the UAE and the KSA, this has been offset by increased fiscal revenues and has led to increased economic activity, as well as rising consumer and business confidence. Ultimately, the retail industry in these two markets has played an integral role in curbing inflation. High competition in this sector influenced retailers to maintain competitive prices, which, in turn, exerted downward pressure on the inflation rate.

Table 2: Selected regions' real GDP per capita (K USD)

Real GDP per capita	**2022A**
UAE	47.1
KSA	21.8
Avg. of the KSA and the UAE	34.4
Oman	19.1
MENA	7.1
OECD	38.9
Global	11.4

Source: Oxford Economics

Table 3: Selected regions' average inflation

Consumer Price Inflation	**2019A-22A**	**2022A-28F**
UAE	0.2%	3.1%
KSA	2.3%	2.7%
Oman	1.2%	2.2%
MENA[1]	51.3%	34.8%
OECD	5.6%	4.5%
Global	5.4%	5.1%

Source: Oxford Economics
Notes: 1. Includes high inflation countries (e.g., Egypt and Turkey)

Non-oil GDP accounts for a substantial 72% of the UAE's total GDP, and it is projected to grow at 3.3% CAGR until 2028.

Table 4: Split of UAE Real GDP (Bn AED, %)

UAE Real GDP	**2022A**	**2028F**	**CAGR (2022A-28F)**
Oil	449 *(28%)*	553 *(28%)*	3.5%
Non-oil[1]	1,174 *(72%)*	1,426 *(72%)*	3.3%
Total (Bn AED)	1,622 *(100%)*	1,979 *(100%)*	3.4%

Source: Oxford Economics
Notes: 1. Non-Oil GDP includes non-oil manufacturing, wholesale and retail trade (including restaurants and hotels), transport and communication, finance, insurance, real estate, agri-activities and business services. It excludes government activities

Several ongoing structural reforms around economic diversification and ease of doing business in the region have helped the UAE. These include a focus on creating free zones and integrated business communities that help both large corporates and SMEs. The UAE also offers a favorable environment for investors, characterized by a low corporate income tax rate of 9%, a low value-added tax (VAT) rate of 5%, and flexible customs tariffs. Further, the UAE also focuses on attracting talent through golden visa programs that offer long-term residency. Spinneys presently operates in the UAE and Oman, with the UAE constituting its primary market. However, the management intends to expand into the attractive KSA market by the second quarter of 2024 to sustain its growth momentum.

Table 5: Selected GCC countries' population and grocery market size

Countries	**Population (2022A, Mn)**	**Grocery mkt size (2022A, Bn AED)**
UAE	9.4	65.9
KSA	36.4	124.7
Oman	4.9	14.2
Qatar	2.9	23.1
Kuwait	4.3	20.8

Source: Oxford Economics, Euromonitor, Nielsen, Kearney analysis

Demographic Profile

As of 2022, the UAE population is 9.4M, 88% of which are expats. This includes Western expatriates, Arabs, and South Asians, resulting in a diverse set of customer segments. While a large portion of residents are expat blue-collar workers, there is a sizable Affluent Population. 32% of the UAE's population (~3M individuals), falls within the affluent segment of middle or upper-income bracket (vs. 41% of OECD[5] countries). This segment of the population is projected to grow at a CAGR of 4.3% over the 2022-28 period (vs. 2.9% in OECD countries) as opposed to a 0.7% growth rate for the total population (vs. 0.2% in OECD markets, with the population increasing from 1.379 billion in 2022 to 1.399 billion in 2028).

In addition to the growth in population, the average disposable income of the UAE residents, which stands at AED 76k in 2022 (vs. AED 109k of OECD countries), is expected to grow at 2.3% CAGR between 2022 and 2028 (vs. 4.3% of OECD countries). Notably, Dubai residents' disposable income per capita stands at AED 90k in 2022, representing one of the highest in the UAE. The steady growth in both population and disposable income for the UAE residents indicates an overall healthy growth in spending power (total disposable income) of 3.1% CAGR. Female labor force participation increased from 17.0% in 2017 to 18.3% in 2022.

Table 6: Population and disposable income in the UAE

	2022A	**2028F**	**CAGR (2022A-28F)**
Total population (Mn)	9.4	9.9	0.7%
Affluent population[1] (Mn, %)	3.0 (32%)	3.9 (39%)	4.3%
Non-Affluent Population (Mn, %)	6.4 (68%)	6.0 (61%)	-1.1%
Average disposable income per capita (K AED)	76	88	2.3%
Total disposable income (Bn AED)	**721**	**867**	**3.1%**

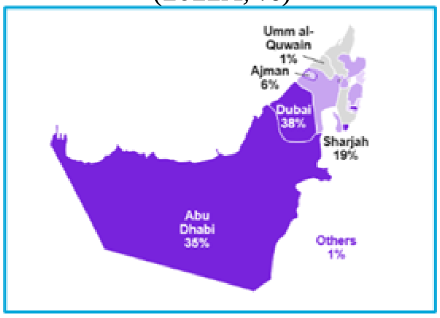
Source: Oxford Economics
Notes: 1. Adults in earning age range with yearly income higher than AED 110k (USD ~30k)

Table 7: Population split by city in the UAE (Mn, %)

	2022A
UAE	*9.4 (100%)*
Dubai and Abu Dhabi	6.9 (73%)
Rest of the UAE	2.5 (27%)

Source: Euromonitor, Global Data, Oxford Economics, Kearney Analysis

Figure 1: UAE population by region (2022A, %)



***Source:** Euromonitor, Global Data, Oxford Economics, Kearney Analysis*

Government initiatives and targets

Government initiatives aimed at enhancing the UAE's appeal to businesses and investors are expected to contribute to the rise in the Affluent Population and disposable income:

5 Organization for Economic Co-operation and Development, made up of 38 member states

(A) **Ease of doing business:** Foreign investors can now own up to 100% of shares in UAE companies, a significant leap from the previous 49% limit[6]

(B) **Business-Friendly Environment:** Dubai witnessed a remarkable 43% year-on-year increase with about 30,000 new businesses registered in the first half of 2023

(C) **Reforms in Visa Status:** Noteworthy spikes of 52% and 63% year-on-year were observed in issued Golden and Residency visas, respectively, in the first half of 2023

(D) **Tourism:** In 2022, the UAE's travel and tourism sector contributes around AED 167 Bn to its GDP, comprising 9% of the total GDP, with international tourists spending AED 117.6 Bn[a]. Notably, the Dubai International Airport ranks as the world's busiest[7]. The UAE actively promotes tourism by hosting major events like Expo 2020, the annual Abu Dhabi F1 Grand Prix, Gulfood, and GITEX

(E) **Hosting business and leisure events**: Increasing investments in all tourism sectors, developing and diversifying specialized tourism products

The UAE's government strategic roadmap aims to further enhance the UAE's attractiveness in the foreseeable future:

(A) **The UAE Tourism Strategy 2031:** Anchored by 25 initiatives and policies, this comprehensive strategy aims to fortify the nation's tourism sector and targets to raise the tourism sector's contribution to GDP to 450 Bn AED by 2031 and to attract new investments of 100 Bn AED to the tourism sector

(B) **Dubai 2033 Economic Agenda:** Unveiling a transformative 10-year plan, Dubai aims to double its economic size by 2033 and ascend to the ranks of the top 3 global cities

(C) **Dubai 2040 Master Plan:** Pioneering urban upgrade initiatives, economic expansion, and job creation endeavors, the Dubai 2040 Master Plan set an ambitious course for sustainable growth and prosperity

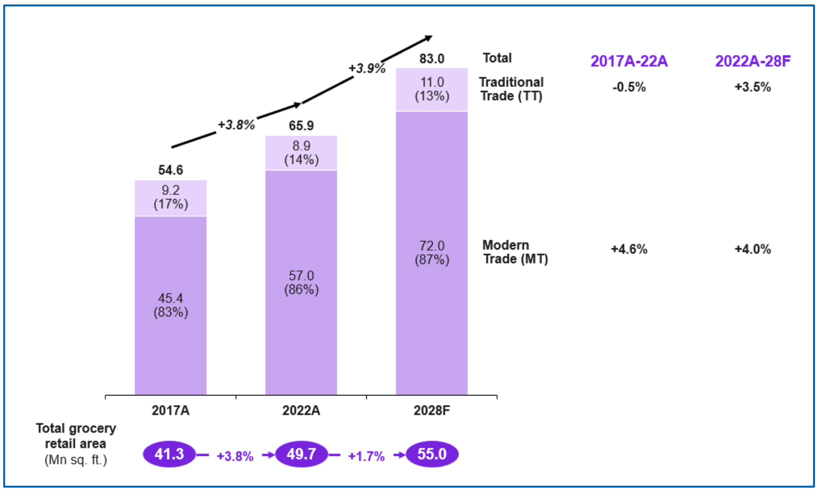
UAE regulatory environment overview

The UAE offers a secure and dynamic business environment. Corporate income tax is set at 9% on taxable income exceeding 375k AED, while value-added tax stands at 5%. Import requirements are designed to ease the process, although imported food registration is mandatory. The government permits foreign ownership of local companies at 100%. Grocery regulations align with the GCC standards, including enforcing price caps.

6 UAE Government
7 Gulf News

Size of Grocery Retail Market and Modern Trade Formats

Figure 2: UAE grocery market (Bn AED, 2017A – 28F)



Source: Euromonitor, Nielsen, Kearney analysis

In 2022, the overall grocery market in the UAE was valued at AED 65.9 Bn and has grown at 3.8% CAGR over the last 5 years (2017-2022). This growth is in line with retail selling area growth (sq. ft.) indicating that growth of the grocery market has been driven by the addition of new stores. Going forward, the market is expected to grow at 3.9%, with the retail selling area growing only at 1.7% 2022-2028E CAGR. This indicates a greater productivity in existing store growth. About 86% of the grocery retail market in the UAE is modern trade (comprising hypermarkets, supermarkets, convenience stores, discounters and forecourt retailers[8]) and is expected to grow at 4.0% CAGR from 2022 to 2028, faster than traditional trade (comprising independent small grocers, food/drink/tobacco specialists and other grocery retailers) which is expected to grow at 3.5% CAGR. In 2022, Brick and Mortar sales represented 95% of the overall grocery market. However, the share of Brick and Mortar is expected to decrease by 2028 to reach 93%, driven by greater penetration of eCommerce, projected to rise from 5% in 2022 (AED 3.0Bn) to 7% of the total market by 2028 (AED 5.0Bn).

In modern trade brick and mortar retail, hypermarkets made up 65% of the channel in 2022, followed by supermarkets at 28%. Although minimarkets and “Other retailers” had smaller shares (3% and 4% respectively in 2022), they were growing slightly faster.

Table 8: UAE grocery market by modern trade brick and mortar retailer (Bn AED)

Modern trade brick and mortar retailers	2017A	2022A	2028F	CAGR (2017A-22A)	CAGR (2022A-28F)
Hypermarkets	30.6	35.2	43.4	2.8%	3.6%
Supermarkets	11.2	15.2	19.1	6.3%	3.8%
Minimarkets / Convenience Stores	1.2	1.3	1.6	1.0%	4.1%
Other Retailers	1.8	2.2	2.9	4.1%	4.2%
Total[1]	**44.9**	**53.9**	**67.0**	**3.7%**	**3.7%**

Source: Euromonitor, Nielsen, Kearney analysis
Notes: 1. Does not include E-commerce

Spinneys’ Market Share and Market Size

Spinneys’ value proposition resonates particularly well with customer segments with greater spending power (monthly income of AED 20,000+) who are looking for premium quality and fresh assortment. This target market in the UAE is AED 23.0 Bn and is expected to grow at 4.4% CAGR

8 Euromonitor definition

until 2028, 1.1 times faster than the overall grocery market. Spinneys has captured a 12% market share in this target market.

Table 9: UAE and Dubai target market (Bn AED, %)

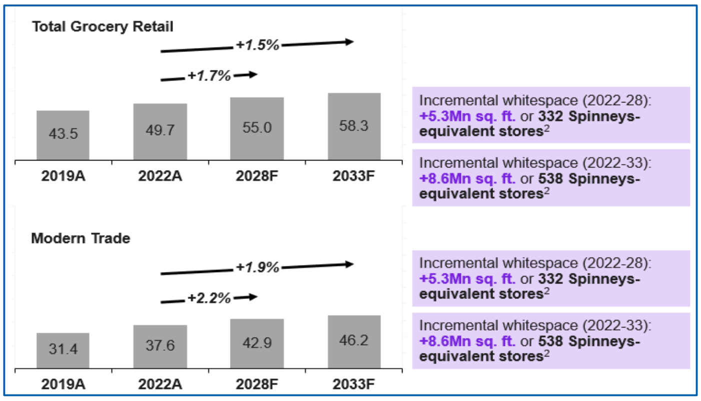
	2017A	2022A	2028F	CAGR (2017A-22A)	CAGR (2022A-28F)
UAE – Total grocery market	**54.6** ***(100%)***	**65.9** ***(100%)***	**83.0** ***(100%)***	**3.8%**	**3.9%**
Dubai – Total grocery market		22.5 (100%)	28.3 (100%)		3.9%
UAE – Addressable market		**31.8 (48%)**	**40.9 (49%)**		**4.3%**
Dubai – Addressable market		11.0 (49%)	14.1 (50%)		4.3%
UAE – Target market		**23.0 (35%)**	**29.8 (36%)**		**4.4%**
Dubai – Target market		*7.7 (34%)*	*10.0 (35%)*		4.4%

Source: Euromonitor, Nielsen, Kearney analysis

Within the UAE, Dubai constitutes a significant portion of the overall market. The target market in Dubai is AED 7.7 Bn, which is about one-third of the overall UAE target market. The expected growth of Dubai's target market is similar to the overall UAE target market, 4.4% CAGR through 2028. Spinneys has captured 27% of Dubai's target market, the success of which is largely attributable to a focused growth strategy delivered by management.

Methodology for market sizing: Target market has been calculated by identifying customers with income spend of more than AED 20k/month, and showing affinity for Spinneys assortment through shopping at modern trade players with similar assortment.

Figure 3: UAE grocery retail area (GLA[1]) (Mn. sq. ft.)



Source: Euromonitor, Nielsen, Industry experts, Spinneys internal data, Kearney analysis
Notes: 1. Gross Leasable Area (GLA denotes the amount of space in a commercial building that can be rented, including office space, storage space, or counter space); 2. Assuming average store size of 16k sq. ft

Evolution of retail whitespace in modern trade

Across the UAE, significant grocery real estate has been added since 2019, and this trend is expected to continue. Dubai and Abu Dhabi are currently undergoing significant real estate developments in accordance with their respective master plans, such as the Dubai 2040 Masterplan and the Abu Dhabi 2030 Master Plan through multiple upcoming developments in both Dubai and Abu Dhabi. This is expected to result in about 8.6M sq. ft. of total retail leasable area increase in the UAE between 2022 and 2033 (1.5% CAGR); equivalent to 538[9] Spinneys stores. Notably, the growth of the total retail area mirrors that of the Modern Trade, as the traditional trade is expected to remain stagnant.

9 Assuming average store size of 16k sq. ft.

Categories And Key Trends in Grocery Retail

Dubai's grocery retail market made up 35% of the share of the UAE market in 2022 and is expected to grow at 3.9% CAGR through 2028. The rest of the market is also expected to grow at 3.9% CAGR, indicating consistent growth across all Emirates.

Table 10: UAE grocery retail market (Bn AED, %)

	2017A	2022A	2028F	CAGR (2022A-28F)
Dubai	*N/A*	23 *(35%)*	28 *(34%)*	3.9%
Rest of the UAE	*N/A*	43 *(65%)*	55 *(66%)*	3.9%
Total (Bn AED)	**55**	**66**	**83**	**3.9%**

Source: Euromonitor, Nielsen, Kearney analysis

The largest category in the UAE grocery market is dominated by fresh food, with a market size of AED 30 Bn (45%) in 2022. Grocery non-food categories, while relatively smaller are expected to show slightly higher growth rates. However, it is important to note that while grocery non-food is growing faster (on a % basis), fresh food's absolute growth represents a much larger contribution to the overall grocery market (approximately AED 8 Bn over the 2022-28 period for fresh vs. AED 2 Bn for grocery non-food).

Table 11: UAE grocery retail market breakdown by product category (Bn AED, %)

Product categories	2017A	2022A	2028F	CAGR (2017A-22F)	CAGR (2022A-28F)
Fresh	24 *(43%)*	30 *(45%)*	38 *(46%)*	4.8%	4.0%
Non-fresh	22 *(40%)*	25 *(39%)*	32 *(38%)*	3.2%	3.7%
Others[1]	9 *(17%)*	11 *(16%)*	14 *(17%)*	2.7%	4.1%
Total	**55**	**66**	**83**	**3.8%**	**3.9%**

Source: Euromonitor, Nielsen, Benchmark companies, Industry experts, Kearney Analysis

Beverages (Non-fresh, AED 14.0 Bn) and fruits and vegetables (Fresh, AED 12.0 Bn) stand out as large subcategories in 2022, while meat (Fresh, 4.8% CAGR 2022-28) and snacks (non-fresh, 6.0% CAGR 2022-28) are among the fastest-growing segments. Spinneys has a large share in these four categories and its customers perceive it to have high quality, excellent value for money, and premium product offerings, as indicated in a recent customer survey (September 2023).

In addition to grocery retail, which involves purchasing food for consumption at home, Spinneys is also looking towards the foodservice market (food consumed outside of the home) as a potential driver for new revenue streams. In UAE, the foodservice market through retail[10] is projected to grow steadily, with revenues increasing from AED 25.2Bn to AED 28.8Bn from 2017 to 2022. By 2028, this market is expected to further expand, reaching AED 42.9Bn, representing a CAGR of approximately 2.7% between 2017 and 2022, and a CAGR of 6.8% between 2022 and 2028.

In line with global trends, other upcoming market trends in the UAE are relevant for the target customer segment, as detailed below:

(A) **Demand for quality healthy food:** Due to customers' concerns about the health impact of dietary choices, fresh food is showing strong growth. The share of fresh products in the UAE is expected to grow from 45% in 2022 to 46% in 2028, corresponding to an AED 8.0Bn increase (+4.0% CAGR from 2022 to 2028). Spinneys holds a strong position in this category, with 61.5% of its revenues generated by fresh products in 2023. Organic is a further strength with 7.5% of fresh sales from organic products. Spinneys has also developed the

---

10 Consumer foodservice through retail comprises dining establishments within retail settings, including supermarkets, convenience stores, shopping malls, and live counters within these outlets

"Farm to table" initiative, a learning program made up of five modules to inspire the UAE's children to eat well and live well.

(B) **Higher focus on convenience:** Due to busier lifestyles, customers are increasingly choosing time-saving food options. Ready-to-eat meals, pre-packaged meal kits, and grab-and-go meals are showing increasing demand, with an anticipated growth rate of 5.2% between 2022 and 2028. Grocery retailers are expanding their offerings by incorporating convenience stores into their business models. Spinneys' Group portfolio of ready-to-eat meals within food retail stores, in addition to The Kitchen by Spinneys' grocerant concept (which is a standalone category of stores and targets to open two outlets in 2024, with the first one planned for Q2 2024) are well positioned to tap into this market.

(C) **E-commerce:** The online channel is forecasted to increase its market share from 5% in 2022 to 7% in 2028. This leads to a growth rate (8.8% CAGR) significantly higher than that of the overall grocery market (3.9% CAGR). Spinneys' penetration of this segment is currently 13%. Consumer survey indicates top reasons to shop online as "Convenient when no time to go to the store physically" (43% of respondents) and "Convenient due to user friendly interface" (35% of respondents)

(D) **Increasing private label penetration:** Due to increasing price sensitivity and uniqueness of assortment, private label demand is expected to increase. While penetration overall was still low at 1.0%[11] in the UAE in 2017, it has grown to 1.3%[a] by 2022. Key categories with high penetration include home care (5.5%), staple foods (3.7%), and cooking ingredients/meals (3.3%). As of 2023, Spinneys' private label assortment accounts for 10% of its revenue in non-fresh and non-food groceries (penetration increases to 41% when also taking into account fresh). In this context, private label is targeted to be minimum 10% cheaper than equivalent branded products[12].

Figure 4: Spinneys private labels vs branded alternatives

Source: Spinneys internal analysis
Notes: 1. Private label under Spinneys brand, Waitrose brand, Fine Food and House brand

Overall, Spinneys' strong presence and alignment with key market trends make it well-poised for continued success in the evolving grocery market landscape in the UAE and once present, in KSA.

Competitive Landscape in Grocery Retail

In the grocery market in the UAE, the top 10 players represent 71% of the modern trade retail grocery market. Spinneys ranks sixth in terms of selling space and third in terms of sales. Combining both metrics, Spinneys emerges as the most efficient retailer in terms of revenue per square foot.

Spinneys' retail revenues per sq. ft. of AED 3.5k in 2022 is more than 2 times higher than the supermarkets' average of AED 1.6k, and is expected to experience faster growth with a CAGR of 1.9% through 2028, compared to the supermarkets' 0.8%. Spinneys' differentiated offering and focus

---

11 Excluding GET and Fresh

12 Private label under Spinneys brand and Waitrose brand. Spinneys internal analysis

on the premium fresh food segment result in a combined target market share of 12% in the UAE and 27% in Dubai.

Table 12: Retail revenue per sq. ft, selling space share (GSA[1]) and retail revenue share within Modern Trade

		2022A share within Modern Trade (%)	
Players	**Retail revenues per sq. ft. (K AED)**	**By selling space**	**By retail revenue**
The Group[2]	3.54	3.2%	4.9%
Al Maya	3.26	1.8%	2.9%
West Zone	3.15	3.1%	4.8%
ADCOOP	3.13	2.7%	3.2%
Buy ‘N’ Save	2.63	1.7%	2.2%
Carrefour	2.40	25.7%	26.2%
Sharjah Co-op	1.73	3.3%	2.1%
Lulu	1.55	31.2%	17.9%
Al Madina	0.78	9.5%	3.3%
Union Co-op	0.59	15.0%	3.3%

Source: Euromonitor, Spinneys internal data
Notes: 1. Selling space figures refer to Gross Sales Area (GSA), which does not include any office space, storage space, or counter space 2. The Group figures includes revenues generated from Abu Dhabi stores under management contract2

Table 13: Retail revenues value share in the target market (2022A, %)

Players	**UAE**	**Dubai**
Carrefour	39%	39%
The Group	12%	27%
Union Coop	5%	11%
Sharjah Co-op	3%	0%
Al Maya Group	1%	2%
Grandiose	1%	0%
Spar	1%	0%

Source: Euromonitor, Nielsen, Spinneys internal data, Kearney analysis
Notes: The Group figures includes revenues generated from Abu Dhabi stores under management contract

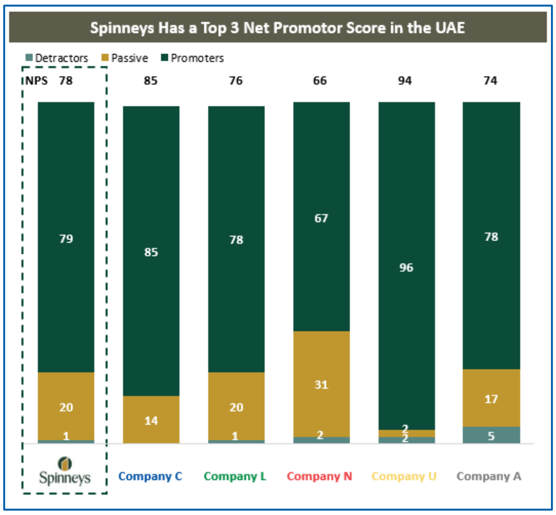
Spinneys Competitive Advantage

Spinneys alternative brands are priced very competitively, typically ranging from 0.4 to 0.5 times the prices of exclusive brands. This affordability makes Spinneys an attractive option for customers seeking value for their money. Moreover, the Spinneys brand enjoys high customer satisfaction, evident from its low detractor rates and an impressive Net Promoter Score (NPS) of 78. This marks a significant improvement, with Spinneys achieving the third position in 2023, up from sixth place in 2021. When shopping at Spinneys, customers highly value factors such as product range, quality, and freshness. Spinneys consistently excels in these areas compared to its competitors, further solidifying its position as a preferred choice among consumers.

Figure 5: Exclusive brands vs. Spinneys’ alternative

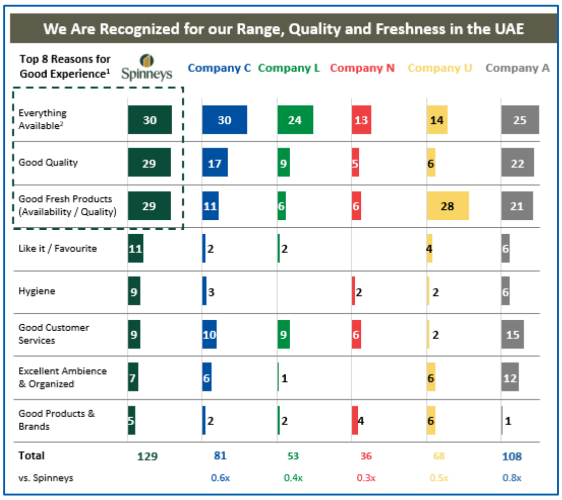
Source: Spinneys internal analysis
Notes: 1. Refers to brands with Limited-Term Exclusivity

Figure 6: Spinneys vs. peers' NPS score (2023)



Source: Nielsen

Figure 7: Spinneys vs. peers' good experience drivers (2023)



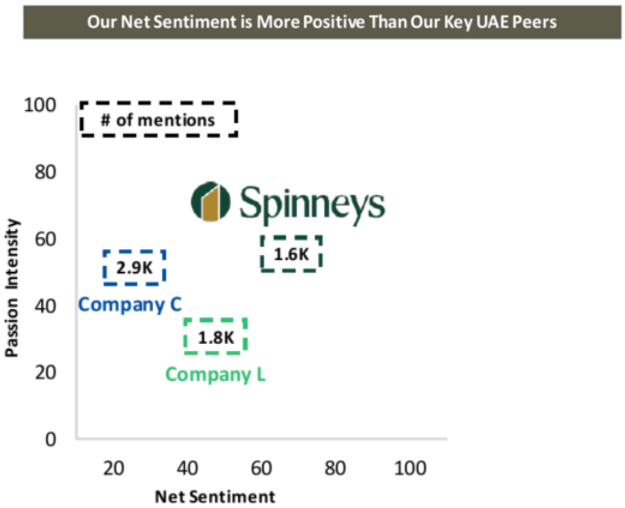
Source: Nielsen
Notes: 1. Nielsen, considers the Spinneys brand only, defined as the characteristics of a grocery shopping experience that customers enjoy; 2. Nielsen, "Everything available (My needs / International / Ready food / All Kind of Products)" metric; 3. Nielsen, based on Total FMCG % Value Sold on Deal as of August, 2023

Food categories, including fresh, frozen and meal solutions, drinks, and ambient items, account for 85% of Spinneys sales, with non-food categories making up the remaining 15%. Spinneys generally maintains high customer satisfaction across all product categories, particularly fresh food.

Customers highly value SpinneysFOOD, Spinneys' private label. 56% of surveyed customers perceive SpinneysFOOD to be of higher quality compared to manufacturer brands, with 41% considering its quality on par. Additionally, 43% of respondents express trust in SpinneysFOOD.

