

Americana Restaurants International PLC



**Condensed consolidated interim financial statements and
independent auditor's review report for the three-month
period ended 31 March 2024**



Americana Restaurants International PLC

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Americana Restaurants International PLC

DIRECTORS' REPORT

Company overview:

Americana Restaurants International PLC and its subsidiaries (together “Americana Restaurants”/“Group”) are a leading and diversified, pan-regional restaurant platform operator, with presence in 12 countries, across the MENA region and Kazakhstan. Americana Restaurants operates iconic global brands such as KFC, Pizza Hut, Hardee’s, Krispy Kreme, TGI Fridays, Costa Coffee, Baskin Robbins and Peet’s Coffee along with proprietary brands such as Wimpy and Chicken Tikka. Incorporated in Abu Dhabi Global Market (ADGM), Americana Restaurants is listed on the Abu Dhabi Securities Exchange (“ADX”) and Saudi Stock Exchange (“Tadawul”).

Diverse portfolio with presence across categories:

The Group operates 2,456 restaurants under a portfolio of 12 brands across key consumer verticals and occasions, including key Quick Service Restaurant (“QSR”) categories (chicken, burger and pizza), fast casual, casual dining, indulgence and coffee concepts.

On 24 April 2024, Americana Restaurants held its Annual General Meeting where shareholders approved USD 0.0213 dividend per share amounting to total cash dividends of USD 179.4 million based on the results for the year ended 31 December 2023. This comprises of:

- (a) a cash dividend of USD 0.0154 per share amounting to USD 129.7 million; and
- (b) a one-off cash dividend of USD 0.0059 per share amounting to USD 49.7 million.

Members of the Board of Directors:

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

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

Financial results:

For the three-month period ended 31 March 2024, the Group achieved USD 493.5 million in revenues during the three-month period ended 31 March 2024 (31 March 2023: USD 589.4 million), resulting in total net profit of USD 26.7 million (31 March 2023: USD 58.8 million). Total assets decreased to USD 1,510.8 million at 31 March 2024 (31 December 2023: USD 1,556.9 million).

Statement of disclosure to auditors:

To the best of our knowledge, the condensed consolidated interim financial statements are prepared, in all material respects, in accordance with IAS 34.

On behalf of the board,



06 May 2024

Mohamed Ali Rashed Alabbar
Chairman
Americana Restaurants International PLC



Review report on condensed consolidated interim financial statements to the Board of Directors of Americana Restaurants International PLC

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Americana Restaurants International PLC and its subsidiaries (the 'Group') as at 31 March 2024 and the related condensed consolidated interim statements of income, comprehensive income, changes in equity and cash flows for the three-month period then ended, and other explanatory notes. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34 'Interim Financial Reporting' (IAS 34). Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity'. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting."

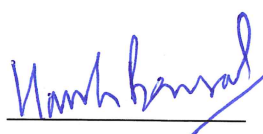
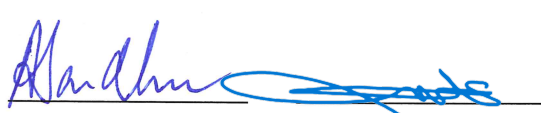
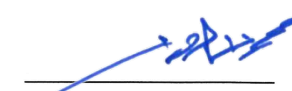
For and on behalf of PricewaterhouseCoopers Limited Partnership (ADGM Branch)
Mohamed Saad Kadiri

6 May 2024

Americana Restaurants International PLC
Condensed consolidated interim statement of financial position as at

		US Dollars'000	
	Note	31 March 2024	31 December 2023
ASSETS			
Non-current assets			
Property and equipment	5	318,078	327,220
Right of use assets	10	502,736	498,503
Investment properties		3,697	4,821
Intangible assets	6	64,862	67,424
Trade and other receivables	7	7,372	7,372
Deferred tax assets		2,267	3,011
Total non-current assets		899,012	908,351
Current assets			
Inventories		136,893	155,593
Trade and other receivables	7	110,165	109,332
Due from related parties	14	265	42
Short term deposits with banks	8	204,513	295,933
Cash and cash equivalents	8	159,939	87,608
Total current assets		611,775	648,508
Total assets		1,510,787	1,556,859
LIABILITIES AND EQUITY			
Non-current liabilities			
Lease liability	10	340,226	341,223
Provision for employees' end of service benefits		67,001	68,561
Trade and other payables		32,763	36,362
Deferred tax liabilities		1,738	1,630
Total non-current liabilities		441,728	447,776
Current liabilities			
Bank facilities	9	2,452	4,375
Lease liability	10	173,615	165,959
Income tax, zakat and other deductions payable		12,530	13,894
Trade and other payables		376,644	434,206
Due to related parties	14	11,993	18,248
Provisions for legal, tax and other claims	11	18,184	21,021
Total current liabilities		595,418	657,703
Total liabilities		1,037,146	1,105,479
Equity			
Share capital	12	168,473	168,473
Retained earnings		321,600	292,715
Foreign currency translation reserve		(27,065)	(21,822)
Equity attributable to shareholders of the Parent Company		463,008	439,366
Non-controlling interests	13	10,633	12,014
Total equity		473,641	451,380
Total liabilities and equity		1,510,787	1,556,859

To the best of our knowledge, the condensed consolidated interim financial statements are prepared, in all material respects, in accordance with IAS 34.

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

Americana Restaurants International PLC

Condensed consolidated interim statement of income for the

		US Dollars'000	
		Three-month period ended	
		31 March	
		2024	2023
	Note		
Revenues	15	493,503	589,424
Cost of revenues		(239,296)	(288,889)
Gross profit		254,207	300,535
Selling and marketing expenses		(175,095)	(186,655)
General and administrative expenses		(47,980)	(47,014)
Other income		2,513	822
Monetary gain/(losses) from hyperinflation	4	486	(1,203)
Net impairment allowance on financial assets		(35)	(391)
Operating profit		34,096	66,094
Finance income		5,072	2,942
Finance costs		(8,655)	(7,374)
Profit before income tax and zakat		30,513	61,662
Income tax and zakat		(3,852)	(2,871)
Net profit for the period		26,661	58,791
Attributable to:			
The shareholders of the Parent Company		28,024	58,129
Non-controlling interests		(1,363)	662
		26,661	58,791
		Three-month period ended	
		31 March	
		2024	2023
Earnings per share			
Basic and diluted earnings per share	21	0.0033	0.0069

Americana Restaurants International PLC

Condensed consolidated interim statement of comprehensive income for the

	US Dollars'000	
	Three-month period ended 31 March	
	2024	2023
Net profit for the period	26,661	58,791
Other comprehensive income items		
<i>Items that will not be reclassified subsequently to condensed consolidated interim statement of income:</i>		
Remeasurement of employees' end of service benefits	861	337
<i>Items that may be reclassified subsequently to condensed consolidated interim statement of income:</i>		
Exchange differences on translating foreign operations including the effect of hyperinflation	(5,261)	(4,084)
Total other comprehensive loss	(4,400)	(3,747)
Total comprehensive income for the period	22,261	55,044
Attributable to:		
The shareholders of the Parent Company	23,642	54,383
Non-controlling interests	(1,381)	661
	22,261	55,044

