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Consolidated Directors' Report
for 6 months ended 30 June 2019

AmRest Holdings SE
28 AUGUST 2019

AmRest



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Financial highlights (consolidated data)

	6 months ended			3 months ended		
	30 June 2019 (with IFRS 16)	30 June 2019 (w/o IFRS 16)	30 June 2018 (restated*)	30 June 2019 (with IFRS 16)	30 June 2019 (w/o IFRS 16)	30 June 2018 (restated*)
Revenue	927.7	927.7	711.6	482.8	482.8	364.3
EBITDA**	165.8	94.5	75.0	89.0	52.4	41.3
EBITDA margin	17.9%	10.2%	10.5%	18.4%	10.9%	11.3%
Adjusted EBITDA***	169.9	99.1	80.8	91.5	55.1	45.1
Adjusted EBITDA margin	18.3%	10.7%	11.4%	19.0%	11.4%	12.4%
Profit from operations (EBIT)	35.2	36.1	25.4	17.8	21.6	13.7
Margin from operations (EBIT margin)	3.8%	3.9%	3.6%	3.7%	4.5%	3.8%
Profit before tax	15.3	26.9	18.4	8.2	16.6	11.2
Net profit	11.0	19.8	13.1	7.2	13.40	8.6
Net margin	1.2%	2.1%	1.8%	1.5%	2.8%	2.4%
Net profit attributable to non-controlling interests	0.6	0.8	(1.2)	0.5	0.6	(0.6)
Net profit attributable to equity holders of the parent	10.4	19.0	14.3	6.7	12.8	9.2
Cash flows from operating activities	147.7	75.7	54.2	91.2	54.4	31.2
Cash flows from investing activities	(110.2)	(110.2)	(67.4)	(65.4)	(65.4)	(34.0)
Cash flows from financing activities	(53.8)	18.2	(3.9)	(31.3)	5.5	(1.1)
Total cash flows, net	(16.3)	(16.3)	(17.1)	(5.5)	(5.5)	(3.9)
Equity (as at 30 June 2019 and 2018 respectively)	434.3	443.0	332.3	434.3	443.0	332.3
Total assets (as at 30 June 2019 and 2018 respectively)	2 247.3	1 472.7	1 038.2	2 247.3	1 472.7	1 038.2
Average weighted number of ordinary shares in issue	219 554 183	219 554 183	212 138 930	219 554 183	219 554 183	212 138 930
Average weighted number of ordinary shares for diluted earnings per shares	219 554 183	219 554 183	212 138 930	219 554 183	219 554 183	212 138 930
Basic earnings per share (EUR)	0.05	0.09	0.07	0.03	0.06	0.04
Diluted earnings per share (EUR)	0.05	0.09	0.07	0.03	0.06	0.04
Declared or paid dividend per share (EUR)	0.00	0.00	0.00	0.00	0.00	0.00

*The restatement was described in note 6 to the Condensed Consolidated Financial Statements for 6 months ended 30 June 2019.

** EBITDA – Profit from operations before depreciation, amortization and impairment losses

*** Adjusted EBITDA – EBITDA adjusted for new openings expenses (Start-up costs), M&A expenses (all material expenses connected with successful acquisition covering professional services (legal, financial, other) directly connected with transaction) and effect of SOP exercise method modification (difference in accounting cost of employee benefits accounted under cash settled versus equity settled option plan).

	As at 30 June 2019	As at 31 December 2018
Total assets	2 247.3	1 441.3
Total liabilities	1 813.0	1 010.7
Non-current liabilities	1 416.2	745.4
Current liabilities	396.8	265.3
Equity attributable to shareholders of the parent	424.3	420.7

(all figures in EUR millions unless stated otherwise)

Non-controlling interests	10.0	9.9
Total equity	434.3	430.6
Share capital	22.0	22.0
Number of restaurants	2 179	2 121
-of which equity	1 712	1 664
-of which franchise	467	457

EBITDA calculated with IFRS 16 impact is higher than non-IFRS16 EBITDA due to the elimination of fixed lease payments from rent cost (they reduce lease liability). Turnover based rent, short term and low value lease rent cost remain accounted as operating expenses.

Consequently, after implementation of IFRS 16 Group recognizes:

- Lower operating occupancy and rent costs (as fixed rental costs are recognized within lease accounting model, and only variable lease payments, short term leases and low value leases remain an EBITDA type operating costs)
- Higher depreciation charge (additional depreciation of right-of-use assets)
- Higher impairment losses (additional impairment losses on of right-of-use assets)
- Higher interest cost (on lease liabilities)
- Additional foreign exchange valuation effect on lease denominated in foreign currencies
- Respective impact on deferred taxes.

Group Business Overview

Basic services provided by the Group

AmRest Holdings SE ("AmRest", "Company") with its subsidiaries (the "Group") is one of the leading publicly listed European restaurant operators, present in 26 countries of Europe and Asia. The portfolio of the Group consists of four franchised brands (KFC, Pizza Hut, Starbucks, Burger King) and five proprietary brands (La Tagliatella, Blue Frog, Kabb, Bacoa, Sushi Shop).

As at 30 June 2019, AmRest managed the network of 2 179 restaurants. Given the current scale of the business, every day almost 50 thousand AmRest employees deliver delicious taste and exceptional service at affordable prices, in accordance with the "Wszystko Jest Możliwe!" ("Anything Is Possible!") culture.

Currently, the Group manages the network of restaurants across four segments, which are aligned with the main geographical regions of its operations:

- 1) Central and Eastern Europe ("CEE"), where historically the Company was founded and opened its first restaurant under the name of Pizza Hut; today CEE division covers the region of 10 countries (Poland, Czech Republic, Hungary, Bulgaria, Serbia, Croatia, Romania, Austria, Slovenia and Slovakia) and with 873 restaurants under umbrella it accounts for ca. 42% of revenues of the Group;
- 2) Russia, where AmRest manages the network of KFC and Pizza Hut restaurants. The segment includes also Pizza Hut restaurants located in Armenia and Azerbaijan;
- 3) Western Europe ("WE"), a segment which primarily consists of Spain, France and Germany, where both franchised and proprietary brands are operated; as a result of dynamic organic expansion supported by recent acquisitions, division of Western Europe has become a significant operating segment of the Group consisting of 12 countries and generating ca. 42% of AmRest's revenues;
- 4) China, where the networks of two proprietary brands are operated: Blue Frog and Kabb.

One additional segment which is "Other" does not include any network of owned or franchised restaurants and accounts for the results of SCM Sp. z o.o. along with its subsidiaries, Restaurant Partner Polska (PizzaPortal), and other support costs and functions rendered for the Group or not allocated to applicable segments such as, for instance, Executive Team, Controlling, Treasury, Investor Relations, Mergers & Acquisitions, The detailed description of the segments is included in Note 5 of the Condensed Consolidated Financial Statements.

The operations of AmRest are well-diversified across four main categories of restaurant industry:

- 1) Quick Service Restaurants ("QSR"), represented by KFC and Burger King,

- 2) Fast Casual Restaurants (“FCR”), represented by Pizza Hut Delivery and Express, Bacoa and Sushi Shop,
- 3) Casual Dining Restaurants (“CDR”), represented by Pizza Hut Dine-in, La Tagliatella, Blue Frog and KABB
- 4) Coffee category, represented by Starbucks.

Within the current business model of the Group, AmRest operates its network of restaurants as a franchisee (for the brands of KFC, Pizza Hut, Starbucks and Burger King), as well as a brand owner and franchisor (for the brands of La Tagliatella, Blue Frog, Sushi Shop and Bacoa). In addition, within the concepts of Pizza Hut Delivery and Pizza Hut Express the Company acts as a master-franchisee, having the rights to sub-license these brands to third parties.

AmRest restaurants provide on-site catering services, take-away services, drive-in services at special sales points (“Drive Thru”), as well as deliveries of orders placed online or by telephone. Nowadays, food delivery is the fastest growing segment of AmRest operations.

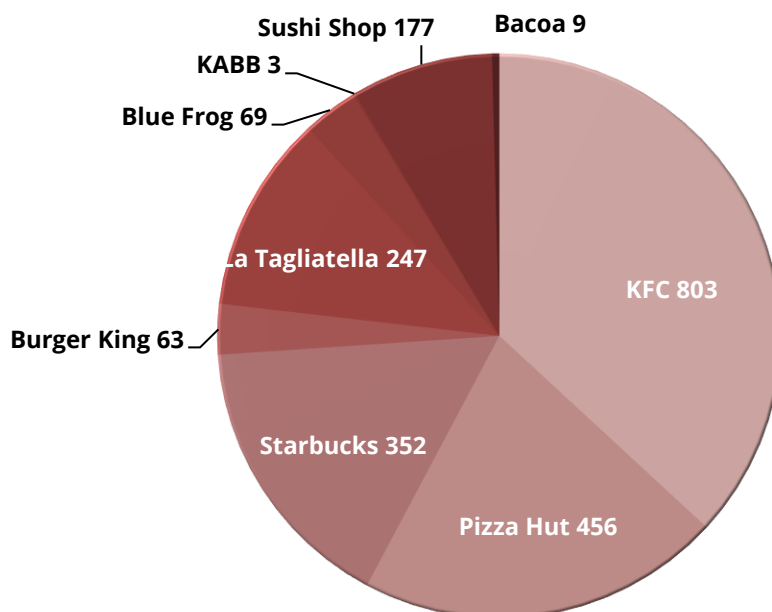
Activity in aggregator area

On 31 August 2017 AmRest acquired from Delivery Hero GmbH 51% of shares in Restaurant Partner Polska (“RPP”), becoming its majority shareholder. RPP operates a platform of PizzaPortal.pl – an aggregator collecting offers from almost 4 000 different restaurants in ca. 400 cities in Poland and enabling online ordering and subsequent delivery of the meals to the customers. On 13 March 2019 AmRest acquired the remaining stake in RPP, becoming the sole owner of the company.

On 23 July 2018 AmRest become co-lead investor in Glovoapp23, S.L., based in Barcelona, Spain by acquiring 10% of total number of Glovo shares. Glovo is one of the key players in digital food delivery on the Spanish market. It is an application that allows to buy, collect and send any product within the same city at a time. The company operates in 202 cities across 26 countries in EEMEA, LATAM, and most recently, sub-Saharan Africa. It currently employs over 1,200 people worldwide, with over 400 at the Barcelona HQ. More than 36,000 active Glovers make money from the platform.

Since the acquisition there has been changes in Glovo’s equity, including most recent round of financing in May 2019. As a result, at the end of H1 2019 AmRest had a 5.6% stake in the company, on a fully diluted basis and still holds a board seat.