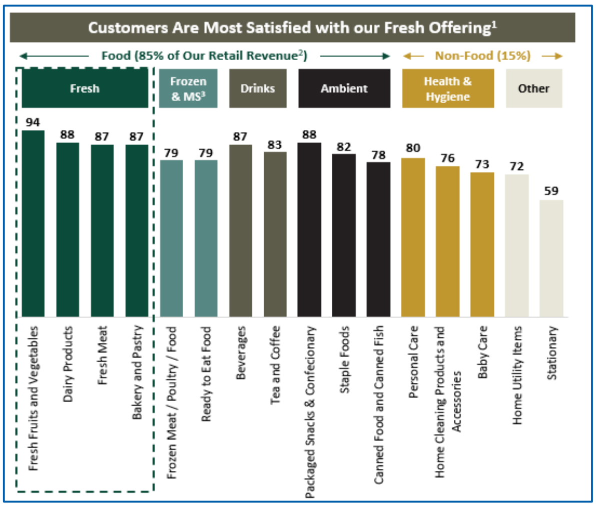
Spinneys stands out in the UAE market with a consistently positive sentiment from customers compared to its main competitors. Discussions surrounding Spinneys typically focus on health-related topics, reflecting the brand's emphasis on providing fresh and organic food options.

Figure 10: Sentiment analysis (2023)



Source: NielsenIQ survey

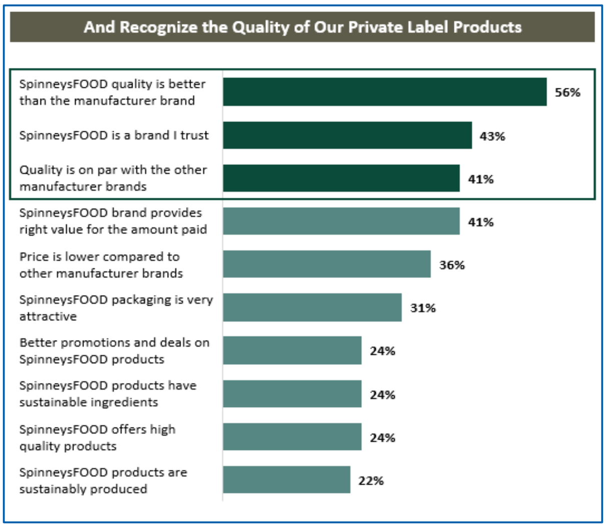
Figure 8: Customer satisfaction of Spinneys' product categories (2023)



Source: Nielsen

Notes: 1. Nielsen, considers the Spinneys brand only; 2. Refers to Revenue from Sale of Goods; 3. Meal Solutions, defined as all products sold loose from the Meal Solutions department

Figure 9: Spinneys' customer perception of SpinneysFOOD private label (2023)

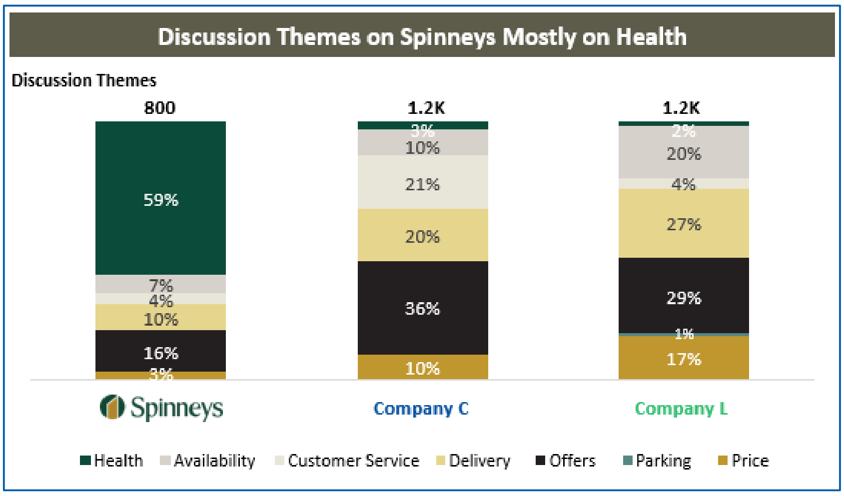


Source: Nielsen

Moreover, Spinneys surpasses its competitors in social media engagement, indicating a strong connection with its audience. With Spinneys benefitting from a 3.9% social media engagement rate, it holds a significant lead over the second-best competitor, which only captures 1% of engagement. This high level of social media interaction highlights Spinneys' effectiveness in attracting the attention and interest of consumers, further reinforcing its position as a preferred brand in the market.

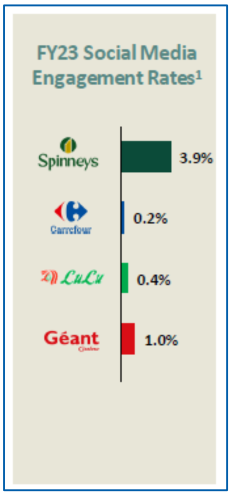
Spinneys offers a desirable proposition, boasting a wider range and greater availability of products across food, fresh, and private label categories. With superior food quality, excellent customer service, and perceived convenience, Spinneys holds a favorable position in the market. Consequently, its customers tend to spend up to 1.5 times more per month compared to competitors. Spinneys' innovative approach leads to a notable 19.2% EBITDA margin in 2022, surpassing its peers' average of 8.6%[13].

Figure 11: Social medial discussion themes (2023)



Source: NielsenIQ survey

Figure 12: Social medial engagement

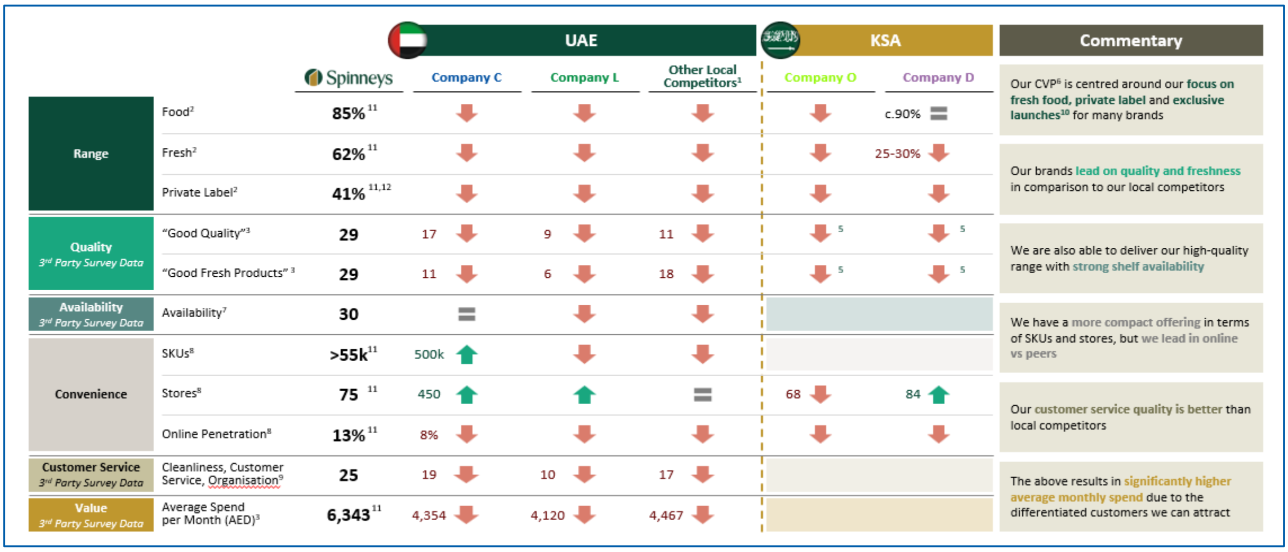


Source: Spinneys internal analysis

Notes: 1. Engagement rate is defined by the average interactions with a post (likes, comments or shares) divided by the number of followers a page has

13 Peers' Public Information based on a selection of peers based in the KSA, UAE and Qatar, refers to average 2022A Post IFRS 16 EBITDA Margin

Figure 13: Spinneys proposition



Source: Public companies' filings and presentations, Nielsen, Company Information
Notes: 1. Include Company N, Company U and Company A; 2. Company & filings, defined as a % of total Retail Revenue in 2023A; 3. Nielsen, based on 628 responses; 4. Excludes Egypt; 5. Nielsen, based on 511 respondents (Apr 22) survey in Riyadh, relates to the Spinneys brand; 6. Customer value proposition; 7. Nielsen, "Everything available (My needs / International / Ready food / All Kind of Products)" metric; 8. Company & filings; 9. Nielsen, sum of "Clean Place / Hygiene", "Good Customer Services" and "Excellent Ambience / Organise" metrics; 10. Refers to brands with Limited-Term Exclusivity; 11. Company Information; 12. Private label under Spinneys brand, Waitrose brand, Fine Food and House brand.

Customer perception of Spinneys

More than 90% of surveyed customers expressed satisfaction with Spinneys, particularly praising its quality assortment, which includes fresh food, meats, frozen items, and ready-to-eat products. Customers also appreciate Spinneys for its exceptional customer service and high in-store standards. Despite some consumers perceiving Spinneys as "more expensive" than other brands (20%), the majority still consider it a good or excellent value for money (93%).

Opportunity for Spinneys in the KSA (new market)

Macroeconomic Outlook

The KSA's GDP is the highest in the MENA amounting to AED 2,911 Bn in 2022 with non-oil comprising 57% of the total GDP. It is expected that non-oil GDP in the KSA will grow at a 4.7% CAGR (an absolute increase of AED 0.5 Bn) over the 2022-28 period and will comprise 62% of the total GDP in 2028. The KSA is actively focusing on increasing non-oil contributions to the economy as part of Vision 2030 through several initiatives including increasing SME GDP contribution, improving its Global Competitiveness Index rating, and encouraging higher foreign direct investment.

Table 14: Split of the KSA Real GDP (Bn AED, %)

KSA Real GDP	**2022A**	**2028F**	**CAGR (2022A-28F)**
Oil	1,257 *(43%)*	1,336 *(38%)*	1.0%
Non-oil[1]	1,654 *(57%)*	2,174 *(62%)*	4.7%
Total	**2,911 *(100%)***	**3,511 *(100%)***	**3.2%**

Source: Oxford Economics
Notes: 1. Non-Oil GDP includes non-oil manufacturing, wholesale and retail trade (including restaurants and hotels), transport and communication, finance, insurance, real estate, agri-activities and business services. It excludes government activities

Demographic Profile

The KSA is the largest country in the GCC with a population of 36.4 million in 2022 and is projected to increase at a rate of 1.4% CAGR until 2028. Overall disposable income in the KSA is experiencing a real growth rate of 2.3%, driven by a growing population (1.4% CAGR) and higher overall disposable income per capita (0.9% CAGR). While there is a relatively greater income disparity in the KSA compared to the UAE, 9% of the KSA total population (~3M individuals) falls into the affluent[14] population category, which in absolute terms, surpasses that of the UAE (the share of Affluent Population in OECD[15] countries is 41%). The expat population

14 Adults in earning age range with yearly income higher than AED 110k (~USD 30k)
15 Organization for Economic Co-operation and Development, made up of 38 member states

is growing and constitutes approximately 42% of the total population and is projected to increase to 50% by 2040[16], driven by government initiatives such as investment in infrastructure, increased entertainment, and a greater focus on creating a favorable environment for businesses. Female labor force participation increased from 14.3% in 2017 to 18.9% in 2022.

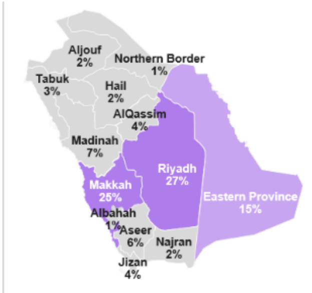
Table 15: Population and disposable income in the KSA

	2022A	2028F	CAGR (2022A-28F)
Total population (Mn)	36.4	39.5	1.4%
Affluent population[1] (Mn, %)	3.1 (9%)	4.5 (11%)	6.4%
Non-Affluent Population (Mn, %)	33.3 (91%)	35.0 (89%)	0.8%
Average disposable income per capita (K AED)	35	37	0.9%
Total disposable income (Bn AED)	1,285	1,471	2.3%

Source: Oxford Economics
Notes: 1. Adults in earning age range with yearly income higher than AED110k (~$30k)

The population of the KSA is primarily concentrated in key urban hubs, namely Riyadh and Jeddah, which accommodate 33% of its population. Spinneys aims to expand to the KSA market by the second quarter of 2024 targeting Riyadh and Jeddah, capitalizing on their status as KSA's most populous and affluent cities.

Figure 14: KSA population by region (2022A, %)[1]



Source: SAMA
Notes: 1. Jeddah city is in the Makkah region

Table 16: Population and disposable income per capita by city in the KSA

Selected Cities	2022A (Mn, %)	Disposable income per capita (AED, k)
KSA	36.4 (100%)	35
Riyadh city	7.4 (20%)	49
Jeddah city	4.7 (13%)	45

Source*:* Oxford Economics, Euromonitor, Kearney Analysis

Table 17: Population, household income, and grocery market size by selected region in the KSA

Selected Regions	Population (2022, Mn, %)	Average household income index[1]	Grocery market size (2022, AED Bn, %)
Riyadh region	9.8 *(27%)*	113	35.7 *(29%)*
Makkah	9.1 *(25%)*	104	30.4 *(24%)*
Eastern Province	5.5 *(15%)*	133	23.4 *(19%)*
Madinah	2.5 *(7%)*	86	7.0 *(6%)*
Aseer	2.2 *(6%)*	91	6.4 *(5%)*
Others	7.0 *(19%)*	98	21.7 *(17%)*
Total	**36.4 *(100%)***	**100**	**124.7 *(100%)***

Source: Oxford Economics, Primary market data, General Authority for Statistics, Kearney analysis
Notes: 1. Overall KSA = 100

Riyadh and Jeddah (situated in the Makkah region), boast household incomes exceeding the KSA average, making them prime expansion targets for Spinneys. Riyadh, as the capital and a more developed city, presents substantial opportunities, having attracted numerous multinational companies and their executive management. On the other hand, Jeddah's historical importance as a religious tourism center, particularly for pilgrims, further enhances its appeal.

Government initiatives and targets

Thanks to dynamic government reforms and robust investment initiatives, the KSA is experiencing a significant surge in economic momentum, driven by Saudi Vision 2030, which aims to achieve annual GDP growth of 10%, annual export growth of 12-18% and annual job creation of 9% from 2018 to 2030. In addition, the number of non-Saudis is expected to reach 50% of the total population of the KSA by 2040[17]. The comprehensive national strategy aims to move the KSA from the world's 19th largest economy to the top 15. Key goals include:

16 Statement from the Crown Prince of the KSA taken from his interview transcript on Vision 2030, as published in the Saudi Gazette

17 Statement from the Crown Prince of the KSA taken from his interview transcript on Vision 2030, as published in the Saudi Gazette

(A) **Private Sector Contribution:** Aspires to elevate the private sector's contribution to GDP from 40% to an ambitious 65%, signaling a shift towards a more diversified and resilient economy[18]

(B) **Foreign Direct Investment (FDI):** Striving to amplify FDI contribution to GDP from 3.8% to 5.7%, the KSA endeavors to bolster its position itself as an attractive destination for international investors

(C) **Economic Ranking:** Aiming to ascend from the 19th to a top 15 global economy, the KSA is **embarking** on a trajectory of accelerated growth and prominence on the world stage

(D) **Unemployment Reduction:** Committed to reducing unemployment to 7%, the KSA is **diligently** working towards creating a vibrant and inclusive job market

(E) **Global Competitiveness:** Pledged to enhance its Global Competitive Index ranking from 25 to the esteemed top 10, the KSA is embracing reforms to bolster its competitiveness in the **global** arena

(F) **Women's Workforce Participation:** To increase women's workforce participation to 30% by **integrating** them into the workforce, the KSA is fostering an environment of gender inclusivity

(G) **Tourism:** The national tourism strategy aims for the tourism sector to contribute 10% of KSA's GDP by 2030, targeting 150 million visits. To achieve this, KSA is developing world-class tourist **destinations** like NEOM, the Red Sea Project, and AlUla, while enhancing infrastructure to attract visitors[19]

KSA regulatory environment overview

The KSA offers an increasingly secure and dynamic business environment. Corporate income tax is set at 20% (in addition to a Zakat tax at a rate of 2.5% on net profits), while value-added tax stands at 15%. Import requirements are designed to ease the process, although imported food registration is mandatory. Government subsidies support food security, and foreign ownership of local companies is permitted up to 100%. Further, grocery regulations align with the GCC standards.

Spinneys' Entry into the KSA and Target Market Size

Riyadh and Jeddah (target cities for Spinneys' expansion) constitute 36% of the total grocery market of KSA. In the target market size calculation, the focus was on the customer segment with higher disposable income and a desire for premium assortment (as per the competition peer group) in these two cities. The target market amounts to AED 8.3 Bn and is expected to grow at 6.7% CAGR through 2028.

Table 18: KSA target market (Bn AED, %)

	2022A	**2028F**	**CAGR (2022A-28F)**
Total grocery market in the KSA	124.7 *(100%)*	165.0 *(100%)*	4.8%
Total grocery market in Riyadh and Jeddah	45.4 *(36%)*	60.3 *(37%)*	4.8%
Addressable market in Riyadh and Jeddah[1]	24.9 *(20%)*	33.8 *(20%)*	5.3%
Target market in Riyadh and Jeddah[2]	8.3 *(6%)*	12.2 *(7%)*	6.7%

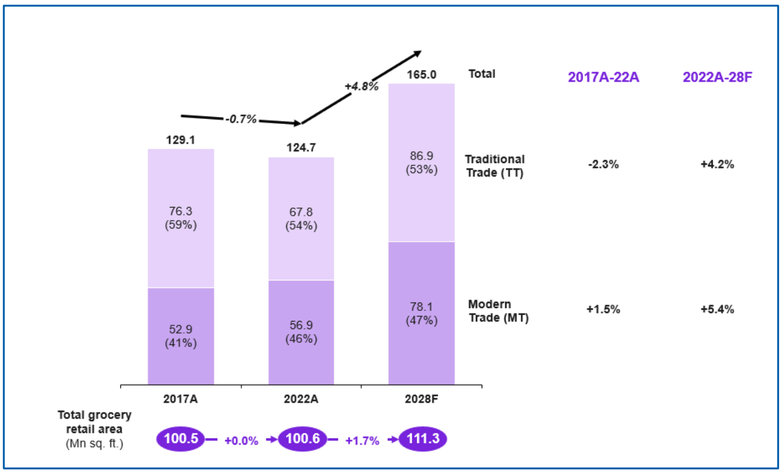
Source: Euromonitor, Nielsen, Kearney analysis
Notes: 1. Grocery market attributable to households earning over 20 K AED per month; 2. Product of addressable market, share of modern format in overall grocery market, % of population shop at key competition (GRMC), % of population shops at least once a week or more (GRMC)

18 KSA government
19 KSA ministry of tourism

Size of Grocery Retail Market and Modern Trade Formats

The overall grocery market is valued at AED 124.7 Bn in 2022 and is expected to grow at a 4.8% CAGR through 2028 (higher than 1.7% real estate growth). Two major factors contributed to a decline in the grocery retail market from 2017 to 2022. Primarily, the COVID-19 pandemic in 2020 significantly impacted the retail sector. Further, the VAT increase from 5% to 15% in 2020 also intensified the effect. Unlike the UAE, traditional trade is still significant in the KSA, as 54% of grocery sales go through small independent shops (known as "Bakalas"). As the market becomes more structured, modern trade is set to gain ground, outpacing traditional trade growth in the upcoming years. Within modern trade, eCommerce penetration remains low in 2022, at ~2%. However, eCommerce is expected to grow rapidly in the coming years at a rate of 20% CAGR to reach a 5% penetration level by 2028.

Figure 15: KSA grocery retail market (Bn AED)



Source: Euromonitor, Nielsen, Kearney analysis

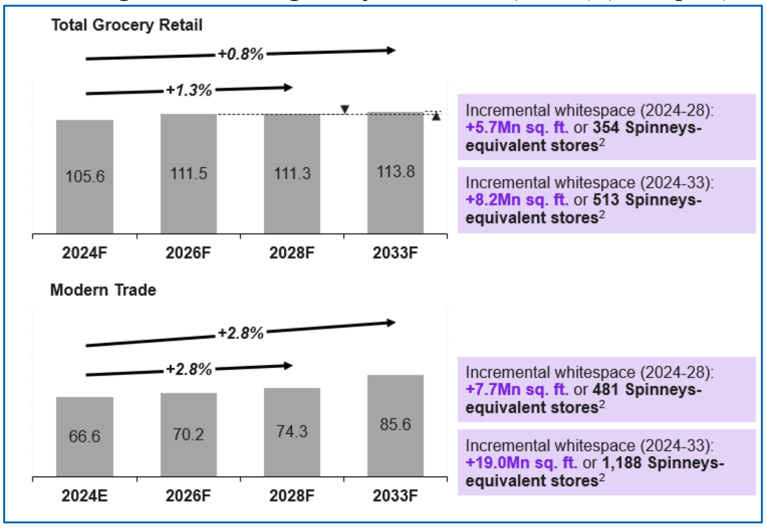
In 2022, supermarkets made up 59% of modern trade brick-and-mortar retail, while hypermarkets accounted for 28%. Hypermarkets are projected to see the fastest growth through 2028. The shares of these formats in the retail channel are expected to remain stable for the foreseeable future.

Table 19: KSA grocery market by modern trade brick and mortar retailer (Bn AED)

Modern trade brick and mortar retailers	2017A	2022A	2028F	CAGR (2017A-22A)	CAGR (2022A-28F)
Supermarkets	31.1	36.0	47.6	3.0%	4.8%
Hypermarkets	15.0	14.3	19.6	-0.9%	5.5%
Other Retailers[1]	3.7	2.9	3.7	-4.5%	4.2%
Minimarkets / Convenience Stores	3.0	2.4	3.2	-4.3%	4.4%
Total[1]	52.7	55.6	74.2	1.1%	4.9%

Source: Euromonitor, Nielsen, Kearney analysis
Notes: 1. Does not include E-commerce

Figure 16: KSA grocery retail area (GLA[1]) (mn sq. ft.)



Source: Euromonitor, Nielsen, Industry experts, Spinneys internal data, Kearney analysis
Notes: 1. Gross Leasable Area (GLA denotes the amount of space in a commercial building that can be rented, including office space, storage space, or counter space); 2. Assuming store size of 16k sq. ft

Evolution of grocery retail whitespace in modern trade

A key growth driver in the KSA market is store expansion. Between 2024 and 2028, ~5.7 Mn sq. ft. of new gross leasable area (GLA) is expected to be added (equivalent to ~354[20] Spinneys-equivalent stores) and corresponding to a 1.3% CAGR. The 8.2 million square feet of additional retail space projected from 2024 to 2033 represents a net increase in total area, accounting for both the rise in modern trade area (+19.0 million square feet from 2024 to 2033) and the decline in traditional trade. In fact, while the Traditional Trade channel is anticipated to lose space, the Modern Trade channel is set to expand. The KSA is experiencing substantial real estate advancements aligned with Saudi Vision 2030. Key projects like Sports Boulevard, New Murabba, Qiddiya, King Salman Park, Diriyah, and the King Abdullah financial district will notably contribute to expanding selling space.

Categories And Key Trends in Grocery Retail

Fresh food is the largest category in the KSA and comprised 62% of the total market (AED 77.7 Bn) in 2022. However, the fastest growing category is non-fresh food valued at AED 37.6 Bn in 2022 and projected to grow at 7.1% CAGR over the 2022-28 period. Meat, fruits, vegetables, and baked goods are the largest subcategories within the fresh food category, while beverages, snacks, and beauty/ personal care (BPC) are the fastest-growing segments. Spinneys is expected to achieve a strong positioning in these categories in the KSA, like its current performance in the UAE.

Table 20: KSA grocery retail market breakdown by product category (Bn AED, %)

Product categories	2017A	2022A	2028F	CAGR (2017A-22A)	CAGR (2022A-28A)
Fresh	76 *(59%)*	78 *(62%)*	95 *(58%)*	0.5%	3.4%
Non-fresh	43 *(33%)*	38 *(30%)*	57 *(34%)*	-2.5%	7.1%
Others[1]	11 *(8%)*	10 *(8%)*	14 *(8%)*	-2.5%	6.2%
Total	**129**	**125**	**165**	**-0.7%**	**4.8%**

Source: Euromonitor, Nielsen, Benchmark companies, Industry experts, Kearney Analysis
Notes: 1. Includes Non-Food Grocery and GET (General Merchandise, Electronics, Textiles)

An emerging trend in the KSA is the growth in private label penetration**.** Due to higher price sensitivity and uniqueness of assortment, private label demand is expected to increase. While penetration overall was still low at 1.2% in the KSA in 2017, it has grown to 1.4% by 2022. Key categories with high penetration include hot drinks (6.1%), staple foods (3.1%), and home care (2.1%). Another significant trend to consider is the growth of E-commerce, which is expected to increase its market share from 2% in 2022 to 5% by 2028. Lastly, the ready-to-eat segment, valued at AED 160.5Mn in 2022, is projected to grow annually at 3.2% from 2022 to 2028.

---

20 Assuming store size of 16k sq. ft.

Competitive Landscape in Grocery Retail

The KSA's grocery market is more fragmented than the UAE market. The top 10 players in the KSA hold 48% of the market share and 16% of the outlets of the modern trade ecosystem. There was no significant shift recorded in the total market share of the top players since 2017. Out of the top 10 players, Al Othaim has significantly increased its market share (+1.3 pp) over the past four years, leveraging supermarkets as its main retailer format.

Table 21: Market share (modern trade) evolution of top 10 players in the KSA (%)

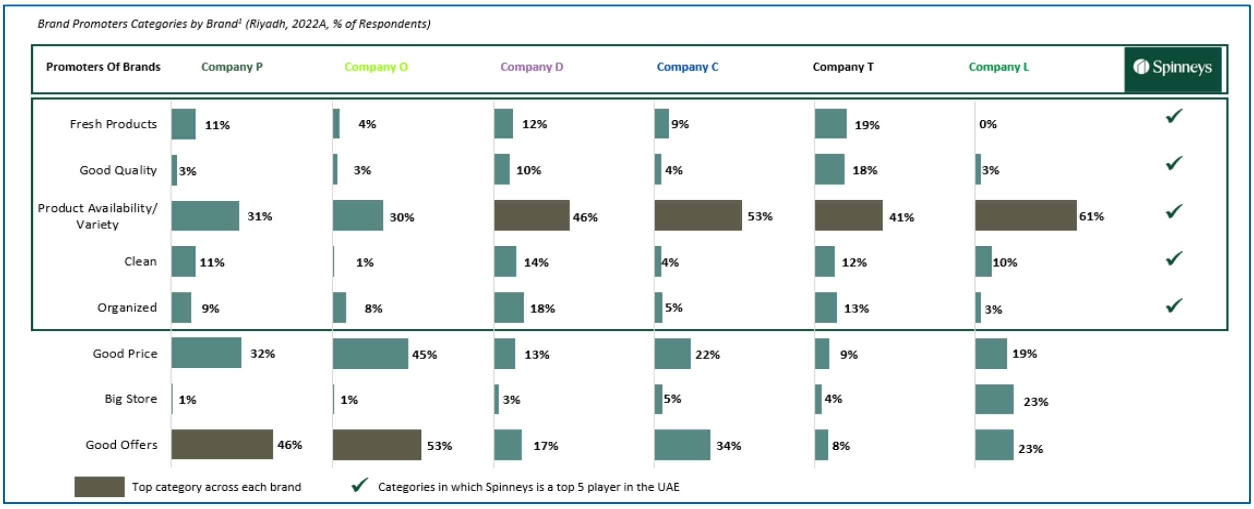
	2019A	**2022A**	**PP Change**
Panda	19.1%	15.3%	-3.9pp
Al Othaim	11.3%	12.6%	+1.3pp
Danube	8.4%	7.2%	-1.1pp
Carrefour	2.9%	2.4%	-0.5pp
Tamimi Markets	2.0%	2.4%	+0.4pp
Farm Superstores	2.6%	2.4%	-0.2pp
Lulu Hypermarkets	2.0%	2.2%	+0.2pp
Al Raya	1.9%	1.8%	-0.2pp
Al Sadhan	1.4%	1.0%	-0.3pp
Balsharaf Group	1.1%	1.0%	-0.1pp

Source: Euromonitor

Spinneys Competitive Advantage

In the KSA, competitors in the grocery market primarily focus on price but lag behind in areas such as fresh products, good quality, product availability/variety, and cleanliness. In contrast, Spinneys stands among the top

Figure 17: Brand promoters' categories by Brand (Riyadh, 2022A, % of respondents)



Source: Company information, Nielsen, Kearney analysis
Notes: 1. Nielsen, based on 511 respondents (Apr 22) survey in Riyadh, relates to the Spinneys brand only

5 players for these aspects in the UAE market. Leveraging its strong position in the UAE, Spinneys is well-positioned to bridge the gap and address the significant void in the Saudi grocery market.