Americana Restaurants International PLC

Condensed consolidated interim statement of changes in equity for the three-month period ended 31 March

US Dollars'000						
Equity attributable to shareholders of the Parent Company						
Notes	Share capital	Retained earnings	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
Balance at 1 January 2024	168,473	292,715	(21,822)	439,366	12,014	451,380
Net profit for the period	-	28,024	-	28,024	(1,363)	26,661
<i>Other comprehensive income:</i>						
Remeasurement of employees' end of service benefits	-	861	-	861	-	861
Hyperinflation adjustment	-	-	2,876	2,876	-	2,876
Foreign currencies translation differences	-	-	(8,119)	(8,119)	(18)	(8,137)
Total comprehensive income	-	28,885	(5,243)	23,642	(1,381)	22,261
<i>Transactions with owners in their capacity as owners:</i>						
Changes in non-controlling interest	-	-	-	-	-	-
Balance at 31 March 2024	168,473	321,600	(27,065)	463,008	10,633	473,641

Americana Restaurants International PLC

Condensed consolidated interim statement of changes in equity for the three-month period ended 31 March

US Dollars'000						
Equity attributable to shareholders of the Parent Company						
Notes	Share capital	Retained earnings	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
Balance at 1 January 2023	168,473	139,205	(23,113)	284,565	11,186	295,751
Net profit for the period	-	58,129	-	58,129	662	58,791
<i>Other comprehensive income:</i>						
Remeasurement of employees' end of service benefits	-	337	-	337	-	337
Hyperinflation adjustment	-	-	3,456	3,456	-	3,456
Foreign currencies translation differences	-	-	(7,539)	(7,539)	(1)	(7,540)
Total comprehensive income	-	58,466	(4,083)	54,383	661	55,044
<i>Transactions with owners in their capacity as owners:</i>						
Changes in non-controlling interest	13	-	-	-	(1,166)	(1,166)
Dividends paid	22	(103,470)	-	(103,470)	-	(103,470)
Balance at 31 March 2023	168,473	94,201	(27,196)	235,478	10,681	246,159

Americana Restaurants International PLC
Condensed consolidated interim statement of cashflows
for the three-month period ended 31 March

	Note	US Dollars'000	
		2024	2023
Cash flows from operating activities			
Profit before income tax and zakat		30,513	61,662
Adjustments for:			
Depreciation and amortisation		69,451	59,515
Provision for employees' end of service benefits, net of transfers		2,569	2,161
Impairment allowance on financial assets	7	35	391
Provision for obsolete, slow moving, and defective inventories		800	762
Impairment losses of non-financial assets	4	84	40
Loss on disposal of property and equipment and intangible assets		1,075	764
Finance income		(5,072)	(2,942)
Finance cost		8,655	7,374
Recognition of deferred gain on derivative financial instrument in other income		-	(470)
Hyperinflation impact		(341)	839
Operating cash flows before changes in working capital		107,769	130,096
Payments of employees' end of service benefits		(4,148)	(2,516)
Income tax paid		(3,599)	(1,374)
Changes in working capital:			
Trade and other receivables		1,628	(1,652)
Due from related parties		(223)	(232)
Inventories		18,030	19,097
Due to related parties		(6,255)	2,698
Trade and other payables, other liabilities and taxes		(72,370)	(55,075)
Net cash generated from operating activities		40,832	91,042
Cash flows from investing activities			
Decrease in fixed deposits with original maturity of more than three months		91,420	-
Purchase of property and equipment		(9,758)	(18,845)
Proceeds from sale of property and equipment		53	326
Purchase of intangible assets	6	(2,295)	(1,533)
Payments for key money	10	(260)	(1,258)
Interest received on short term deposits and cash at banks		3,368	2,942
Net cash generated from/(used in) investing activities		82,528	(18,368)
Cash flows from financing activities			
Payments of finance costs		(45)	(648)
Other changes in non-controlling interest	13	-	(1,166)
Lease payments – principal element		(42,604)	(43,786)
Lease payments – interest on lease liabilities		(7,709)	(5,957)
Net cash used in financing activities		(50,358)	(51,557)
Net change in cash and cash equivalents		73,002	21,117
Foreign currency translation differences		1,252	2,186
Cash and cash equivalents at the beginning of the period		83,233	285,968
Cash and cash equivalents at the end of the period	8	157,487	309,271

Americana Restaurants International PLC

Notes to the condensed consolidated interim financial statements for the three-month period ended 31 March 2024

1 GENERAL INFORMATION

Americana Restaurants International PLC (“Americana Restaurants” or the “Parent Company”, together with the subsidiaries called “The Group”) is an Abu Dhabi Global Market registered entity that was incorporated on 27 May 2022 under registered number 000007712. The registered address is 2428 ResCowork06, 24th Floor, Al Sila Tower, Abu Dhabi Global Market Square, Al Maryah Island, Abu Dhabi, United Arab Emirates. On 12 December 2022, Americana Restaurants was listed on the Abu Dhabi Securities Exchange (“ADX”) in the United Arab Emirates and on the Saudi Stock Exchange (“Tadawul”) in the Kingdom of Saudi Arabia.

Americana Restaurants’ business comprises operating and managing a number of restaurant chains/brands across the region. The operations extend to the United Arab Emirates, Saudi Arabia, Kuwait, Egypt, Qatar, Kazakhstan, Bahrain, Jordan, Oman, Lebanon, Morocco, and Iraq operated by the various subsidiaries of Americana Restaurants. Americana Restaurants’ business has been operating since 1969.

Americana Restaurants is majorly owned by Adeptio AD Investments Ltd (“Intermediate Parent Company”) which continues to own 66.03% investment in the Group. The Intermediate Parent Company is a wholly owned subsidiary of Adeptio AD Holdings Ltd (the “Ultimate Parent Company”). The Ultimate Parent Company is equally owned by Mr. Mohamed Ali Rashed Alabbar and the Saudi Company for Gulf Food Investments (“Gulf Food Investments”), a subsidiary of the Public Investment Fund of the Kingdom of Saudi Arabia, being the ‘Ultimate Shareholders’.

The condensed consolidated interim financial statements were approved for issue by the Board of Directors on 6 May 2024.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 Statement of compliance

The condensed consolidated interim financial statements for the three-month period ended has been prepared in accordance with IAS 34, ‘Interim financial reporting’. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the condensed consolidated interim statement of financial position. The condensed consolidated interim financial statements do not include all the information required for full annual consolidated financial statements prepared in accordance with IFRS Accounting Standards (“IFRS”) and IFRS Interpretations Committee (“IFRS IC”).

2.2 Basis of preparation

The condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2023.

The condensed consolidated interim financial statements have been prepared on a historical cost convention unless otherwise stated in the accounting policies. These condensed consolidated interim financial statements comprise the condensed consolidated financial information of the Group for the three-month period ended 31 March 2024.

The preparation of the condensed consolidated interim financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of complexity, or areas where assumptions and estimates are significant to the condensed consolidated interim financial statements are disclosed in Note 4. These have been applied consistently for all periods presented.

