Condensed Separate Financial Statements for 6 months ended 30 June 2021

AmRest Holdings SE

25 AUGUST 2021

AmRest

CONTENTS

(all figures in EUR millions unless stated otherwise)

Condensed separate balance sheet as at 30 June 2021

Assets	Notes	30 June 2021	31 December 2020
Intangible assets		0.1	0.1
Non-current investment in group companies		**654.5**	**647.7**
Equity instruments	6	435.8	390.8
Loans to group companies	6,13	218.7	256.9
Other non-current financial assets		0.1	0.1
Deferred tax assets		4.1	2.5
Total non-current assets		**658.8**	**650.5**
Trade and other receivables		**1.8**	**3.6**
Other receivables from group companies	6,13	1.0	1.2
Other trade receivables	6	0.4	1.0
Current tax assets	10	0.2	1.4
Other tax receivables		0.2	-
Investments and loans in group companies		**49.4**	**49.2**
Loans to group companies	6,13	48.3	45.8
Other financial assets	6,10	1.1	3.4
Prepaid expenses		0.3	0.1
Cash and cash equivalents	7	14.2	74.2
Total current assets		**65.7**	**127.1**
TOTAL ASSETS		**724.5**	**777.6**
Capital and Reserves without valuation adjustments			
Share capital	8	22.0	22.0
Share premium	8	237.3	237.3
Reserves	8	95.2	60.9
Treasury shares	8	(5.2)	(6.5)
Profit for the period	8	(5.0)	34.3
Other equity instruments	8	(24.8)	(23.4)
Adjustments for changes in value	8	**(6.7)**	**(6.7)**
TOTAL EQUITY		**312.8**	**317.9**
Liabilities			
Non-current provisions	9	0.1	0.1
Non-current financial liabilities	6	**356.1**	**399.8**
Loans and borrowings from financial institutions	6	292.6	322.3
Other financial debt	6	63.5	77.5
Total non-current liabilities		**356.2**	**399.9**
Current financial liabilities	6	52.0	53.6
Debts with group companies, current	6,10,13	1.5	1.7
Trade and other payables		**2.0**	**4.5**
Trade and other payables to third parties	6	0.1	1.9
Trade and other payables to group companies	6,13	1.5	1.8
Personnel (salaries payable)		0.3	0.3
Other payables with tax administration	10	0.1	0.5
Total current liabilities	10	**55.5**	**59.8**
TOTAL LIABILITIES		**411.7**	**459.8**
TOTAL EQUITY AND TOTAL LIABILITIES		**724.5**	**777.6**

The accompanying notes 1-15 are an integral part of these condensed financial statements for 6 months ended 30 June 2021.

(all figures in EUR millions unless stated otherwise)

Condensed separate income statement for 6 months ended 30 June 2021

	Notes	6 months ended	
		30 June 2021	30 June 2020
Revenues		3.8	3.9
Net income from the stock option plan	11	-	0.3
Finance income from group companies	11	3.8	3.6
Personnel expenses	11	(0.7)	(0.6)
Other operating expenses	11	(1.5)	(1.2)
Impairments for credits and receivables with group companies		(0.4)	-
Impairments in investments in group companies		-	(1.0)
Results from operating activities		**1.2**	**1.1**
Finance expenses	12	(7.0)	(5.8)
Exchange rates gains and losses		(0.7)	2.9
Net finance income (expense)		**(7.7)**	**(2.9)**
Profit before income tax		**(6.5)**	**(1.8)**
Income tax expense	10	1.5	0.3
Profit for the period		(5.0)	(1.5)
Profit for the period		**(5.0)**	**(1.5)**

The accompanying notes 1-15 are an integral part of these condensed financial statements for 6 months ended 30 June 2021.

Condensed separated statement of recognised income and expense for 6 months ended 30 June 2021

	Notes	6 months ended	
		30 June 2021	30 June 2020
Profit for the period		(5.0)	**(1.5)**
Total recognised income and expenses for the period		**(5.0)**	**(1.5)**

The accompanying notes 1-15 are an integral part of these condensed financial statements for 6 months ended 30 June 2021.