Customer perception of Spinneys

According to the KSA consumers, Spinneys' key brand equivalents are Tamimi and Danube, followed by Carrefour and Farm Superstores. Despite a perceived premium in pricing relative to competing brands, Tamimi is acknowledged for its commitment to superior quality and pleasant in-store experience. Additionally, Danube is also viewed as a quality player in the KSA market with a strong product assortment. Spinneys' key differentiators, such as store hygiene, eco-friendliness, premium assortment variety, and fresh fruits and vegetables are expected to be its key differentiators in the KSA. Riyadh market already shows high awareness of the Spinneys brand with 37% of respondents claiming awareness of Spinneys and 73% considering visiting a Spinneys store.

Spinneys' performance in its non-core market (Oman)

Macroeconomic Outlook

Oman is the eleventh-largest economy in the MENA[21] region, with a GDP amounting to AED 345 Bn in 2022, and is expected to maintain a promising GDP growth of 2.4% from 2022 to 2028. Non-oil GDP in Oman is projected to grow at 3.5% CAGR over the 2022-28 period increasing non-oil's share to 73% from 68% in 2022.

Table 22: Split of Oman GDP (Bn AED, %)

	2022A	2028F	CAGR (2022A-28F)
Oil	109 *(32%)*	109 *(27%)*	-0.1%
Non-oil[1]	236 *(68%)*	290 *(73%)*	3.5%
Total (Bn AED)	**345 *(100%)***	**399 *(100%)***	**2.4%**

Source: Oxford Economics
Notes: 1. Non-Oil GDP includes non-oil manufacturing, wholesale and retail trade (including restaurants and hotels), transport and communication, finance, insurance, real estate, agri-activities and business services. It excludes government activities

Demographic Profile

Oman's population was 4.9 million in 2022 and is projected to grow at 1.4% CAGR over the 2022-28 period. 6% of the Oman population (vs. 41% of OECD[22] countries) falls into the Affluent Population category (earning >30,000 USD annually), a segment that is growing at an impressive 11% CAGR over the 2022-2028 period. The expat population constitutes approximately 43% of the total. Overall disposable income in Oman is experiencing a real growth rate of 2.1%, driven by a growing population (1.4% CAGR) and higher overall disposable income per capita (0.8% annually).

Table 23: Population and disposable income in Oman

	2022A	2028F	CAGR (2022A-28F)
Total population (Mn)	4.9	5.4	1.4%
Affluent Population (Mn, %)	0.3 (6%)	0.6 (11%)	11%
Average disposable income per capita (K AED)	31	33	0.8%
Total disposable income (Bn AED)	155	176	2.1%

Source: Oxford Economics
Notes: 1. Adults in earning age range with yearly income higher than AED 110k (USD ~30k)

Government initiatives and targets

Oman, like the UAE and the KSA, is undergoing a transformative phase, driven by its Vision 2040. Here are key initiatives:

(A) **Retail Sector Strategy 2040:** By attracting investments into hospitality and retail, Oman aims to carve a distinctive position in the competitive GCC markets[23]

(B) **Omanization Program:** Focused on upskilling locals, this program aims to increase competitiveness by ensuring a higher proportion of skilled Omani workers in the job market

(C) **Tourism Strategy 2040:** With a significant investment from the private sector, Oman intends to elevate its tourism industry's contribution to the GDP to 5.9%, fostering sustainable growth and development

(D) **Promising Omani Startups Program:** Launched in 2023, this initiative nurtures emerging startups, providing them with the necessary support and resources to thrive in both regional and global markets

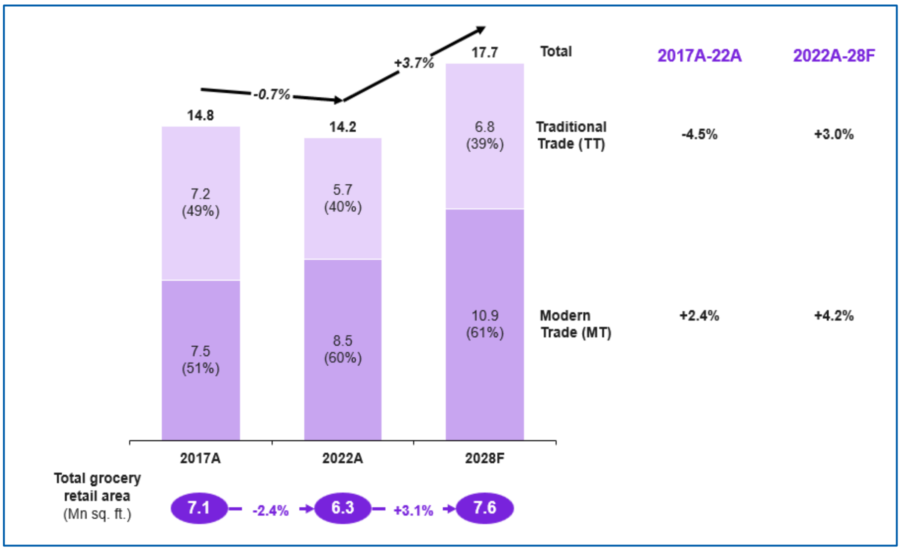
Oman regulatory environment overview

With a 15% corporate tax rate and a 5% VAT tax rate introduced in 2021, fiscal policies support business activities. The Public Authority for Special Economic Zones and Free Zones facilitates investment. Proper trademark documentation is required for private companies in respect of private labels, and customs duties on foreign goods can be refunded upon re-exportation. The US and the GCC goods are exempt from customs duties, while Oman's tariff schedule imposes duties of less than 10% on imports from other countries. The Royal Oman Police, Directorate General of Customs, ensures customs regulations' enforcement.

21 Middle East and North Africa
22 Organization for Economic Co-operation and Development, made up of 38 members state
23 Oman vision 2040

Size of Grocery Retail Market and Modern Trade Formats

Figure 18: Oman grocery retail market (Bn AED)



Source: Euromonitor, Nielsen, Kearney analysis

The grocery market in Oman amounts to AED 14.2 Bn in 2022 and is projected to grow at a 3.7% CAGR by 2028. This growth outpaces both inflation at 1.7% and population growth at 1.4%. Modern trade constituted 60% of the overall grocery market in 2022. Hypermarkets dominated the market in 2022 at 44% of the market compared to supermarkets at 35% and minimarkets at 2%. However, supermarkets and minimarkets are projected to grow at 4.0% and 5.6% CAGRs respectively through 2028, higher than the hypermarkets' CAGR which stands at 3.8%. Supermarkets and minimarkets have been on this trajectory for years and have increased their penetration by 5 pp since 2017. eCommerce in Oman represents only 1% of the overall modern trade market, however, it is expected to grow at a 24.2% CAGR over the 2022-28 period and reach 2% of the overall market.

In 2022, Hypermarkets made up 44% of modern trade brick-and-mortar retail, followed by supermarkets accounting for 35%. Although minimarkets and "other retailers" had a smaller share (21% combined in 2022), they are expected to experience faster growth throughout 2028 (5.6% and 4.3% respectively). However, their respective shares in the channel are not expected to shift significantly in the near future.

Table 24: Oman grocery market by modern trade brick and mortar retailer (Bn AED)

Modern trade brick and mortar retailers	**2017A**	**2022A**	**2028F**	**CAGR (2017A-22A)**	**CAGR (2022A-28F)**
Hypermarkets	3.3	3.7	4.6	2.1%	3.8%
Supermarkets	2.2	3.0	3.8	6.4%	4.0%
Other Retailers[1]	1.9	1.6	2,1	-3.5%	4.3%
Minimarkets / Convenience Stores	0.1	0.1	0.2	8.2%	5.6%
Total[2]	**7.5**	**8.4**	**10.6**	**2.3%**	**4.0%**

Source: Euromonitor, Nielsen, Kearney analysis
Notes: 1. Discounters, warehouse clubs and forecourt retailers; 2. Does not include E-commerce

Spinneys' Target Market Size and Share

The overall market size for groceries in Oman amounted to AED 14.2 Bn in 2022. Within this, the target market for Spinneys was AED 1.5 Bn in 2022 and is expected to grow to AED 2.0 Bn by 2028. This growth of 5.7% CAGR significantly outpaces the market. Spinneys' market share within the target market was 6.7% in 2022.

Table 25: Oman target market (Bn AED, %)

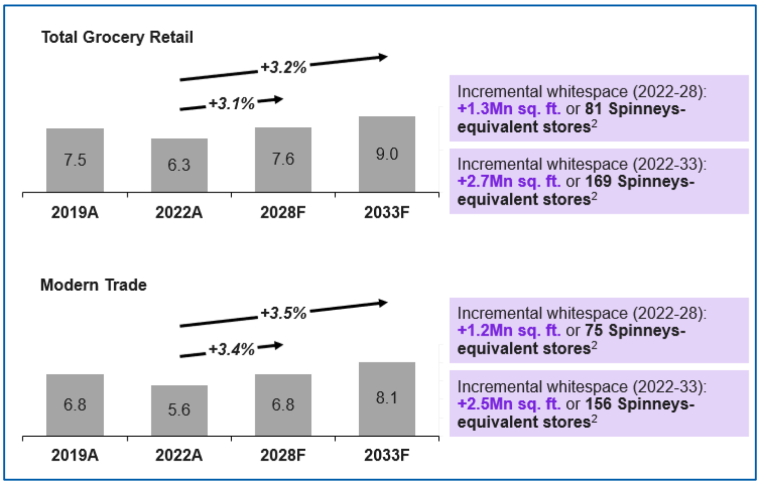
	2022A	**2028F**	**CAGR (2022A-28F)**
Total grocery market	14.2 *(100%)*	17.7 *(100%)*	3.7%

Addressable market[1]	7.8 *(55%)*	10.4 *(59%)*	5.0%
Target market[2]	1.5 *(11%)*	2.0 *(11%)*	5.7%

Source: Euromonitor, Nielsen, GRMC, Kearney analysis
Notes: 1. Grocery market attributable to households earning over 20 K AED per month; 2. Product of addressable market, share of modern format in overall grocery market, % of population shop at key competition (Nielsen, applied same ratio of UAE)

Evolution of grocery retail whitespace in modern trade

Figure 19: Oman grocery retail area (GLA[1]) (mn sq. ft.)



Source: Euromonitor, Nielsen, Industry experts, Spinneys internal data, Kearney analysis

Notes: 1. Selling area figures refer to Gross Leasable Area (GLA), which denotes the amount of space in a commercial building that can be rented, including office space, storage space, or counter space; 2. Assuming store size of 16k sq. ft.

In Oman, grocery retail real estate witnessed a notable decline between 2019 and 2022, largely attributed to the effects of COVID-19. However, a recovery is anticipated in the coming years, with approximately 1.3 Mn sq. ft. expected to be added by 2028. This addition would bring the total square footage to 7.6 Mn sq. ft., equivalent to the space of approximately 81 Spinneys stores[24]. This implies a compound annual growth rate (CAGR) of 3.1% per year from 2022 to 2028.

Key categories in Grocery Retail

The largest category in the market's assortment is fresh food, accounting for a substantial 58% share of the total grocery retail market in 2022 at AED 8.3 Bn. Spinneys' assortment is strategically positioned to effectively serve this significant category.

Table 26: Oman grocery retail market breakdown by product category (Bn AED, %)

Product categories	2017A	2022A	2028F	CAGR (2017A-22A)	CAGR (2022A-28F)
Fresh	8.4 *(57%)*	8.3 *(58%)*	9.7 *(55%)*	-0.3%	2.7%
Non-fresh	5.0 *(34%)*	4.8 *(34%)*	6.5 *(37%)*	-0.6%	5.3%
Others[1]	1.4 *(9%)*	1.2 *(8%)*	1.5 *(8%)*	-4.1%	4.7%
Total (Bn AED)	**14.8**	**14.2**	**17.7**	**-0.7%**	**+3.7%**

Source: Euromonitor, Nielsen, Benchmark companies, Industry experts, Kearney Analysis
Notes: 1. Includes Non-Food Grocery and GET (General Merchandise, Electronics, Textiles)

Competitive Landscape in Grocery Retail

Oman market exhibits higher consolidation compared to the KSA market, with the top five players holding approximately 62% of the modern trade market in 2022.

Table 27: Market share evolution of top five players in Oman (%)

Players	2019A	2022A	PP Change
Lulu	32.3%	33.0%	+0.7 pp
Carrefour	17.1%	16.4%	-0.6pp
Shell	5.6%	6.1%	+0.3pp
Al Meera Cons. Goods	3.1%	3.5%	+0.4pp

24 Assuming store size of 16k sq. ft.

Khimji Ramdas	2.6%	3.3%	+0.7pp

Source: Euromonitor

BUSINESS

Investors should read this section of this Offering Memorandum in conjunction with the more detailed information contained in this Offering Memorandum, including the financial and other information appearing in "Management's Discussion and Analysis of Financial Condition and Results of Operations" and in the Financial Statements, including the related notes, included elsewhere in this Offering Memorandum.

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 converted to a public limited company 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 Offering Memorandum, 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 45 Spinneys Stores (which excludes the Spinneys Stores in Abu Dhabi operated by the Group pursuant to the Spinneys Abu Dhabi Services Agreement), 15 Waitrose Stores and four Al Fair Stores represented 61%, 36% and 3% of the Group's Retail Revenue for the year ended 31 December 2023, respectively. The Group's Key Markets benefit from a number of socio-economic factors that support growth in the Group's Target Markets (as defined below), including relatively young and growing populations, with a high proportion of expats and an increase in disposable income, resulting in a projected 5% increase in the size of their Target Markets between 2022 and 2028 (source: Kearney).

The principal activities of the Group are the sale of fresh products, representing 62% of the Group's revenue from sale of goods ("**Retail Revenue**") for the year ended 31 December 2023, as well as the sale of ambient products, which represented 38% of the Group's Retail Revenue for the same period. For the year ended 31 December 2023, 87% of the Group's Retail Revenue was generated from in-store sales, while the Group's Online Penetration was 13%, generated via both the Group's E-commerce channels and third-party aggregators.

The premium consumer experience and locations of the Group's Stores, as well as its operational efficiencies, helped the Group achieve strong Retail Revenue of AED 2,484 million, AED 2,586 million and AED 2,822 million for the years ended 31 December 2021, 2022 and 2023, respectively and an 8.7% Like-for-like Growth in Retail Revenue for the year ended 31 December 2023, as compared to the average of 0.8% for the two years ended 31 December 2021 and 2022. The Group's Adjusted EBITDA for the years ended 31 December 2021, 2022 and 2023 was AED 472 million, AED 503 million and AED 562 million, reflecting an Adjusted EBITDA Margin of 18.7%, 19.1% and 19.6% for the same periods, respectively. The Group generated profit for the years ended 31 December 2021, 2022 and 2023 of AED 192 million, AED 214 million and AED 254 million, respectively, with Net Profit Margins of 7.6%, 8.1% and 8.9%, for the same periods.

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. For the years ended 31 December 2021, 2022 and 2023, the Group's Private Label products, together with Waitrose private label products, represented 37.6%, 38.3% and 41.1% of the Group's Retail Revenue, respectively. The Group's Private Label and the Waitrose private labels together spanned more than 7,200 SKUs in 2023, across a range of products including Hass avocados, whole roast chicken, organic Irish salmon fillets, crunchy nut cornflakes, mozzarella cheese and chopped tomatoes.

The Group's operations are supported by a dedicated sourcing network, with three subsidiaries in Australia, the UK and the USA, and two dedicated Production Facilities in the UAE, with plans to open a new sourcing office in Europe and a combined production facility in Dubai to replace the existing Production Facilities. The Group's sourcing and production network enables it to have a wide and diversified product mix and aims to achieve uninterrupted supply of quality merchandise at affordable prices, by being closer to the sources of fresh produce.

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 (see "*Industry Overview—Spinneys' performance in the UAE Market—Macroeconomic Outlook*"). 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.

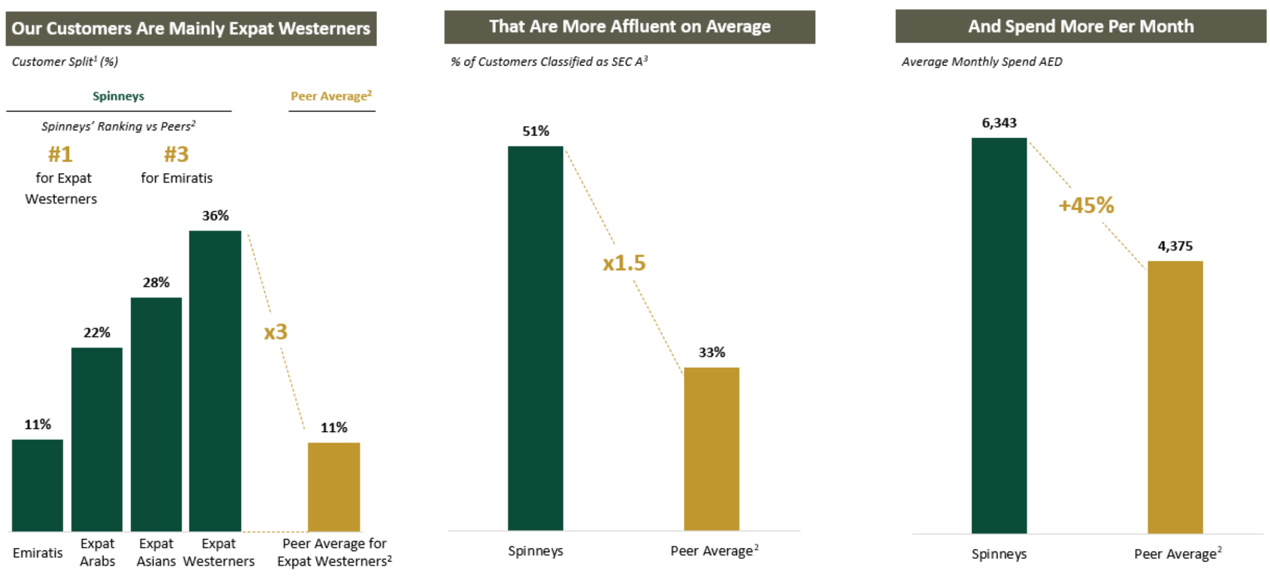
The KSA, as the largest economy in the GCC region, with a real GDP of USD 793 billion in 2022 and an economy that is expected to grow at a CAGR of 3.2% from 2022 to 2028, presents an attractive avenue for growth for the Group. The KSA had a population of 36.4 million in 2022, the largest population in 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 (see "*Industry Overview—Spinneys' performance in the UAE Market—Macroeconomic Outlook*"). 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% (see "*Industry Overview—Spinneys' performance in the UAE Market—Macroeconomic Outlook*"). 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) (see "*Industry Overview—Spinneys' performance in the UAE Market*").

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

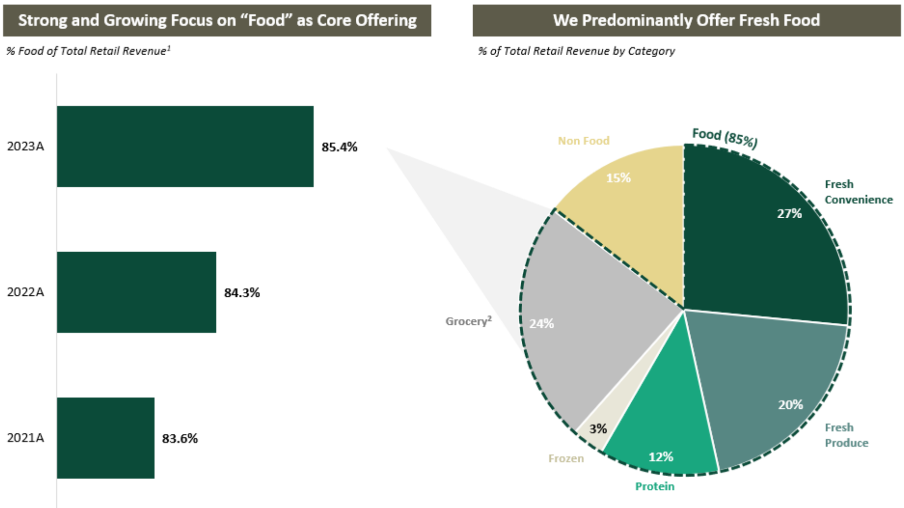
The Group commanded a 12% share of the Target Market in the UAE and a 27% share of the Target Market in Dubai in 2022 (see "*Industry Overview—Spinneys' performance in the UAE Market—Spinneys' Market Share and Market Size*"). As at 31 December 2023, 46 of the Group's Stores were in Dubai, further solidifying 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. Food-related products generated 85% of the Group's Retail Revenue for the year ended 31 December 2023, resulting in a 33.8% Food Trade Margin (excluding the back margin, being additional revenue earned from promotional activities conducted by the supplier).



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

The proportion of the Group's Retail Revenue generated from fresh food grew from 60% in both 2021 and 2022 to 62% in 2023, compared to the national average of fresh food as a percentage of total sales in the UAE grocery retail market, which stood at 45% in 2022 (source: Kearney). Retail Revenue from fresh food grew at a CAGR of 8.0% between 2021 and 2023, with a Fresh Food Trade Margin of 36% in 2023.

The Group targets 35% of its store space being focused on the display of fruit and vegetables. This emphasis has resulted in the Group's Average Basket Size growing at a CAGR of 3.3% from 2019 through 2023. In September 2023, the average amount surveyed customers reported they spent per month at Spinneys was 27% greater than the Group's closest peer in the UAE (source: Nielsen).

The Group carefully selects the products that will form part of its fresh offering, including, for example, strawberries and blueberries, which resulted in J.H.F. Limited ("**JHF UK**") becoming one of the leading exporters of UK strawberries to the UAE, with the Group having doubled the value of its strawberry category over the last four years. The Group similarly increased the volume of its Spinneys blueberry category by 69% since 2019, with 29% of total blueberry sales coming from the Group's jumbo 500 grams variety.

Outstanding Private Label Contribution

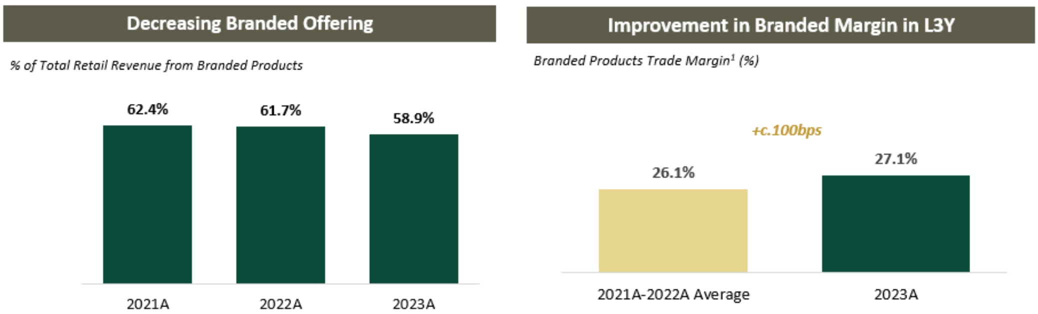
The Group's exclusive Private Labels, SpinneysFOOD, SpinneysHOME, SpinneysWELLNESS and Fine Food, as well as its exclusive right to sell Waitrose private label products in the UAE and the KSA, are a significant competitive advantage. Total SKU counts vary on a monthly basis, with some seasonal lines 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, generating 41.1% of the Group's Retail Revenue for the year ended 31 December 2023, compared to 38.3% and 37.6% for the years ended 31 December 2022 and 2021, respectively. The Private Label Trade Margin grew by 70 basis points from the average of 38.7% for 2021 and 2022 to 39.4% in 2023.

The portion of Private Label products and Waitrose private label products in the sale of fresh products grew by 290 basis points from the average of 57.6% across 2021 and 2022 to an average of 60.5% across 2023, while 10% of the Group's Private Label Retail Revenue is generated from ambient products, compared to the UAE industry average in 2022 of 1% (source: Kearney).

The Group's 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 Group's 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

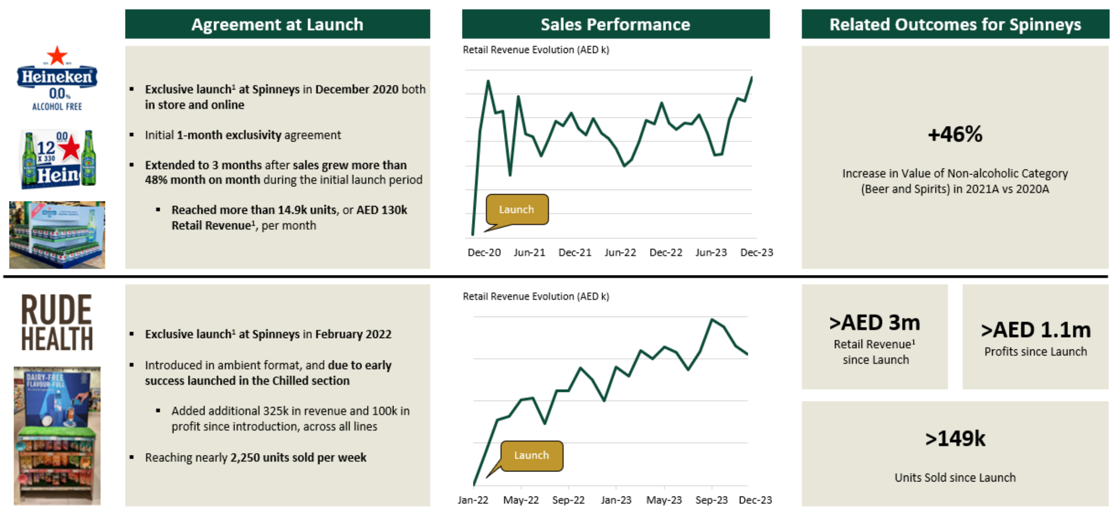
The Group has an extensive branded range, comprising, resulting in 59% of Retail Revenue being generated from branded products during the year ended 31 December 2023. The Group's Branded Trade Margin was 27.1% in 2023, having increased by approximately 100 basis points compared to the average trade margin for branded products between 2021 and 2022 of 26.1%. 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).