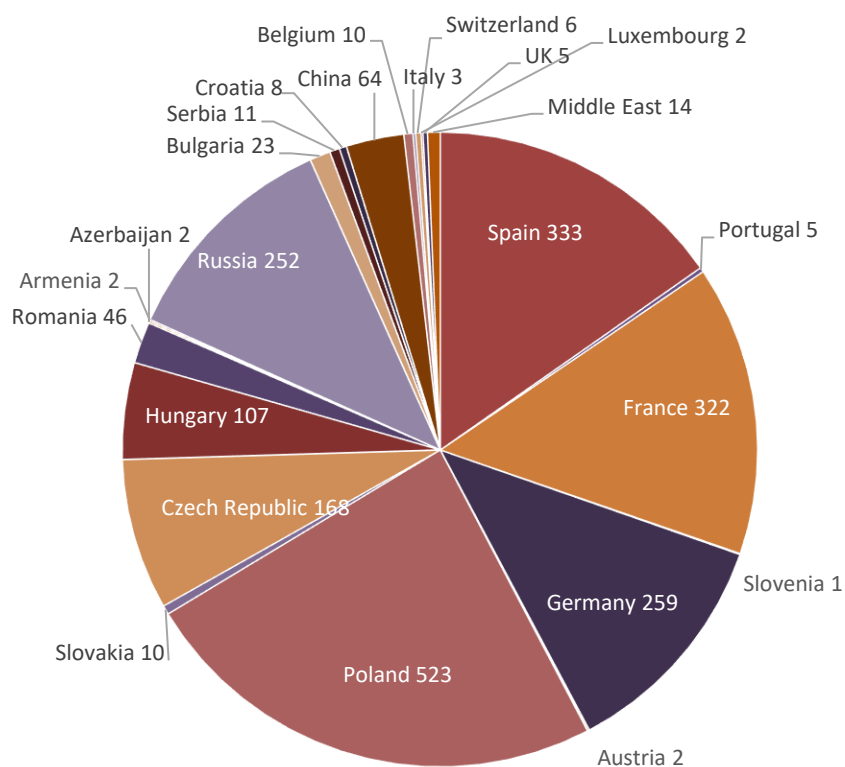
Number of AmRest restaurants broken down by brands as at 30 June 2019*



* Including restaurants operated by franchisees of La Tagliatella, Pizza Hut, Bacoa and Sushi Shop brands

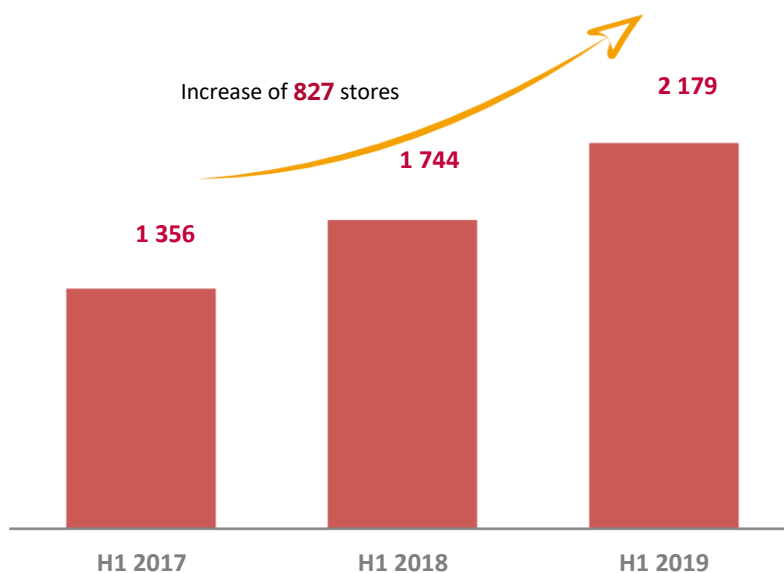
(all figures in EUR millions unless stated otherwise)

Number of AmRest restaurants broken down by countries as at 30 June 2019*



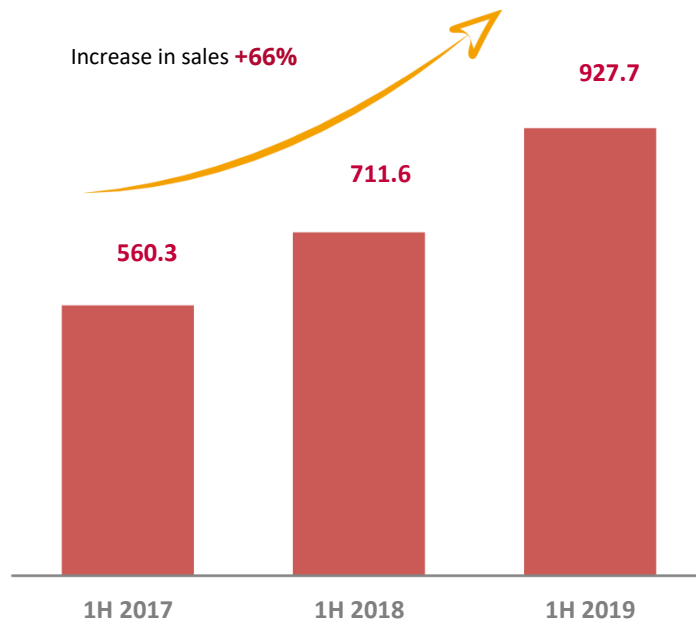
* Including restaurants operated by franchisees of La Tagliatella, Pizza Hut, Bacoa and Sushi Shop brands

Number of AmRest Group restaurants as at 30 June 2017 - 2019

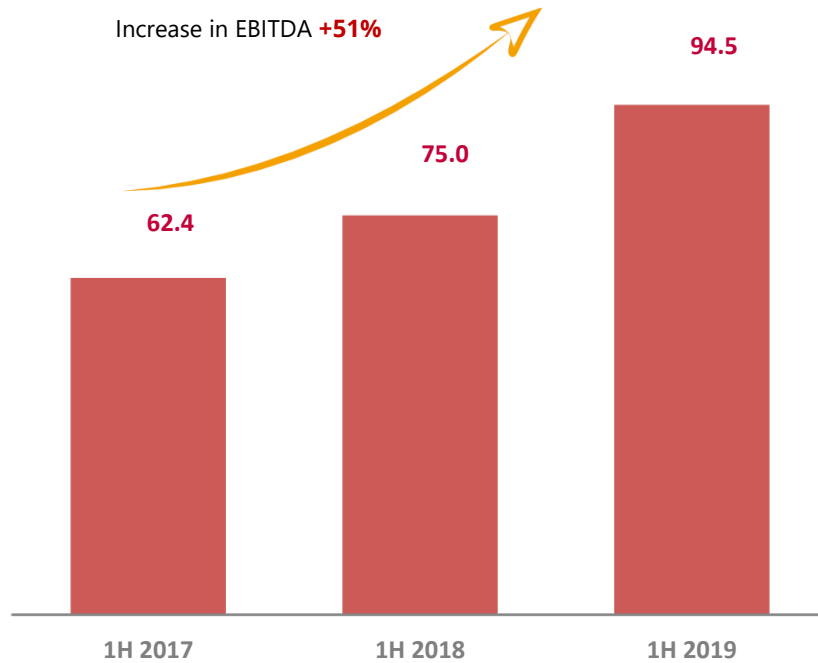


* Including restaurants operated by franchisees of La Tagliatella, Pizza Hut, Bacoa and Sushi Shop brands

The AmRest Group revenue for 6 months ended 30 June 2017 - 2019



The AmRest Group EBITDA (non-IFRS16) for 6 months ended 30 June 2017 - 2019



Financial performance of the Group

Revenue

Consolidated revenue of AmRest Group reached EUR 927.7 million in H1 2019 and were 30.4% higher compared to the previous year. As for Q2 2019 sales increased by 32.5% year-over-year to EUR 482.8 million. Such a solid growth was mainly driven by strong sales trends in comparable restaurants (“like-for-like”, “LFL”) across all the major markets, high pace of new organic openings in the last 12 months (+244 net organic additions) as well as recent M&A activities (addition of Sushi Shop Group, second part of KFC France, Pizza Hut in Russia and Bacoa). Total revenues adjusted for the transactions performed in the last 12 months (“Core sales”) reached EUR 822.0 million in H1 2019 and EUR 430.4 million in Q2 2019, representing 15.6% and 18.3% increase over the year, respectively.

The revenues in Central and Eastern Europe segment (CEE) in H1 2019 grew by 15.8% over the year and reached EUR 389.1 million. In Q2 2019 sales were 18.0% higher year-over-year and hit EUR 203.3 million. The increase was driven by mid to high single-digit LFL in all CEE markets and further solid restaurants rollout (+132 net additions in the last 12 months).

Russian division generated revenues of EUR 95.9 million in H1 2019 which represented a 17.3% increase over the year. In Q2 2019 sales were 22.6% higher compared to the previous year and reached EUR 52.0 million. Improvement was mainly driven by high single-digit LFL in KFC Russia, organic store-count growth (+36 net restaurants added in the last 12 months), consolidation of Pizza Hut Russia and positive FX impact.

Western Europe reported the highest dynamic in sales mostly due to most recent M&A initiatives (Sushi Shop Group, 16 KFC France and Bacoa). In H1 2019 sales increased by 54.4% over the year and reached EUR 386.4 million. In Q2 2019 revenue was higher by 56.5% compared to the same period last year and hit EUR 195.7 million. There were +254 net additions in the last 12 months, including M&A. Adjusted for the most recent acquisitions in Western Europe, Core sales grew at 13.0% in H1 2019 and 15.4% in Q2 2019 vs. analogous periods last year. The increase mainly came from above single-digit LFL growth in KFC Spain, improvement in Starbucks Germany in the second quarter and further store-count development (+63 net organic additions in the last 12 months).

Significant increase in the revenues in Other Western Europe region in the reported period was a result of consolidation of Sushi Shop Group sales attributed to countries other than explicitly listed, along with development of new restaurants under that brand and solid performance of La Tagliatella in Portugal.

China continued positive trends in top-line growth as revenue grew in H1 2019 by 24.4% over the year and reached EUR 44.0 million. Sales in Q2 2019 increased by 21.2% vs. last year to EUR 24.3 million. Blue Frog continued to post mid-single digit growth in LFL, while net new additions reached +13 in the last 12 months.

Other segment posted 47.9% growth in H1 2019 to EUR 12.3 million and 68.7% growth in Q2 2019 to EUR 7.5 million compared to the previous year mainly due to significant increase in SCM top-line figure and further increase of scale in PizzaPortal.