Americana Restaurants International PLC

Notes to the condensed consolidated interim financial statements for the three-month period ended 31 March 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.3 Seasonality of operations

The Group's business is subject to moderate seasonal fluctuations, of which is affected by the holy month of Ramadan and Eid. Average restaurant sales are typically lower in Ramadan and higher during the Eid period. As a result of moderate seasonal fluctuations, results for any quarter are not necessarily indicative of the results that may be achieved for any quarter or for the full fiscal year.

2.4 New standards, amendments, and interpretations

There are no new standards issued, however, there are a number of amendments to standards which are effective from 1 January 2024 and have been explained in the Group's annual consolidated financial statements for the year ended 31 December 2023. These amendments do not have a material effect on the Group's condensed consolidated interim financial statements for the three-month period ended 31 March 2024.

2.5 Accounting policies

The same accounting policies and methods of computation have been followed in these condensed consolidated interim financial statements as compared with the Group's recent annual consolidated financial statements for the year ended 31 December 2023.

2.6 Dividends distributions

Dividends to the Group's shareholders are recognised in the condensed consolidated interim financial statements in the period in which the dividends are approved by the Group's shareholders.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities may expose it to a variety of financial risks: market risk (including foreign exchange risk, price and cash flow and fair value interest rate risk), credit risk and liquidity risk. The management carries out risk assessment for managing each of these risks. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is predominately controlled by a central treasury department of the Group under policies approved by the board of directors. The central treasury department identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

The condensed consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual consolidated financial statements; they should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2023. There have been no changes in the risk management department or in any risk management policies since the year ended 31 December 2023.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in funding by keeping committed credit lines available.

There are no other significant changes on the liquidity risk from that disclosed in the Group's annual consolidated financial statements for the year ended 31 December 2023.

Americana Restaurants International PLC

Notes to the condensed consolidated interim financial statements for the three-month period ended 31 March 2024

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's annual consolidated financial statements for the year ended 31 December 2023.

Critical judgements

Control of a subsidiary

The management has concluded that the Group controls Bahrain and Kuwait Restaurants Company, even though it holds less than half of the voting rights of this subsidiary. The Group is the largest shareholder with a 40% equity interest and has the exclusive right to manage Bahrain and Kuwait Restaurants Company. According to the contractual arrangements in place, the Group appoints all key management and makes all the key operating decisions which further suggests it has power over the investee and thus consolidates based on these facts.

Hyperinflation

Americana Restaurants exercises significant judgement in determining the onset of hyperinflation in countries in which it operates and whether the functional currency of its subsidiary is the currency of a hyperinflationary economy.

Various characteristics of the economic environment of each country are taken into account. These characteristics include, but are not limited to, whether:

- the general population prefers to keep its wealth in non-monetary assets or in a relatively stable foreign currency;
- prices are quoted in a relatively stable foreign currency;
- sales or purchase prices take expected losses of purchasing power during a short credit period into account;
- interest rates, wages and prices are linked to a price index; and
- the cumulative inflation rate over three years is approaching, or exceeds, 100%.

Management exercises judgement as to when a restatement of the financial statements of a subsidiary becomes necessary. Following management's assessment, the subsidiary of the Group, International Touristic Projects Lebanese Co has been accounted for as an entity operating in hyperinflationary economies. The results, cash flows and financial positions of International Touristic Projects Lebanese Co have been expressed in terms of the measuring units current at the reporting date.

The economy of Lebanon was assessed to be hyperinflationary effective September 2020, and hyperinflation accounting has been applied since.

The general price index used as published by the International Monetary Fund is as follows:

Date	Base year	General price index	Inflation rate (%)
31 March 2024	2019	6,210	5,691%
31 December 2023	2019	5,978	5,475%
31 March 2023	2019	2,831	2,540%

Americana Restaurants International PLC

Notes to the condensed consolidated interim financial statements for the three-month period ended 31 March 2024

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Critical judgements (continued)

Hyperinflation (continued)

The impact of adjusting Americana Restaurants' results for the effects of hyperinflation is set out below:

	Three-month period ended 31 March 2024 USD'000	Three-month period ended 31 March 2023 USD'000
Income statement		
Increase in revenues	9	189
Monetary gain/(loss) from hyperinflation	486	(1,203)
Increase in cost of revenues	(4)	(91)
Increase in selling and marketing expenses	(141)	(125)
Increase in general and administrative expenses	(9)	(10)
Others	195	401
Increase/(decrease) in profit after tax	536	(839)

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Impairment of non-financial assets

The Group has determined that the smallest cash generating units ("CGU") is its Brand-Country level primarily on the basis that the Group is required to maintain a minimum number of stores in each country in order to maintain the exclusivity right in line with the franchise agreements. Management also leverages its shared services infrastructure in each country and it has developed financial and operating performance indicators on a Brand-Country level.

Management performs a quarterly study to identify indications of impairment according to IAS 36, Impairment of Assets ("IAS 36"), in which discounted future cash flows are calculated to ascertain whether the value of assets has become impaired. However, a risk exists whereby the assumptions used by management to calculate future cash flows may not be fair based on current conditions and those prevailing in the foreseeable future. The non-financial assets which relate to restaurant outlets, that were assessed for impairment are property and equipment, right-of-use assets and intangible assets amounting to USD 885,676 thousand as at 31 March 2024 (31 December 2023: USD 893,147 thousand, 31 March 2023: USD 768,158 thousand). The impairment losses recognised in the condensed consolidated interim statement of income on these non-financial assets are as follows:

	Three-month period ended 31 March 2024 USD'000	Three-month period ended 31 March 2023 USD'000
Property and equipment (Note 5)	82	88
Right-of-use assets (Note 10)	-	(25)
Intangible assets (Note 6)	2	(23)
Total	84	40

Americana Restaurants International PLC

Notes to the condensed consolidated interim financial statements for the three-month period ended 31 March 2024

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Critical accounting estimates and assumptions (continued)

Impairment of non-financial assets (continued)

The following table presents Americana Restaurants' key assumptions and the effect of the sensitivity analysis on the condensed consolidated interim statement of comprehensive income on those assumptions:

		Headroom/(Impairment of non-financial assets) US Dollars'000			
	Change in assumption	Period ended 31 March 2024		Period ended 31 March 2023	
Growth rate	+/-0.5%	396	(403)	145	(1,327)
Discount rate	+/-0.5%	(202)	208	(139)	100
EBITDA margin	+/-1.0%	195	(249)	145	(2,377)

Key assumptions used in value in use calculations for the period ended 31 March 2024 and 2023 are as follows:

CGUs impairment testing: Key assumptions 31 March 2024				
	Major GCC	Lower Gulf	North Africa	Others
Growth rate	5%	6%-7%	6%- 19%	6%- 27%
Discount rate	10%-11%	10%-13%	12%-19%	12% -30%
Increase/decrease in EBITDA margin	2%-3%	1%-3%	2% -33%	2% -180%

CGUs impairment testing: Key assumptions 31 March 2023				
	Major GCC	Lower Gulf	North Africa	Others
Growth rate	5%-10%	(1%)- 7%	8%- 25%	(3%)- 154%
Discount rate	11%	12%-15%	13%-18%	13% -32%
Increase/decrease in EBITDA margin	2%-4%	2%-3%	2% -12%	2% -120%

Taxes

The Group is subject to corporate income tax and Zakat. Significant judgment is required in determining the provision for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises a liability for anticipated taxes based on estimates of whether additional taxes will be due to be paid. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made.