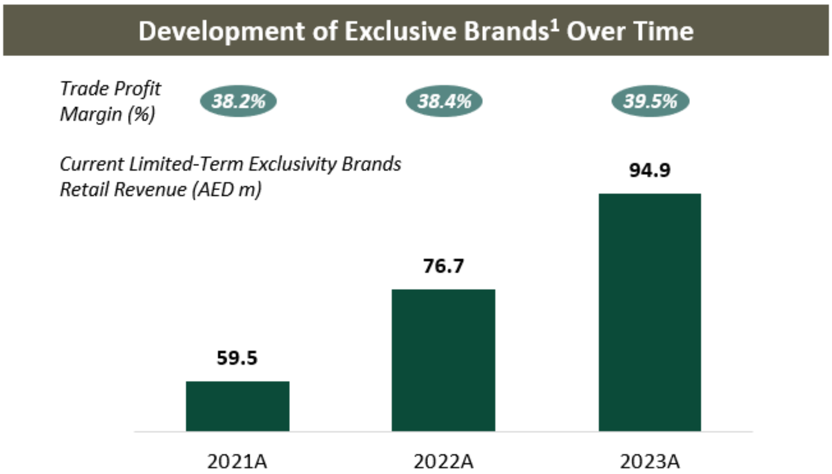
In 2023, the Group had 3,948 brand relationships. Of the Group's top 100 brand relationships in 2023, 78% were with international brands, including Cadbury, Nivea and Chiquita, 16% were with local brands, including Al Ain, Barakat and Bayara, and 6% were with regional brands, including Almarai, Al Jazira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

For the year ended 31 December 2023, 3.4% of the Group's Retail Revenue was generated from products the Group had limited-term exclusive rights to sell in the UAE, with an average Branded Trade Margin in 2023 for the products the Group had limited-time exclusive rights to sell in the UAE of 39.5%. As demonstrated in the chart below, the Retail Revenue generated from brands with which the Group has limited-term exclusivity rights grew between 2021 and 2023.



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

For example, the Group had limited-term exclusive rights to sell Warburtons' bread from 2021 to 2023, which had year on year growth in sales of 532% in 2022 and 57% in 2023, resulting in Warburtons' bread becoming a top 10 line in the Group's bakery department in 2023.

Omni-Channel Platform Centred around Convenience

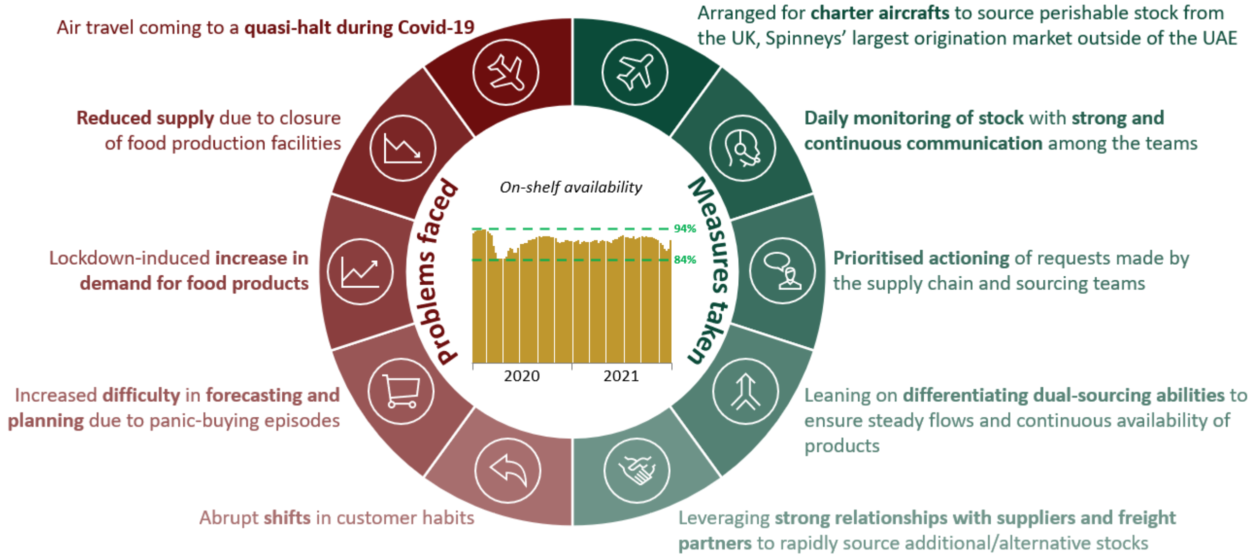
Through its omni-channel offering, the Group empowers consumers to shop flexibly and conveniently. The Group has multiple, flexible store formats in proximity to consumers. In 2023, 46 of the Group's Stores were in Dubai, 18 in Abu Dhabi (including 11 Stores managed by the Group pursuant to the Abu Dhabi 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. Following launch in 2020, as of 31 December 2023, the Group's Online Penetration was 13%, of which 13% of E-commerce sales were generated by the Group's platforms and 87% were generated by 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% 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:



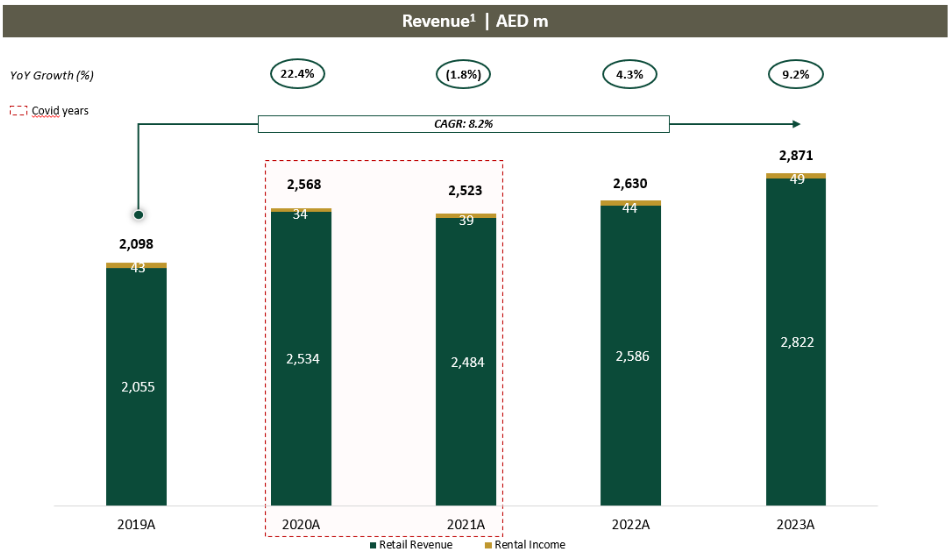
In addition, the Group operates two centralised production facilities (the "**Production Facilities**"), collectively delivering 1,498 SKUs daily. Further, the Group's well-invested, cloud-based IT infrastructure is ready to scale seamlessly and is supported by the Group's long-standing employee base, 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 sq.ft. in 2022, compared to a UAE market average in 2022 of c. AED 1,600 per sq.ft. (source: Kearney), and Gross Margin 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

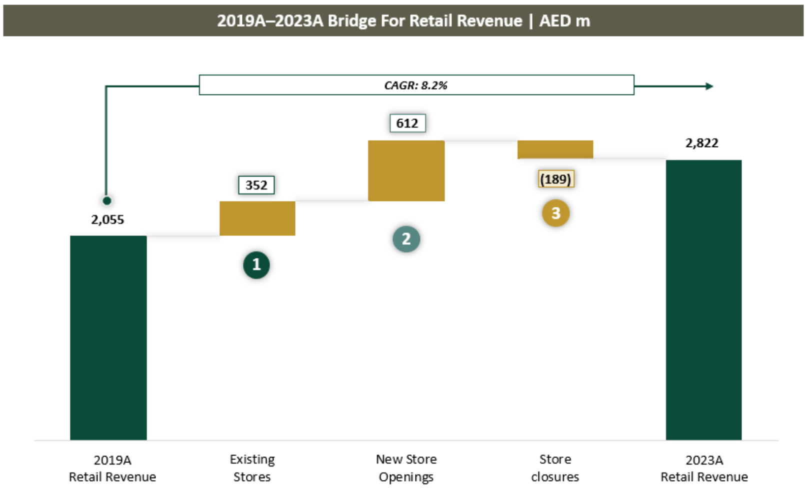
Robust Historical Growth Profile

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 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.

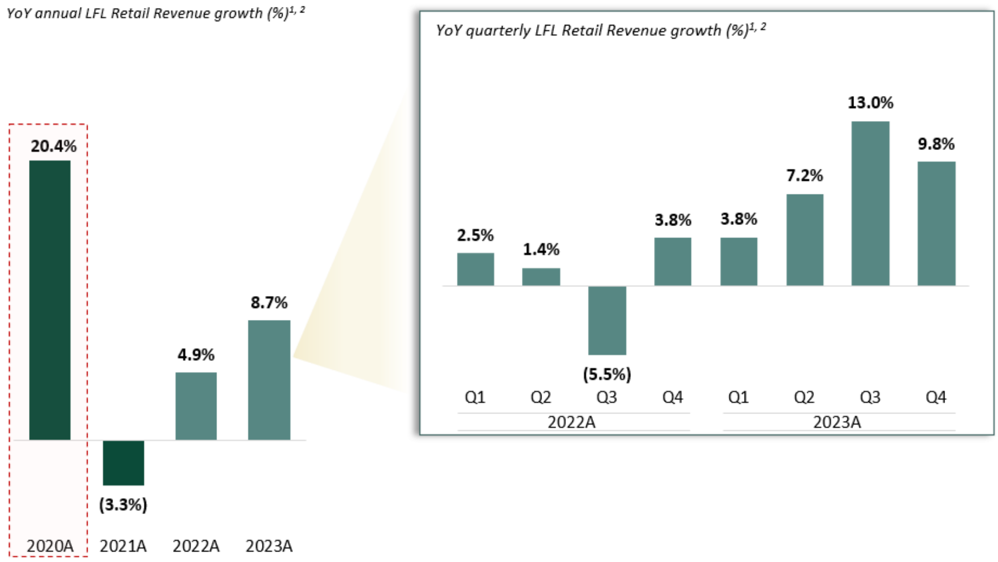


((1) All financial figures include Spinneys, Waitrose and Al Fair brands but exclude Spinneys Abu Dhabi Stores operated under Spinneys Abu Dhabi Services Agreement.)

The Group's Retail Revenue grew from AED 2,055 million for the year ended 31 December 2019, to AED 2,822 million for the year ended 31 December 2023, representing a CAGR of 8.2% through 2019 to 2023. Retail Revenue from existing Stores (excluding the Spinneys Stores in Abu Dhabi operated by the Group pursuant to the Spinneys Abu Dhabi Services Agreement) contributed a CAGR of 4% through 2019 to the end of 2023, primarily driven by a 22.0% increase in the total number of transactions through 2019 to the end of 2023. The opening of 31 Stores from 2019 through to the end of 2023 led to a 28.6% growth in GSA and a revenue CAGR of 6.7% across the same period. The closure of 24 stores from 2019 through to the end of 2023 resulted in AED 189 million of lost revenue, with 83% of closed Stores being legacy stores opened before 2019 (see "*Principal Operations—Store Portfolio Evolution*").



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)

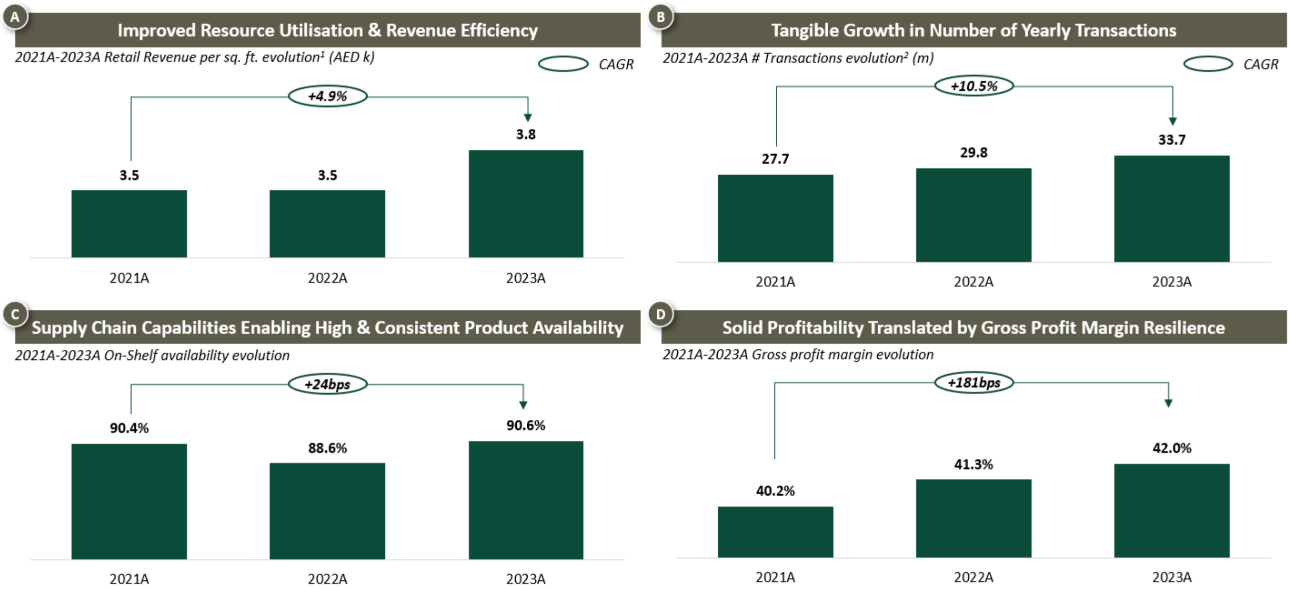
This Revenue growth has resulted in growth in the Group's gross profit and profit for the year. The Group's gross profit grew from AED 1,013 million for the year ended 31 December 2021, to AED 1,085 million for the year ended 31 December 2022 and to AED 1,205 million for the year ended 31 December 2023, resulting in Gross Margins of 40.2%, 41.3% and 42.0% across the same periods, respectively, reflecting a CAGR of 9.1% through 2021 to the end of 2023. In addition to growth in revenue, growth in the Group's gross profit was also driven by the Group's efficient sourcing network and supply chain, achieved through proximity to suppliers, providing a significant cost advantage.

The Group's Trade Margin averaged 32.8% across 2021 and 2022 and grew to 34.6% for the year ended 31 December 2023. In addition, the Group's Retail Revenue per GSA averaged c. AED 3,490 per sq.ft. across 2021 and 2022 and grew to c. AED 3,840 per sq.ft. in 2023 and the Group's Return on Total Assets was 12%, 14.5% and 13.7% for the years ended 31 December 2021, 2022 and 2023, respectively.

The Group's Adjusted EBITDA grew from AED 472 million for the year ended 31 December 2021, to AED 503 million for the year ended 31 December 2022 to AED 562 million for the year ended 31 December 2023, resulting in Adjusted EBITDA Margins of 18.7%, 19.1% and 19.6% across the same periods, respectively, reflecting year on year growth of negative 5.8% for the year ended 31 December 2021 and year on year growth of 6.6% for the year ended 31 December 2022 and 11.5% for the year ended 31 December 2023.

As a result, the Group's profit for the year grew from AED 192 million for the year ended 31 December 2021, to AED 214 million for the year ended 31 December 2022 to AED 254 million for the year ended 31 December 2023, at a CAGR of 15% through 2021 to the end of 2023.

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

The Group's disciplined cash flow management, coupled with revenue growth and strong margins, delivered Free Cash Flow amounting to AED 260 million, AED 174 million and AED 313 million for the financial years ended 31 December 2021, 2022 and 2023, respectively, resulting in FCF Conversion of 98.1%, 59.6% and 92.9%, for the same periods, respectively. This financial strength provides a strong lever for the Group to fund organic growth, while supporting shareholder value creation and ability to pay dividends. Furthermore, strong Free Cash Flow assisted the Group in maintaining Net Leverage of 1.4x, 1.5x and 1.0x as at 31 December 2021, 2022 and 2023, respectively, with Financial Debt of AED 9 million, AED 7 million and AED 7 million for the same periods, respectively, and Net Debt of AED 644 million, AED 747 million and AED 576 million for the same periods, respectively. Across the 2021 to end of 2023 period, over 99% of Gross Debt related to lease liabilities.

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*").

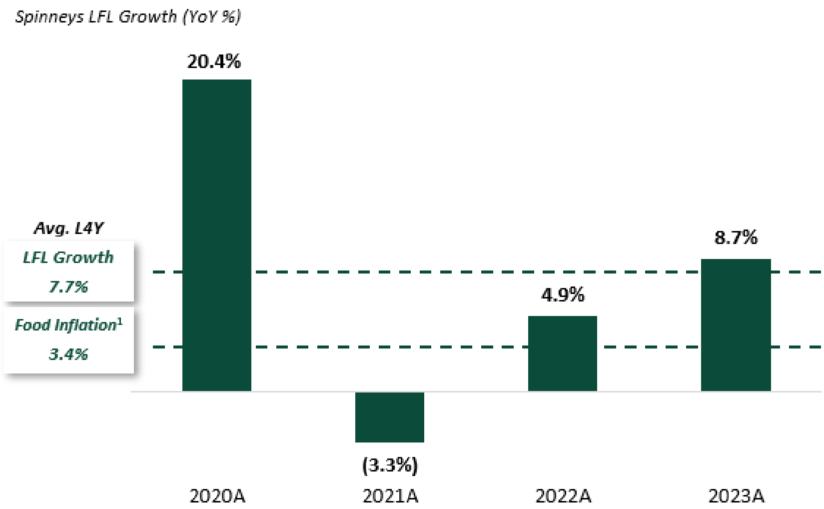
The Group is further supported by the founding shareholder, Chairman Mr. Ali Al Bwardy, a figurehead in the UAE retail sector, who is committed to the Group's ongoing success (See "*Management—Board of Directors*").

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.



((1) Source: Euromonitor and UAE Statistics.)

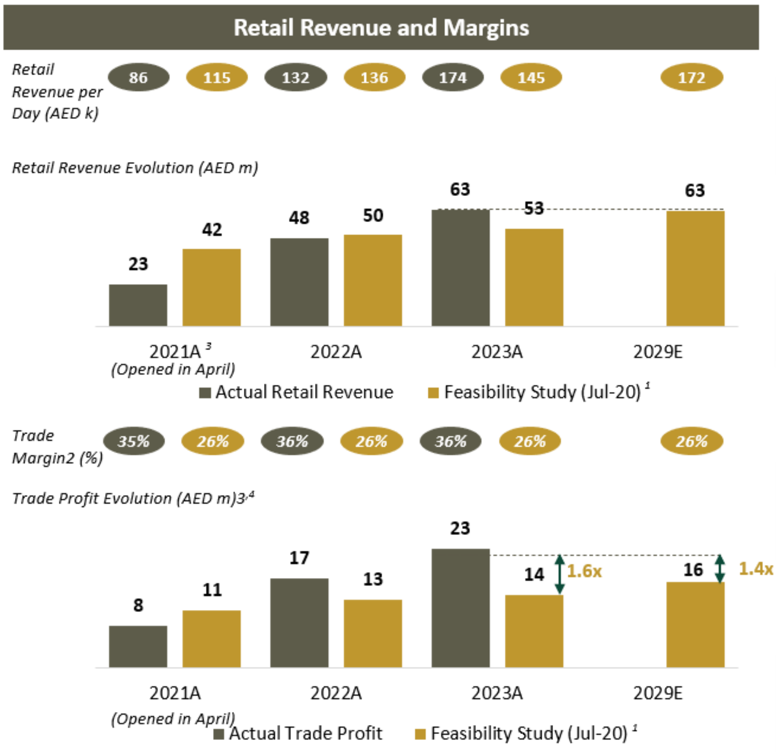
The Group has identified key grocery market and Group specific drivers of Like-for-like Growth. Key market drivers of medium-term Like-for-like Growth include a projected 3.9% CAGR growth in the total UAE grocery market from 2022 to 2028, a projected 6.8% CAGR growth in the UAE foodservice market from 2022 to 2028 and a projected 4.8% CAGR growth in the total KSA grocery market for the same period (*source: Kearney*). Key internal drivers of Like-for-like Growth in the medium-term include increasing Retail Revenue from fresh products, which grew at a CAGR of 4.2% from 2019 to 2023, increasing Retail Revenue from sales of the Group's Private Label products together with Waitrose private label products, which grew at a CAGR of 9.8% from 2019 to 2023, and increasing Online Penetration, which grew to 13% from launch in 2020 to 2023.

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 (see "*Industry Overview—Spinneys' performance in the UAE Market—Government initiatives and targets*").

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.

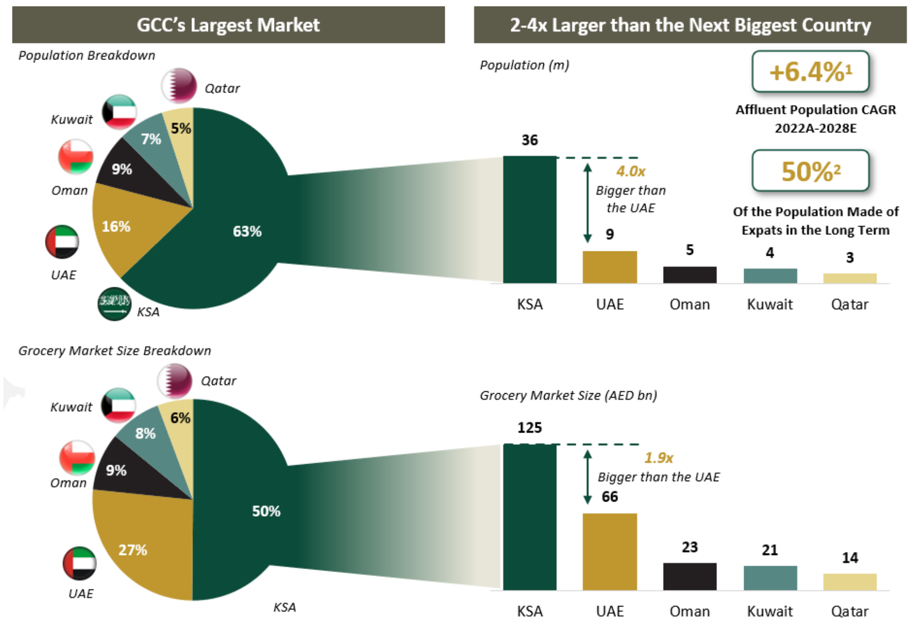


((1) Feasibility study assumed operations starting from Jan 1st 2021; (2) Excludes back margin; (3) Financial information considered from April 2021 when the store opened; (4) Gross profit for feasibility study refers to net gross profit calculated as gross profit – markdowns, breakages and shrinkage.)

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 café. 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

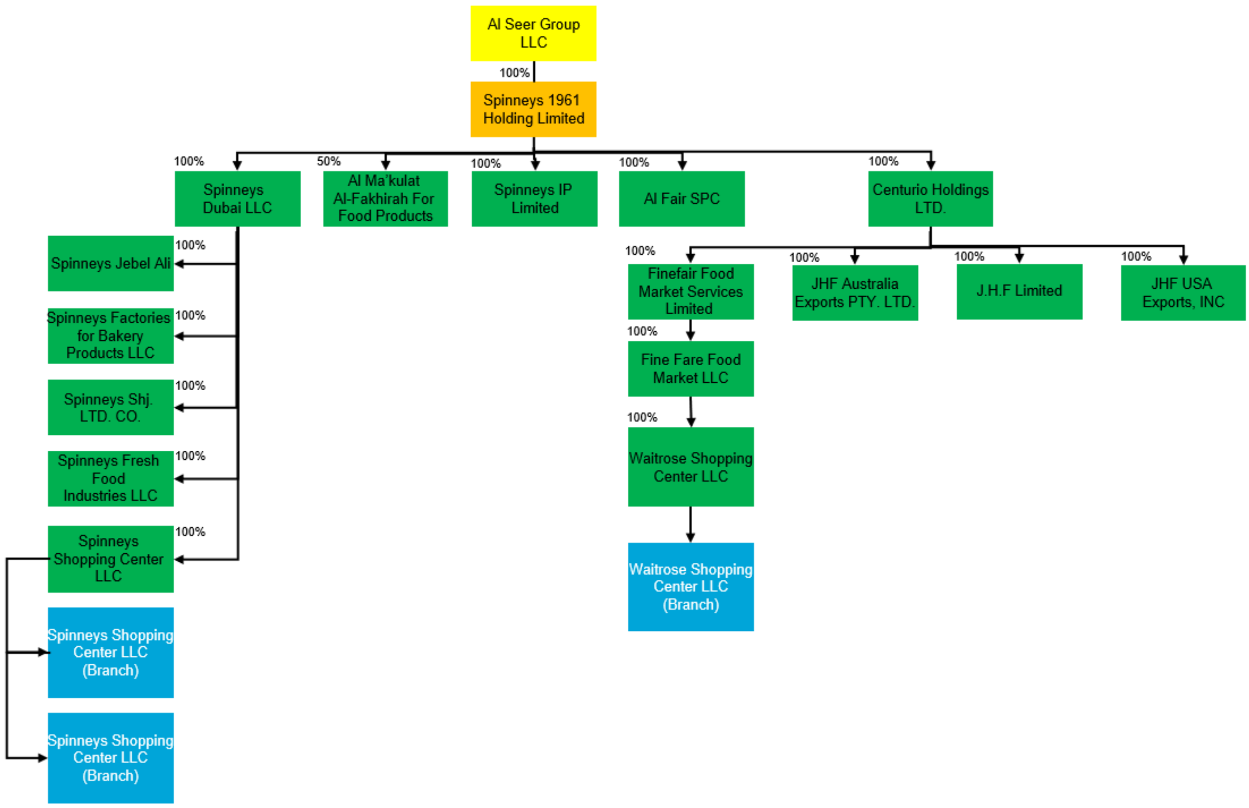
The Group has strong heritage in the UAE and the Spinneys brand is long-standing in the region. An overview of the principal events in connection with the history and growth of the Group's business is set out below.

- **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 60th 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.

For the year ended 31 December 2023, the Group's Spinneys Stores (excluding the Spinneys Stores in Abu Dhabi operated by the Group pursuant to the Spinneys Abu Dhabi Services Agreement) generated 61% of the Group's Retail Revenue, with 15% of its Retail Revenue being generated from E-commerce sales for the same period.

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.

Sales from Waitrose Stores represented 36% of the Group's Retail Revenue for the year ended 31 December 2023 and 8% of its Retail Revenue was generated from E-commerce sales for the same period.

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.