Profitability

Group’s consolidated and reported EBITDA (including IFRS 16 effect) reached EUR 165.8 million or 17.9% margin in H1 2019 and EUR 89.0 million or 18.4% in Q2 2019. Excluding the impact from IFRS 16, EBITDA for the Group amounted to EUR 94.5 million in H1 2019 and EUR 52.4 million in Q2 2019, representing a 26.0% and 26.9% increase over the year, respectively. Non-IFRS 16 EBITDA margin stood at 10.2% in H1 2019 and 10.9% in Q2 2019. In Q4 2018 AmRest made final purchase price accounting and recognized non-cash gain on bargain purchase on Pizza Hut Russia business of ca. EUR 1.0 million. The comparative data for H1 2018 was restated to reflect the effect of this transaction at the date of the acquisition. Adjusting for this settlement, Group’s EBITDA margin was 0.2pp lower vs. last year in both H1 2019 and Q2 2019.

Core EBITDA (excluding M&A activity from the last 12 months and IFRS 16 impact) reached EUR 85.6 million in H1 2019 which translated into a flat margin vs. last year at 10.4%. In Q2 2019 Core EBITDA margin increased by 0.2pp to 11.3% over the year and resulted in EBITDA at EUR 48.4 million.

Reported net profit attributable to AmRest shareholders amounted to EUR 10.4 million in H1 2019 and EUR 6.7 million in Q2 2019. Without the impact of IFRS 16 the result was EUR 19.0 million in H1 2019 and EUR 12.8

million in Q2 2019. Consequently, comparable net profit margin (excluding IFRS 16 and bargain gain in Russia) in H1 2019 increased by 0.2pp over the year to 2.1% and by 0.4pp in Q2 2019 to 2.7% primarily on the back of higher profit margin from operations.

After improvement of profitability in Central and Eastern Europe in Q1 2019 the upward trend remained in place. Reported EBITDA reached EUR 83.7 million or 21.5% margin in H1 2019 and EUR 45.7 million or 22.5% margin in Q2 2019. Non-IFRS 16 EBITDA in H1 2019 grew by 17.9% over the year to EUR 55.0 million while margin increased by 0.2pp to 14.1%. In Q2 2019 non-IFRS 16 EBITDA margin improved by 0.3pp vs. last year to 15.2% or EUR 30.9 million. The increase was primarily driven by higher food cost margin and positive impact from sales leverage. This was partially offset by payroll inflation.

Reported EBITDA of Russian division amounted to EUR 19.5 million in H1 2019 with margin at 20.3% while in Q2 2019 reached EUR 11.3 million or 21.7% margin. Adjusted for IFRS 16 impact and one-off item of Pizza Hut bargain purchase of EUR 1.0 million that after final purchase price accounting hit Q2 2018, EBITDA in H1 2019 increased by 4.9% over the year to EUR 10.9 million and margin stood at 11.4%, lower by 1.4pp vs. last year. In Q2 2019 EBITDA adjusted for IFRS 16 and bargain purchase grew by 15.0% over the year to EUR 6.9 million, while margin declined by 0.9pp to 13.3%. The segment faced temporary dilutive impact on profitability from most recent M&A activity and slight pressure from higher payroll which were partially offset by higher margin on food.

Western Europe reported EBITDA amounted to EUR 59.7 million in H1 2019 and EUR 30.6 million in Q2 2019 which resulted in margins at 15.5% and 15.6%, respectively. Second quarter of the year almost caught up with profitability compared to the previous year. Excluding the impact from IFRS 16, EBITDA in H1 2019 stood at EUR 32.3 million or 8.3% (-0.6pp lower vs. last year) while in Q2 2019 reached EUR 16.4 million which translated into a margin of 8.4%. (-0.1pp vs. last year). Adjusting for M&A projects from the last 12 months and IFRS 16 effect, core EBITDA margin in H1 2019 decreased by 0.7pp to 8.2% while in Q2 2019 remained flat over the year at 8.5%. This was primarily driven by better results in Starbucks Germany and KFC France, offset mainly by a softness in general casual dining segment and labor cost increase in Spain as well as ongoing team restructuring, integration and franchise clean-up costs in Sushi Shop Group.

China business maintained its upward trend in profitability with reported EBITDA in H1 2019 at EUR 12.3 million or 27.8% margin, while in Q2 2019 reported EBITDA reached EUR 7.5 million or 30.9%. Adjusting for IFRS 16 effect, in H1 2019 EBITDA hit EUR 5.8 million or 13.2% margin which was 0.8pp higher than last year. In Q2 2019 non-IFRS 16 EBITDA reached EUR 4.4 million which translated into margin increase of 0.2pp vs. last year to 18.0%. Better results were driven by strong LFL increase and positive impact from sales leverage which were partially offset by slightly higher payroll and food cost.

Revenues and margins generated in the particular markets for 6 months ended 30 June 2019 and 2018

	6 months ended 30 June 2019				6 months ended 30 June 2018 (restated*)	
	with IFRS16 impact		IFRS16 impact excluded		Amount	% of sales
	Amount	% of sales	Amount	% of sales		
Revenue	927.7		927.7		711.6	
Poland	217.5	23.4%	217.5	23.4%	193.5	27.2%
Czechia	92.1	9.9%	92.1	9.9%	78.5	11.0%
Hungary	51.5	5.6%	51.5	5.6%	41.4	5.8%
Other CEE	28.0	3.0%	28.0	3.0%	22.5	3.0%
Total CEE	389.1	41.9%	389.1	41.9%	335.9	47.2%
Russia	95.9	10.3%	95.9	10.3%	81.7	11.5%
Spain	133.0	14.3%	133.0	14.3%	112.0	15.7%
Germany	84.7	9.1%	84.7	9.1%	81.1	11.4%
France	148.4	16.0%	148.4	16.0%	56.8	8.0%
Other Western Europe	20.3	2.2%	20.3	2.2%	0.4	0.1%
Western Europe	386.4	41.7%	386.4	41.7%	250.3	35.2%
China	44.0	4.7%	44.0	4.7%	35.4	5.0%
Other	12.3	1.3%	12.3	1.3%	8.3	1.2%
	Amount	Margin	Amount	Margin	Amount	Margin
EBITDA	165.8	17.9%	94.5	10.2%	75.0	10.5%
Poland	41.9	19.3%	25.8	11.8%	21.1	10.9%
Czechia	24.1	26.2%	17.7	19.2%	16.2	20.6%
Hungary	11.9	23.0%	8.6	16.7%	7.1	17.0%

(all figures in EUR millions unless stated otherwise)

	6 months ended 30 June 2019				6 months ended	
	with IFRS16 impact		IFRS16 impact excluded		30 June 2018 (restated*)	
	Amount	% of sales	Amount	% of sales	Amount	% of sales
Other CEE	5.8	20.9%	2.9	10.5%	2.2	10.3%
Total CEE	83.7	21.5%	55.0	14.1%	46.6	13.9%
Russia	19.5	20.3%	10.9	11.4%	11.4	14.0%
Spain	33.6	25.3%	24.5	18.4%	24.1	21.5%
Germany	8.6	10.2%	(2.3)	(2.7%)	(2.7)	(3.4%)
France	14.2	9.6%	7.8	5.2%	1.1	1.9%
Other Western Europe	3.3	16.1%	2.3	11.6%	(0.3)	(49.5%)
Western Europe	59.7	15.5%	32.3	8.3%	22.2	8.9%
China	12.3	27.8%	5.8	13.2%	4.4	12.4%
Other	(9.4)	-	(9.5)	-	(9.6)	-
Adjusted EBITDA**	169.9	18.3%	99.1	10.7%	80.8	11.4%
Poland	42.6	19.6%	26.6	12.2%	21.9	11.3%
Czechia	24.5	26.6%	18.2	19.8%	16.5	21.0%
Hungary	12.3	23.9%	9.1	17.6%	7.4	17.9%
Other CEE	6.3	22.5%	3.4	12.4%	2.5	11.5%
Total CEE	85.7	22.0%	57.3	14.7%	48.3	14.4%
Russia	19.8	20.6%	11.3	11.8%	11.9	14.5%
Spain	34.3	25.8%	25.1	18.9%	24.8	22.1%
Germany	9.1	10.8%	(1.8)	(2.1%)	(2.0)	(2.5%)
France	14.4	9.7%	8.0	5.4%	2.0	3.5%
Other Western Europe	3.3	16.1%	2.4	11.6%	(0.3)	(49.8%)
Western Europe	61.1	15.8%	33.7	8.7%	24.5	9.8%
China	12.5	28.5%	6.1	13.9%	4.7	13.2%
Other	(9.2)	-	(9.3)	-	(8.6)	-
EBIT	35.2	3.8%	36.1	3.9%	25.4	3.6%
Poland	11.7	5.4%	11.5	5.3%	7.2	3.7%
Czechia	13.2	14.3%	12.5	13.5%	11.4	14.5%
Hungary	5.3	10.2%	5.0	9.7%	4.4	10.5%
Other CEE	(0.3)	(0.8%)	(0.5)	(1.6%)	0.0	-
Total CEE	29.9	7.7%	28.5	7.3%	23.0	6.8%
Russia	3.5	3.7%	4.0	4.1%	6.0	7.3%
Spain	16.6	12.5%	16.0	12.1%	15.4	13.8%
Germany	(9.5)	(11.2%)	(8.0)	(9.4%)	(7.7)	(9.4%)
France	(0.2)	(0.1%)	0.1	0.1%	(3.2)	(5.6%)
Other Western Europe	2.6	12.4%	2.4	12.0%	(0.2)	(59.7%)
Western Europe	9.5	2.5%	10.5	2.7%	4.3	1.7%
China	2.3	5.1%	3.0	6.7%	2.1	6.0%
Other	(10.0)	-	(9.9)	-	(10.0)	-

* Restated for EUR 1.0 million of gain on bargain purchase of Pizza Hut Russia described in note 6 of condensed consolidated financial statement for 6 months ended 2019

**Adjusted EBITDA - EBITDA adjusted for new openings expenses (Start-up costs), M&A expenses (all material expenses connected with successful acquisition covering professional services (legal, financial, other) directly connected with transaction), effect of SOP exercise method modification (difference in accounting cost of employee benefits accounted under cash settled versus equity settled option plan).