Impairment of financial assets

The impairment of trade receivables and other receivables is based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Americana Restaurants International PLC
Notes to the condensed consolidated interim financial statements
for the three-month period ended 31 March 2024

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Critical accounting estimates and assumptions (continued)

Foreign currency translation - International Touristic Projects Lebanese Co.

International Touristic Projects Lebanese Co. ("Americana Lebanon") is a wholly owned subsidiary of the Group. During the previous year, the banks in Lebanon implemented unofficial foreign exchange controls in the banking sector to manage the shortages. The US Dollar ("USD") has been in wide use and circulation over the last 2 decades or more and against which the Lebanese Pound has been pegged throughout that period at Lebanese Lira ("LL") 15,000 per USD ("official exchange rate").

In terms of IFRS, where a country has multiple exchange rates, judgement is required to determine which exchange rate qualifies as a spot rate that can be used for the translation of foreign operations. Factors to determine this include whether the currency is available at an official exchange rate. After the launching of an official electronic platform ('Sayrafa') by the Central Bank of Lebanon where the exchange rate is published on a regular basis for the participating banks and for settlement of foreign payables, management has considered Sayrafa as an alternative official exchange rate, being a more relevant spot rate. As a result, management has used the alternate official exchange rate being the Sayrafa rate to translate Americana Lebanon's operations to the USD presentation currency as at 31 March 2024 and 31 December 2023.

Derivative financial instruments

The fair value of derivative financial instruments that are not traded in an active market are determined using valuation techniques. the Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

Extension or termination options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. Management have concluded not to include any extension or termination options in the IFRS 16 lease period on the basis that it is not reasonably certain to exercise the options given the options requires both parties mutually agreeing on renewed terms and conditions.

Americana Restaurants International PLC
Notes to the condensed consolidated interim financial statements
for the three-month period ended 31 March 2024 (continued)

5 PROPERTY AND EQUIPMENT

	US Dollars'000						
	Land	Leasehold improvements and furniture	Buildings and cold rooms	Equipment and tools	Vehicles	Capital work in progress	Total
Cost							
As at 1 January 2024	18,606	488,970	89,730	353,507	16,996	17,172	984,981
Additions	-	3,273	443	6,985	102	8,391	19,194
Disposals	-	(5,868)	(4,705)	(3,073)	(32)	-	(13,678)
Hyperinflation adjustment	1,569	1,849	2,188	1,429	72	-	7,107
Transfers	-	(45,814)	20,261	33,599	(87)	(9,014)	(1,055)
Foreign currency translation difference	(1,524)	(7,250)	(3,135)	(6,990)	(388)	(534)	(19,821)
As at 31 March 2024	18,651	435,160	104,782	385,457	16,663	16,015	976,728
Accumulated depreciation and impairment							
As at 1 January 2024	-	339,124	76,409	229,786	12,442	-	657,761
Charge for the period	-	9,737	1,356	8,513	439	-	20,045
Disposals	-	(5,759)	(4,571)	(3,029)	(31)	-	(13,390)
Hyperinflation adjustment	-	1,631	1,823	1,278	71	-	4,803
Transfers	-	(37,818)	14,275	23,148	(55)	-	(450)
Impairment loss	-	11	2	69	-	-	82
Foreign currency translation difference	-	(4,140)	(1,843)	(3,926)	(292)	-	(10,201)
As at 31 March 2024	-	302,786	87,451	255,839	12,574	-	658,650
Net book amount							
As at 31 March 2024	18,651	132,374	17,331	129,618	4,089	16,015	318,078

Capital work in progress mainly comprises of outlets under construction and equipment under assembly.

Americana Restaurants International PLC
Notes to the condensed consolidated interim financial statements
for the three-month period ended 31 March 2024 (continued)

5 PROPERTY AND EQUIPMENT (continued)

	US Dollars '000						
	Land	Leasehold improvements and furniture	Buildings and cold rooms	Equipment and tools	Vehicles	Capital work in progress	Total
Cost							
As at 1 January 2023	17,089	440,016	84,731	296,991	14,890	27,145	880,862
Additions	-	27,931	1,245	43,801	1,007	71,714	145,698
Disposals	-	(23,759)	(3,378)	(12,461)	(896)	(170)	(40,664)
Hyperinflation adjustment	5,376	7,433	7,655	5,351	314	-	26,129
Transfers	-	43,092	1,184	23,218	2,019	(81,694)	(12,181)
Foreign currency translation difference	(3,859)	(5,743)	(1,707)	(3,393)	(338)	177	(14,863)
As at 31 December 2023	18,606	488,970	89,730	353,507	16,996	17,172	984,981
Accumulated depreciation and impairment							
As at 1 January 2023	-	318,570	69,793	211,065	11,590	-	611,018
Charge for the year	-	39,211	3,448	24,960	1,594	-	69,213
Disposals	-	(22,368)	(3,282)	(12,140)	(868)	-	(38,658)
Hyperinflation adjustment	-	7,318	6,960	5,230	314	-	19,822
Transfers	-	(2,070)	(104)	1,893	18	-	(263)
Impairment loss / (reversal of impairment)	-	887	(28)	(9)	-	-	850
Foreign currency translation difference	-	(2,424)	(378)	(1,213)	(206)	-	(4,221)
As at 31 December 2023	-	339,124	76,409	229,786	12,442	-	657,761
Net book amount							
As at 31 December 2023	18,606	149,846	13,321	123,721	4,554	17,172	327,220

Capital work in progress mainly comprises of outlets under construction and equipment under assembly.

Americana Restaurants International PLC

Notes to the condensed consolidated interim financial statements
for the three-month period ended 31 March 2024 (continued)