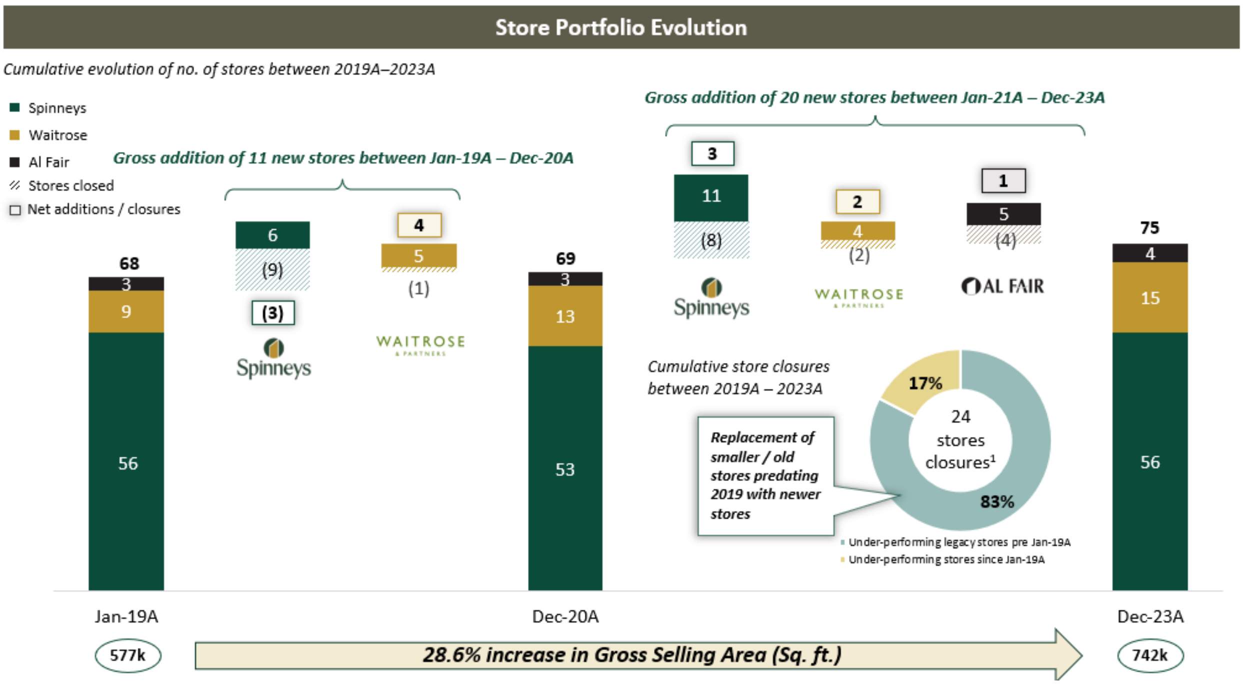
The Al Fair brand is marketed with a "value focus", targeted towards middle income consumers, with a value focus. Promoted through weekly promotions, bulk packs and one-off offers, Al Fair stores stock second tier and national brands.

Sales from Al Fair Stores represented 3% of the Group's Retail Revenue for the year ended 31 December 2023 and 27% of Al Fair's Retail Revenue was generated from E-commerce sales for the same period.

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.

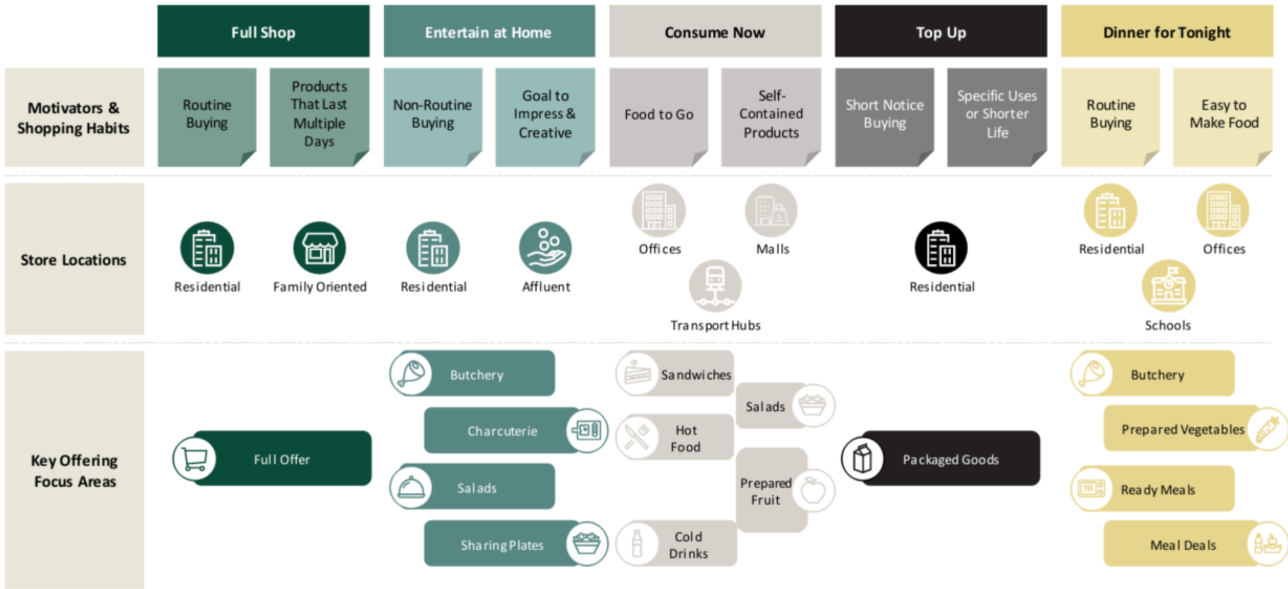
In pursuit of optimising its Store portfolio, the Group closed 24 Stores between 2019 and 2023, 83% of which were legacy Stores that were opened prior to 2019 and of which two were closed due to events outside the Group's control, including demolishment of a Store by its landlord. Despite closing 24 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 (see "—*Competitive Strengths—Integrated Omni-Channel Platform for Consumer Convenience*") 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.

For the years ended 31 December 2021, 2022 and 2023, approximately AED 200 million, AED 290 million and AED 360 million of the Group's Retail Revenue was generated from E-commerce sales, representing Online Penetration (including Spinneys and Waitrose, excluding Al Fair) of approximately 8%, 11% and 13%, for the same periods, respectively.

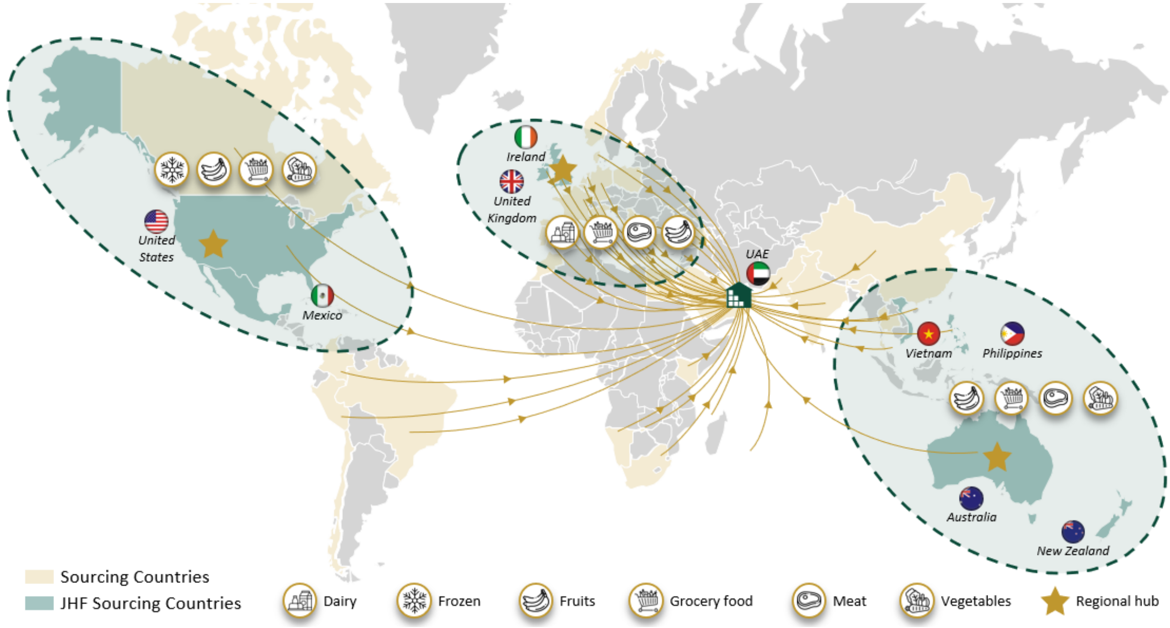
In 2023, 87% of the Group's E-commerce sales were via third-party aggregators. All of the Group's E-commerce sales through third-party aggregators were 'hyperlocal orders', being orders for delivery within 60 minutes of ordering. In order to meet this demand, the Group is developing its own hyperlocal online delivery service with a mobile-first customer journey, "**Spinneys Swift**", which is targeted to launch in the first six months of 2024. By developing an in-house picking app and partnering with experienced third-party last mile delivery providers, Spinneys Swift aims to deliver goods to consumers within 60 minutes of ordering. The launch of Spinneys Swift aims to enable to Group to manage the end-to-end customer journey, increase the Group's control of quality, drive higher direct customer engagement and consumer insights.

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.



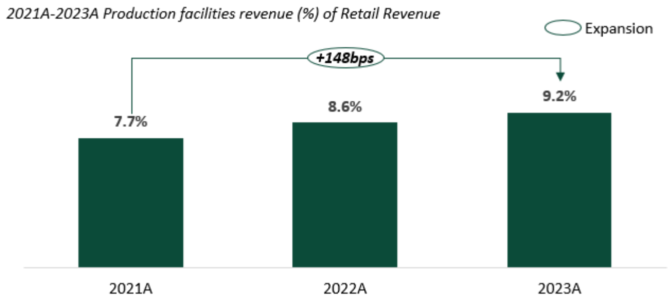
Wherever possible, the Group operates a dual-region sourcing model, with the ability to source products from multiple regions internationally, with the aim of mitigating supply risk and maintaining the availability of high-quality products throughout the year. For example, the Group can source strawberries 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.

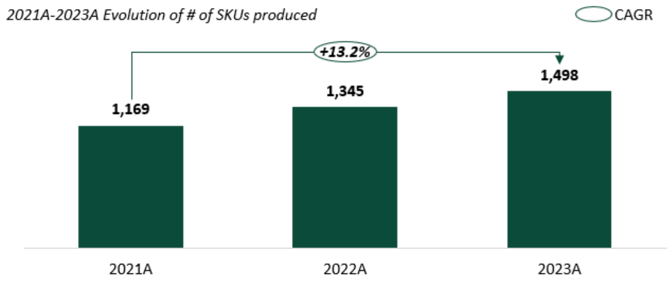
Key Suppliers

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

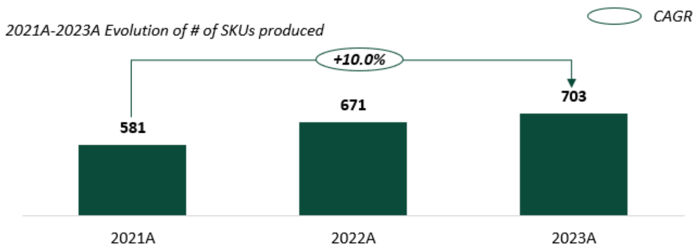
The Group leases two dedicated Production Facilities, located in Dubai, totalling a combined 96,000 sq.ft. The number of SKUs produced by the Production Facilities grew by a CAGR of 13.2% from 2021 to 2023 and the percentage of Retail Revenue generated from products produced in the Group's Production Facilities grew from 7.7% in 2021, to 8.6% in 2022, to 9.2% in 2023.

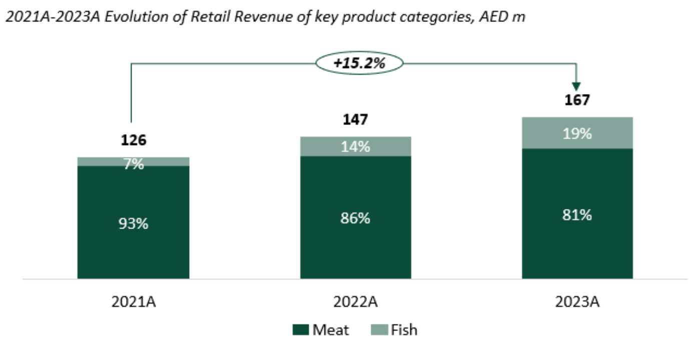




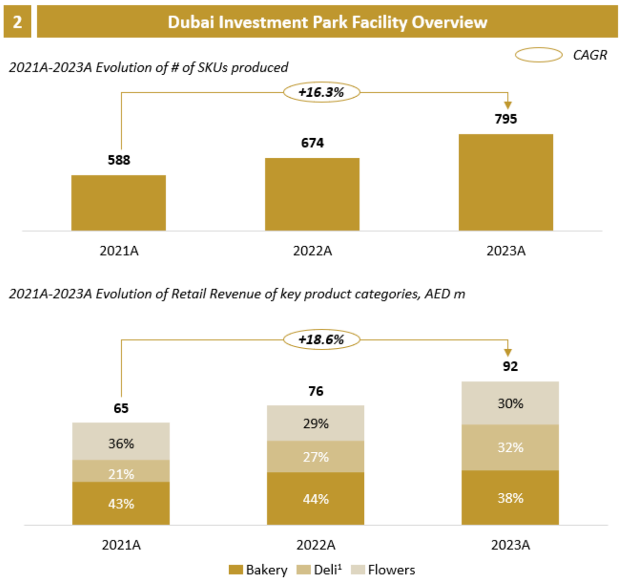
The Spinneys Meat Production Unit opened in 2011 and is located in the Jebel Ali Industrial area, covers 50,000 sq.ft, employed approximately 138 staff in 2023, and is operational for 14 hours per day, producing 703 SKUs in 2023, of which 100% were fresh products.

1 Jebel Ali Facility Overview



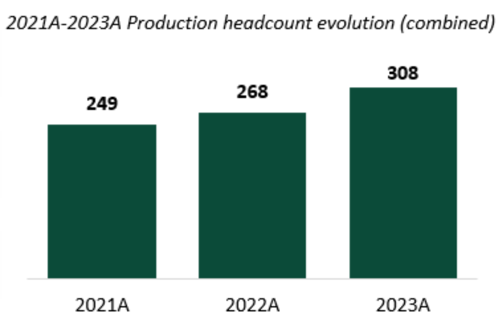


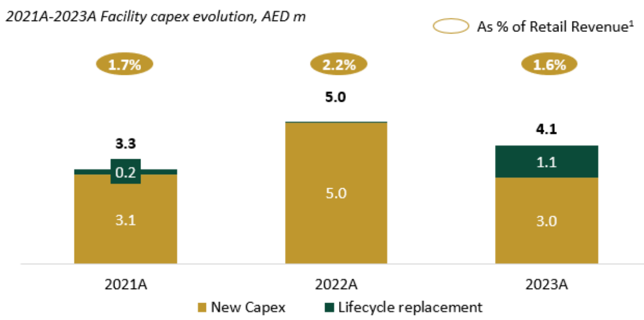
The Spinneys Central Bakery Unit facility opened in 2013 and is located in the Dubai Investment Park, covers 46,000 sq.ft., employed approximately 170 staff members in 2023, and is operational for 16 hours per day, producing 795 SKUs in 2023, of which 100% were fresh products.



((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.



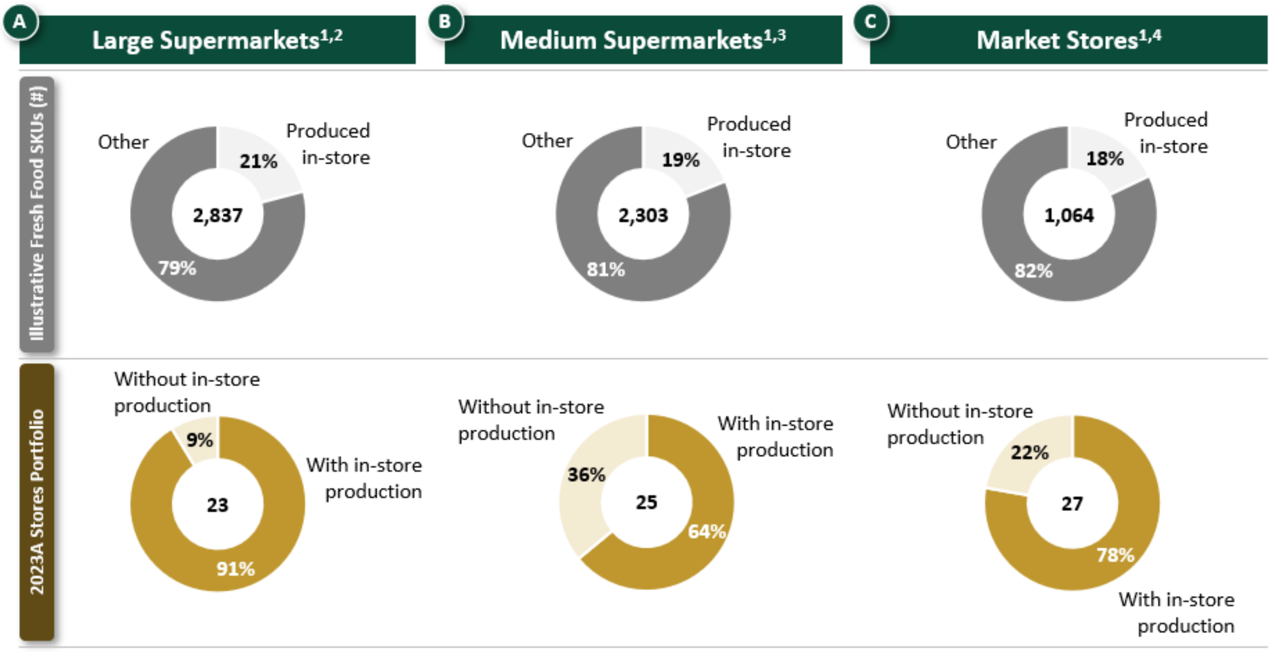


((1) Revenue from sale of goods from products manufactured at the Production Facilities.)

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

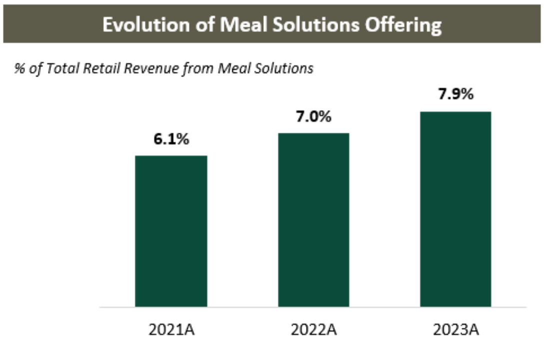
A number of records have been broken with very significant year on year Retail Revenue growth

- **+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.

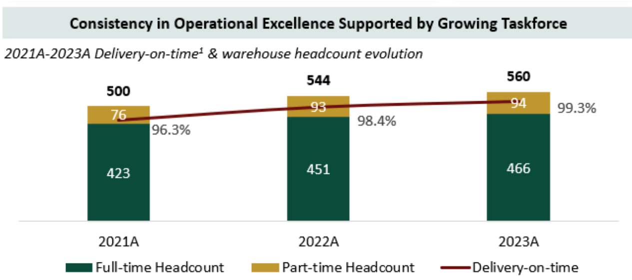
Overview of Warehousing and Distribution Network

Supply Chain Management

The Group's streamlined supply chain is one of its Group's competitive advantages (see "*Competitive Strengths—Exceptional Local Execution, Supported by Well Invested, Vertically Integrated Operational and Supply Chain Capabilities*"). 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.)

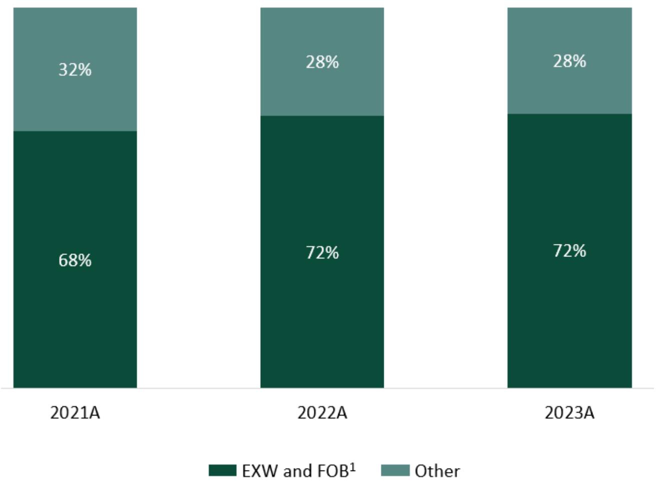
Logistics to Support the KSA Expansion

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

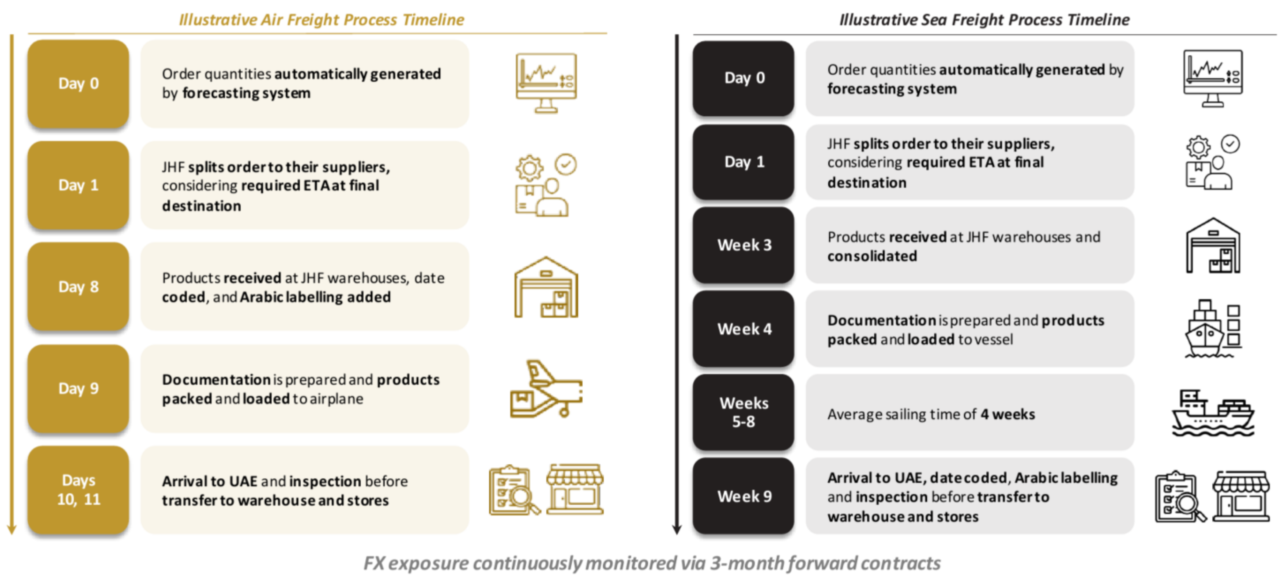
The Group has long-lasting relationships with global freight carriers, across both air and sea freight channels. For example, the group has a relationship with a global air freight carrier which covers over 130 global destinations, with its main countries of coverage being the UK, the USA, the Netherlands, 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:



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, as compared to 4,110 full time employees as at 31 December 2022 and 3,949 full time employees as at 31 December 2021. The Group had an average employee attrition rate of less than 15% across 2021 to 2023, and a 3% average attrition rate for management and professionals across the same period, with 22% of the Group's full-time employees had a tenure with the Group of over ten years as at 31 December 2023.

The chart below sets forth the evolution in the Group's total number of employees.

In 2023, the Group's employees hailed from over 30 nations, of which 75% were male and 25% were female.

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.

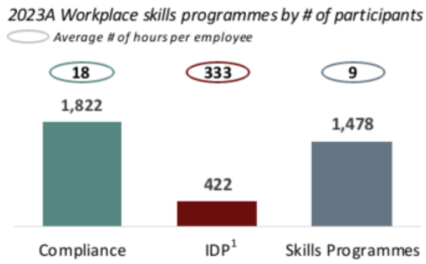
In accordance with the laws of the UAE, the Group provides end of service benefits to non-UAE national employees. Entitlement to these benefits is based on the employee's length of service and the completion of a minimum service period. UAE national employees benefit from a government instituted pension 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 1.50, 2.02 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 Offering Memorandum.

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 Offering Memorandum which may have, or have had, a significant effect on its financial position or profitability.

FINANCIAL AND OPERATIONAL TARGETS

The financial and operational targets presented in this section constitute forward-looking statements that are based on a number of assumptions and estimates and are subject to risk and uncertainties. The independent auditors have neither examined, compiled nor performed any procedures with respect to the financial information presented in this section, and accordingly, the independent auditors assume no responsibility for and deny any association with any such financial information and any other information derived therefrom included elsewhere in this Offering Memorandum. Such statements are no assurance of the Group's actual future financial or operational results, which may differ materially from what is expressed or implied by these forward-looking statements due to a variety of factors, certain of which are outside of the Group's control. In addition, unanticipated events may adversely affect the actual results that the Group achieves in future periods whether or not the assumptions prove to be correct. See also "Information Regarding Forward-Looking Statements" and "Risk Factors—Risks Relating to the Group".

These targets are based on data, assumptions and estimates, which are considered reasonable by the Group, as at the date of this Offering Memorandum. However, no assurances can be given that these targets will be achieved. Actual events or results may differ materially as a result of the risks and uncertainties the Group faces. Such risks and uncertainties could cause results to vary materially from the targets. Important factors that could cause the Group's results to differ from the targets include, but are not limited to, the risks set out in "Risk Factors". The data and assumptions upon which the targets are based may change or be modified as a result of uncertainties relating, in particular, to the risks set out in "Risk Factors" or other political, economic, financial, competitive, legal, regulatory or fiscal factors or because of other factors of which the Group is not aware at the date of this Offering Memorandum.

In addition, the achievement of these targets presupposes the successful and effective implementation of the strategy presented in "Business—Strategy". The Group accordingly makes no commitment or guarantee regarding the achievement of the targets presented below. Subject to the foregoing, management has set the following financial and operational targets for the Group's business:

Historically the Group has maintained Revenue growth of 8.2% from 1 January 2019 to 31 December 2023, with year on year growth of (1.8)%, 4.3% and 9.2% for the years ended 31 December 2021, 2022 and 2023, respectively. The Group is targeting Revenue growth of 10% from 31 December 2023 to 31 December 2024, with an acceleration towards Revenue growth in the low-to-mid teens from 31 December 2024 to 31 December 2028.

The Group achieved LFL Growth in Retail Revenue across the years ended 31 December 2020, 2021, 2022 and 2023 of 20.4%, (3.3)%, 4.9% and 8.7%, respectively, with the decrease in growth for the year ended 31 December 2021 being primarily due to the exceptional demand experienced in 2020 driven by the COVID-19 pandemic. The Group is targeting LFL Growth in Retail Revenue of between 4% and 5% from 1 January 2024 to 31 December 2028, measured by Stores which have been operational for over 12 months, but which may have only been open for a part of the previous year, and of 3% per annum, on a same growth Store basis, across the same period.

The Group achieved Adjusted EBITDA Margins of 18.7%, 19.1% and 19.6% for the years ended 31 December 2021, 2022 and 2023, respectively, and the Group is targeting Adjusted EBITDA Margins inline with those achieved in 2023, with a gradual decline of 1% expected by 31 December 2028, as a result of the expansion in the KSA.

The Group is targeting Facility Capex of between AED 80 million and AED 90 million across 2024 and 2025 for its Production Facilities, with one-third of the projected Facility Capex targeted to be spent in 2024. Further, the Group is targeting maintenance capital expenditure of between 1% and 1.5% of Revenue for its operations in the UAE and Oman in the medium-term.

In the medium-term, the Group is targeting depreciation and amortisation of between 3% and 3.5%, for its UAE and Oman operations (excluding depreciation and impairment on Right of Use Assets), cash rent expenses as a percentage of Revenue in-line with 2023 levels, and an effective tax rate of between 9% and 10%. In addition, the Group expects to continue operating with structurally negative working capital, in line with the previous three financial years, and to maintain levels of debt in line with the previous three financial periods.