Revenues and margins generated in the particular markets a for 3 months ended 30 June 2019 and 2018

	3 months ended 30 June 2019				3 months ended	
	with IFRS16 impact		IFRS16 impact excluded		30 June 2018 (restated*)	
	Amount	% of sales	Amount	% of sales	Amount	% of sales
Revenue	482.8		482.8		364.3	
Poland	112.9	23.4%	112.9	23.4%	98.2	27.0%
Czechia	48.3	10.0%	48.3	10.0%	41.0	11.2%
Hungary	27.0	5.6%	27.0	5.6%	21.5	5.9%
Other CEE	15.1	3.1%	15.1	3.1%	11.6	3.2%
Total CEE	203.3	42.1%	203.3	42.1%	172.3	47.3%
Russia	52.0	10.8%	52.0	10.8%	42.4	11.6%
Spain	68.0	14.1%	68.0	14.1%	56.7	15.6%
Germany	44.2	9.1%	44.2	9.1%	40.3	11.0%
France	73.4	15.2%	73.4	15.2%	27.8	7.6%
Other Western Europe	10.1	2.1%	10.1	2.1%	0.3	0.1%
Western Europe	195.7	40.5%	195.7	40.5%	125.1	34.3%

(all figures in EUR millions unless stated otherwise)

	3 months ended 30 June 2019				3 months ended	
	with IFRS16 impact		IFRS16 impact excluded		30 June 2018 (restated*)	
	Amount	% of sales	Amount	% of sales	Amount	% of sales
China	24.3	5.0%	24.3	5.0%	20.1	5.5%
Other	7.5	1.5%	7.5	1.5%	4.4	1.2%
	Amount	Margin	Amount	Margin	Amount	Margin
EBITDA	89.0	18.4%	52.4	10.9%	41.3	11.3%
Poland	22.9	20.3%	14.8	13.2%	11.7	11.9%
Czechia	12.7	26.3%	9.3	19.3%	8.8	21.5%
Hungary	6.5	24.1%	4.8	17.8%	3.8	17.6%
Other CEE	3.6	23.4%	2.0	12.8%	1.3	11.0%
Total CEE	45.7	22.5%	30.9	15.2%	25.6	14.9%
Russia	11.3	21.7%	6.9	13.3%	7.0	16.5%
Spain	17.1	25.1%	12.5	18.3%	12.5	22.0%
Germany	5.0	11.3%	(0.7)	(1.7%)	(1.7)	(4.1%)
France	6.5	8.9%	3.2	4.3%	(0.1)	(0.3%)
Other Western Europe	2.0	20.0%	1.4	15.0%	(0.1)	(60.3%)
Western Europe	30.6	15.6%	16.4	8.4%	10.6	8.5%
China	7.5	30.9%	4.4	18.0%	3.6	17.8%
Other	(6.1)	-	(6.2)	-	(5.5)	-
Adjusted EBITDA**	91.5	19.0%	55.1	11.4%	45.1	12.4%
Poland	23.2	20.6%	15.2	13.5%	12.2	12.5%
Czechia	13.0	26.9%	9.6	19.9%	9.1	22.1%
Hungary	6.7	24.8%	5.0	18.4%	4.0	18.6%
Other CEE	3.8	25.4%	2.3	15.2%	1.4	12.5%
Total CEE	46.7	23.0%	32.1	15.8%	26.7	15.5%
Russia	11.5	22.1%	7.1	13.7%	7.3	17.1%
Spain	17.6	25.9%	12.9	18.9%	12.9	22.8%
Germany	5.2	11.8%	(0.5)	(1.1%)	(1.3)	(3.2%)
France	6.6	9.0%	3.4	4.6%	0.3	1.0%
Other Western Europe	2.1	20.1%	1.5	15.0%	(0.1)	(61.0%)
Western Europe	31.5	16.1%	17.3	8.8%	11.8	9.4%
China	7.7	31.8%	4.6	18.8%	3.8	18.8%
Other	(5.9)	-	(6.0)	-	(4.5)	-
EBIT	17.8	3.7%	21.6	4.5%	13.8	3.8%
Poland	6.5	5.8%	7.2	6.4%	4.0	4.1%
Czechia	7.0	14.6%	6.6	13.7%	6.4	15.7%
Hungary	3.2	11.7%	3.0	11.1%	2.5	11.4%
Other CEE	0.2	1.0%	0.1	0.2%	0.1	0.7%
Total CEE	16.9	8.3%	16.9	8.3%	13.0	7.5%
Russia	2.5	4.8%	3.2	6.1%	4.0	9.5%
Spain	8.5	12.5%	8.4	12.3%	7.4	13.0%
Germany	(6.1)	(13.8%)	(4.2)	(9.5%)	(4.5)	(11.1%)
France	(1.9)	(2.6%)	(1.3)	(1.8%)	(2.9)	(10.2%)
Other Western Europe	2.0	19.9%	2.0	19.4%	(0.1)	(62.2%)
Western Europe	2.5	1.3%	4.9	2.5%	(0.1)	(0.1%)
China	2.3	9.6%	3.0	12.3%	2.5	12.5%
Other	(6.4)	-	(6.4)	-	(5.6)	-

* Restated for EUR 1.0 million of gain on bargain purchase of Pizza Hut Russia described in note 6 of condensed consolidated financial statement for 6 months ended 2019

**Adjusted EBITDA – EBITDA adjusted for new openings expenses (Start-up costs), M&A expenses (all material expenses connected with successful acquisition covering professional services (legal, financial, other) directly connected with transaction), effect of SOP exercise method modification (difference in accounting cost of employee benefits accounted under cash settled versus equity settled option plan).

Reconciliation of the net profit and adjusted EBITDA for 6 months ended 30 June 2019 and 2018

	6 months ended 30 June 2019				6 months ended		Year-over-year	
	with IFRS16 impact		IFRS16 impact excluded		30 June 2018 (restated*)		with IFRS 16 impact	IFRS16 impact excluded
	Amount	% of sales	Amount	% of sales	Amount	% of sales	% of change	% of change
Profit/(loss) for the period	11.0	1.2%	19.8	2.1%	13.1	1.8%	(16.0%)	51.1%
+ Finance costs	20.2	2.2%	9.5	1.0%	7.3	1.0%	176.7%	30.1%
– Finance income	(0.3)	0.0%	(0.3)	0.0%	(0.3)	0.0%	0.0%	0.0%
+ Income tax expense	4.3	0.5%	7.1	0.8%	5.3	0.7%	(18.9%)	34.0%

(all figures in EUR millions unless stated otherwise)

+ Depreciation and Amortisation	121.7	13.1%	54.6	5.9%	43.8	6.2%	177.9%	24.7%
+ Impairment losses	8.9	1.0%	3.8	0.4%	5.8	0.8%	53.4%	(34.5%)
EBITDA	165.8	17.9%	94.5	10.2%	75.0	10.5%	121.1%	26.0%
+ Start-up expenses**	3.9	0.4%	4.4	0.5%	4.3	0.6%	(9.3%)	2.3%
+ M&A related expenses	0.1	0.0%	0.1	0.0%	0.5	0.1%	(80.0%)	(80.0%)
+/- Effect of SOP exercise method modification	0.1	0.0%	0.1	0.0%	1.0	0.1%	(90.0%)	(90.0%)
Adjusted EBITDA	169.9	18.3%	99.1	10.7%	80.8	11.4%	110.3%	22.6%

* Restated for EUR 1.0 million of gain on bargain purchase of Pizza Hut Russia described in note 6 of condensed consolidated financial statements for 6 months ended 2019

** Start-up expenses – all material operating expenses incurred in connection with new restaurants opening and prior to the opening.

Reconciliation of the net profit and adjusted EBITDA for 3 months ended 30 June 2019 and 2018

	3 months ended 30 June 2019				3 months ended		Year-over-year	
	with IFRS16 impact		IFRS16 impact excluded		30 June 2018 (restated*)		with IFRS 16 impact	IFRS16 impact excluded
	Amount	% of sales	Amount	% of sales	Amount	% of sales	% of change	% of change
Profit/(loss) for the period	7.2	1.5%	13.4	2.8%	8.6	2.4%	(16.3%)	55.8%
+ Finance costs	9.7	2.0%	5.1	1.1%	2.6	0.7%	273.1%	96.2%
– Finance income	(0.1)	0.0%	(0.1)	0.0%	(0.1)	0.0%	0.0%	0.0%
+ Income tax expense	1.0	0.2%	3.1	0.6%	2.6	0.7%	(60.0%)	24.0%
+ Depreciation and Amortisation	62.9	13.0%	27.7	5.7%	22.3	6.1%	182.1%	24.2%
+ Impairment losses	8.3	1.7%	3.2	0.7%	5.3	1.5%	56.6%	(39.6%)
EBITDA	89.0	18.4%	52.4	10.9%	41.3	11.3%	116.0%	27.2%
+ Start-up expenses*	2.3	0.5%	2.5	0.5%	2.3	0.6%	0.0%	8.7%
+ M&A related expenses	0.1	0.0%	0.1	0.0%	0.5	0.1%	(80.0%)	(80.0%)
+/- Effect of SOP exercise method modification	0.1	0.0%	0.1	0.0%	1.0	0.3%	(90.0%)	(90.0%)
Adjusted EBITDA	91.5	19.0%	55.1	11.4%	45.1	12.4%	102.9%	22.2%

* Restated for EUR 1.0 million of gain on bargain purchase of Pizza Hut Russia described in note 6 of condensed consolidated financial statements for 6 months ended 2019

** Start-up expenses – all material operating expenses incurred in connection with new restaurants opening and prior to the opening.

Liquidity analysis

	30 June 2019 (IFRS16)	30 June 2019 (non-IFRS16)	31 December 2018	30 June 2018 (restated*)
Current assets	234.2	242.5	250.3	215.5
Inventories	26.9	26.9	25.7	22.3
Current liabilities	396.8	267.4	265.3	259.8
Quick ratio**	0.52	0.81	0.85	0.74
Current ratio**	0.59	0.91	0.94	0.83
Cash and cash equivalents	101.3	101.3	118.4	117.8
Cash ratio**	0.26	0.38	0.45	0.45
Inventory turnover (in days)**	5.05	5.05	5.27	5.49
Trade and other receivables	80.4	80.4	61.9	37.8
Trade receivables turnover (in days)**	12.87	12.87	9.95	9.28
Operating ratio (cycle) (in days)**	17.92	17.92	15.22	14.77
Trade and other accounts payable	250.2	250.2	246.9	182.4
Trade payables turnover (in days)**	47.31	47.31	46.24	44.05
Cash conversion ratio (in days)**	(29.39)	(29.39)	(31.02)	(29.28)

* Restated for EUR 1.0 million of gain on bargain purchase of Pizza Hut Russia described in note 6 of condensed consolidated financial statements for 6 months ended 2019

** Please see Definitions below

(all figures in EUR millions unless stated otherwise)

Definitions:

- *Quick ratio – current assets net of inventories to current liabilities*
- *Current ratio – current assets to current liabilities*
- *Cash ratio – cash and cash equivalents to current liabilities*
- *Inventory turnover ratio – average inventories to revenue multiplied by the number of days in the period*
- *Trade receivables turnover ratio – average trade and other receivables to revenue multiplied by the number of days in the period*
- *Operating ratio (cycle) – total of inventories turnover and receivables turnover*
- *Trade payables turnover ratio – average trade and other accounts payable to revenue multiplied by the number of days in the period*
- *Cash conversion ratio – difference between the operating ratio and the trade payables turnover ratio*