(all figures in EUR millions unless stated otherwise)

Condensed separate statement of cash flows for 6 months ended 30 June 2021

		6 months ended	
		30 June 2021	**30 June 2020**
Cash flows from operating activities			
Profit before tax		**(6.5)**	**(1.8)**
Adjustments:		**4.3**	**-**
Impairment losses	13	0.4	1.0
Share based payments adjustment	11	-	(0.3)
Finance income	11	(3.8)	(3.6)
Finance expenses	12	7.0	5.8
Exchange gains/losses		0.7	(2.9)
Changes in operating assets and liabilities		**(2.7)**	**(4.3)**
Trade and other receivables		0.5	0.1
Trade and other payables		(3.2)	(4.4)
Other cash flows from operating activities		**1.3**	**(3.0)**
Interest paid		(5.6)	(4.9)
Interest received		3.8	2.3
Dividends received		2.2	-
Other payments		(0.3)	-
Income tax received/paid		1.2	(0.4)
Net cash provided by operating activities		**(3.6)**	**(9.1)**
Cash flows from investing activities			
Increase in investments loans and borrowings with group companies		(72.2)	(28.3)
Other assets		0.1	-
Proceeds from investment loans and borrowings with group companies		60.9	29.8
Proceeds from Investment in other financial assets		0.7	-
Net cash used in investing activities		**(10.5)**	**1.5**
Cash flows from financing activities			
Proceeds from disposals of own shares (employee's options)		0.2	0.1
Acquisition of own shares (employee's option)		-	-
Proceeds from debt with financial institutions		-	80.0
Proceeds from debt with group companies		-	4.8
Repayment of debt with financial institutions		(30.1)	(19.3)
Repayment of other debt		(16.0)	-
Repayment of debt with group companies		-	(4.8)
Net cash provided by/(used in) financing activities		**(45.9)**	**60.8**
Net change in cash and cash equivalents		**(60.0)**	**53.2**
Balance sheet change of cash and cash equivalents"		(60.0)	53.2
Cash and cash equivalents at the beginning of the period		**74.2**	**9.5**
Cash and cash equivalents as at the end of the period	7	**14.2**	**62.7**

The accompanying notes 1-15 are an integral part of these condensed financial statements for 6 months ended 30 June 2021.

(all figures in EUR millions unless stated otherwise)

Condensed separate statement of changes in equity for 6 months ended 30 June 2021

	Share capital	Share premium	Legal Reserve	Voluntary Reserves	Treasury shares	Profit or loss for the period	Other equity instru-ments	Adjustment for changes in value	Total Equity
As at 1 January 2020	**22.0**	**237.3**	**1.5**	**33.6**	**(7.5)**	**25.8**	**(25.4)**	**18.4**	**305.7**
Total recognised income and expense	-	-	-	-	-	(1.5)	-	-	**(1.5)**
Transactions on own shares and equity holdings (net)	-	-	-	-	0.9		3.1	-	4.0
Transfer of profit or loss to reserves	-	-	2.6	23.2		(25.8)	-	-	-
As at 30 June 2020	**22.0**	**237.3**	**4.1**	**56.8**	**(6.6)**	**(1.5)**	**(22.3)**	**(18.4)**	**308.2**
As at 1 January 2021	**22**	**237.3**	**4.1**	**56.8**	**(6.5)**	**34.3**	**-23.4**	**-6.7**	**317.9**
Total recognised income and expense	-	-	-	-	-	(5.0)	-	-	**(5.0)**
Transactions on own shares and equity holdings (net)	-	-	-	-	1.3	-	(1.4)	-	(0.1)
Transfer of profit or loss to reserves	-	-	0.3	34.0	-	(34.3)	-	-	-
As at 30 June 2021	**22.0**	**237.3**	**4.4**	**90.8**	**(5.2)**	**(5.0)**	**(24.8)**	**(6.7)**	**312.8**

The accompanying notes 1-15 are an integral part of these condensed financial statements for June 2021.

Notes to the Condense separate financial statements

1. General information

AmRest Holdings SE ("The Company". "AmRest") was incorporated in the Netherlands in October 2000 and since 2008 the Company operates as European Company (Societas Europaea. SE). The Company's registered office was changed to Paseo de la Castellana, 163 28046 Madrid, Spain.

The main activity of the Company is the subscription, possession, exploitation, management and transfer of securities and shares of other companies, with the exemption of those subject to specific regulations.