6 INTANGIBLE ASSETS

	US Dollars'000					
	Franchise and agencies	Software	Goodwill	Work in progress	Others	Total
Cost						
At 1 January 2024	68,092	42,407	8,458	3,342	187	122,486
Additions	500	224	-	1,571	-	2,295
Transfers	62	264	-	(4)	-	322
Hyperinflation adjustment	291	-	-	-	-	291
Disposals	(1,306)	(21)	-	-	(187)	(1,514)
Foreign currency translation difference	(1,869)	(340)	-	-	-	(2,209)
At 31 March 2024	65,770	42,534	8,458	4,909	-	121,671
Accumulated amortisation and impairment						
At 1 January 2024	39,085	15,790	-	-	187	55,062
Amortisation	1,140	1,898	-	-	-	3,038
Transfers	-	155	-	-	-	155
Disposals	(532)	(15)	-	-	(187)	(734)
Hyperinflation adjustment	179	-	-	-	-	179
Impairment	-	2	-	-	-	2
Foreign currency translation difference	(665)	(228)	-	-	-	(893)
At 31 March 2024	39,207	17,602	-	-	-	56,809
Net book amount						
At 31 March 2024	26,563	24,932	8,458	4,909	-	64,862
	US Dollars'000					
	Franchise and agencies	Software	Goodwill	Work in progress	Others	Total
Cost						
At 1 January 2023	59,515	27,554	8,458	-	997	96,524
Additions	11,052	1,359	-	5,821	-	18,232
Transfers	-	14,156	-	(2,483)	-	11,673
Hyperinflation adjustment	1,018	-	-	-	-	1,018
Disposals	(2,335)	(316)	-	-	(810)	(3,461)
Foreign currency translation difference	(1,158)	(346)	-	4	-	(1,500)
At 31 December 2023	68,092	42,407	8,458	3,342	187	122,486
Accumulated amortisation and impairment						
At 1 January 2023	35,844	10,092	-	-	997	46,933
Amortisation	4,186	6,076	-	-	-	10,262
Disposals	(1,369)	(216)	-	-	(810)	(2,395)
Hyperinflation adjustment	904	-	-	-	-	904
Reversal of impairment	-	(35)	-	-	-	(35)
Foreign currency translation difference	(480)	(127)	-	-	-	(607)
At 31 December 2023	39,085	15,790	-	-	187	55,062
Net book amount						
At 31 December 2023	29,007	26,617	8,458	3,342	-	67,424

'Franchise and agencies' comprise of franchise fee paid to third parties for licensing and operation of restaurant chains in line with the related franchise agreements.

Work in progress mainly comprises of software and applications under development.

Americana Restaurants International PLC
Notes to the condensed consolidated interim financial statements
for the three-month period ended 31 March 2024 (continued)

7 TRADE AND OTHER RECEIVABLES

	US Dollars'000	
	31 March 2024	31 December 2023
Trade receivable	27,178	32,039
Less: loss allowance	(1,207)	(1,242)
	25,971	30,797
Prepaid expenses	42,661	39,570
Advances to suppliers	3,130	2,811
Refundable deposits	15,146	15,840
Accrued income	16,303	12,391
Insurance receivables	460	498
Staff receivables	2,211	2,275
Others	11,655	12,522
	117,537	116,704

Analysed as follows:

	US Dollars'000	
	31 March 2024	31 December 2023
Current portion	110,165	109,332
Non-current portion	7,372	7,372
	117,537	116,704

The Group has a broad base of customers with no concentration of credit risk within trade receivables at 31 March 2024 and 31 December 2023.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable:

	US Dollars'000	
	31 March 2024	31 December 2023
Up to 3 months	26,088	30,872
3 to 6 months	148	124
Over 6 months	942	1,043
	27,178	32,039

The loss allowance on trade receivables is primarily concentrated in the balances over 6 months which had an expected credit loss allowance of 100% amounting to USD 942 thousand (2023: 100% amounting to USD 1,043 thousand).

Balances between 3 to 6 months had an expected credit loss allowance of 45% amounting to USD 67 thousand (2023: 43% amounting to USD 54 thousand). Balances up to 3 months had an expected credit loss allowance of 0.8% amounting to USD 198 thousand (2023: 0.5% amounting to USD 145 thousand).

Americana Restaurants International PLC
Notes to the condensed consolidated interim financial statements
for the three-month period ended 31 March 2024 (continued)

7 TRADE AND OTHER RECEIVABLES (continued)

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

	US Dollars'000	
	31 March 2024	31 December 2023
Balance at 1 January	1,242	1,315
Charge during the period/year	35	758
Write-offs against the loss allowance on trade receivables	(21)	(704)
Foreign currency translation differences	(49)	(127)
	1,207	1,242

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

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

	US Dollars'000	
	31 March 2024	31 December 2023
UAE Dirham	9,331	12,059
Saudi Riyal	4,227	6,768
Egyptian Pound	1,016	1,010
Kuwaiti Dinar	2,900	2,979
US Dollar	203	158
Other	9,501	9,065
	27,178	32,039

The carrying value less loss allowance on trade and other receivables is assumed to approximate their fair values due to the short-term nature of trade receivables.

8 CASH AND CASH EQUIVALENTS AND SHORT TERM DEPOSITS WITH BANKS

Cash and cash equivalents:

	US Dollars'000		
	31 March 2024	31 December 2023	31 March 2023
Cash on hand	3,835	2,813	3,992
Cash at banks	39,566	47,025	71,675
Short-term deposits with original maturity of 3 months or less	116,538	37,770	253,816
Cash and cash equivalents	159,939	87,608	329,483

Americana Restaurants International PLC
Notes to the condensed consolidated interim financial statements
for the three-month period ended 31 March 2024 (continued)

8 CASH AND CASH EQUIVALENTS AND SHORT TERM DEPOSITS WITH BANKS (continued)

	US Dollars'000		
	31 March 2024	31 December 2023	31 March 2023
Short term deposits with original maturity of 3 to 12 months	204,513	295,933	-

Bank balances are held with local and international branches of reputable banks. Management views these banks as having a sound performance history and satisfactory credit ratings. Deposits are presented as cash equivalents only if they have a maturity of three months or less from the date of acquisition or are readily convertible to known amounts of cash which are subject to insignificant risk of changes in value.

Cash and cash equivalents include the following for the purpose of the condensed consolidated interim statement of cash flows:

	US Dollars'000		
	31 March 2024	31 December 2023	31 March 2023
Cash and cash equivalents	159,939	87,608	329,483
Less: Bank overdraft (Note 9)	(2,452)	(4,375)	(20,212)
Balances per condensed consolidated interim statement of cash flows	157,487	83,233	309,271

9 BANK FACILITIES

	US Dollars'000		
	31 March 2024	31 December 2023	31 March 2023
Short term			
Bank overdraft	2,452	4,375	20,212
	US Dollars'000		
	31 March 2024	31 December 2023	31 March 2023
Maturity of bank facilities are as follows:			
Within one year	2,452	4,375	20,212

Americana Restaurants International PLC
Notes to the condensed consolidated interim financial statements
for the three-month period ended 31 March 2024 (continued)