Leverage analysis

	30 June 2019 (IFRS16)	30 June 2019 (non-IFRS16)	31 December 2018	30 June 2018 (restated*)
Non-current assets	2,013.1	1,230.1	1,191.0	822.7
Liabilities	1,813.2	1,029.7	1,010.7	706.0
Non-current liabilities	1,416.2	762.3	745.4	446.2
Debt	1,484.7	697.2	664.2	468.6
Share of inventories in current assets (%)	11.5%	11.1%	10.3%	10.3%
Share of trade and other receivables in current assets (%)	34.3%	33.2%	24.7%	17.5%
Share of cash and cash equivalents in current assets (%)	43.3%	41.8%	47.3%	54.7%
Equity to non-current assets ratio**	0.22	0.36	0.36	0.40
Gearing ratio**	0.19	0.30	0.30	0.32
Long-term liabilities to equity ratio**	3.26	1.72	1.73	1.34
Liabilities to equity ratio**	4.18	2.32	2.35	2.13
Debt/equity**	3.42	1.57	1.54	1.41

* Restated for EUR 1.0 million of bargain purchase of Pizza Hut Russia described in note 6 of condensed consolidated financial statement for 6 months ended 2019

** Please see Definitions below

Definitions:

- *Equity to non-current assets ratio – equity to non-current assets;*
- *Gearing – liabilities and provisions to total assets;*
- *Long-term liabilities to equity – non-current liabilities to equity;*
- *Liabilities to equity – liabilities and provisions to equity;*
- *Debt/equity – total non-current and current interest bearing loans and borrowings, and lease to equity*

Debt ratios

The liquidity ratios of the Group were at the levels ensuring smooth operating activities. Net cash outlay was mainly driven by sustained strong store-count development, settlement of the most recent M&A transactions as well as tax payments regarding VAT.

The Group's equity increased by EUR 3.7 million compared to the balance at the end of 2018 and amounted to EUR 434.2 million at the end of H1 2019. The change in equity resulted mainly from the increase of retained earnings (EUR +10.4 million in H1 2019) and translation reserves partially offset by a decrease in Reserves primarily due to final settlement of Sushi Shop Group transaction and recent buyout of non-controlling interest in PizzaPortal.

Net debt at the end of H1 2019, excluding the impact from the IFRS 16, equaled EUR 595.8 million which resulted in a comparable leverage level at 3.0.

Brands operated by the Group

As at the date of publication of the Report, the portfolio of AmRest consisted of nine brands: KFC, Pizza Hut, Starbucks, Burger King, La Tagliatella, Blue Frog, Kabb, Bacoa and Sushi Shop.

AmRest is a franchisee of Yum! Brands Inc. for the KFC and Pizza Hut brands. Starting from 1 October 2016 the Group as a master-franchisee has the right to grant a license to third parties to operate Pizza Hut Express and Pizza Hut Delivery restaurants (sub-franchise) in countries of Central and Eastern Europe, while ensuring

a certain share of restaurants operated directly by AmRest. Pizza Hut restaurants acquired in France in May 2017, in Germany in July 2017 and in Russia in June 2018 are operated both by AmRest and its sub-franchisees.

Burger King restaurants are operated on a franchise basis following an agreement concluded with Burger King Europe GmbH.

Starbucks restaurants in Poland, the Czech Republic and Hungary are opened by the companies AmRest Coffee (owned in 82% by AmRest and in 18% by Starbucks). These companies have the rights and licenses to develop and manage Starbucks restaurants in respective countries. Starbucks restaurants in Romania, Bulgaria, Germany and Slovakia are operated by the Group on a franchise basis.

La Tagliatella is the proprietary brand of AmRest and became a part of its portfolio in April 2011. La Tagliatella restaurants are operated directly by AmRest as well as by third party entities which operate restaurants on a franchise basis.

Blue Frog and KABB brands became the property of AmRest in December 2012 as a result of acquisition of majority stake in Blue Horizon Hospitality Group LTD.

Bacoa brand was acquired by AmRest on 31 July 2018 from Bloom Motion, S.L. and Mr. Johann Spielthener. The chain represents seven premium burger restaurants operated in Spain through equity and franchise model.

Sushi Shop, a leading European sushi concept, is a proprietary brand of AmRest and became a part of its portfolio through the acquisition of Sushi Shop Group SAS finalized on 31 October 2018. Sushi Shop restaurants are operated by both AmRest (equity stores) and AmRest's franchisees. Sushi Shop network is present in 12 countries and reported within the Western Europe segment.

Quick Service Restaurants (QSR)



Established in 1952, the KFC brand is the biggest, fastest growing and most popular chain of quick service restaurants serving chicken meals. There are currently more than 22 000 KFC restaurants in over 135 countries worldwide.

As at 30 June 2019 the Group operated 803 KFC restaurants: 267 in Poland, 97 in the Czech Republic, 61 in Hungary, 184 in Russia, 71 in Spain, 27 in Germany, 67 in France, 10 in Serbia, 8 in Bulgaria, 8 in Croatia, 2 in Austria and 1 in Slovenia.



The beginnings of Burger King date back to 1954. Today, Burger King ("Home of the Whopper") operates about 17 800 restaurants, serving about 11 million customers in over 100 countries every day. Almost 100% of Burger King restaurants are run by independent franchisees and many of them have been managed for decades as family businesses. Burger King brand is owned by 3G Capital.

As at 30 June 2019 AmRest ran the total of 63 Burger King restaurants – 42 in Poland, 17 in the Czech Republic, 1 in Bulgaria and 3 in Slovakia.

Casual Dining and Fast Casual Restaurants (CDR, FCR)



La Tagliatella arose from the experience of more than two decades of specialization in the traditional cuisine of the regions of El Piemonte, La Liguria and La Reggio Emilia. Over the past year the brand has entertained more than 9 million customers, who delighted in the most authentic flavours of Italian cuisine.

As at 30 June 2019 AmRest's portfolio included 247 La Tagliatella restaurants — 237 in Spain, 6 in France, 2 in Germany and 2 in Portugal.



Pizza Hut is one of the largest casual dining restaurant chains in Europe. Inspired by the Mediterranean cuisine, it promotes the idea of having a good time while enjoying a meal together with family and friends. It is also the biggest brand in the Polish casual dining segment in terms of sales and the number of transactions. Pizza Hut's strong position results from consistently implemented "Pizza and much more!" strategy which assumes extending the brand's offer by adding new categories such as pastas, salads, desserts and starters while retaining the position of a leader and "pizza expert".

In addition to the well-established Casual Dining format, AmRest focuses now on creating new concepts within the Pizza Hut family. Meeting guests' expectations the Fast Casual Pizza Hut Express and Delivery restaurants have been created. Pizza Hut's exceptional taste is now being leveraged with speed, convenience and ease, creating an unique customer experience.

As at 30 June 2019 AmRest's portfolio included 456 Pizza Hut restaurants – 142 in Poland, 68 in Russia, 19 in Hungary, 9 in Czech Republic, 128 in France, 84 in Germany, 2 in Armenia, 2 in Azerbaijan and 2 in Slovakia.



Inclusion of the Blue Horizon Hospitality Group to AmRest structure in 2012 enriched the CDR segment brand portfolio with two new positions operating in the Chinese market.



- Blue Frog Bar & Grill — restaurants serving grilled dishes from the American cuisine in a nice atmosphere.

- KABB Bistro Bar — premium segment restaurant, serving "western cuisine" dishes and a wide selection of wines and drinks.

As at 30 June 2019 AmRest's portfolio included 69 Blue Frog (61 in China, 7 in Spain and 1 in Poland) and 3 KABB restaurants.



Bacoa is a popular premium burger concept in Spain. Since 2010, it has been bringing high quality, freshly cooked burgers and chips to their loyal fans. Bacoa is passionate about using premium ingredients and preparing everything by hand, proving every day that fast food can also be good food with the right approach.

As 30 June 2019, AmRest's portfolio included 9 Bacoa restaurants in Spain.



Founded in 1998 by Grégory Marciano and Adrien de Schompré, Sushi Shop is the leading European chain of restaurants for sushi, sashimi and other Japanese specialties. It is positioned as a premium brand offering food prepared fresh with highest quality ingredients.

Sushi Shop has successfully established an international network of company-operated and franchises stores across 12 countries.

As at 30 June 2019, AmRest's portfolio included 177 Sushi Shop restaurants (121 in France, 9 in Spain, 3 in Germany, 3 in Portugal, 10 in Belgium, 3 in Italy, 2 in Luxemburg, 5 in UK, 6 in Switzerland, 1 in Netherlands and 14 in the Middle East countries).

Coffee category



Starbucks is the world leader in the coffee sector with about 30 000 stores in 80 countries. It offers a broad selection of coffees from different parts of the world, as well as teas, soft drinks and a wide range of fresh snacks and desserts. The store designs and their atmosphere refer to the coffee heritage and reflect the culture of the neighborhood.

STARBUCKS[®] As at 30 June 2019 AmRest Coffee operated 352 stores (71 in Poland, 45 in the Czech Republic, 27 in Hungary, 46 in Romania, 14 in Bulgaria, 139 in Germany, 5 in Slovakia and 1 in Serbia).

Key investments

The capital expenditure incurred by AmRest relates mainly to a development of restaurant network. The Group increases the scale of the business through construction of new restaurants, acquisition of restaurant chains from third parties as well as reconstruction and replacement of assets in the existing stores. The Group's capital expenditure depends mainly on the number and type of restaurants opened and scale of M&A activity.

In H1 2019 AmRest's capital expenditure was financed from cash flows from operating activities and debt financing.

The table below presents purchases of non-current assets in 6 months ended 30 June 2019 and 30 June 2018.

	6 months ended 30 June 2019	6 months ended 30 June 2018
Intangible assets:	4.5	4.3
Trademarks	-	-
Favourable leases and licence agreements	-	-
Licenses for use of Pizza Hut, KFC, Burger King, Starbucks trademarks	2.9	1.8
Other intangible assets	1.6	2.5
Goodwill	1.3	0.2
Property, plant and equipment:	75.0	61.7
Land	-	-
Buildings and expenditure on development of restaurants	32.5	27.1
Machinery & equipment	29.4	19.0
Vehicles	0.2	0.2
Other tangible assets (including assets under construction)	12.9	15.4
Total	80.8	66.2

Capital investment* for 3 and 6 months ended 30 June 2019

	6 months ended		3 months ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
CEE	34.7	31.3	19.3	21.1
Western Europe	32.9	23.1	15.1	10.5
Russia	9.0	8.4	6.1	5.6
China	2.8	2.8	2.2	2.0
Other	0.1	0.4	0.0	0.1
Total	79.5	66.0	42.7	39.5

*Capital investment comprises increases and acquisition in property, plant and equipment, intangible assets, without goodwill increases

AmRest's New Restaurants

	AmRest equity restaurants	AmRest franchisee restaurants	Total
31.12.2018	1 664	457	2 121
New Openings	65	19	84
Acquisitions	0	0	0
Closings	17	9	26
30.06.2019	1 712	467	2 179

As at 30 June 2019, AmRest operated 2 179 restaurants, including 467 restaurants which are managed by franchisees (165 La Tagliatella, 228 Pizza Hut, 2 Blue Frog, 5 Bacoa and 67 Sushi Shop). Compared with 31 December 2018, the Group runs 58 more restaurants. 84 new restaurants were opened: 29 restaurants in Central and Eastern Europe, 18 in Russia, 33 in Western Europe and 4 in China.