The Company is the parent of a group in the terms established in article 42 section 2 of the Commercial Code and prepares its consolidated financial statements under IFRS. The Group operates Kentucky Fried Chicken ("KFC"), Pizza Hut, Burger King and Starbucks restaurants through its subsidiaries in Poland, the Czech Republic (hereinafter Czechia), Hungary, Slovakia, Russia, Serbia, Croatia, Bulgaria, Romania, Germany, France, Austria, Slovenia and Spain, on the basis of franchises granted. 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 based on master-franchise agreements.

In Spain, France, Germany, and Portugal the Group operates its own brand La Tagliatella. This business is based on own restaurants and the franchise agreements signed with non-related companies. It is supported by a central kitchen which produces and delivers products to the whole network of own brands. In China and Spain the Group also operates its own brand Blue Frog.

The Group also operates other own and franchise restaurants in Spain with Bacoa and own and franchise restaurants with the Sushi Shop brand in France, Belgium, Spain, United Arab Emirates, Saudi Arabia, Switzerland, United Kingdom, Luxembourg, Italy, Germany, Portugal, the Netherlands and others. Bacoa is a Spanish premium burger chain, and Sushi Shop is the operator of the leading European chain of Japanese cuisine restaurants.

Additionally, among own brands the Group operates virtual brands Pokaï, Lepieje, 'Oi Poke, Moya Misa Ramen, Pierwsze i Drugie, Viva Salad!, Sushi Tone, Eat's Fine, Cremontano, Mr. Kebs. The offer of virtual brands in Poland is available also under Food About concept - an umbrella brand that enables ordering different virtual brand dishes within one order.

On 27 April 2005, the shares of AmRest Holdings SE were quoted for the first time on the Warsaw Stock Exchange ("WSE") and on 21 November 2018 were quoted on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, through the Spanish Automated Quotation System (Sistema de Interconexión Bursátil - SIBE). Since 21 November 2018 AmRest's shares have been quoted simultaneously on both above stock exchanges (dual listing).

As at 30 June 2020, FCapital Dutch B.V. is the largest shareholder of AmRest and held 67,05% of its shares and voting rights. The parent entity of the Group on the top level is Grupo Finaccess.

These Condensed Separate Financial Statements have not been reviewed nor audited by independent auditor.

These condensed separated financial statements have been prepared voluntarily and approved by the Company's Board of Directors on 25 August 2021.

2. Basis of preparation

True and fair view

These condensed separated financial statements have been prepared on the basis of the accounting records of AmRest Holdings SE by the Company's Board of Directors in accordance with the accounting principles and standards contained in the Spanish General Chart of Accounts, and other prevailing legislation, to give a true and fair view of the Company's equity and financial position as of 30 June 2021 and results of operations, changes in equity and cash flows for the 6 months ended on that date.

Aggregation of items

To facilitate the understanding of the balance sheet and profit and loss account, some items of these statements are presented in a grouped manner, with the required analyses presented in the corresponding notes of the report.

Comparative information

Each item of the balance sheet, the statement of profit and loss, the statement of changes in equity, the statement of recognized income and expenses, the statement of cash flow, and the notes of the condensed financial statements, present for comparative purposes, the amounts from the previous half year, which formed part of the condensed financial statements of the half year ended as of 30 June 2020.

Functional and presentation currency

The condensed financial statements are presented in euros, which is the functional and presentation currency of the Company.

Critical aspects of the valuation and estimation of relevant uncertainties and judgments used in the application of accounting principles.

In late 2019 a novel strain of coronavirus, COVID-19, was first detected and in March 2020, the World Health Organization declared COVID-19 a global pandemic. Throughout 2020, COVID-19 has spread throughout globally, in the countries the Group operates.

Most governments have been implementing measures to reduce the spread of COVID-19. These measures include restrictions on travel outside the home countries, closing or imposing limitations on business and other activities as well as encouraging social distancing. Depending on the epidemic situation in particular countries and regions the restrictions were being lifted, reduced or re-imposed in 2020 With the approvals of first vaccines at the end of 2020, the governments deployed and started carrying out mass vaccination programs in 2021. During 2021 less restrictions and limitations are imposed in 2021 and significant efforts are put by governments on vaccination programs. With the success of vaccination programs, it is expected that further waves of infections will be avoided, and restrictions and lockdowns will not be imposed in such frequency and severity as in 2020.