UAE Whitespace

As part of its strategy to capture the UAE Whitespace (see "*Business—Strategy—UAE Whitespace Expansion*"), the Group is targeting 25 new net Store openings in the UAE between 2024 and 2028, of which three are targeted to open in 2024, with no Store closures planned for 2024. Facility Capex is targeted to be between AED 10 to AED 15 million per Store, with Revenue per Store targeted to be inline with Revenue per Store for 31 December 2023, adjusted for LFL Growth, and Adjusted EBITDA margins are targeted to be inline with the full year 2022 and 2023 average of between 19% and 20%.

KSA Whitespace

As part of its strategy to capture the KSA Whitespace (see "*Business—Strategy—KSA Whitespace Expansion*") the Group is targeting between 10 and 12 new net Store openings in the KSA between 2024 and 2028, of which four are targeted to open in 2024. Facility Capex is targeted to be between AED 10 to AED 15 million per Store, with Revenue per Store targeted to be inline with the Revenue per Store in the UAE in 2023, and Adjusted EBITDA margins are expected to increase in the medium-term.

The Kitchen, by Spinneys

Following the launch of The Kitchen, by Spinneys concept (see "*Business—Strategy— The Kitchen, by Spinneys Concept Launch*"), the Group is targeting 15 net concept store openings between 2024 and 2028, of which two are targeted to open in 2024. Facility Capex is targeted to be between AED 2 to AED 4 million per concept store, with Revenue per concept store targeted to be AED 20 million to AED 25 million per year, and Adjusted EBITDA margins for the concept stores are expected to be margin-accretive in the medium term.

MANAGEMENT

Board of Directors

The Board of Directors is responsible for the overall strategy, supervision and control of the Group. The Board of Directors will ensure that the company's mission and strategy align with its vision.

In particular, the Board of Directors is in charge of: (i) reviewing the recommendations and findings of the Audit Committee and the Nominations and Remuneration Committee; (ii) approving all corporate matters relating to the overall strategy, management or financial matters of the Group; (iii) ensuring that the Group is at all times complaint with the applicable corporate governance rules; (iv) calling shareholder meetings and ensuring appropriate communication with shareholders; (v) proposing the issuance of new shares and any restructuring of the Company and its Group; (vi) appointing the senior executive management of the Company; (v) proposing the payment of dividends for consideration and approval at shareholders' meetings; and (vi) developing, defining, adopting and implementing an appropriate internal control and risk management framework. The Board of Directors will receive timely and formal updates on the Company's performance, including financial, operational, external market and competitor assessments, driving the Company's overall strategy and direction. The Board of Directors has final authority to decide on all issues, save for those which are specifically reserved to the General Assembly, by law, by the Articles of Association or by the SCA Governance Rules (as defined below).

The Board of Directors is required to meet at least four times each calendar year. The Board of Directors can delegate responsibility for overall day-to-day management to the senior management of the Company.

The Board of Directors consists of nine members. Any changes to this number after the listing of the Company's shares will be determined by secret cumulative voting at the general assembly of the Company, as per the SCA Governance Rules. The following table lists the members of the Board of Directors at completion of the Global Offering:

Name	Position	Status[(1)]	Appointment
Mr. Ali Saeed Juma Al Bwardy	Chairman	Non-executive Director	21 November 2023
Mr. Tariq Ali Saeed Juma Al Bwardy.....................	Vice-Chairman	Non-executive Director	7 March 2024
Mr. Rashed Ali Saeed Juma Al Bwardy..................	Director	Non-executive Director	7 March 2024
Ms. Mazoon Ali Saeed Juma Al Bwardy	Director	Non-executive Director	7 March 2024
Mr. Saeed Mansoor Al Awar	Director	Non-executive Director	7 March 2024
Ms. Huda Al Lawati..	Director	Independent, Non-executive Director	7 March 2024
Mr. Dominique Lecossois	Director	Independent, Non-executive Director	7 March 2024
Mr. Subramanian Suryanarayan	Director	Independent, Non-executive Director	7 March 2024
Mr. Sunil Kumar	Director	Executive Director	21 November 2023

(1) The 'Independence' status is determined in accordance with the criteria set out in the SCA Governance Rules.

The term of service of the Board of Directors is three years. Board members may serve any number of consecutive terms. Independent board members will lose their "independent" status if elected for a third consecutive term. Eight of the members are non-executive and three of the members are independent.

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 7 March 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 7 March 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 7 March 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 7 March 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 board of 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 7 March 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 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 7 March 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 7 March 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 the chairman of the audit committee for, and serves on the board of, Damac Real Estate Development Limited, roles he has held since April 2023. 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. Mukesh Agarwal	Chief Financial Officer
Mr. Paresh Buch	Deputy Chief Executive 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.

Corporate Governance

The Group is committed to standards of corporate governance that are in line with UAE best practice. As at the date of this Offering Memorandum, the Board of Directors has opted to comply with and intends to continue complying with the corporate governance requirements applicable to joint stock companies as set out in Chairman of Authority's Board of Directors' Decision no. (3/Chairman) of 2020 concerning Approval of Joint Stock Companies Governance Guide (as amended) (the "**SCA Governance Rules**").

The SCA Governance Rules require that at least one member of the Board of Directors should be female, that a majority of the Board of Directors must be composed of non-executive directors and that a least one-third must be composed of independent directors, none of which may be the Chairman. The Group regards three of the nine Board members as "independent members of the Board" within the meaning of the SCA Governance Rules. As envisaged by the SCA Governance Rules, the Board of Directors has established two mandatory permanent committees: an Audit Committee and a Nominations and Remuneration Committee. The SCA Governance Rules further require that the Board of Directors meet at least four times each year.

Board Committees

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 appointed on 27 March 2024 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.

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 appointed on 27 March 2024 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.

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 Offering Memorandum.

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.

PRINCIPAL AND SELLING SHAREHOLDER

Principal Shareholders

The following table details the shareholders holding the Shares: (i) as at the date of this Offering Memorandum; and (ii) immediately following the Global Offering, assuming that the Selling Shareholder sells all of the Sale Shares being offered:

	As at the date of this Offering Memorandum		**Immediately following the Global Offering**(1)	
	Number of Sale Shares	**Percentage**	**Number of Sale Shares**	**Percentage**
Shareholder				
Al Seer Group LLC (2)	3,600,000,000	100%	2,700,000,000	75%
New Shareholders(3)	—	—	900,000,000	25%

(1) Assumes that all of the Sale Shares have been sold, that the Selling Shareholder has not exercised its right to increase the size of the Global Offering at any time prior to the end of the subscription and that the size of the Global Offering is not increased. 900,000,000 Sale Shares are being offered in the Global Offering.

(2) For further information, see "*Business—Principal Shareholders—Al Seer Group LLC*".

(3) New Shareholders include the Cornerstone Investors. See "*Sale of Sale Shares—Cornerstone Investors*" for further information on Cornerstone Investors.

No Sale Shares have voting rights that differ from those of any other Shares. As at the date of this Offering Memorandum, the Company is not aware of any arrangements that may result in a change in control of the Company.

DESCRIPTION OF SHARE CAPITAL

Set out below is a summary of certain information concerning the Shares, certain provisions of the Articles of Association adopted by special resolution on 27 March 2024 pursuant to certain requirements of applicable laws and regulations in effect as at the date hereof. This summary does not purport to be complete.

Share Capital

History and Incorporation

The Company was incorporated on 21 November 2023 as a private company limited by shares in the DIFC. The Company's share capital at incorporation was AED 36,000,000 divided into 3,600,000,000 Shares with a nominal value of AED 0.01 each.

On 29 March 2024, the Company re-registered as a public company limited by Shares.

The Selling Shareholder will offer 25% (or more, subject to the Selling Shareholder's discretion) of the Company's share capital for sale as part of the Global Offering.

Articles of Association

The following is a summary of selected rights under the Company's Articles and the DIFC Companies Law and the rights and regulations that will apply to holders of the Shares following Listing. In the following description of the rights attaching to the Shares, a holder of Shares and a shareholder is, in both cases, the person registered in the Company's register of shareholders as the holder of the relevant Shares.

- The right to a proportionate share of the net assets of the Company upon liquidation.
- The right to dividend distributions.
- The right to attend and vote at the General Assembly of the Company.
- The right to receive a copy of the Company's financial statements.
- The right to appoint the auditors of the Company through the General Assembly and determine their remuneration.
- The liability of each shareholder is limited to the payment of the unpaid amount (if any) of the subscription value of the Shares held. The subscription monies on all Sale Shares in the Global Offering are fully paid.

Applicability of the Governance Rules

The SCA Governance Rules shall apply in their entirety to the Company. In the event of a conflict between the provisions of the SCA Governance Rules and the Articles, the SCA Governance Rules shall prevail unless the mandatory provisions in the Companies Law DIFC Law No. 5 of 2018 provides otherwise.

Shares

All Shares carry equal voting rights and rank *pari passu* in all other rights (including dividend rights) and obligations.

Voting rights

Each shareholder has the right to attend the General Assembly and has a number of votes equal to the number of Shares they hold.

Share register

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

The Shares may be sold, transferred, or otherwise disposed of in accordance with the provisions of the Articles and the applicable regulations for selling, purchasing, settling and recording.

Rights attaching to Shares

The Shares are indivisible. In the event that ownership of a Share devolves by inheritance upon several heirs, or was held by several persons, those persons are required to select one person to represent them in relation to their affairs relating to the Company.

In the event of the death of a shareholder, the persons entitled to that shareholder's Shares shall be entitled to choose to become a holder of the Shares or to transfer them to another person. After being registered as a shareholder in accordance with the Articles, that shareholder shall have the same rights as the deceased shareholder had in relation to such Shares, subject to the Articles and pending any transfer of Shares to any other person. The estate of the deceased shareholder shall not be exempted from any outstanding obligation relating to any Shares held by them at the time of death.

Any person who becomes entitled to rights in the Shares as a result of the death or bankruptcy of any shareholder, or pursuant to an attachment order issued by any competent court of law, should:

- produce evidence of such right to the Board; and
- select either to be registered as a shareholder or to nominate another person to be registered as the shareholder of the relevant Shares.

Share capital

Without prejudice to any rights attached to any existing Shares, and subject to the other provisions of the Articles, the Company may issue Shares with such rights or restrictions as determined by either the Company by ordinary resolution or, if the Company passes a resolution to so authorise them, by the Board. Subject to the other provisions of the Articles, the Company may also issue Shares which are to be redeemed, or are liable to be redeemed, at the option of the Company or the holder and the Board may determine the terms, conditions and manner of redemption of any such Shares. If the Company's share capital is divided into different classes, no interim dividend may be paid on Shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears.

Changes in share capital

Save as set forth below under matters that require shareholder or Board approval under the DIFC Companies Law, the provisions of the Articles governing the conditions under which the Company may alter its share capital are no more stringent than the conditions imposed by the DIFC Companies Law.

Financial year

The financial year of the Company starts on 1 January and ends on 31 December of each year.

Dividends

Dividends due on the Shares are to be paid to the owner of those Shares as recorded in the share register of the Company, in accordance with the regulations, resolutions and circulars issued by SCA in this respect.

Each shareholder has an exclusive right to such payments made on its Shares, in the form of a share in profits of the Company.

The General Assembly shall determine a percentage from the annual net profit attributable to the Company (after allocation to any statutory reserve established by the Company and deduction of costs and expenses) to be distributed to the shareholders, *provided that* during any year, if the net profit does not allow distribution of dividends, the shareholders may not demand to receive dividends from the profits of the subsequent years.

The remaining net profit of the Company, upon recommendation from the Board, to be either distributed in whole or in part among the shareholders, shall be carried over to the following year or shall be allocated to create a voluntary reserve.

The Company may, by ordinary resolution, declare dividends to be paid to its shareholders and the Board may decide to pay interim dividends. However, no dividend shall be declared unless it has been recommended by the Board and does not exceed the amount recommended.

Board of directors

According to the Articles, the Board is responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company. The Board has broad authority to manage the Company's affairs and to perform all tasks that are not specifically reserved for the General Assembly.

Appointment

The Company is managed by a Board. The members of the Board are elected by the General Assembly by secret ballot using the cumulative voting procedure, except for the first Board. The Board shall consist of nine Directors. The number of directors comprising the Board may be increased or decreased pursuant to ordinary resolution or by a decision of the Board, as set out in the Articles.

Candidates proposed for election as members of the Board must satisfy the nomination conditions specified from time to time by the Nomination and Remuneration Committee of the Company.

Each member of the Board is appointed for a term of three years, and it is permissible for members of the Board whose tenure has expired to be re-appointed.

Termination

The following instances shall lead to the termination of the membership of a director:

- the director is prohibited from becoming a director by law or by virtue of the DIFC Companies Law, or is removed from office;
- where the director has been appointed for a fixed term and such term expires;
- the director becomes bankrupt or makes any arrangement or composition with his/her creditors generally;
- removal from office by notice sent by his co-directors addressed to the last-known address of the director;
- the composition of the director's creditors generally results in the satisfaction of the director's debts;
- the director is unable to perform his or her duties for more than three months due to a physical or mental disability;
- a court order is issued preventing the director from exercising his powers; or
- the director resigns.

Remuneration

Directors are entitled to receive such remuneration as the Board determines for the provision of their services to the Company. The method of calculating the remuneration of the directors shall be determined by the Board.

Subject to the Company's Articles, the remuneration of the directors may take any form and include any arrangements in connection with the payment of a pension, allowance, gratuity, or any death, sickness or disability benefits.

Board Meetings

The members of the Board participate in a Board meeting, or part of a Board meeting, when the meeting has been called and takes place in accordance with the Articles, and they can each communicate to the other attendees of the meeting any information or opinions they have on any particular item of the business of the meeting.

In determining whether the members of the Board are participating in a Board meeting, it is irrelevant where any director is located or how they communicate with each other. If all the members participating in such meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

The quorum for the Board meeting may be fixed from time to time by a decision of the directors, and, unless so fixed at any other number, shall be the majority of directors present in person or by alternate director.

Subject to the Articles, a decision is taken at a Board meeting by a majority of the votes of the participating directors.

Appointment of the Chairman and the Powers of the Chairman

The Board elects from amongst its members a Chairman and a Vice-Chairman. The Chairman represents the Company before the courts and executes resolutions adopted by the Board. The Vice-Chairman acts on behalf of the Chairman in his or her absence or incapacitation.

In the event there is an equality of votes by the members of the Board, then the Chairman (or his/her deputy) has a casting vote.

Delegation to Board committees and officers of the Company

The Board may also form one or more committees from its members to manage the business of the Company and carry out resolutions issued by the Board. The Board may also delegate certain authorities to other officers of the Company.

Director's Interests

For the purposes of section 73 of the DIFC Companies Law, the directors shall have the power to authorise any matter which would, or might otherwise constitute, or give rise to, a breach of the duty of a director to avoid a situation in which he or she has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company. Any such authorisation will be effective only if:

- any requirement as to the quorum at the meeting at which the matter is considered is met without counting the director in question or any other interested director; and
- the matter was agreed by a unanimous vote of the directors, other than the interested directors.

The directors may extend any such authorisation to any actual or potential conflict of interest which may arise out of the matter so authorised and may (whether at the time of the giving of the authorisation or subsequently) make any such authorisation subject to any limits or conditions they expressly impose, but such authorisation is otherwise given to the fullest extent permitted. The directors may also terminate any such authorisation at any time.

Liability of the Board

The members of the Board owe general duties to the Company and are liable towards the Company, the shareholders and third parties for all acts of fraud, abuse of power, violation of the DIFC Companies Law (including exercising reasonable care, skill and diligence and acting to promote the success of the Company) and violation of the Articles.

The liability of the members of the Board is joint if the mismanagement resulted from a unanimous resolution of the Board. However, where the relevant resolution was adopted by a majority vote, the dissenting members of the Board will not be liable *provided that* their objection was recorded in the minutes of the meeting. A member of the Board who was absent from the meeting in which the resolution was adopted will not be relieved from liability unless it can be proven that he/she had no knowledge of the resolution or that he/she knew about the resolution but had not been able to object to it.

The Company may bring a claim against any member of the Board in breach of his/her duties as a director, with available remedies varying depending on the severity of the breach but may include damages and other remedies. The Company also has the right to file a claim against the Board for errors that may result in damages to all the shareholders, pursuant to a resolution issued by the General Assembly to appoint a representative to initiate such a claim.

Subject to the prior permission of the DIFC court, an eligible shareholder may independently initiate proceedings against any member of the Board if the Company fails to do so in respect of a cause of action arising from an actual or proposed act or omission involving negligence, default or breach of duty by that member of the Board. So far as may be permitted by the DIFC Companies Law, every Director, officer, senior manager or alternate Director (or former Director, officer, senior manager or alternate Director) of the Company or of an associated company may be indemnified out of the Company's assets against any liability incurred by them in connection with any negligence, default, breach of duty or breach of trust by them any other liability incurred by them in the execution of their duties, the exercise of their powers or otherwise in connection with their duties, powers or offices.

Meetings of the Shareholders of the Company

The Board may call a General Assembly whenever it deems it necessary, at such time and location as it may determine (subject to the applicable notice period being observed). The Board shall determine whether a General Assembly is to be held as a physical meeting or an electronic meeting.

The General Assembly must convene at least once per year upon summons issued by the Board within four months following the end of the financial year. This annual General Assembly shall convene to: (i) discuss and review the Board's report on the Company's activities; (ii) discuss and review the Company's financial position during the year; (iii) discuss and review the auditor's report; (iv) approve the Company's financial statements; (v) approve the method for distributing profits; (vi) elect members to the Board, where necessary; (vii) appoint the Company's auditor and determine their fees; and (viii) release the members of the Board and the auditors from liability or decide to initiate proceedings against them, as the case may be.

The Board must invite the General Assembly to convene whenever requested by SCA or by the Company's auditors or by shareholders holding at least 10% of the Company's share capital. The invitation to convene the General Assembly must, in all cases, be issued within five days of the date of the request. In such cases, the General Assembly meeting shall be held within a period not exceeding 30 days from the date of the invitation.

Invitation and notice period

A General Assembly is convened by a notice from the Board. After obtaining the SCA's approval, notice to the shareholders must be sent by registered mail or modern technology, or as may be specified by the SCA, at least 21 days prior to the scheduled date of the General Assembly. The notice must include an agenda and all information required to be included by the DIFC Companies Law. The notice and shall be given to all shareholders other than those shareholders who are not entitled to receive such notices from the Company under the provisions of the Articles. Copies of the invitation and the agenda must also be sent to SCA and the competent authority.

Agenda

The agenda of the General Assembly is to be set by the Board. However, in cases where the General Assembly is convened at the request of the shareholders, the auditors or the SCA, the agenda is to be set by the party requesting the convening of the General Assembly.

It is not permissible for the General Assembly to deal with matters other than those set out in the agenda. However, the General Assembly may be permitted to discuss important matters revealed during the meeting, matters requested by the SCA, or matters requested to be included by shareholders representing at least 5% of the share capital of the Company who ask at the start of the General Assembly.

Registration

A shareholder who wishes to attend a General Assembly must register their name in the electronic register kept for that purpose at the place of the General Assembly meeting prior to the convening of the General Assembly. Such register is to include the name of the shareholder, the number of Shares they own or represent, the names of the represented shareholders (if any), and the appropriate letters of authorisation and powers of attorney.

Quorum

Subject to the provisions of the Articles, and the SCA Governance Rules, 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.

Registration for attending a General Assembly shall be closed at the time determined in the notice to attend the relevant meeting. Immediately thereafter, the chairman of the meeting shall announce the existence or absence of a quorum.

If quorum is not present at the first meeting of the General Assembly, the General Assembly shall be adjourned to another meeting to be held at least five days, but not in excess of 15 days, from the date of the first meeting. There will be a quorum present at the second meeting irrespective of the number of shareholders present.

Rights of shareholders at General Assemblies

Every shareholder is entitled to attend, and vote on any proposed resolution, at a General Assembly. Any shareholder may appoint a proxy, who must not be a member of the Board, to attend the General Assembly on their behalf. Such authorisation is to be considered valid if it is confirmed by a written proxy according to conditions set by the Board. In all cases, the proxy holder may not in such capacity hold more than 5% of the Shares. Incapacitated shareholders must be represented by their legal representatives. A corporate person may delegate the power to represent it in the General Assembly to its representative, or to those in charge of its management or any of its employees, pursuant to a resolution of its board of directors or equivalent.

Ordinary resolutions of the General Assembly are passed when the shareholders or proxies/representatives holding the majority of the Shares present at the meeting of the General Assembly vote in favour. Special resolutions of the General Assembly are passed when shareholders or proxies/representatives holding at least 75 per cent. of the Shares present at the meeting of the General Assembly vote in favour.

Chairing the General Assembly

The General Assembly is to be chaired by the Chairman or, in his/her absence, the Vice Chairman or, in the absence of both of them, by any director so appointed by the Board for that purpose. If the Board does not choose a director for such purposes, the meeting shall be chaired by a person elected by the General Assembly. The chairman of the General Assembly is to recommend the appointment of a secretary for the meeting and a vote collector to be approved by the General Assembly. In the event that the General Assembly considers a matter relating to the chairman of the General Assembly, it must select a shareholder to chair the meeting during such time.

The Company must record the minutes of meetings of the General Assembly and confirm attendance in records maintained for this purpose. These minutes are to be signed by the chairman of the General Assembly, the secretary of the General Assembly, the vote collector and the Company's auditors. Signatories to the minutes shall be responsible for the accuracy of the information contained therein.

Transfer of Shares

The Articles provide that, if the Shares are listed on a financial market, the Company must comply with the laws, regulations and decisions which are applicable to that financial market in relation to the issuance and registration of Shares, the transfer and trading of those Shares, and any rights arising therefrom. No transfer of, dealing in or pledging of Shares in the Company is to be recognised if such transfer, dealing or pledge would result in contravention of the Articles or any rules and regulations issued by the Board in this regard.

The Shares shall be held in dematerialised form in a shareholder registry maintained by DFM and transfers shall be governed by and shall comply with the regulations applicable to companies listed on DFM. The Shares may be sold, transferred, pledged or otherwise disposed of in accordance with the Articles. Transfers made other than in accordance with the Articles shall be void.

Pre-emption rights

The Board may exercise its power to allot Shares if authorised by the Articles or by a resolution of the shareholders.

If the Company carries out an increase in share capital, all shareholders have a pre-emption right to subscribe for their proportionate share in such capital increase, save that such pre-emption right shall not apply in the following circumstances:

(a) the Company establishing and operating employee incentive schemes;

(b) a strategic partner becoming a shareholder;

(c) conversion of the Company's debts, sukuk or bonds into Shares;

(d) merger with another company; or

(e) the Company acquiring an existing company and issuing new Shares in the Company to the partners or shareholders of that acquired company.

Winding-up

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 applicable law and regulation in the DIFC.

Related party transactions

The Company will comply with requirements prescribed under the SCA Governance Rules for listed public joint-stock companies and any other rules and regulations issued by SCA concerning dealing with related party transactions.

Form of notices and communications

Unless the Articles expressly require otherwise, any notice, document or information to be sent or supplied by the Company to shareholders (including forms of appointment of a proxy and copies of the Company's annual accounts) may be sent or supplied in hard copy form, in electronic form (for example, by email or facsimile) or by means of the Company's, or another, website.

REGULATION

United Arab Emirates

The Group's operations within the UAE are subject to the regulatory control of the Government, the government of the Emirate of Abu Dhabi and the government of the Emirate of Dubai. The UAE has adopted a two-tier legal framework, with UAE federal law applying to activities in all Emirates, and Emirate-level law applying only to the Emirate in which those laws are enacted, with federal law taking precedent over Emirate-level law.

Key federal law regulating the Group's activities includes Federal Law No. 10 of 2015 On Food Safety (the "**Food Safety Law**"), which imposes standards and regulations for maintaining the safety and quality of food and ensuring the protection of public health and consumers, and Federal Law No. 15 of 2020 on Consumer Protection, which provides certain rights to consumers, including the right to a standard quality of goods and services and the right to obtain them at the declared price and further seeks to preserve the health and safety of the consumer when using the goods.

The above federal laws are further supplemented by ministerial decrees including:

- Ministerial Decree No. 239 of 2018 on National Food Accreditation and Registration System, which requires all food, whether imported or produced in the UAE, be registered in the "ZAD" electronic system, operated by the UAE Ministry of Climate Change & Environment, prior to being sold and establishes the labeling and packaging regulations that must be complied with when selling food products, including detailing ingredients, nutritional content, and expiration dates. Notwithstanding these requirements, the Group is also required to comply with the Standardisation Organisation for G.C.C. (GSO) 150/2007 ("**GSO Standardisation 2007**") which provides that food labels must include product and brand names, production and expiration dates, country of origin, name and address of the manufacturer, net weight in metric units and a list of ingredients in descending order of quantity.

- Ministerial Decree No. 433 of 2017 on National Rapid Alert System for Food, which requires the Group to manage food risk alerts.

- Ministerial Decree No. (236) of 2014 concerning the importation and circulation of organic food inputs and products which governs how the Group handles organic products, including record keeping requirements and rights of the competent authorities to inspect the Group's premises.

- Ministerial Decree No. 577 of 2013 on Standard Guide to Food Transportation which develops a standardised guide for food transportation in order to maintain food quality, health and safety.

- Ministerial Decree No. 163 of 2012 on tracking and recalling of food and feed which sets record keeping requirements to allow for traceability and recall of food products.

Regulatory control over the Group's activities at the federal in the UAE is primarily exercised on a day-to-day basis by the Ministry of Climate Change and Environment ("**MOCCAE**") and the Ministry of Health and Prevention ("**MOHAP**"). Through its National Food Safety Committee, the MOCCAE is responsible for the implementation of the Food Safety Law, which it does by imposing strict requirements and corresponding penalties on those found to be not compliant with regulations and who are endangering food safety. For example, no food products may be imported into the UAE for the first time for trading purposes without the approval of the MOCCAE and those dealing in products containing pork or alcohol must have the permission of MOCCAE. Moreover, MOCCAE is responsible for the maintenance of the Zad electronic registration system and the National Rapid Alert System for Food. MOHAP works in collaboration with the National Food Safety Committee at the intersection of food safety and health, in particular in relation to nutrition, releasing the National Nutrition Guideline which regulated the development of food safety systems to ensure food security of nutrition systems.

Further, pursuant to Cabinet Resolution No. 120 of 2022 on the Country's Consumer Goods Pricing Rules and Controls, the UAE Ministry of Economy is responsible for control of prices of certain consumer goods. As a result, 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 the prior written approval of the Ministry of Economy.

Licences and Permits

Licences and permits required for the Group's operations are issued and regulated at the Emirate-level. Within the Emirate of Abu Dhabi, the Abu Dhabi Agriculture and Food Safety Authority is responsible for issuing licences and permits for, and regulating, the Group's activities, covering the Group's stores in Abu Dhabi and its warehouse. Within the Emirate of Dubai, the Dubai Municipality is responsible for issuing licences and permits for, and regulating, the Group's activities, covering the Group's stores in Dubai and its Production Facilities. In addition, each Emirate has its respective Department of Economic Development, which is responsible for issuing business activity licences to the Group's subsidiaries and branches registered in each of Abu Dhabi and Dubai.