Planned investment activities

AmRest's strategy is to leverage its unique "Wszystko Jest Możliwe" culture, international capability and superior brand portfolio to grow scalable and highly profitable (min. 20% IRR) restaurants globally.

The Group intends to continue its strategic directions of development, with the main focus on further expansion of the network in the regions of continental Europe, increase of scale in supply chain management and leadership in digital and delivery trends. Existing potential in the markets where AmRest is present allows to accelerate the pace of organic expansion. The roll-out of lighter restaurant formats (i.e. Pizza Hut Express, Pizza Hut Delivery, Sushi Shop Corners) increased availability of new locations across the Europe and widened the white space for new openings. Obtained master-franchise rights within the brand of Pizza Hut and acquisition of Sushi Shop Group additionally support the future growth.

Potential acquisitions of European restaurant chains remain important area of AmRest's growth. AmRest's Management believes that in a long-term perspective expanding portfolio with exceptional proprietary brands shall also strengthen the value of the Group.

Similar to previous years, further improvement of ROIC and building the long-term growth platform will define the main criteria of shaping the structure of new launches and acquisitions. AmRest's investment activities will be financed both from the own sources and through debt financing.

Significant events and transactions in H1 2019

Termination of Share Purchase Agreement – TELE PIZZA, S.A.U.

On July 26, 2018 AmRest Sp. z o.o. („AmRest Poland”) and TELE PIZZA, S.A.U. (“Seller”) signed a Share Purchase Agreement (“SPA”), pursuant to which AmRest Poland would acquire 100% shares of TELEPIZZA POLAND Sp. z o.o. (“Telepizza Poland”) at an estimated price of ca. EUR 8 million.

The completion of the transaction was contingent upon a number of conditions, including obtaining antitrust approvals, conclusion of a license agreement with the Seller authorizing Telepizza Polska to continue operation of its business and lack of the material adverse change events (“MAC”).

On March 7th, 2019 AmRest informed that the SPA was automatically terminated due to failure to meet the conditions precedent specified in the SPA before the Long Stop Date (i.e. failure to obtain the consent for the concentration from the Office of Competition and Customer Protection before the Long Stop Date).

Share sale agreement between Gosha Holdings, S.à.r.l. and FCapital Dutch, B.V.

On March 27, 2019 AmRest was notified by its controlling shareholder, FCapital Dutch, B.V. (Grupo Finaccess subsidiary; “FCapital”, the “Purchaser”), and one of its significant shareholders, Gosha Holdings, S.à.r.l. (“Gosha”, the “Seller”), that FCapital and Gosha have executed a share sale agreement pursuant to which the Purchaser would acquire from the Seller its entire shareholding in AmRest (the “Transaction”).

On May 9, 2019 FCapital has completed the purchase of the entire shareholding in AmRest of Gosha, consisting of 23 426 313 shares representing 10.67% of the Company's share capital, for a price per share of EUR 13.22, amounting an aggregate of EUR 309 695 857.86. After this purchase, Grupo Finaccess controls 67.047% of AmRest.

As a consequence, Mr. Henry McGovern and Mr. Steven Kent Winegar, members of the Board of Directors resigned from their positions upon execution of the Transaction, according to article 11 of AmRest's Board of Directors' Regulations, and effective as of the Annual General Shareholders' Meeting of AmRest held on May 14, 2019.

External Debt

In the reporting period covered by this report the Company did not enter in any significant agreements concerning external debt nor issue any debt instruments.

Shareholders of AmRest Holdings SE

To the best of AmRest's knowledge as at 30 June 2019 AmRest Holdings had the following shareholder structure:

Shareholder	Number of shares and votes at the Shareholders' meeting	% of shares and votes at the Shareholders' meeting
FCapital Dutch B. V.*	147 203 760	67.05%
Nationale-Nederlanden OFE	10 718 700	4.88%
Artal International S.C.A.	10 500 000	4.78%
Aviva OFE	7 013 700	3.19%
Other Shareholders	44 118 023	20.10%

* FCapital Dutch B. V. is the majority shareholder of FCapital Lux (holding directly 56 509 547 AmRest shares) and the subsidiary of Finaccess Capital, S.A. de C.V. Grupo Finacces SAPI de CV is the direct majority shareholder of Finaccess Capital, S.A. de C.V. and a subsidiary of Grupo Far-Luca, S.A. de C.V. The direct majority shareholder of Grupo Far-Luca, S.A. de C.V., Mr. Carlos Fernández González, is a member of AmRest's Board of Directors.

Changes in the Parent Company's Governing Bodies

According to the resolution adopted by the Extraordinary General Meeting of AmRest Holdings SE on 5 October 2017, that came into force on 12 March 2018 (date of the registration of the Company's registered office in Pozuelo de Alarcón, Madrid, Spain), the composition of the Board of Directors was as follows:

- Mr. José Parés Gutiérrez
- Mr. Carlos Fernández González
- Mr. Luis Miguel Álvarez Pérez
- Mr. Henry McGovern
- Mr. Steven Kent Winegar Clark
- Mr. Pablo Castilla Reparaz
- Mr. Mustafa Ogretici

- Eduardo Rodríguez-Rovira Rodríguez (Secretary, non-Board member)
- Jaime Tarrero Martos (Deputy Secretary, non-Board member)

According to the share sale agreement between Gosha Holdings, S.à.r.l. and FCapital Dutch, B.V. as described in "Significant events and transactions in H1 2019" section of this report, Mr. Henry McGovern and Mr. Steven Kent Winegar, members of the Board of Directors, resigned from their positions upon execution of the respective transaction, and effective as of the Annual General Shareholders' Meeting of AmRest for the year 2019, i.e. May 14, 2019.

On May 14, 2019 the Board of Directors has resolved to accept the resignation of Directors Mr. Henry J. McGovern and Mr. Steven K. Winegar Clark to fill said vacancies co-opting Ms. Romana Sadurska and Mr. Emilio Fullaondo Botella, as independent Directors, following the proposal of the Appointments and Remuneration Committee and with the justifying report of the Board of Directors.

As per article 529 point 2.b) of the Spanish Capital Companies Act, both appointments shall be submitted for ratification to the next General Shareholders Meeting.

In addition, on this date, following the recommendation of the Compensations and Remuneration Committee, the Board has also resolved to appoint Mr. Mark Chandler as CEO of AmRest, and Mr. Eduardo Zamarripa as new Chief Financial Officer of AmRest.

As at June 30, 2019 the composition of the Board of Directors was as follows:

- Mr. José Parés Gutiérrez
- Mr. Carlos Fernández González
- Mr. Luis Miguel Álvarez Pérez
- Mr. Emilio Fullaondo Botella
- Ms. Romana Sadurska
- Mr. Pablo Castilla Reparaz
- Mr. Mustafa Ogretici

- Eduardo Rodríguez-Rovira Rodríguez (Secretary, non-Board member)
- Jaime Tarrero Martos (Deputy Secretary, non-Board member)

Changes in the number of shares held by members of the Board of Directors

During the period since 1 January 2019 the following changes occurred with respect to AmRest shares and stock options held by the members of the Board of Directors of AmRest.

According to the best knowledge of AmRest, following members of the Board of Directors owned in this reporting period the Issuer's shares: Mr. Henry McGovern, Mr. Carlos Fernández González and Mr. Steven Kent Winegar Clark.

As at 31 December 2018 Mr. Henry McGovern held directly 172 340 AmRest's shares with a total nominal value of EUR 17 234. On 14 May 2019 (being the last day of his term of office on the Board) he held 302 340 shares of the Company with a total nominal value of EUR 30 234.

As at 31 December 2018 Gosha Holdings S.a.r.l. - the closely associated person of Mr. Henry McGovern and Mr. Steven Kent Winegar (the Company's Board of Directors members) held 23 426 313 shares of the Company with a total nominal value of EUR 2 342 631.3. On 30 June 2019, as a result of execution of the share sale agreement with FCapital Dutch, B.V. settled on 9 May 2019, Gosha Holdings S.a.r.l. didn't hold any AmRest's shares.

As at 31 December 2018 FCapital Dutch B.V. – the closely associated person of Mr. Carlos Fernández González (member of the Company's Board of Directors) held 123 777 447 shares of the Company with a total nominal value of EUR 12 377 744.7. On 30 June 2019, as a result of execution of the share sale agreement with Gosha Holdings S.a.r.l. settled on 9 May 2019, FCapital Dutch B.V. held 147 203 760 AmRest's shares with a total nominal value of EUR 14 720 376.

Transactions on own shares concluded by AmRest

The commencement of the purchase of treasury shares occurred on the basis of Resolution No. 7 of the General Meeting of the Company of 19 May 2015 concerning the authorization for the Management Board to acquire treasury shares in the Company and the establishment of reserve capital and (replacing it) Resolution No. 9 of the General Meeting of the Company of 6 June 2018 concerning the authorization to the Board of Directors for the derivative acquisition of the Company's own shares made directly by the Company or indirectly through its subsidiaries as well as for the sale of the own shares.

The Company was acquiring the own shares for the purposes of execution of stock option programs: Employee Stock Option Plan and Management Incentive Plan.

In the period between 1 January 2019 and 30 June, 2019, AmRest purchased a total of 46 500 own shares with a total nominal value of EUR 4 650 and representing 0.0212% of the share capital for a total price of approx. PLN 2 million (EUR 0.5 million). During the same period, the Company disposed a total of 622 634 own shares with a total nominal value of EUR 62 263.4 and representing 0.2836% of the share capital to entitled participants of the stock options plans. Disposal transactions under these plans were executed in three settlement methods, which impacted the sale price. Major part of the shares was transferred to the participants free of charge. As at 30 June 2019 AmRest held 1 010 604 own shares with a total nominal value of EUR 101 060.4 and representing 0.4603% of the share capital.

The subsidiaries of AmRest Holdings SE do not hold any Company's shares.

Dividends paid and received

In the period covered by these Consolidated Financial Statements the Group didn't pay any dividends to non-controlling interest.