10 LEASES

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

	US Dollars'000				
	Building and Leasehold	Vehicles	Land	Key money	Total
Right of use assets					
Cost					
1 January 2024	1,105,345	36,223	9,177	18,274	1,169,019
Additions	58,975	772	-	260	60,007
Hyperinflation adjustment	1,673	-	-	229	1,902
Disposal	(8,296)	(461)	-	(1,120)	(9,877)
Transfers	-	-	-	637	637
Foreign currency translation difference	(16,909)	(10)	(4)	(280)	(17,203)
As at 31 March 2024	1,140,788	36,524	9,173	18,000	1,204,485
Accumulated depreciation and impairment					
1 January 2024	624,267	32,041	6,124	8,084	670,516
Charge for the period	43,922	1,249	333	802	46,306
Hyperinflation adjustment	1,724	-	-	229	1,953
Disposal	(6,331)	(245)	-	(1,120)	(7,696)
Transfers	-	-	-	187	187
Foreign currency translation difference	(9,287)	(9)	(3)	(218)	(9,517)
As at 31 March 2024	654,295	33,036	6,454	7,964	701,749
Net book amount					
As at 31 March 2024	486,493	3,488	2,719	10,036	502,736
Cost					
As at 1 January 2023	871,683	32,213	8,279	13,719	925,894
Additions	259,987	4,993	594	3,929	269,503
Hyperinflation adjustment	3,634	-	-	797	4,431
Disposal	(20,373)	(940)	(201)	(25)	(21,539)
Transfers	-	-	-	142	142
Foreign currency translation difference	(9,586)	(43)	505	(288)	(9,412)
As at 31 December 2023	1,105,345	36,223	9,177	18,274	1,169,019
Accumulated depreciation and impairment					
As at 1 January 2023	472,867	26,370	4,579	4,514	508,330
Charge for the year	161,997	6,447	1,219	3038	172,701
Hyperinflation adjustment	3,109	-	-	797	3,906
Reversal of impairment	(187)	-	-	-	(187)
Disposal	(9,742)	(740)	(2)	(25)	(10,509)
Foreign currency translation difference	(3,777)	(36)	328	(240)	(3,725)
As at 31 December 2023	624,267	32,041	6,124	8,084	670,516
Net book amount					
As at 31 December 2023	481,078	4,182	3,053	10,190	498,503

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

Americana Restaurants International PLC
Notes to the condensed consolidated interim financial statements
for the three-month period ended 31 March 2024 (continued)

10 LEASES (continued)

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

	31 March 2024 USD'000	31 December 2023 USD'000
Lease liabilities		
Non-current	340,226	341,223
Current	173,615	165,959
	513,841	507,182

(ii) *Amounts recognized in the condensed consolidated interim statement of financial position*

	31 March 2024 USD'000	31 March 2023 USD'000
Finance costs on lease liabilities	7,709	5,957
	31 March 2024 USD'000	31 March 2023 USD'000
Other rent expenses		
Expense relating to short-term and low-value leases	8,557	8,224
Expense relating to variable lease payments not included in lease liabilities	3,333	4,035
	11,890	12,259

11 PROVISIONS FOR LEGAL, TAX AND OTHER CLAIMS

	31 March 2024	31 December 2023
Legal cases	4,936	5,068
Provision for termination and closure	2,575	2,632
Tax	6,238	7,541
Other provisions	4,435	5,780
	18,184	21,021

	2024 (USD'000)				
	Legal cases	Provision for termination and closure	Tax	Other provisions	Total
Balance at 1 January 2024	5,068	2,632	7,541	5,780	21,021
<i>Charged/ (credited) to profit or loss</i>					
Additional provisions recognised	59	8	444	202	713
Unused amounts reversed	(64)	(63)	-	(896)	(1,023)
Amounts used during the period	-	(15)	(612)	(649)	(1,276)
Foreign currency translation difference	(127)	(6)	(1,105)	(2)	(1,240)
Others	-	19	(30)	-	(11)
Balance at 31 March 2024	4,936	2,575	6,238	4,435	18,184

Americana Restaurants International PLC
Notes to the condensed consolidated interim financial statements
for the three-month period ended 31 March 2024 (continued)

11 PROVISIONS FOR LEGAL, TAX AND OTHER CLAIMS (continued)

	2023 (USD'000)				
	Legal cases	Provision for termination and closure	Tax	Other provisions	Total
Balance at 1 January 2023	5,004	3,204	16,819	4,162	29,189
<i>Charged/ (credited) to profit or loss</i>					
Additional provisions recognised	2,948	218	1,930	9,223	14,319
Unused amounts reversed	(1,304)	(881)	(840)	(4,726)	(7,751)
Amounts used during the year	(1,483)	(358)	(7,973)	(2,127)	(11,941)
Foreign currency translation difference	(65)	449	(2,461)	(124)	(2,201)
Others	(32)	-	66	(628)	(594)
Balance at 31 December 2023	5,068	2,632	7,541	5,780	21,021

Legal cases

The provision consists of the total amount provided to meet specific legal claims against the Group from external parties. Management believes that after obtaining appropriate legal advice, the outcome of such legal claims will not substantially exceed the value of the provision as at 31 March 2024 and 31 December 2023.

Provision for termination and closure

The provision relates to the closure and termination charges along with other related costs which are expected to be incurred for the closure of stores over the upcoming period.

Tax and other provisions

Other provisions include of ongoing assessments by the relevant authorities for open years dispute in relation to taxes, zakat and NLST. Management believes that provision for probable future tax assessments is adequate based upon previous years' tax examinations and past interpretations of the tax laws and that the position taken in tax returns will be sustained upon examination by the relevant tax authorities (Note 17). The other provisions also comprise of restructuring expenses and expected claims from external parties in relation to the Group's activities. The management reviews these provisions on a periodic basis, and the allocated amount is adjusted according to the latest developments, discussions and agreements with such parties.

12 SHARE CAPITAL

As at 31 March 2024 and 31 December 2023, Americana Restaurants International PLC's authorised, issued and paid up capital is USD 168,472,662 comprising of 8,423,633,100 shares with nominal value of USD 0.02 per share.

Americana Restaurants International PLC
Notes to the condensed consolidated interim financial statements
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13 NON-CONTROLLING INTERESTS

	US Dollars'000	
	31 March 2024	31 December 2023
Beginning balance	12,014	11,186
Share of net (loss) / profit for the period/year	(1,363)	2,865
<i>Other comprehensive income item:</i>		
Foreign currency translation differences	(18)	(58)
<i>Other changes in non-controlling interests:</i>		
Effects of acquisition of additional shares in a subsidiary	-	(54)
Capital increase	-	1,150
Cash dividends paid by subsidiaries	-	(3,075)
Total other changes in non-controlling interests	-	(1,979)
	10,633	12,014

14 RELATED PARTIES TRANSACTIONS AND BALANCES

Related parties represent shareholders who have representatives in the Boards of Directors, members of the Boards of Directors, Senior Management and the companies which are controlled by the major shareholders. In the ordinary course of business, Americana Restaurants has entered into transactions with related parties during the period. The following are the transactions and balances resulting from these transactions:

	US Dollars'000	
	31 March 2024	31 March 2023
Transactions with fellow subsidiaries		
Purchases of raw materials	12,381	23,006
Interest income from short term deposits held with a related party	-	116
Transitional Services Agreement ("TSA") expense*	1,257	1,498
Investment property rental income	50	52
Delivery and payment support	533	427
Key management personnel		
Short term employee benefits	1,450	1,491
Termination benefits	83	30
Board of Directors' remuneration	382	280

Due from related party

	US Dollars'000	
	31 March 2024	31 December 2023
Name	Place of incorporation	
<i>Fellow subsidiaries under the intermediate Parent Company:</i>		
Others	265	42

Americana Restaurants International PLC

Notes to the condensed consolidated interim financial statements
for the three-month period ended 31 March 2024 (continued)

14 RELATED PARTIES TRANSACTIONS AND BALANCES (continued)

Due to related parties

		US Dollars'000	
		31 March 2024	31 December 2023
Name	Place of incorporation		
<i>Fellow subsidiaries:</i>			
Kuwait Foods Divisions (Meat, Cake, Agencies)	Kuwait	3,416	1,083
The International Co. for Agricultural development (‘Farm Frites’)	Egypt	2,747	4,306
National Food Industries Co.	KSA	2,014	6,563
Gulf Food Industries (California Garden)	UAE	1,139	1,757
Gulf Food Co. Americana LLC	UAE	903	2,382
Cairo poultry Company	Egypt	846	1,075
Others		3	4

Entities controlled by a major shareholder:

Nshmi Development LLC	UAE	468	395
Noon AD Holdings	UAE	262	511
Barakat Vegetables and Fruits Co. LLC	UAE	195	147
Noon Payments Digital Limited	KSA	-	25
		11,993	18,248

* Transitional Services Agreement ("TSA") expense

This relates to a recharge of corporate expenses in relation to strategic guidance and advisory from an entity under common control of the Intermediate Parent Company.