This situation is affecting AmRest Group, as well as the global economy. Visible results of the COVID-19 outbreak include the decrease in demand, the disruption or slowdown of supply chains and a significant increase in economic uncertainty, increase of volatility in the price of assets, exchange rates and a decrease in long term interest rates. Possible results of the COVID-19 outbreak may include changes in the market environment, peoples behaviors and ways of living.

The COVID-19 pandemic has a particularly significant negative impact on the restaurant sectors. Periodical bans or significant restrictions are imposed on the restaurant operators in various countries. That results in significant decrease in business activity. High pressure on social distancing has an impact on the customer demand and daily lives and behavior patterns. The Group is continuously adjusting restaurant operations into new reality. The Group is adapting to new local sanitary regulations, developing, and executing safety measures to protect employees and guests.

To strengthen Group's position in terms of liquidity the Group has drawn available tranche of syndicated bank loan, and applied state supported bank loans on French, Spanish and Russian markets in 2020. The Group maintains close communication with its financing banks and bondholders. Waiver covenants for the fourth quarter of 2020 and the first, second and third quarters of 2021 have been replaced by a commitment to maintain a minimum level of liquidity. This covenant was met as at 30 June 2021.

The Group continues the process of the review of its rental agreements and negotiating with landlord. Another tool that allows to support liquidity management is the reassessment of development plans and renegotiations of certain development agreements.

The Group is also closely monitoring situation on local markets and is taking the benefits of available government aid schemes which allow to enhance liquidity risk management in current situation.

On the revenues streams side, the Group keeps high number of stores operative. As at 30 June 2021 over 98 % of stores remained open. The Group is continuously analyzing the dynamic changes in the environment and adjusts its ongoing operations to minimize the risk of disruption of business continuity and to increase possible ways of providing products and services to Group's customers, ensuring staff and guests safety, as well complying with all government directives.

Group's revenues generated for the 6 months period ended 30 June 2021 are higher than budgeted, the same as the Groups cash position. Based on the available information, facts, circumstances and uncertainties about the future, which is at least, but is not limited to, twelve months from the end of the reporting period, the Board of Directors concluded that going concern assumption applies in the foreseeable future. Consequently, this interim report has been prepared under going concern principle.

The preparation of the Annual Account requires the Company to use certain estimates and judgments regarding the future that are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable, under the circumstances.

The estimates and judgments more complex or with a higher impact in the carrying amounts of the assets and liabilities are related to:

- The recoverability of the investments, and the corresponding valuation adjustments for the difference between the book value and the recoverable amount. In the determination of the impairment estimate of these investments, the future cash flows expected to be generated by the investees are taken into account through the use of hypotheses based on the existing market conditions).

- Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Company uses a finite difference method. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed.

Despite the fact that the estimates made by the Board of Directors of the Company were calculated based on the best information available at 30 June 2021, it is possible that events which may occur in the future will make it necessary to modify them in later financial years. The effect on the condensed separated financial statements deriving from the adjustments made in later financial years will be recorded prospectively.

(all figures in EUR millions unless stated otherwise)

3. Distribution of profit

On the Annual General meeting held on 18 May 2021 the proposal made by the Board Directors in respect to the allocation of the individual result of the Company for the financial year ended on 31 December 2020 was approved:

Expressed in Euros	**2020**	**2019**
Basis of Distribution		
Profit and loss for the period	34 276 638.79	25 793 482.33
Distribution		
Legal Reserve	347 301.91	2 579 348.23
Voluntary Reserves	33 929 336.88	23 214 134.10
	34 276 638.79	**25 793 482.33**

Dividends have not been distributed during the 6 months ended on 30 June 2021.

4. Recognition and measurement accounting policies

On January 30, 2021, the Government published in the Official State Gazette the Royal Decree 1/2021, of January 12, which modifies the General Accounting Plan, which modifications do not have any material impact on this standalone interim report.

The standalone interim report was prepared in accordance with the accounting principles and registration and valuation standards contained in the Spanish General Accountancy Plan. The most significant are:

4.1 FINANCIAL INSTRUMENTS

4.1.1 FINANCIAL ASSETS

A financial asset is any asset that is: cash, an equity instruments of another company, or suppose a contractual right to receive cash or another asset financial asset (a debt instrument), or to exchange financial assets or liabilities with third parties under potentially favorable conditions.