Subsequent events

On 13 August 2019 AmRest Holdings SE ("AmRest") signed an agreement with Glovoapp23 S.L. ("Glovo") for the transfer from AmRest to Glovo of 100% shares of Restaurant Partner Polska Sp. z o.o. Total sale price is EUR 30 million plus a EUR 5 million earn-out. In consideration AmRest will receive a combination of cash and new issued shares of Glovo. The transaction is subject to certain conditions precedent customary in M&A deals.

Factors impacting the Group's development

The Board of Directors of AmRest believes that the following factors will have a significant effect on the Group's future development and results.

External factors

- competitiveness – in terms of prices, quality of service, location and quality of food,
- demographic changes,
- consumer habits and trends as to the number of people using the restaurants,
- number and location of the competitors' restaurants,
- changes in the law and regulations which have a direct effect on the functioning of the restaurants and the employees employed therein,
- change in real estate rental costs and related costs,
- changes in the prices of ingredients used to prepare meals and changes in the prices of packaging materials,
- changes in the general economic condition in all countries where the business is run,
- changes in consumer trust, the amount of disposable income and individual spending patterns,
- changes in legal and tax determinants,
- adverse changes on the financial markets.

Internal factors

- gaining and training the human resources necessary for the development of the existing and new restaurant networks,
- obtaining attractive locations,
- effective launching of new brands and products,
- building an integrated information system.

Basic risks and threats the Group is exposed to

The Board of Directors of AmRest is responsible for the risk management system and the internal control system as well as for reviewing these systems for operating efficiency. These systems help to identify and manage risks which may prevent the execution of the long-term objectives of AmRest. However, having these systems in place does not ensure complete elimination of the risk of fraud and violation of the law. The Board of Directors of AmRest is permanently analyzing and reviewing risks to which the Group is exposed. The main current risks and threats have been summarized in this section. AmRest reviews and improves its risk management and internal control systems on an on-going basis.

Factors remaining outside the Group's control

This risk is related to the effect of factors remaining outside the Group's control on AmRest's development strategy which is based on opening new restaurants. Such factors include: opportunities for finding and securing available and appropriate locations for restaurants, the ability to obtain the permits required by relevant bodies, the possibility of delays in opening new restaurants.

Dependency on the franchisor

AmRest manages KFC, Pizza Hut, Burger King and Starbucks (in Romania, Bulgaria, Germany and Slovakia) as a franchisee, and therefore a number of factors and decisions related to the business activities conducted by AmRest depend on the limitations or specifications imposed by the franchisors or on their consent.

The duration of the franchising agreements related to the KFC, Pizza Hut and Burger King brands is 10 years. AmRest has the option of extending this period for the next 10 years provided that it meets the conditions specified in the franchising agreements and other requirements, including the payment of the related continuation fee.

Despite meeting the above-mentioned terms, there is no guarantee that after the expiry of these periods a given franchising agreement will be prolonged to the next period. In the case of KFC and Pizza Hut restaurants, the first period commenced in 2000. AmRest and Yum are constantly in touch with respect to current and further cooperation. In the case of Burger King, the first period commenced in 2007 with the opening of the first restaurant of this brand.

Franchise agreements for Starbucks stores in Romania are valid till 2023, in Bulgaria until 2027 and in Germany and Slovakia until 2031.

Dependency on cooperation with minority shareholders

AmRest opens Starbucks restaurants in Poland, the Czech Republic and Hungary based on a partnership agreements with Starbucks Coffee International, Inc. The partnership assumes Starbucks Coffee International, Inc. is the minority shareholder of companies operating Starbucks stores in mentioned countries. Therefore, some decisions as part of the joint business activities are dependent on the partners' consent.

The agreements with Starbucks were concluded for a period of 15 years with a possibility of their extension for the next 5 years upon meeting the specified conditions. First agreements were signed in 2007. If AmRest fails to comply with the obligation to open and run the minimum specified number of cafés, Starbucks Coffee International, Inc. shall have the right to increase its share in these companies by acquiring shares from AmRest Sp. z o.o. at a price agreed between the parties based on the valuation of the companies.

No exclusivity rights

The franchising agreements concerning running of KFC, Pizza Hut Dine-In (excluding Russia and Germany) and Burger King (excluding Czech Republic and Slovakia) brands do not contain provisions on granting AmRest any exclusivity rights on a given territory, protection or any other rights on the territory, in the area or on the market surrounding AmRest restaurants. However, in practice, due to the scale of AmRest's operations (including a well-developed distribution network), the possibility that a competitive operator (to the brands currently operated by the Group) should appear who would be able to effectively compete with the AmRest Group restaurants is relatively limited.

In the case of Starbucks restaurants, AmRest subsidiaries are the only entities authorized to develop and run Starbucks cafés in Poland, the Czech Republic and Hungary, without exclusivity rights to some institutional locations. The exclusive rights apply also to restaurants operated in Romania, Bulgaria, Germany and Slovakia.

Rental agreements and continuation options

Almost all AmRest restaurants operate in rented facilities. The majority of the rental contracts are long-term and they are usually concluded for at least 10 years from the date of commencing the rental (assuming that all continuation options are exercised, on specified terms, and not including contracts which are subject to periodic renewal, unless they are terminated, and contracts concluded for an indefinite period). AmRest possess in many contracts continuation options, usually to exercise after 5 years of operations. These options give to the Group possibility to manage its businesses flexibly and secure long-term operations.

In the case of restaurants in China, the average term of the rental contracts is relatively shorter compared with AmRest restaurants in the remaining countries. This results from the specific nature of this market.

A number of rental contracts grant AmRest the right to prolong the contract provided that the Company complies with the terms of rental. Regardless of whether the terms are complied with or not, there is no guarantee that AmRest will be able to prolong a rental contract on terms satisfactory from the point of view of business practice. If this is not possible a potential loss of important restaurant locations may have an unfavorable effect on AmRest's operating results and its business activities.

Moreover, in certain circumstances AmRest may make a decision to close a given restaurant and terminating the relevant rental contract on cost effective terms may prove impossible. This situation may also have an adverse effect on the business activities and operating results of the Group. Closing any of the restaurants is subject to approval by the franchisor and it is not certain that such approval will be obtained.

In the case of restaurants acquired by AmRest in Russia and China accordingly in July 2007 and December 2012, the average term of the rental contracts is relatively shorter compared with AmRest restaurants in the remaining countries. This results from the specific nature of these markets.

Risk related to the consumption of food products

Consumer preferences may change in connection with doubts arising as to the healthful properties of chicken which is the main ingredient in KFC menu, or as a result of unfavorable information being circulated by the mass media concerning the quality of the products, diseases caused by them and damages to health as a result of eating in AmRest restaurants and restaurants of other franchisees of KFC, Pizza Hut, Burger King, Starbucks, La Tagliatella, Blue Frog, KABB, Bacoa and Sushi Shop, and as a result of revealing unfavorable data prepared by the government or a given market sector concerning the products served in AmRest restaurants and restaurants of other franchisees of KFC, Pizza Hut, Burger King, Starbucks, La Tagliatella, Blue Frog, KABB, Bacoa and Sushi Shop, health-related issues and issues related to the functioning patterns of one or more restaurants run both by AmRest and the competition. The above-mentioned risk is limited by using the highest quality ingredients in AmRest restaurants, which come from reliable and reputable suppliers, compliance with strict quality control and hygiene standards and the use of top modern equipment and processes which ensure the absolute safety of the meals.

Risk related to keeping key personnel in the Group

The Issuer's success depends to some extent on the individual effort of selected employees and key members of management. The methods of remunerating and managing human resources developed by the Issuer help ensure a low rotation of the key personnel. Additionally, the career planning system supports preparing successors ready to execute tasks in key positions. The Issuer believes it will be able to replace its key personnel. Regardless of that, their loss may have a short-term adverse effect on the business activities and operating results of the Issuer.

Risk related to labour costs of restaurant employees and employing and keeping professional staff

Running catering activities on such a large scale as the Issuer does requires employing a large number of professionals. Excessive outflow of employees and too frequent changes in managerial positions may pose a significant risk to the stability and quality of the business activities. Due to the fact that salaries in Poland, the Czech Republic and Hungary (including in the catering sector) are still decidedly lower than in other European Union countries, there is a risk of outflow of qualified staff and thus a risk of the Group being able to ensure the appropriate staff necessary for providing the highest quality catering services. In order to avoid the risk of losing qualified staff it may be necessary to gradually increase the salary rates, which may have an adverse effect on the financial standing of the Issuer. Additional risk in employment area may be caused by fluctuations in unemployment rate.

Risk related to limited access to foodstuffs and the variability of their cost

The Issuer's situation is also affected by the need to ensure frequent deliveries of fresh agricultural products and foodstuffs and anticipating and responding to changes in supplies costs. The Group cannot rule out the risk related to delivery deficits or interruptions caused by factors such as unfavorable weather conditions, changes in legal regulations or withdrawing some foodstuffs from trading. Also the increased demand for certain products accompanied by limited supply may lead to difficulties in obtaining them by the Group or to price increases for those products. Both the deficits and product price increases may have an adverse effect

on the Group's results, operations and financial standing. In order to mitigate this risk (among others) AmRest Sp. z o.o. concluded a contract with SCM Sp. z o.o. for the provisions of services comprising intermediation and negotiating terms of delivery to restaurants, including negotiating terms of distribution agreements.

Risk related to developing new brands

AmRest has operated Blue Frog, KABB, Bacoa and Sushi Shop brands for a relatively short time. As these are new concepts for AmRest, there is a risk related to demand for the products offered and their acceptance by customers.

Risk related to opening restaurants in new countries

Opening or taking over restaurants operating in a new geographical and political area involves the risk of varying consumer preferences, a risk of insufficient knowledge of the market, the risk of legal restrictions arising from local regulations and the political risk of these countries.

Currency risk

The results of AmRest are exposed to currency risk related to transactions and translations into currencies other than the currency in which business transactions are measured in the individual Capital Group companies. The Group adjusts its currency portfolio of debt to the geographical structure of its profile of activities. Additionally, AmRest uses forward contracts to secure transaction risks on a short term basis.

Risk related to the current geopolitical situation

The Company conducts its business in countries where political situation is uncertain, e.g. Russia. Russia is one of the largest markets for AmRest. The recent geopolitical and economic turmoil witnessed in the region, have had and may continue to have a negative impact on the Russian economy, including weakening of the Russian Ruble, higher interest rates, reduced liquidity and consumer confidence. These events, including current and future international sanctions against Russian companies and individuals and the related uncertainty and volatility of the supply chain, may have a significant impact on the Group's operations and financial position, the effect of which is difficult to predict. The future economic and regulatory situation may differ from the Management's expectations however it is being monitored in order to adjust strategic intentions and operational decisions, which will minimize business risks.