The type of business activity licences held by each subsidiary and branch may differ depending on the activities of the entity. For example, stores engaged in the sale of pork products in Dubai are required to hold a non-halal food activity permit issued by the Dubai Municipality and stores engaged in the sale of media, such as magazines and newspapers, are required to hold a media licence issued by the UAE Ministry of Culture. The Group's Production Facilities are required to hold production licences issued by the Ministry of Industry and Advanced Technology and hold ISO 22000:2015 and HACCP certifications and the Group's warehouse is required to hold food control permits and civil defence approvals.

Environmental Regulation

The Group is subject to a number of environmental regulations in the UAE, including Federal Law No. 24 of 1999 on the Protection and Development of the Environment, Ministerial Resolution No. 380 of 2022 Regulating the Use of Single-use Products in UAE Markets and Executive Council Resolution No. (124) of 2023 on Single-use Products. The latter banned the use of single-use plastic bags from 1 January 2024 and will ban the use of single-use non-plastic bags from 1 June 2024, other single-use plastic products, such as plastic stirrers and straws, from 1 January 2025 and other single-use plastic products, such as plastic plates and tableware, from 1 January 2026. Noting, single-use thin films for packaging meat, fish, vegetables and other food products are exempt from the ban.

Kingdom of Saudi Arabia

Pursuant to the Food Act issued by Royal Decree No. (M/1) dated 30 October 2014, and its implementing regulations, the Saudi Food and Drug Authority ("**SFDA**") is responsible for regulating the Group's activities in the KSA, whilst the Ministry of Commerce governs and supervises consumer rights and responsibilities in the KSA. The Environmental Protection Department of the Ministry of Municipality and Rural Affairs is responsible for regulating food sanitation in the KSA, with the Municipality inspecting retailers for expiration dates, sanitary and storage conditions as well as product handling.

The Group is required to register products for human consumption with, and receive marketing approvals from, the SFDA, prior to marketing those products to consumers in the KSA. Further, the SFDA has strict labelling and packaging requirements that the Group is required to comply with during the SFDA product registration process. Once approved, labelling information must not be altered. This is to maintain product compliance and avoid shipment rejection or withdrawal from the market.

Licences and Permits

The Ministry of Investment and the Chamber of Commerce are responsible for issuing trade licences to the subsidiaries of the Group operating in the KSA.

Oman

Pursuant to Ministerial Decree No. 2 of 2010 issuing the Regulations on Food Safety, the Ministry of Regional Municipalities and Water Resources is responsible for overseeing food safety regulations in Oman, regulating the safety and quality of food products including maintaining proper storage and handling of food, labelling requirements, and hygiene standards. The Public Authority for Consumer Protection is responsible for regulating Oman's general policy on consumer protection in coordination with other competent authorities.

Labelling and Packaging of goods to be sold in supermarkets in Oman is subject to the GSO Standardisation 2007.

Imported food products must comply with the regulations and standards set by the Directorate General of Customs and the Ministry of Commerce, Industry, and Investment Promotion requiring labels be printed in Arabic only or Arabic and English.

Licensing and Permits

The Ministry of Commerce, Industry and Investment Promotion issue business licences to the Group's subsidiaries in Oman.

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 Sale 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 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 (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*").

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.

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 Offering Memorandum. 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 Offering Memorandum, 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 Global 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 Global 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 Global 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 DISCUSSION 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.

SALE OF SALE SHARES

The Company, the Selling Shareholder and the Joint Bookrunners named below have entered into an Underwriting Agreement with respect to the Sale Shares, in connection with the Qualified Investor Offering. Subject to the satisfaction of certain conditions set out in the Underwriting Agreement including the execution of the Pricing Memorandum (as defined below), each Joint Bookrunner has agreed, severally but not jointly, to procure purchasers for, or failing which to purchase, such number of Sale Shares as are set forth and on the terms specified in the Underwriting Agreement and Pricing Memorandum.

The Offer Price Range is AED 1.42 to 1.53 per Sale Share. The Offer Price Range is indicative only and may change during the course of the Global Offering. The Offer Price for the Sale Shares will be agreed between the Selling Shareholder and the Joint Bookrunners following a bookbuilding process.

Expenses of the Global Offering will be borne by the Selling Shareholder and the Company, with the Selling Shareholder bearing responsibility for base fees and any discretionary fees.

Underwriting Agreement and Pricing Memorandum

In the Underwriting Agreement, the Company and the Selling Shareholder have made certain representations and warranties and the Company and Selling Shareholder have agreed to indemnify the several Joint Bookrunners against certain liabilities. The Joint Bookrunners are offering the Shares and when, as and if delivered to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the Shares, and other conditions contained in the Underwriting Agreement, Admission and the receipt by the Joint Bookrunners of a certificate of the CFO and legal opinions. The Joint Bookrunners will be paid a selling commission in respect of the Shares.

The underwriting commitment of the several Joint Bookrunners will be subject to certain conditions precedent, including among others, the execution of a Pricing Memorandum to the Underwriting Agreement (the "**Pricing Memorandum**") by the Company, the Selling Shareholder and the Joint Bookrunners setting forth the Offer Price for the Shares and the final number of Shares offered in the Global Offering. The Pricing Memorandum is expected to be executed no later than the Pricing Date.

The Joint Global Coordinators, acting on behalf of the Joint Bookrunners, may terminate the Underwriting Agreement prior to the closing of the Global Offering under certain specified conditions that are typical for an agreement of its nature. If any of such conditions are not satisfied or waived, or the Underwriting Agreement is terminated prior to the closing of the Global Offering, then this Global Offering will lapse.

Pricing of the Global Offering

It is expected that the offer price will be within the Offer Price Range. The Offer Price Range is indicative only and may change during the course of the Global Offering, and the offer price may be set within, above or below the Offer Price Range.

Prior to the Global Offering, there has been no public market for the Shares. The offer price will be determined by negotiations between the Company, the Selling Shareholder and the Joint Global Coordinators. Among the factors considered in determining the offer price following the bookbuilding process will be the Group's future prospects and the prospects of the Group's industry in general, its revenue, profit and certain other financial operating information with respect to the Group in recent periods, and the financial ratios, market prices of securities and certain financial and operating information of companies engaged in similar activities to the Group.

Lock-up Arrangements

The Selling Shareholder has contractually agreed, for a period of 180 days from the date of Admission (the "**Lock-up Period**"), not to (i) offer, pledge, sell, contract to sell, sell or grant any option, right, warrant, or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or otherwise transfer or dispose of, directly or indirectly, any Shares or other shares of the Company, or securities convertible or exchangeable into or exercisable for any Shares or warrants or other rights to purchase Shares or any security or financial product whose value is determined directly or indirectly by reference to the price of the Shares (excluding for the avoidance of doubt any securities issued by the Selling Shareholder), (ii) enter into any swap, or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Shares, in each case, whether any such transaction is to be settled by delivery of Shares or other securities, in cash or otherwise or (iii) publicly announce such an intention to effect any such transaction, in each case, without the prior written consent of the Joint Global Coordinators, such consent not to be unreasonably withheld or delayed.

The foregoing restriction will not apply to, among others:

(i) the offer and sale of the Shares in the Global Offering;

(ii) any inter-company transfers of Shares by the Selling Shareholder in favour of its affiliates (provided that the transferee agrees to comply with the foregoing restrictions);

(iii) accepting a general offer (including from the Company) made to all holders of Shares then in issue (other than Shares held by the person making the offer or its affiliates) on terms which treat all holders of Shares alike, or executing and delivering an irrevocable commitment or undertaking to accept such a general offer (without any further agreement to transfer or dispose of any Shares or any interest therein);

(iv) taking up any rights granted in respect of a pre-emptive share offering by the Company;

(v) selling or otherwise disposing of Shares pursuant to any offer by the Company to purchase its own Shares which is made on identical terms to all holders of Shares in the Company;

(vi) any disposal by and/or allotment and issue of shares to the Selling Shareholder pursuant to any capital reorganisation in respect of any Shares beneficially owned, held or controlled by the Selling Shareholder; or

(vii) transferring or otherwise disposing of Shares pursuant to a compromise or arrangement between the Company and its creditors or any class of them or between the Company and its members of any class of them which is agreed to by the creditor or members and (where required) sanctioned by any applicable authority.

The Company has contractually agreed, for the duration of the Lock-up Period, that neither it nor any of its affiliates nor any person acting on its or their behalf will, without the prior written consent of the Joint Global Coordinators (such consent not to be unreasonably withheld or delayed): (i) issue, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant, or contract to purchase, exercise any option to sell, purchase any option or contract to sell or otherwise transfer or dispose of, directly or indirectly, any ordinary shares or other shares of the Company, or securities convertible or exchangeable into or exercisable for any ordinary shares or warrants or other rights to purchase ordinary shares or any security or financial product whose value is determined, directly or indirectly, by reference to the price of the ordinary shares; (ii) enter into any swap, or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the ordinary shares, in each case, whether any such transaction is to be settled by delivery of ordinary shares or other securities, in cash or otherwise; or (iii) publicly announce such an intention to effect any such transaction.

Price Stabilisation

In connection with the Global Offering, the Company and the Selling Shareholder will appoint the Stabilising Manager, who may, to the extent permitted by applicable law, including the DFM Trading Rules, and for stabilisation purposes, effect stabilising transactions on the DFM.

The Stabilising Manager will be appointed for the Stabilisation Period. All stabilising 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 stabilising transactions conducted in relation to the Global Offering.

As part of the Global Offering, the Selling Shareholder will sell 45,000,000 Sale Shares (the "**Stabilisation Shares**") and such shares will be allocated to investors as part of the normal allocation process for the Global Offering. The Selling Shareholder reserves the right to increase the number of Stabilisation Shares, up to a maximum of 10% of the Sale Shares, at any time prior to the end of the subscription period at its sole discretion, subject to applicable laws. 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.

At the end of the Stabilisation Period, the Stabilising Manager shall return to the Selling Shareholder any Shares which have been purchased in the market as a result of stabilisation transactions, any remaining unused portion of the proceeds from the sale of the Stabilisation Shares, as well as any interest/profit that has accumulated for the amounts corresponding to such proceeds minus any applicable fees.

None of the Joint Bookrunners or any of their respective affiliates, nor any of the Joint Bookrunners or their respective affiliates' 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.

Allocation

The Global Offering comprises the Institutional Offering, the ADGM Exempt Offer, the DIFC Exempt Offer and the UAE Retail Offer. The allocation of Sale Shares among the Qualified Investor Offering (including the ADGM Exempt Offer and the DIFC Exempt Offer) and the UAE Retail Offer will be determined by the Joint Global Coordinators, the Selling Shareholder, and the Company. The Cornerstone Investors will also participate in the Global Offering in accordance with the commitments opposite each Cornerstone Investor's name in the table set out in "*—Cornerstone Investors*".

Factors that may be taken into account by the Joint Global Coordinators, the Selling Shareholder and the Company when determining the allocations between prospective investors in the event of over-subscription may include participation in the marketing process for the Global Offering, holding behaviour in previous offerings, holdings in similar companies, pre-funding of indication of interest and other factors that the Joint Global Coordinators, the Selling Shareholder and the Company may deem relevant.

Cornerstone Investors

On 23 April 2024, the Company and the Selling Shareholder entered into cornerstone investor agreements (the "**Cornerstone Investor Agreements**") with each of (i) Emirates International Investment Company LLC and (ii) Templeton Asset Management Ltd and Franklin Templeton Investments (ME) Ltd, as investment managers on behalf of certain funds and accounts (the "**Cornerstone Investors**" and each a "**Cornerstone Investor**"), pursuant to which each of the Cornerstone Investors severally (and neither jointly nor jointly and severally, and, in the case of Emirates International Investment Company LLC, in conjunction with its affiliates) has committed to purchase Sale Shares in the Global Offering, and the Selling Shareholder has agreed to sell, and procure the allotment and transfer of, Sale Shares to the Cornerstone Investors from the Qualified Investor Offering at the offer price and in accordance with the commitments opposite each Cornerstone Investor's name in the table below. The aggregate commitments of all the Cornerstone Investors pursuant to the Cornerstone Investor Agreements are approximately AED 275,437,500. The Cornerstone Investor Agreements are conditional upon Admission and certain other customary conditions being satisfied and will terminate automatically if such conditions have not been fulfilled on or before 9 May 2024 (or such other date as may be agreed between the Company and the Cornerstone Investors).

Name of Cornerstone Investor	Investor Commitment Amount *(AED)*
Emirates International Investment Company LLC [(1)]	137,718,750
Templeton Asset Management Ltd, Franklin Templeton Investments (ME) Ltd [(2)]	137,718,750
Total Cornerstone Investor Commitment Amount	275,437,500

(1) Emirates International Investment Company LLC ("**EIIC**") is the strategic investment vehicle of National Holding, an Abu Dhabi-based group with strategic investments across leading sectors in the UAE and MENA region. Since the early 1990s, EIIC has been a significant investor in the MENA region and globally. EIIC is a patient, long-term investor that scouts for sustainable growth and value creation across its investment portfolio. EIIC has made long-term strategic investments in a number of regional and international companies, such as Abu Dhabi Islamic Bank, ADIB – Egypt, Q Holding and Abu Dhabi National Hotels, which owns some of the most reputable hotels in the UAE. EIIC is also an active investor in the regional and global capital markets, private equity and venture capital. EIIC may direct the delivery of the Sale Shares to certain of its is affiliates. Any such transferee will remain subject to the 90 days lock-up detailed below.

(2) Templeton Asset Management Ltd and Franklin Templeton Investments (ME) Ltd, as investment managers on behalf of certain funds and accounts, are fund and asset managers that are wholly owned, indirect subsidiaries of Franklin Resources, Inc. a global investment organisation.

The Cornerstone Investors will acquire the Sale Shares pursuant to, and as part of, the Global Offering. The Sale Shares to be acquired by the Cornerstone Investors will rank *pari passu* with the Sale Shares sold in the Global Offer. No special rights have been granted to the Cornerstone Investors as part of their commitment to purchase Sale Shares pursuant to the Cornerstone Investor Agreements.

Pursuant to the Cornerstone Investor Agreements, the Cornerstone Investors have respectively agreed that, subject to certain customary exceptions, including the transfer to affiliates that will remain subject to the same restrictions, during a period of not less than 90 days from the Closing Date, such Cornerstone Investor will not offer, sell or contract to sell, or otherwise dispose of, directly or indirectly, or announce an offer of any Sale Shares it has acquired under the Cornerstone Investor Agreements (or any interest therein in respect thereof) or enter into any transaction with the same economic effect as any of the foregoing.

Other Relationships

In connection with the Global Offering, each of the Joint Bookrunners and any of their respective affiliates, may take up a portion of the Sale Shares in the Global Offering as a principal position and in that capacity, may subscribe for and/or acquire Sale Shares, and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for its own account in such Sale Shares and other securities of the Company or related investments in connection with the Global Offering or otherwise. Accordingly, references in this Offering Memorandum to the Sale Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, dealing or placing by, any of the Joint Bookrunners and any of their respective affiliates acting in such capacity. In addition, certain of the Joint Bookrunners or their affiliates may enter into financing arrangements (including swaps, warrants or contracts for differences) with investors in connection with which such Joint Bookrunners (or their affiliates) may from time to time acquire, hold or dispose of Sale Shares.

Moreover, in the course of their business with the Company and with parties affiliated with the Company (including the Selling Shareholder), the Joint Bookrunners (and/or their respective affiliates) have from time to time been engaged, and may in the future engage, in commercial banking, financing, trading, hedging, investment banking and financial advisory and ancillary activities, for which they have received, and may in the future receive, customary compensation. In respect of the aforementioned, the sharing of information is generally restricted for reasons of confidentiality, by internal procedures or by rules and regulations. As a result of any such transactions, any Joint Bookrunner may have interests that may not be aligned, or could potentially conflict, with the interests of holders of Sale Shares or with the interests of the Company or the Selling Shareholder.

None of the Joint Bookrunners intends to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

Selling Restrictions

No action has been taken or will be taken in any jurisdiction that would permit a public offering of the Sale Shares or the possession, circulation or distribution of this Offering Memorandum or any other material relating to the Company or the Sale Shares, in any country or jurisdiction where action for that purpose is required. Accordingly, the Sale Shares may not be offered or sold, directly or indirectly, nor may this Offering Memorandum or any other offering material or advertisement or other document or information in connection with the Sale Shares be distributed or published, in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

United States

The Sale Shares have not been and will not be registered under the Securities Act, or under the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States. The Sale Shares are being offered and sold outside the United States in reliance on Regulation S.

In addition, until 40 days after the commencement of the Global Offering, an offer or sale of Sale Shares within the United States by any dealer (whether or not participating in the Global Offering) may violate the registration requirements of the Securities Act.

Each purchaser of the Sale Shares outside of the United States pursuant to Regulation S, by its acceptance of delivery of this Offering Memorandum and the Sale Shares, will be deemed to have represented, agreed and acknowledged as follows:

- The purchaser is, or at the time the Sale Shares are purchased will be, the beneficial owner of such Sale Shares and (i) is, and the person, if any, for whose account it is acquiring the Sale Shares is, outside the United States, (ii) is not an affiliate of the Company or a person acting on behalf of such an affiliate and (iii) is not in the business of buying or selling securities or, if it is in such business, it did not acquire the Sale Shares from the Company or an affiliate thereof in the initial distribution of the Sale Shares.

- The purchaser (i) is aware and agrees that the Sale Shares (a) have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction within the United States; and (b) are being sold in accordance with Rule 903 or 904 of Regulation S and is purchasing such Sale Shares in an "offshore transaction" in reliance on Regulation S.

- The purchaser represents, warrants and undertakes that neither it, its affiliates (as defined in Rule 501 under the Securities Act), nor any persons acting on its or their behalf has engaged or will engage in any directed selling efforts (as defined in Regulation S) with respect to the Sale Shares.

- The purchaser acknowledges that the Company, the Selling Shareholder and the Joint Bookrunners and their respective affiliates will rely upon the truth and accuracy of the acknowledgements, representations and agreements in the foregoing paragraphs.

UK

In relation to the UK, no Sale Shares which are the subject of the Global Offering contemplated herein have been offered or will be offered pursuant to the Global Offering to the public in the UK prior to the publication of a prospectus in relation to the Sale Shares which has been approved by the Financial Conduct Authority in the UK in accordance with the UK Prospectus Regulation and the FSMA, except that offers of Sale Shares may be made to the public in the UK at any time under the following exemptions under the UK Prospectus Regulation and the FSMA:

- to any legal entity which is a qualified investor as defined under the UK Prospectus Regulation;

- to fewer than 150 natural or legal persons (other than qualified investors as defined under the UK Prospectus Regulation), subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or

- at any time in other circumstances falling within section 86 of the FSMA,

provided that no such offer of Sale Shares shall result in a requirement for the publication by the Company, the Selling Shareholder or any Joint Bookrunner to publish a prospectus pursuant to Section 85 of the FSMA or Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

Each person in the UK who initially acquires any Sale Shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with the Company and the Joint Bookrunners that it is a qualified investor within the meaning of the UK Prospectus Regulation.

In the case of any Sale Shares being offered to a financial intermediary as that term is used in Article 5(1) of the UK Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the Sale Shares acquired by it in the Global Offering have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer to the public other than their offer or resale in the UK to qualified investors, in circumstances in which the prior consent of the Joint Global Coordinators has been obtained to each such proposed offer or resale.

The Company, the Selling Shareholder, the Joint Bookrunners and their respective affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

For the purposes of this provision, the expression an "offer to the public" in relation to any Sale Shares in the UK means the communication in any form and by any means of sufficient information on the terms of the offer and any Sale Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Sale Shares, the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, and the expression "FSMA" means the Financial Services and Markets Act 2000.

In connection with the Global Offering, the Joint Bookrunners are not acting for anyone other than the Company and the Selling Shareholder and will not be responsible to anyone other than the Company and the Selling Shareholder for providing the protections afforded to their clients nor for providing advice in relation to the Global Offering.

This Offering Memorandum is for distribution only to persons who are qualified investors as defined under the UK Prospectus Regulation and who (i) have professional experience in matters relating to investments and who qualify as investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "**Financial Promotion Order**"), (ii) are persons falling within Article 49(2)(a) to (d) ("**high net worth companies, unincorporated associations etc.**") of the Financial Promotion Order, (iii) are outside the UK, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "**relevant persons**"). This document is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons.

European Economic Area

In relation to each member state of the European Economic Area (each a "**Relevant State**"), no Sale Shares which are the subject of the Global Offering contemplated herein have been offered or will be offered pursuant to the Global Offering to the public in that Relevant State prior to the publication of a prospectus in relation to the Sale Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State all in accordance with the Prospectus Regulation, except that offers of Sale Shares may be made to the public in that Relevant State of any Sale Shares at any time under the following exemptions under the Prospectus Regulation:

- to any legal entity which is a qualified investor as defined under the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Sale Shares shall result in a requirement for the publication by the Company, the Selling Shareholder or any Joint Bookrunner to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

Each person in a Relevant State who initially acquires any Sale Shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with the Company and the Joint Bookrunners that it is a qualified investor within the meaning of the Prospectus Regulation.

In the case of any Sale Shares being offered to a financial intermediary as that term is used in Article 5(1) of the Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the Sale Shares acquired by it in the Global Offering have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer to the public other than their offer or resale in a Relevant State to qualified investors, in circumstances in which the prior consent of the Joint Global Coordinators has been obtained to each such proposed offer or resale.

The Company, the Selling Shareholder, the Joint Bookrunners and their respective affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

For the purposes of this provision, the expression of an "offer to the public" in relation to any Sale Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Sale Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Sale Shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

United Arab Emirates (excluding the ADGM and the DIFC)

This Offering Memorandum is strictly private and confidential and is being distributed to a limited number of Professional Investors, within the meaning of the United Arab Emirates SCA's Board of Directors Decision No. 13 of 2021 Concerning the Financial Activities Rule Book, and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. If you are in any doubt about the contents of this Offering Memorandum, you should consult an authorised financial adviser.

By receiving this Offering Memorandum, the person or entity to whom it has been issued understands, acknowledges and agrees that this Offering Memorandum has not been approved by or filed with the UAE Central Bank, the SCA or any other authorities in the UAE, nor have the Joint Bookrunners received authorisation or licensing from the UAE Central Bank, the SCA or any other authorities in the UAE to market or sell securities or other investments within the UAE. No marketing of any financial products or services has been or will be made from within the UAE other than in compliance with the laws of the UAE. It should not be assumed that any of the Joint Bookrunners is a licensed broker, dealer or investment advisor under the laws applicable in the UAE, or that any of them advise individuals resident in the UAE as to the appropriateness of investing in or purchasing or selling securities or other financial products.

Nothing contained in this Offering Memorandum is intended to constitute investment, legal, tax, accounting or other professional advice. This Offering Memorandum is for your information only and nothing in this Offering Memorandum is intended to endorse or recommend a particular course of action. Any person considering acquiring securities should consult with an appropriate professional for specific advice rendered based on their respective situation.

Australia

The Sale Shares have not been offered and will not be offered pursuant to the Global Offering in Australia, except to select investors who are able to demonstrate that they fall within one or more of the following categories of investors:

- a "sophisticated investor" under section 708(8)(a) or (b) of the Corporations Act;
- a "sophisticated investor" under section 708(8)(c) or (d) of the Corporations Act and that you have provided an accountant's certificate to the Company which complies with the requirements of section 708(8)(c)(i) or (ii) of the Corporations Act and related regulations before the offer has been made;
- a person associated with the company under section 708(12) of the Corporations Act; or
- a "professional investor" within the meaning of section 708(11)(a) or (b) of the Corporations Act.

This document does not constitute a prospectus or other disclosure document under Chapter 6D.2 of the Corporations Act, has not been, and will not be, lodged or registered with the Australian Securities and Investments Commission ("**ASIC**") or the Australian Securities Exchange ("**ASX**") or any other regulatory body or agency in Australia and does not purport to include the information required of a disclosure document under Chapter 6D.2 of the Corporations Act.

Abu Dhabi Global Market

The Sale Shares have not been offered and will not be offered to any persons in the ADGM except on the basis that an offer is:

- an “Exempt Offer” in accordance with the FSRA Financial Services and Markets Regulations and the Market Rules of the FSRA; and

- made only to persons who are Authorised Persons or Recognised Bodies (as such terms are defined in the FSMR),

or persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 18 of FSMR) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated.

Dubai International Financial Centre

The Sale Shares have not been offered and will not be offered to any persons in the DIFC except on the basis that an offer is:

- an “Exempt Offer” in accordance with the Markets Rules (MKT) module of the DFSA Rulebook; and

- made only to persons who are existing clients of the DFSA Authorised Person distributing this Offering Memorandum or who otherwise meet the Deemed Professional Client criteria set out in Rule 2.3.4 of the DFSA Rulebook Conduct of Business Module and who are not natural persons.

Kingdom of Saudi Arabia

This document may not be distributed in the Kingdom except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority.

The Capital Market Authority does not make any representation as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this document, you should consult an authorised financial advisor.

Lebanon

This Offering Memorandum 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 Sale Shares in the Company in the Lebanese territory, nor shall it (or any part of it), nor the fact of its distribution, form the basis of, or be relied on in connection with, any subscription or purchase.

The Company has not been, and will not be, authorised or licensed by the Central Bank of Lebanon and its Sale Shares cannot be marketed and sold in Lebanon. No public offering of the Sale Shares is being made in Lebanon and no mass-media means of contact are being employed. This Offering Memorandum is aimed at institutions and sophisticated, high net worth individuals only, and this Offering Memorandum will not be provided to any person in Lebanon except upon the written request of such person.

Recipients of this Offering Memorandum should pay particular attention to the section titled “*Risk Factors*” in this Offering Memorandum. Investment in the Sale Shares is suitable only for sophisticated investors with the financial ability and willingness to accept the risks associated with such an investment, and said investors must be prepared to bear those risks.

Oman

This Offering Memorandum does not constitute a public offer of securities in the Sultanate of Oman, as contemplated by the Commercial Companies Law of Oman (Royal Decree No. 4/1974) or the Capital Market

Law of Oman (Royal Decree No. 80/1998) and Ministerial Decision No.1/2009 or an offer to sell or the solicitation of any offer to buy non-Omani securities in the Sultanate of Oman.

This Offering Memorandum is strictly private and confidential. It is being provided to a limited number of sophisticated investors solely to enable them to decide whether or not to make an offer to the Company to enter into commitments to invest in the Sale Shares outside of the Sultanate of Oman, upon the terms and subject to the restrictions set out herein and may not be reproduced or used for any other purpose or provided to any person other than the original recipient.

Additionally, this Offering Memorandum is not intended to lead to the making of any contract within the territory or under the laws of the Sultanate of Oman.

The Company is incorporated and existing under the laws of the UAE. The Capital Market Authority and the Central Bank of Oman take no responsibility for the accuracy of the statements and information contained in this Offering Memorandum or for the performance of the Company with respect to the Sale Shares nor shall they have any liability to any person for damage or loss resulting from reliance on any statement or information contained herein.

Bahrain

The Sale Shares have not been offered or sold, and will not be offered or sold to any person in the Kingdom of Bahrain except on a private placement basis to persons who are “accredited investors”.

For this purpose, an “accredited investor” means:

- an individual holding financial assets (either singly or jointly with a spouse) of USD 1,000,000 or more;
- a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than USD 1,000,000; or
- a government, supranational organisation, central bank or other national monetary authority or a state organisation whose main activity is to invest in financial instruments (such as a state pension fund).