Financial assets, for the purposes of their valuation, will be included in one of the following categories:

- **Financial assets at fair value with changes in the profits and loss account:** A financial asset should be included in this category unless its classification is appropriate in any of the remaining categories. Financial assets held for trading will be compulsorily included in this category. For equity instruments that are not held for trading, nor must value at cost, the company can make the irrevocable choice at the time of its initial recognition of presenting subsequent changes in fair value directly into equity. The assets included in this category will be initially recognized at fair value.

- **Financial assets at amortized cost:** A financial asset will be included in this category, even when it is admitted to negotiation in an organized market, if the company maintains the investment with the objective to receive the cash flows derived from the execution of the contract, and the conditions contractual financial assets give rise, on specified dates, to cash flows which are only collections of principal and interest on the outstanding principal amount.

  In general, this category includes credits for commercial operations and credits for non-commercial operations:
  a) Credits for commercial operations are those financial assets that are originate in the sale of goods and the provision of services for traffic operations of the company with deferred collection, and

b) Credits for non-commercial operations are those financial assets that, not being equity instruments or derivatives, they have no commercial origin and whose collections are of a determined or determinable amount, which come from loan operations or credit granted by the company.

The assets recognized in this category are initially recognized at fair value, which will be equal to the fair value of the consideration given, plus the transaction costs that are directly attributable to them.
However, credits for commercial operations with a maturity not exceeding one year and do not have an explicit contractual interest rate, as well as loans to personnel, dividends receivable and disbursements required on instruments of Equity, whose amount is expected to be received in the short term, can be valued at its value nominal when the effect of not updating the cash flows is not significant.

Financial assets included in this category will be valued at their amortized cost. The accrued interest will be recorded in the profit and loss account, applying the effective interest rate method.
However, credits maturing no more than one year that, in accordance with the provided in the previous section, are initially valued at their nominal value, they will continue being valued for said amount, unless they have impaired.
When the contractual cash flows of a financial asset change due to financial difficulties of the issuer, the company will analyze whether it is appropriate to record an impairment loss.

- **Financial assets at fair value with changes in equity:**

A financial asset will be included in this category when the contractual conditions of the financial asset give rise, on specified dates, to cash flows that are only collections of principal and interest on the outstanding principal amount, and no hold to negotiate nor should it be classified at amortized cost. Investments in financial equity instruments will also be included in this category.
When the irrevocable option of registering the changes in fair value had been taken.

- **Financial assets at cost:**

a) Investments in the equity of group, multi-group and associated companies.
b) The remaining investments in equity instruments whose fair value does not
can be determined by reference to a price quoted in an active market for a identical instrument, or cannot be reliably estimated, and derivatives that have as underlying these investments.
c) Hybrid financial assets whose fair value cannot be estimated reliably reliable, unless the requirements for accounting at amortized cost are met.
d) Contributions made as a result of a joint venture and the like.
e) Participative loans whose interests are contingent, either because a fixed or variable interest rate is agreed upon conditional on the achievement of a milestone in the borrowing company (for example, obtaining profits), or because they are calculated exclusively by reference to the evolution of the activity of the aforementioned company.
f) Any other financial asset that should initially be classified in the portfolio of fair value with changes in the profit and loss account when the fair value cannot be reliably estimated.

Investments included in this category will be initially valued at cost, which It will be equal to the fair value of the consideration given plus the transaction costs that are directly attributable to them.

Equity instruments included in this category will be valued at cost, minus, where appropriate, the accumulated amount of the valuation corrections for impairment.
When value must be assigned to these assets due to derecognition or other reason, will apply the method of average cost weighted by homogeneous groups, (values with equals rights) In the case of sale of preferential subscription rights and the like or segregation of the same to exercise them, the amount of the cost of the rights will decrease the book value of the respective assets. Said cost will be determined by applying some valuation formula generally accepted.

Interest and dividends received from financial assets.

Interest and dividends accrued on financial assets after acquisition shall be recognised as revenue. Interest shall be accounted for using the effective interest rate method, while dividends shall be recognised when the equity holder's right to receive payment is established.