Risk related to the pending exit of the UK from the European Union

It is difficult to predict how the possible exit of the United Kingdom from the European Union may affect the financial markets. Despite the fact that AmRest runs only few restaurants in the UK, the risk of adverse effects of Brexit on economy of different UE countries (where the Company operates its business) cannot be entirely excluded.

Risk of increased financial costs

AmRest Holdings SE is exposed to the significant adverse impact of interest rate fluctuations in connection with obtaining financing which bears floating interest rates and investing in assets bearing floating and fixed interest rates. The interest rates of bank loans and borrowings and issued bonds is frequently based on floating reference rates which are updated over periods shorter than one year. Interest on financial assets with fixed interest rates is fixed over the entire period to maturity of these instruments. Additionally, AmRest Holdings SE and its subsidiaries may, as part of the interest rate hedging strategy, enter into derivative and other financial contracts the valuation of which is significantly affected by the level of reference rates.

Liquidity risk

The Group is exposed to the risk of lack of financing at the moment of maturity of bank loans and bonds. As at 30 June 2019, the Group had enough short-term assets, including cash and promised credit limits, to fulfil its liabilities due in the next 12 months.

Tax risk

In the process of managing and making strategic decisions, which can affect the tax settlements, AmRest is exposed to tax risk. All irregularities occurring in tax settlements increase the risk of dispute in the case of a potential tax control. As part of these risks' minimalization, AmRest takes care of deepening the knowledge of its employees in the area of tax risk management and compliance with respective legal requirements. The

Company implements adequate procedures to facilitate the identification and subsequent reduction or elimination of risks in the area of tax settlements.

Moreover, in connection with frequent legislative changes, inconsistency of regulations, as well as differences in interpretation of legal regulations, AmRest uses professional tax advisory services and applies for binding interpretations of the tax law provisions.

Current fiscal supervisions are presented in Note 10 to the Consolidated Financial Statements as at June 30, 2019.

Credit risk

Exposure to credit risk include cash and cash equivalents and trade and other receivables. With the development of franchise business, AmRest is getting exposed more to credit risk. Therefore the quality of franchisees portfolio is key priority.

Risk of economic slowdowns

Economic slowdown in the countries where AmRest runs its restaurants may affect the level of consumption expenditure on these markets, which in turn may affect the results of the AmRest restaurants operating on these markets.

Risk related to seasonality of sales

The seasonality of sales and inventories of AmRest is not significant, which is typical for the restaurant industry. On the European market restaurants record lower sales in the first half of the year, mainly due to the lower number of sale days in February and the relatively less frequent visits to restaurants.

Risk of computer system breakdowns and temporary breaks in serving customers in network restaurants

A potential partial or complete loss of data in connection with computer system breakdowns or damage or loss of key tangible fixed assets of the Group might result in temporary interruptions in serving customers in restaurants, which might have an adverse effect on the Group's financial results. In order to minimize this risk, the Issuer has implemented appropriate procedures in order to ensure the stability and reliability of IT systems.

Cyberattack risk

Group's operations are supported by wide variety of IT systems, including point-of-sale systems, electronic ordering platforms, supply-chain management systems and finance and controlling tools. Consequently, the Group is exposed to the risk of temporary operational disruption, data integrity risk and/or unauthorized access to confidential data, which may be a result of both intentional cyberattack or an unintentional event. In order to mitigate these risks, the Group established specialized IT-security unit and implemented appropriate cybersecurity risk mitigation tools, including security polices, personnel training and technical prevention countermeasures.

Activity in Research and Development area

AmRest does not perform any significant activity in the research and development area.

Nevertheless, the Group wants to serve to its customers the highest quality products that are balanced in terms of taste and nutritional composition. Following business trends and customer needs all brands operated by the Group have established departments focusing on new product development, as well as improvement of the existing products.

Activities in that area include for example: market researches, careful selection of ingredients, packaging, creation and preparation of new products, tastings followed by collection of customers feedbacks and launch of the final products.

Financial data of AmRest for 3 and 6 months ended 30 July 2019

Condensed consolidated income statement for 3 and 6 months ended 30 July 2019

	6 months ended		3 months ended	
	30 June 2019	30 June 2018 (restated*)	30 June 2019	30 June 2018 (restated*)
Continuing operations				
Restaurant sales	878.9	671.7	456.4	343.5
Franchise and other sales	48.8	39.9	26.5	20.7
Total revenue	927.7	711.6	482.8	364.3
Restaurant expenses:				
Food and merchandise	(249.3)	(193.3)	(128.4)	(97.9)
Payroll, social security and employee benefits	(242.3)	(173.3)	(123.4)	(87.5)
Royalties	(41.3)	(34.8)	(21.5)	(17.8)
Occupancy and other operating expenses	(249.7)	(201.2)	(129.0)	(102.2)
Franchise and other expenses	(32.7)	(29.3)	(18.0)	(14.9)
General and administrative expenses	(72.2)	(53.1)	(38.7)	(27.6)
Total operating costs and losses	(887.5)	(685.0)	(459.0)	(347.9)
Net impairment losses on financial assets	(0.3)	(0.8)	(0.2)	(0.4)
Net impairment losses on other assets	(8.6)	(5.0)	(8.1)	(4.9)
Other operating income/expenses	3.9	4.6	2.3	2.7
Profit from operations	35.2	25.4	17.8	13.7
Finance income	2.2	0.3	1.7	0.1
Finance costs	(22.1)	(7.3)	(11.3)	(2.6)
Profit before tax	15.3	18.4	8.3	11.2
Income tax	(4.3)	(5.3)	(1.1)	(2.6)
Profit for the period	11.0	13.1	7.2	8.6
Profit attributable to:				
Shareholders of the parent	10.4	14.3	6.7	9.2
Non-controlling interests	0.6	(1.2)	0.5	(0.6)
Profit for the period	11.0	13.1	7.2	8.6
Basic earnings per ordinary share in EUR	0.05	0.07	0.03	0.04
Diluted earnings per ordinary share in EUR	0.05	0.07	0.03	0.04

The Group has applied IFRS 16 using the modified retrospective approach, under which comparative information is not restated.

*The comparative data were adjusted for the effect of final PPA accounting of Pizza Hut Russia described in note 6 of condensed consolidated financial statements.

(all figures in EUR millions unless stated otherwise)

Number of AmRest restaurants (as at 30 June 2019)

Countries	Brands	31.12.2017	30.06.2018	31.12.2018	30.06.2019
Poland	Total	454	470	515	523
	KFC	243	248	264	267
	BK	41	42	40	42
	SBX	64	65	70	71
	PH	105	114	140	142
	BF	1	1	1	1
Czech Republic	Total	133	137	162	168
	KFC	85	88	97	97
	BK	12	12	17	17
	SBX	34	35	41	45
	PH	2	2	7	9
Hungary	Total	82	85	104	107
	KFC	50	51	58	61
	SBX	20	21	27	27
	PH	12	13	19	19
Russia	Total	165	216	242	252
	KFC	154	160	178	184
	PH equity	11	32	39	37
	PH franchised	-	24	25	31
Bulgaria	Total	13	15	19	23
	KFC	5	5	5	8
	BK	1	1	1	1
	SBX	7	9	13	14
Serbia	Total	7	7	8	11
	KFC	7	7	8	10
	SBX	-	-	-	1
Croatia	KFC	7	7	8	8
Romania	SBX	36	40	46	46
Slovakia	Total	4	4	9	10
	SBX	4	4	5	5
	PH	-	-	2	2
	BK	-	-	2	3
Armenia	PH franchised	-	2	2	2
Azerbaijan	PH franchised	-	2	2	2
Spain	Total	278	287	326	333
	TAG equity	72	69	73	73
	TAG franchised	152	159	164	164
	KFC	53	57	67	71
	Blue Frog equity	1	2	4	5
	Blue Frog franchised	-	-	2	2
	Bacoa equity	-	-	3	4
	Bacoa franchised	-	-	4	5
	Sushi Shop equity	-	-	2	2
	Sushi Shop franchised	-	-	7	7
France	Total	176	181	320	322
	TAG equity	5	5	5	5
	TAG franchised	4	4	3	1
	KFC	8	8	10	11
	PH equity	118	119	117	117
	PH franchised	41	45	65	67
	Sushi Shop equity	-	-	86	88
	Sushi Shop franchised	-	-	34	33
	Germany	Total	234	237	252
SBX	136	133	139	143	
TAG equity	2	2	2	2	
KFC	22	24	27	27	
PH equity	3	4	7	8	
PH franchised	71	74	74	76	

(all figures in EUR millions unless stated otherwise)

	Sushi Shop franchised	-	-	3	3
Austria	KFC	1	1	1	2
Slovenia	KFC	1	1	1	1
Portugal	Total	1	1	5	5
	TAG equity	1	1	2	2
	Sushi Shop franchised	-	-	3	3
China	Total	47	51	63	64
	Blue Frog	43	47	60	61
	KABB	4	4	3	3
Belgium	Total	-	-	8	10
	Sushi Shop equity	-	-	5	5
	Sushi Shop franchised	-	-	3	5
Italy	Total	-	-	3	3
	Sushi Shop equity	-	-	1	1
	Sushi Shop franchised	-	-	2	2
Switzerland	Sushi Shop equity	-	-	6	6
Luxembourg	Sushi Shop equity	-	-	2	2
Netherlands	Sushi Shop equity	-	-	-	1
UK	Sushi Shop equity	-	-	5	5
UAE	Sushi Shop franchised	-	-	8	10
Saudi Arabia	Sushi Shop franchised	-	-	3	3
Iran*	Sushi Shop franchised	-	-	1	1
Total AmRest		1 639	1 744	2 121	2 179

* In July 2019, Group terminated the contract with the master franchisee for Iran

The statements contained in this Director's Report may contain certain forward-looking statements relating to the Group that are based on the beliefs of the Group's management as well as assumptions made by and information currently available to the Group's management and are not a guarantee of future performance or developments. These forward-looking statements are, by their nature, subject to significant risks and uncertainties. The Group does not intend to update or otherwise revise such forward-looking statements, whether as a result of new information, future events or otherwise.

Reliance on any forward-looking statements involves known and unknown risks and uncertainties and, accordingly, readers are strongly cautioned to not place reliance on any forward-looking information or statements.

Signatures of the Board of Directors

José Parés Gutiérrez
Chairman of the Board

Luis Miguel Álvarez Pérez
Vice-Chairman of the Board

Carlos Fernández González
Member of the Board

Romana Sadurska
Member of the Board

Emilio Fullaondo Botella
Member of the Board

Pablo Castilla Reparaz
Member of the Board

Mustafa Ogretici
Member of the Board

Madrid, 28 August 2019