15 REVENUES

	US Dollars'000	
	31 March 2024	31 March 2023
Food and beverage	490,677	588,829
Investment properties rental income	590	595
Other revenue	2,236	-
	493,503	589,424

Americana Restaurants International PLC

Notes to the condensed consolidated interim financial statements
for the three-month period ended 31 March 2024 (continued)

16 SUBSIDIARIES

The Group's subsidiaries overall ownership structure as at 31 March 2024 and 31 December 2023:

Company's Name	Activity	Place of incorporation	Effective Ownership (%)
Americana Restaurants Investments Group Company LLC	Holding Company	United Arab Emirates	100%
Americana Kuwait Company for Restaurants WLL	Restaurants	Kuwait	100%
Americana Holding for UAE Restaurants LTD	Holding Company	United Arab Emirates	100%
Americana Holding for Egyptian Restaurants LTD	Holding Company	United Arab Emirates	100%
Americana Company for Restaurants Holding LTD	Holding Company	United Arab Emirates	100%
Americana Holding for KSA Restaurants LTD	Holding Company	United Arab Emirates	100%
Americana Holding for Restaurants LTD	Holding Company	United Arab Emirates	100%
Kuwait Food Co. Americana LLC	Restaurants	United Arab Emirates	100%
Egyptian Company for International Touristic Projects SAE	Restaurants	Egypt	99.90%
Egyptian International Company for Food Industries SAE	Restaurants	Egypt	100%
Al Ahlia Restaurants Company LLC	Restaurants	Saudi Arabia	100%
United Food Company (One Person Company) LLC	Others	Saudi Arabia	100%
Americana Prime Investments Limited	Others	United Arab Emirates	100%
International Tourism Restaurants Company LLC	Restaurants	Oman	100%
The Caspian International Restaurants Company LLP	Restaurants	Kazakhstan	100%
Gulf & Arab World Restaurant Co. WLL	Restaurants	Bahrain	94.00%
Bahrain & Kuwait Restaurant Co. WLL	Restaurants	Bahrain	40.00%
Lebanese International Touristic Projects Company LLC	Restaurants	Lebanon	100%
Qatar Food Company WLL	Restaurants	Qatar	100%
Ras Buabboud Trading Company WLL	Restaurants	Qatar	99.00%
Almusharaka for Touristic Restaurants Services, General Trading, Import & Export Company Ltd.	Restaurants	Iraq – Kurdistan	90.00%
Société Marocaine De Projects Touristiques SARL	Restaurants	Morocco	100%
Touristic Projects & International Restaurants Co. (Americana) LLC	Restaurants	Jordan	67.44%
Jordanian Restaurants Company for Fast Food LLC	Restaurants	Jordan	67.44%
The International Co. for World Restaurants Limited	Restaurants	United Arab Emirates	75.00%
Americana Restaurants (India) Private Limited	Others	India	100%
A F K American Food Kurdistan	Restaurants	Iraq - Kurdistan	100%

Americana Restaurants International PLC

Notes to the condensed consolidated interim financial statements for the three-month period ended 31 March 2024 (continued)

17 CONTINGENT LIABILITIES, OPERATING AND CAPITAL COMMITMENTS

	US Dollars'000	
	31 March 2024	31 December 2023
Contingent liabilities		
Letters of guarantee	16,334	14,868

Taxes

The Group operates in several different countries, Note 16 indicates the Group's structure and the countries in which it operates), and thus its operations are subject to various types of taxes. The significant impacts of the various types of taxes are concentrated in the Kingdom of Saudi Arabia and Arab Republic of Egypt as follows:

Arab Republic of Egypt:

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

Kingdom of Saudi Arabia:

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

The Group assesses the tax position of each subsidiary separately, in light of the years that have been inspected, the inspection results, the received tax claims, the legal advice of its external tax advisor on these claims and the legal situation of any existing dispute between the respective entity and the relevant official authorities with respect to these claims. Further, the Group takes in consideration the contingent liabilities for the years that have not been inspected yet.

The tax claims and contingent tax liabilities, at the Group's level, are amounted to USD 3,790 thousand as at 31 March 2024 (31 December 2023: USD 5,690 thousand). Considering tax claims which fully settled previously in past years were significantly less than initial tax claims submitted by the Tax Administration, and based on the opinion of the external consultants, the Group's management believes that the provisions made for this purpose are adequate and sufficient.

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

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses ("the Law") to enact a Federal corporate tax ("CT") regime in the UAE. The CT regime became effective for accounting periods beginning on or after 1 June 2023. The Cabinet of Ministers Decision No. 116 of 2022 specifies the threshold of income over which the 9% tax rate would apply and accordingly, the Law is now considered to be substantively enacted for accounting purposes. A rate of 9% will apply to taxable income exceeding AED 375,000, a rate of 0% will apply to taxable income not exceeding AED 375,000 (and a rate of 0% on qualifying income of free zone entities). As this is the first period for the CT Law being applicable from 1 January 2024, the Group performed an assessment and have not identified any material (deferred) tax implications that requires any adjustments during the three-month period ended 31 March 2024 and has recorded the CT impact for the three-month period ended 31 March 2024.