Kuwait

The Sale Shares have not been and will not be offered, sold, promoted or advertised in Kuwait except on the basis that an offer is made in compliance with Decree Law No. 31 of 1990 and the implementing regulations thereto, as amended, and Law No. 7 of 2010 and the bylaws thereto, as amended governing the issue, offering and sale of securities. No private or public offering of the Sale Shares is being made in Kuwait, and no agreement relating to the sale of the Sale Shares will be concluded in Kuwait. No marketing or solicitation or inducement activities are being used to offer or market the Sale Shares in Kuwait.

Jordan

Any marketing of the Sale Shares to Jordanian investors shall be done by way of private placement only. The Sale Shares are being offered in Jordan on a cross border basis based on one-on-one contacts to no more than 30 potential investors and accordingly the Sale Shares will not be registered with the Jordanian Securities Commission and a local prospectus in Jordan will not be issued.

Japan

The Sale Shares have not been and will not be registered under the Financial Instruments and Exchange Law, as amended (the “**FIEL**”). This Offering Memorandum is not an offer of securities for sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or entity organised under the laws of Japan) or to others for reoffer or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements under the FIEL and otherwise in compliance with such law and any other applicable laws, regulations and ministerial guidelines of Japan.

Switzerland

The offering of the Sale Shares in Switzerland is exempt from requirement to prepare and publish a prospectus under the Swiss Financial Services Act ("**FinSA**") because the Sale Shares are offered to less than 500 investors and the Sale Shares will not be admitted to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. This Offering Memorandum does not constitute a prospectus or a similar document pursuant to FinSA, and no such prospectus has been or will be prepared for or in connection with the offering of the Sale Shares.

Canada

The Sale Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Sale Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Offering Memorandum (including any amendment thereto) contains a misrepresentation, *provided that* the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor. Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Joint Bookrunners are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this Offering.

Hong Kong

This Offering Memorandum has not been approved by the Securities and Futures Commission in Hong Kong and, accordingly (i) the Sale Shares may not be offered or sold in Hong Kong by means of this Offering Memorandum or any other document other than to "professional investors" as defined in the Securities and Futures Ordinance of Hong Kong (Cap. 571) and any rules made thereunder, or in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance of Hong Kong (Cap. 32) or which do not constitute an offer to the public within the meaning of the Companies Ordinance, and (ii) no person shall issue or possess for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Sale Shares which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Sale Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as set out above).

Singapore

This Offering Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore, and the Sale Shares will be offered pursuant to exemptions under the Securities and Futures Act, Chapter 289 of Singapore (the "**Securities and Futures Act**"). Accordingly, this Offering Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Sale Shares may not be circulated or distributed, nor may the Sale Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor pursuant to Section 274 of the Securities and Futures Act, (b) to a relevant person under Section 275(1) of the Securities and Futures Act, or to any person pursuant to Section 275(1A) of the Securities and Futures Act and in accordance with the conditions specified in Section 275 of the Securities and Futures Act, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Each of the following persons specified in Section 275 of the Securities and Futures Act which has subscribed or purchased Sale Shares, namely a person who is:

- a corporation (which is not an accredited investor (as defined in Section 4A of the Securities and Futures Act)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an individual who is an accredited investor,

should note that shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the Sale Shares under Section 275 of the Securities and Futures Act except:

- to an institutional investor under Section 274 of the Securities and Futures Act or to a relevant person or to any person pursuant to Section 275(1) and Section 275(1A) of the Securities and Futures Act, respectively and in accordance with the conditions specified in Section 275 of the Securities and Futures Act; or
- where no consideration is or will be given for the transfer; or
- where the transfer is by operation of law; or
- pursuant to Section 276(7) of the Securities and Futures Act.

People's Republic of China

This Offering Memorandum, the Sale Shares and any material or information contained or incorporated by reference herein relating to the Sale Shares have not been, and will not be, submitted to or approved/verified by or registered with the China Securities Regulatory Commission ("**CSRC**") or other relevant governmental and regulatory authorities in the People's Republic of China (the "**PRC**") (which, for the sole purpose herein, does not include Hong Kong, Macau or Taiwan) pursuant to relevant laws and regulations and thus may not be supplied to the public in the PRC or used in connection with any offer for the subscription or sale of the Sale Shares in the PRC. Neither this Offering Memorandum nor any material or information contained or incorporated by reference herein relating to the Sale Shares constitutes an offer to sell or the solicitation of an offer to buy any securities in the PRC.

The Sale Shares may only be invested by PRC investors that are authorised to engage in the investment in the Sale Shares of the type being offered or sold. PRC investors are responsible for informing themselves about and observing all legal and regulatory restrictions, obtaining all relevant government regulatory approvals/licences, verification and/or registrations themselves, including, but not limited to, any which may be required from the People's Bank of China, the State Administration of Foreign Exchange, CSRC, the China Banking and Insurance Regulatory Commission and other relevant regulatory bodies, and complying with all relevant PRC regulations, including, but not limited to, all relevant foreign exchange regulations and/or overseas investment regulations.

Qatar and the Qatar Financial Centre

This Offering Memorandum is being provided by the Joint Bookrunners on an exclusive basis to the specifically intended recipient (being a qualified investor for the purposes of the Qatar Financial Markets Authority or the Qatar Financial Centre Regulatory Authority) in the State of Qatar, including the Qatar Financial Centre, upon that person's request and initiative, and for the recipient's personal use only.

Nothing in this Offering Memorandum constitutes, is intended to constitute, shall be treated as constituting or shall be deemed to constitute, any offer or sale of Sale Shares in the State of Qatar or in the Qatar Financial Centre or the marketing or promotion in the State of Qatar or in the Qatar Financial Centre of the Sale Shares or an attempt to do business, as a bank, a financial services company, an investment company or otherwise in the State of Qatar or in the Qatar Financial Centre other than in compliance with any laws applicable in the State of Qatar or in the Qatar Financial Centre governing offering, marketing or sale of the Sale Shares.

This Offering Memorandum and/or the Sale Shares have not been approved, registered or licensed by the Qatar Central Bank, the Qatar Financial Centre Regulatory Authority, the Qatar Financial Markets Authority or any other regulator in the State of Qatar or in the Qatar Financial Centre.

Recourse against the Company, the Selling Shareholder and/or the Joint Bookrunners may be limited or difficult and may have to be pursued in a jurisdiction outside the State of Qatar (including the Qatar Financial Centre). The information contained in this Offering Memorandum is confidential and must not be reproduced in whole or in part (whether in electronic or hard copy form). Any distribution of this Offering Memorandum by the recipient to third parties in the State of Qatar or in the Qatar Financial Centre beyond the terms set out above is not authorised and shall be at the liability of such recipient.

Malaysia

This Offering Memorandum has not been and will not be registered as a prospectus with the Securities Commission Malaysia ("**SC**") under the Capital Markets and Services Act 2007 of Malaysia ("**CMSA**"). No prospectus or other offering material or document in connection with the offer and sale of the Sale Shares which complies with the requirements of the CMSA and the guidelines of the SC has been or will be registered with the SC under the CMSA or with any other regulatory body in Malaysia. Also, no approval, authorisation or recognition of the SC has been granted for making available, offering for subscription or purchase, or issuing an invitation to subscribe for or purchase or sale, of the Sale Shares in Malaysia. This Offering Memorandum does not constitute and may not be used for the purpose of an offering or an issue, offer for subscription or purchase, invitation to subscribe for or purchase of sale of any securities requiring (a) the approval, authorisation or recognition of the SC and (b) the registration of a prospectus with the SC under the CMSA.

Accordingly, this Offering Memorandum and any other document or material in connection with the Sale Shares will not be circulated or distributed, nor will the Sale Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Malaysia other than to the categories of persons specified in paragraph 14 of Schedule 5 of the CMSA and this is also *provided that* the distribution of the Sale Shares to such categories of exempted persons is made by a holder of a Capital Markets Services License in Malaysia who carries on the business of dealing in securities.

Israel

The Sale Shares offered hereunder may not be offered or sold to the public in Israel absent the publication of a prospectus that has been approved by the Israel Securities Authority (the "**ISA**"). This document does not constitute a prospectus under the Israeli Securities Law, 5728-1968 (the "**Israeli Securities Law**") and has not been filed with or approved by the ISA, and the Sale Shares offered hereunder have not been approved or disapproved by the ISA, nor have such Sale Shares been registered for sale in Israel. In Israel, this document is being distributed only to, and is directed only at, and any offer of the Sale Shares hereunder is directed only at, (i) a limited number of persons in accordance with the Israeli Securities Law and (ii) investors listed in the first addendum (the "**Addendum**") to the Israeli Securities Law, consisting primarily of joint investment in trust funds, provident funds, insurance companies, banks, portfolio managers, investment advisors, members of the Tel Aviv Stock Exchange, underwriters, venture capital funds, entities with equity in excess of 50 million Israeli New Shekels ("**NIS**") and "qualified individuals", each as defined in the Addendum (as it may be amended from time to time), collectively referred to as qualified investors (in each case purchasing for their own account or, where permitted under the Addendum, for the accounts of their clients who are investors listed in the Addendum). Qualified investors will be required to submit written confirmation that they fall within the scope of the Addendum, are aware of the meaning of the same and agree to it.

New Zealand

Any offer or sale of any Sale Shares described in this Offering Memorandum and the distribution of the information contained in or accompanying this Offering Memorandum in New Zealand will only be made in accordance with the Financial Markets Conduct Act 2013 (New Zealand) (the "**FMC Act**") and to a person who (i) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act, (ii) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act, (iii) is large within the meaning of clause 39 of Schedule 1 of the FMC Act or (iv) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act. Each purchaser of the Sale Shares in New Zealand under the Global Offering:

- acknowledges that (i) Part 3 of the FMC Act shall not apply in respect of the offer of Sale Shares, (ii) no product disclosure statement, registry entry or other disclosure document under the FMC Act will be prepared in respect of the Global Offering, (iii) any information provided to any persons in respect of the Global Offering is not required to, and may not, contain all of the information that a product disclosure statement under New Zealand law is required to contain, and (iv) the information contained or accompanying the Offering Memorandum or any other product disclosure statement, prospectus or similar offering or disclosure, have not been registered, filed with or reviewed or approved by any New Zealand regulatory authority or under or in accordance with the FMC Act;

- warrants that if in the future the purchaser of the Sale Shares elects to directly or indirectly offer or sell any of the Sale Shares allotted to that purchaser, or distribute (either directly or indirectly) the Offering Memorandum, any information contained in or accompanying the Offering Memorandum, or any other offering materials or advertisements in relation to the Global Offering, that person undertakes not to do so in a manner that could result in (i) such offer or sale being viewed as requiring a product disclosure statement or other similar disclosure document or any registration or filing in New Zealand, (ii) any contravention of the FMC Act or (iii) the Company or its directors incurring any liability; and (iii) warrants that (i) any person for whom the persons are acquiring or procuring Sale Shares meets one or more of the criteria specified in (i) to (iv) of the first paragraph of this selling restriction and (ii) the purchaser of the Sale Shares has delivered, where applicable, a safe harbour certificate in accordance with clause 44 of Schedule 1 of the FMC Act.

Republic of Korea

A registration statement for the offering and sale of the Sale Shares has not been filed with the Financial Services Commission of the Republic of Korea ("**Korea**") under the current laws and regulations of Korea, including but not limited to the Financial Investment Services and Capital Markets Act of Korea. Accordingly, the Sale Shares may not be offered, sold or delivered, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as such term is defined in the Foreign Exchange Transactions Law of Korea) or to others for reoffering or resale, directly or indirectly in Korea or for the account or benefit of any resident of Korea, except as otherwise permitted under applicable Korean laws and regulations.

South Africa

The Sale Shares are not the subject of a registered prospectus in terms of chapter 4 of the South African Companies Act, 71 of 2008 ("**Companies Act**"). Any purchaser of the Sale Shares in South Africa may not offer the Sale Shares for sale to the public in South Africa unless such offer is accompanied by a prospectus, or where applicable a written statement, that is registered with the Companies and Intellectual Property Commission in terms of the said chapter of the Companies Act and which complies with all relevant provisions in this regard. No advertisement in relation to a public offer may be made unless it complies with section 98 of the Companies Act. The "public" includes any section of the public.

Certain offers of Sale Shares are deemed, in terms of the safe harbour provisions of section 96 of the Companies Act, to not be offers to the public. These include offers to (i) persons whose ordinary business is dealing in securities, whether as principals or agents; (ii) the Public Investment Corporation; (iii) registered banks; (iv) authorised and licensed financial services providers; and (v) financial institutions as defined in the Financial Services Board Act, 1990, or a combination of any of the foregoing. Also included in the safe harbours are offers where the minimum offer consideration per offeree, acting as principal, is Rand 1,000,000. Accordingly, offers may be made to such institutions or under such circumstances without having to comply with chapter 4 of the Companies Act.

TRANSFER RESTRICTIONS

The Sale Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

United States

The Sale Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States.

Regulation S

Each purchaser of the Sale Shares outside of the United States pursuant to Regulation S, by its acceptance of delivery of this Offering Memorandum and the Sale Shares, will be deemed to have represented, agreed and acknowledged as follows:

- The purchaser is, or at the time the Sale Shares were purchased will be, the beneficial owner of such Sale Shares and (a) is, and the person, if any, for whose account it is acquiring the Sale Shares is, outside the United States; (b) is not an affiliate of the Company or a person acting on behalf of such an affiliate; and (c) is not in the business of buying or selling securities or, if it is in such business, it did not acquire such Sale Shares from the Company or an affiliate thereof in the initial distribution of such Sale Shares.

- The purchaser is aware and agrees that such Sale Shares (a) have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction within the United States; and (b) are being sold in accordance with Rule 903 or 904 of Regulation S and is purchasing such Sale Shares in an “offshore transaction” in reliance on Regulation S.

- The purchaser represents, warrants and undertakes that neither it, its affiliates (as defined in Rule 501 under the Securities Act), nor any persons acting on its or their behalf has engaged or will engage in any directed selling efforts (as defined in Regulation S) with respect to the Sale Shares.

- The purchaser acknowledges that the Company, the Selling Shareholder, the Joint Bookrunners and their respective affiliates will rely upon the truth and accuracy of the acknowledgements, representations and agreements in the foregoing paragraphs.

SETTLEMENT AND DELIVERY

Trading of the Sale Shares will take place through the trading system of the DFM. Sale Shares will be held under NINs assigned by the DFM either to the holders directly or through custodian omnibus accounts and the ownership of the Sale Shares will be evidenced by the holdings under each such NIN. Clearing and settlement of trades on the DFM by brokers or custodians may be performed only through members of the DFM that are Clearing Members. Settlement of securities trading on the DFM is governed by the DFM's rules and regulations, which are available from its website at www.dfm.ae.

Investors will be required to complete an application form for the Sale Shares and return such form to the Joint Bookrunners during the bookbuilding period. Application forms will be available from the Joint Bookrunners.

Investors who receive an allocation of Sale Shares will be required to deliver to the Joint Bookrunners a signed trade confirmation on the business day following notice of its allocation. The form of trade confirmation will be provided to such investors when allocations are notified on or around 1 May 2024 to investors subscribing in the Qualified Investor Offering.

Payment for the Sale Shares purchased in connection with the Qualified Investor Offering shall be made in AED (unless otherwise agreed between the investor and a Joint Bookrunner). Purchasers will be required to make full payment for the Sale Shares to the Joint Bookrunners for receipt by the Joint Bookrunners two business days prior to the expected Closing Date, unless otherwise agreed with the Joint Bookrunners. In the event of a failure to make timely payment, purchasers of Sale Shares may incur significant charges.

Delivery of the Sale Shares is expected to be made on the Closing Date to the accounts of purchasers through the book-entry facilities operated by the DFM. There can be no assurance that such Sale Shares will be credited to the NIN account of the relevant investor during trading hours of the DFM on the Closing Date and such investor may not be able to deal in the relevant Sale Shares comprising its allocation in the Global Offering until such time as they are in fact credited to its NIN account, which may be one or more business days following the Closing Date.

LEGAL MATTERS

Certain legal matters with respect to the Global Offering will be passed upon for the Company by White & Case LLP and Ibrahim & Partners. Certain legal matters with respect to the Global Offering will be passed upon for the Joint Bookrunners by Linklaters LLP, Dubai, UAE and Linklaters LLP, London, UK.

INDEPENDENT AUDITORS

The Financial Statements, included in this Offering Memorandum, have been audited by Ernst & Young Middle East (Dubai Branch), independent auditors, as stated in their report included in this Offering Memorandum.

GLOSSARY OF SELECTED TERMS

"**ADGM**"	The Abu Dhabi Global Market.
"**Admission**"	Admission of the Sale Shares to the DFM.
"**AED**" or "**dirham**"	The lawful currency of the United Arab Emirates.
"**Affluent Population**"	Adults in earning age range with a yearly income greater than AED 110,000 (equivalent to approximately USD 30,000).
"**Articles of Association**" or "**Articles**"	Depending on the context, the articles of association of the Company, as amended from time to time and currently in force.
"**ASIC**"	Australian Securities and Investments Commission.
"**ASX**"	Australian Securities Exchange.
"**BEPS**"	OECD Base Erosion and Profit Shifting
"**billion**"	A thousand million.
"**Board of Directors**" or "**Board**"	Depending on the context, the board of directors of the Company or any other legal person, entity or institution, the management body of which consists of a board of directors.
"**CAGR**"	Compounded Average Growth Rate.
"**CMA**"	Capital Market Authority of the Kingdom of Saudi Arabia.
"**CMSA**"	Capital Markets and Services Act 2007 of Malaysia.
"**Company**"	Spinneys 1961 Holding PLC.
"**Cornerstone Investors**"	(i) Emirates International Investment Company LLC; and (ii) Templeton Asset Management Ltd and Franklin Templeton Investments (ME) Ltd, as investment managers on behalf of certain funds and accounts.
"**Cornerstone Investor Agreements**"	Agreements between the Company, the Selling Shareholder and the Cornerstone Investors.
"**Corporations Act**"	Australia Corporations Act 2001 (Cth).
"**Corporate Tax Law**"	Federal Decree-Law No. (47) of 2022 on the Taxation of Corporations and Businesses
"**CPI**"	Consumer price index.
"**Closing Date**"	9 May 2024.
"**CSRC**"	China Securities Regulatory Commission.
"**DFM**"	The Dubai Financial Market.
"**DFM Trading Rules**"	Module Three of the DFM Rulebook: Membership, Trading, and Derivatives Rules Booklet.
"**DFSA**"	The Dubai Financial Services Authority.
"**DIFC**"	The Dubai International Financial Centre.
"**DIFC Companies Law**"	Companies Law DIFC Law No. 5 of 2018
"**DLD**"	Dubai Land Department.
"**DWTC**"	Dubai World Trade Centre.
"**EEA**"	European Economic Area.
"**ESG**"	Environmental, Social and Governance.
"**ESMA**"	European Securities and Markets Authority.

“**EU**” or “**European Union**”............................	The European economic and political union.
“**EUWA**”...	The European Union (Withdrawal) Act 2018.
“**Exchange Act**”...	USA Securities Exchange Act of 1934, as amended.
“**Federal Tax Law**”...	Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses
“**FIEL**”..	Financial Instruments and Exchange Law.
“**Finefair**”	Finefair Food Market Services Limited.
“**Food Safety Law**”	Federal Law No. 10 of 2015 On Food Safety.
“**FSMA**”..	UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.
“**FSRA**”...	Abu Dhabi Financial Services Regulatory Authority.
“**FTA**”	Federal Tax Authority.
“**G&A**”..	Governance & Accountability Institute.
“**GBP**”...	The lawful currency of the UK of Great Britain and Northern Ireland.
“**GCC**”	Gulf Cooperation Council.
“**GDP**”...	Gross domestic product.
“**General Assembly**”	The general assembly of the shareholders of the Company.
“**Government**”..	Government of Dubai.
“**GML**”	Gray Mackenzie Holdings Limited.
“**Group**”..	The Company and its subsidiaries.
“**GSO Standardisation 2007**”.........................	The Standardisation Organisation for G.C.C. (GSO) 150/2007
“**IFRS**”..	International Financial Reporting Standards, as issued by the International Accounting Standards Board.
“**Independent Financial Adviser**”..................	Rothschild & Co Middle East Limited.
“**Institutional Offering**”.................................	The offering of the Sale Shares outside of the USA, pursuant to Regulation S.
“**ISA**”	Israel Securities Authority.
“**ISO**”	International Organisation for Standardisation.
“**IT**”...	Information technology.
“**JHF Australia**”	J.H.F. Limited
“**JHF UK**”	JHF Australia Exports PTY. LTD.
“**JHF USA**”	JHF USA Exports, INC
“**Joint Bookrunner**”..	EFG Hermes UAE Limited (acting in conjunction with EFG Hermes UAE LLC), together with the Joint Global Coordinators.
“**Joint Global Coordinators**”	Emirates NBD Capital PSC, HSBC Bank Middle East Limited and Merrill Lynch International.
“**Key Markets**”..	The UAE, together with the KSA.
“**Kezad**”	Khalifa Industrial Zone.
“**KPI**”...	Key Performance Indicators.
“**KSA**” or “**Kingdom**”	The Kingdom of Saudi Arabia.
“**KSA JV**”	Al-Ma’kulat al-Fakhirah for Food Products.

"**M&A**"	Mergers and acquisitions.
"**Market Consultant**"	A.T. Kearney Middle East Ltd.
"**Market Law**"	DIFC Markets Law DIFC Law No. 1 of 2012, as amended.
"**Market Report**"	Market data and other market information derived from reports prepared for the Company by the Market Consultants.
"**Member State**"	Each Member State of the European Economic Area.
"**MENA**"	Middle East and North Africa.
"**MOCCAE**"	The Ministry of Climate Change and Environment.
"**MoF**"	The Ministry of Finance.
"**MOHAP**"	The Ministry of Health and Prevention.
"**NIN**"	National Investor Number.
"**Northern Emirates**"	Sharjah, Ajman, Ras Al Kaimah, Umm Al-Quwain and Fujairah.
"**OFCA**"	Office of Foreign Assets Control of the U.S. Treasury Department.
"**Order**"	Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.
"**Pricing Memorandum**"	The pricing memorandum to the Underwriting Agreement to be executed by the Company, the Selling Shareholder and the Joint Bookrunners.
"**Private Label**"	Products produced by the Group and sold under its private label brands, "**SpinneysFOOD**", "**SpinneysHOME**" "**SpinneysWELLNESS**" and "**Fine Food**"
"**Production Facilities**"	The two centralised production facilities operated by the Group.
"**Prospectus Regulation**"	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017.
"**Regulation S**"	Regulation S under the Securities Act.
"**Relevant State**"	Member states of the European Economic Area.
"**Retail Offering**"	The offering of the Sale Shares to retail investors within the UAE, pursuant to the UAE Prospectus.
"**Retail Revenue**"	Revenue from the sale of goods.
"**Sale Shares**"	900,000,000 ordinary shares with a nominal value of AED 0.01 each of the Company that are being offered for sale in the Global Offering.
"**SA Companies Act**"	South African Companies Act, No. 71 of 2008.
"**SCA**"	The UAE Securities and Commodities Authority.
"**SEC**"	United States Securities and Exchange Commission.
"**Securities Act**"	United States Securities Act of 1933, as amended.
"**Selling Shareholder**"	Al Seer Group LLC.
"**SFDA**"	Saudi Food and Drug Authority
"**Shares**"	The 3,600,000,000 ordinary shares of the Company.
"**SIX**"	SIX Swiss Exchange.
"**SKUs**"	Stock keeping units.
"**Stabilisation Period**"	The period of time commencing on the date of trading of the Shares on the DFM and ending no later than 30 calendar days thereafter.

"**Stabilisation Shares**"	Sale Shares sold by the Selling Shareholder in connection with the Global Offering that may be purchased by the Stabilisation Manager during the Stabilisation Period.
"**Stabilisation Manager**"	The price stabilisation manager to be appointed by the Company and the Selling Shareholder in connection with the Global Offering.
"**Stores**"	The 75 Spinneys and Waitrose stores operated by the Group, 11 of which are operated by the Group under an operations arrangement.
"**Target Market**"...	The subset of the addressable market attributable to consumers that shop at least once a week at key competitors in modern grocery formats.
"**UAE Prospectus**"	A prospectus relating to the Retail Offer, the publication of which was approved by the SCA.
"**UAE**"...	United Arab Emirates.
"**UK MiFIR Product Governance Requirements**"	FCA Handbook Product Intervention and Product Governance Sourcebook.
"**UK Prospectus Regulation**"	Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.
"**UK**"	The United Kingdom.
"**UN SDGs**"..	United Nations Sustainable Development Goals.
"**UN**"	United Nations.
"**USA" or "US**"	The United States of America.
"**Whitespace**"	Expected upcoming retail real estate gross leasable area, which has not yet been captured by any competitor and is available for lease or ownership.
"**YoY**"	Year on year.
"**$**", "**USD**" or "**US Dollars**"	The lawful currency of the United States of America.

INDEX TO 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.

Building a better working world

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**	**-**	**-**

The attached notes 1 to 34 form part of these consolidated financial statements.

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.

<u>Right-of-use assets</u>
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 AED'000	*Building/Stores AED'000*	*Motor vehicles AED'000*	*Total 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 AED'000	*Building/Stores AED'000*	*Motor vehicles AED'000*	*Total 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 AED'000	*Building/Stores AED'000*	*Motor vehicles AED'000*	*Total 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 AED'000***	***2022 AED'000***	***2021 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 AED'000	2022 AED'000	2021 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 AED'000	2022 AED'000	2021 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.

COMPANY

Spinneys 1961 Holding PLC
Unit 813B, Level 8, Liberty House
DIFC, Dubai
United Arab Emirates

SELLING SHAREHOLDER

Al Seer Group LLC
Spinneys Center
2nd Floor, Meydan
Nad Al Sheba 1 – Dubai
United Arab Emirates

INDEPENDENT FINANCIAL ADVISER

Rothschild & Co Middle East Limited
Unit 504, Level 5, Gate District Building 03,
DIFC,
PO Box 506570,
Dubai, United Arab Emirates

JOINT GLOBAL COORDINATORS AND JOINT BOOKRUNNERS

BofA Securities
2 King Edward Street
London EC1A 1HQ
United Kingdom

Emirates NBD Capital PSC
1st Floor
Emirates NBD Head Office Building
Baniyas Road, Deira
P.O. Box 2336
Dubai, United Arab Emirates

HSBC Bank Middle East Limited
HSBC Tower, Level 18
Downtown Dubai
P.O, Box 66
Dubai, United Arab Emirates

JOINT BOOKRUNNER

EFG-Hermes UAE Limited
(*acting in conjunction with EFG Hermes UAE LLC*)
Suite 301, The Exchange
GV11, Dubai International Financial Centre
P.O. Box 30727
Dubai, United Arab Emirates

LEGAL ADVISORS

To the Company as to English and US law

White & Case LLP
Level 8, ICD Brookfield Place
Al Mustaqbal Street, DIFC, Dubai
United Arab Emirates

To the Company as to UAE law

Ibrahim & Partners
Office 503, Maze Tower
Sheikh Zayed Road, Dubai
United Arab Emirates

To the Joint Bookrunners as to English and U.S. law

Linklaters LLP
One Silk Street
London, United Kingdom EC2Y 8HQ

To the Joint Bookrunners as to UAE law

Linklaters LLP
Level 12, ICD Brookfield Place
Al Mustaqbal Street, DIFC, Dubai
United Arab Emirates

AUDITORS TO THE GROUP

Ernst & Young Middle East (Dubai Branch)
P.O. Box 9267
ICD Brookfield Place, Ground Floor
Al-Mustaqbal Street
Dubai International Financial Centre
Emirate of Dubai
United Arab Emirates