	US Dollars'000	
	31 March 2024	31 December 2023
Operating lease commitments – Lessee		
Less than one year	33,086	33,294
	US Dollars'000	
	31 March 2024	31 December 2023
Capital commitments		
Letters of credit	2,930	3,591
Projects in progress	6,435	4,633

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18 FINANCIAL INSTRUMENTS BY CATEGORY

	US Dollars'000	
	31 March 2024	31 December 2023
Financial assets		
<i>Financial assets at amortised cost</i>		
Cash and cash equivalents (Note 8)	159,939	87,608
Short term deposits with a bank (Note 8)	204,513	295,933
Trade and other receivables (excluding prepayments, advances to suppliers) (Note 7)	71,746	74,323
Due from related parties (Note 14)	265	42
	<u>436,463</u>	<u>457,906</u>
Financial liabilities		
<i>Other financial liabilities at amortised cost</i>		
Trade and other payables (excluding value added tax payable and unearned income)	351,605	408,539
Due to related parties (Note 14)	11,993	18,248
Bank facilities (Note 9)	2,452	4,375
Lease liabilities (Note 10)	513,841	507,182
	<u>879,891</u>	<u>938,344</u>

19 NET DEBT RECONCILIATION

	US Dollars'000	
	31 March 2024	31 December 2023
Cash and cash equivalents (Note 8)	159,939	87,608
Short term deposits with original maturity of 3 to 12 months	204,513	295,933
Bank facilities (Note 9)	(2,452)	(4,375)
Lease liabilities (Note 10)	(513,841)	(507,182)
Net debt	<u>(151,841)</u>	<u>(128,016)</u>
	US Dollars'000	
	31 March 2024	31 December 2023
Cash and cash equivalents	159,939	87,608
Short term deposits with original maturity of 3 to 12 months	204,513	295,933
Net debt – variable interest rates	(516,293)	(511,557)
Net debt	<u>(151,841)</u>	<u>(128,016)</u>

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for the three-month period ended 31 March 2024 (continued)

19 NET DEBT RECONCILIATION (continued)

	US Dollars'000			
	Liabilities from financing activities	Other assets		Total
	Leases	Short term deposits with original maturity of 3 to 12 months	Cash/bank overdraft	
Net debt as at 1 January 2024	(507,182)	295,933	83,233	(128,016)
Purchase of short term deposits with original maturity of 3 to 12 months	-	3,448	-	3,448
Withdrawal of short term deposits with original maturity of 3 to 12 months	-	(94,868)	-	(94,868)
Foreign currencies translation differences	8,364	-	1,252	9,616
Others	(5,589)	-	-	(5,589)
Lease payments of principal and interest	50,313	-	-	50,313
Additions of leases	(59,747)	-	-	(59,747)
Cash flows, net	-	-	73,002	73,002
Net debt as at 31 March 2024	(513,841)	204,513	157,487	(151,841)

	US Dollars'000			
	Liabilities from financing activities	Other assets		Total
	Leases	Short term deposits with original maturity of 3 to 12 months	Cash/bank overdraft	
Net debt as at 1 January 2023	(434,759)	-	285,968	(148,791)
Purchase of short term deposits with original maturity of 3 to 12 months	-	439,672	-	439,672
Withdrawal of short term deposits with original maturity of 3 to 12 months	-	(143,739)	-	(143,739)
Foreign currencies translation differences	5,697	-	1,425	7,122
Others	(15,595)	-	-	(15,595)
Lease payments of principal and interest	200,138	-	-	200,138
Additions of leases	(262,663)	-	-	(262,663)
Cash flows, net	-	-	(204,160)	(204,160)
Net debt as at 31 December 2023	(507,182)	295,933	83,233	(128,016)

Americana Restaurants International PLC

Notes to the condensed consolidated interim financial statements

for the three-month period ended 31 March 2024 (continued)

20 SEGMENT REPORTING

Americana Restaurants is organized into operating segments based on geographical location. The results are reported to the top executive management in Americana Restaurants. In addition, the revenue, profit, assets, and liabilities are reported on a geographic basis and measured in accordance with the same accounting basis used for the preparation of the condensed consolidated interim financial statements. There are three major reportable segments: the Major Gulf Cooperation Council countries which include KSA, Kuwait and UAE, Lower Gulf countries (comprising of Qatar, Oman and Bahrain) and North Africa (Egypt and Morocco). All other operating segments that are not reportable segments are combined under "Others" (Kazakhstan, Iraq, Lebanon and Jordan).

The segments are concentrated in the restaurants sector which include operating all kinds of restaurants, representing international franchises.

Following is the segment information which is consistent with the internal reporting presented to management for the periods ended:

Revenues	Reportable segments		Intercompany transactions		Total	
	Three-month period ended 31 March					
	2024	2023	2024	2023	2024	2023
	USD'000		USD'000		USD'000	
Major GCC	370,305	413,517	-	-	370,305	413,517
Lower Gulf	37,895	70,347	(4,106)	(7,001)	33,789	63,346
North Africa	39,880	53,922	-	-	39,880	53,922
Others	49,529	58,639	-	-	49,529	58,639
Total	497,609	596,425	(4,106)	(7,001)	493,503	589,424

	Reportable segments	
	Three-month period ended 31 March	
	2024	2023
	USD'000	
Net profits		
Major GCC	37,458	50,112
Lower Gulf	(5,051)	4,212
North Africa	(413)	937
Others	1,762	7,114
Total	33,756	62,375

Unallocated:

Income tax, zakat and other deductions	(3,852)	(2,871)
Losses of foreign exchange	(3,243)	(713)
Net profit for the period	26,661	58,791

31 March 2024 USD'000					
	Major GCC	Lower Gulf	North Africa	Others	Total
Assets	1,167,071	115,641	84,131	143,944	1,510,787
Liabilities	802,754	88,700	62,231	83,461	1,037,146

31 December 2023 USD'000					
	Major GCC	Lower Gulf	North Africa	Others	Total
Assets	1,019,738	134,052	105,844	117,861	1,377,495
Liabilities	865,215	102,658	99,808	63,656	1,131,337

Americana Restaurants International PLC

Notes to the condensed consolidated interim financial statements for the three-month period ended 31 March 2024 (continued)

20 SEGMENT REPORTING (continued)

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

31 March 2024 USD'000				
	UAE	KSA	Kuwait	Egypt
Revenues	169,541	135,760	65,004	31,960
Non-current assets	240,031	434,709	108,483	35,164

31 December 2023 USD'000				
	UAE	KSA	Kuwait	Egypt
Revenues	181,049	143,416	89,052	44,172
Non-current assets	237,563	316,856	109,463	54,778

21 EARNINGS PER SHARE

	31 March 2024	31 March 2023
Earnings		
Earnings for the purpose of basic and diluted earnings per share (profit for the period attributable to ordinary equity holders of the Parent Company) USD'000	28,024	58,129
Number of ordinary shares outstanding	8,423,633,100	8,423,633,100
Basic and diluted earnings per share attributable to Shareholders of the Parent Company (USD)	0.0033	0.0069

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the number of ordinary shares outstanding. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the number of shares on formation for the effects of all dilutive potential ordinary shares.

22 DIVIDENDS

The shareholders approved and declared cash dividends of USD 0.0123 per share on 28 March 2023. The dividends declared of USD 103,470 thousand were settled in cash during April 2023. As on 31 March 2024, USD 158 thousand of dividends remain as unclaimed and are included within 'Trade and other payables.'

On 14 February 2024, the Board of Directors proposed total cash dividends of USD 0.0213 dividend per share amounting to total cash dividends of USD 179,424 thousand based on the results for the year ended 31 December 2023. This comprises of:

- (a) a cash dividend of USD 0.0154 per share amounting to USD 129,724 thousand; and
- (b) a one-off cash dividend of USD 0.0059 per share amounting to USD 49,700 thousand.

23 SUBSEQUENT EVENTS

On 24 April 2024, Americana Restaurants held its Annual General Meeting where the shareholders approved the dividends proposed by the Board of Directors.