Upon initial measurement of financial assets, accrued explicit interest receivable at the measurement date shall be recognised separately, based on maturity. Dividends declared by the pertinent body at the acquisition date shall also be accounted for separately. "Explicit interest" is the interest obtained by applying the financial instrument's contractual interest rate.

If distributed dividends are clearly derived from profits generated prior to the acquisition date because the amounts that have been distributed are higher than the profits generated by the investment since acquisition, the difference shall be accounted for as a deduction in the carrying amount of the investment and shall not be recognised as income.

4.1.2 FINANCIAL LIABILITIES

Financial liabilities, for the purposes of their valuation, will be included in one of the following categories:

- **Financial liabilities at amortized cost:** The company will classify all financial liabilities in this category except when must be valued at fair value with changes in the profit and loss account.
  In general, this category includes debits from operations commercial transactions and debits for non-commercial operations:

  a) Debits from commercial operations are those financial liabilities that are originate in the purchase of goods and services for traffic operations of the company with deferred payment, and
  b) Debits from non-commercial operations are those financial liabilities that, not being derivative instruments, they do not have commercial origin, but come from loan or credit operations received by the company.

  Participative loans that have the characteristics of an ordinary loan or Common will also be included in this category without prejudice to the operation being agreed to a zero or below market interest rate.

  Financial liabilities included in this category will be initially valued at their fair value, which, unless of evidence to the contrary, will be the price of the transaction, which will be the fair value of the consideration received adjusted for the transaction costs that are directly attributable to them.

  However, debits for commercial operations with maturity not exceeding one year and that do not have a contractual interest rate, as well as the disbursements required by third parties on shares, the amount of which is expected to be paid in the short term, may be valued at their nominal value, when the effect of not updating the cash flows is not significant.

  Financial liabilities included in this category will be valued at their amortized cost. The accrued interest will be recorded in the profit and loss account, applying the effective interest rate method.
  However, debits with a maturity of not more than one year that, in accordance with the provided in the previous section, are initially valued at their nominal value, they will continue being valued for that amount.

  Financial liabilities included in this category shall initially be measured at fair value. In the absence of evidence to the contrary, this shall be the transaction price, which is equivalent to the fair value of the consideration given plus directly attributable transaction costs.

  Nonetheless, trade payables falling due within one year for which there is no contractual interest rate, and called-up equity holdings expected to be settled in the short term can be measured at their nominal amount, provided that the effect of not discounting the cash flows is immaterial.

The financial liabilities included in this category shall subsequently be measured at amortised cost. Accrued interest shall be recognized in the income statement using the effective interest rate method.

Nonetheless, payables falling due within one year initially measured at the nominal amount, in accordance with the preceding section, shall continue to be measured at that amount.

- **Financial liabilities at fair value with changes in profit and loss account:**
  This category will include financial liabilities that meet any of the following conditions:
  a) They are liabilities that are kept for trading
  b) From the moment of initial recognition, it has been designated by the entity to carry it at fair value with changes in the profit and loss account. This designation, which will be irrevocable.
  c) Optionally and irrevocably, they may be included in their entirety in this hybrid financial liabilities category.

  Financial liabilities included in this category shall initially be measured at fair value. In the absence of evidence to the contrary, this shall be the transaction price, which is equivalent to the fair value of the consideration received. The additional transaction cost that are directly attributed will be recognized in the Profit and Loss account.

  After the initial valuation, the Company will valuate these financial liabilities included in this category at fair value with changes in the Profit and Loss account.

4.1.3. INVESTMENTS IN THE EQUITY OF GROUP COMPANIES

Group companies are those over which the Company, either directly or indirectly, through subsidiaries exercises control as defined in article 42 of the Spanish Code of Commerce or which the companies are controlled by one or more individuals or entities acting jointly or under the same management through agreements or statutory clauses. Control is the power to govern the financial and operating policies of an entity or business so as to obtain benefits from its activities. In assessing control, potential voting rights held by the Group or other entities that are exercisable or convertible at the end of each reporting period are considered.

Investments in group companies are valued at their cost, which is equivalent to the fair value of the consideration given, minus, where applicable, the accumulated amount of the adjustments for impairment of value. However, when there is an investment prior to qualification as a group, multi-group or associate company, the carrying amount of the investment is considered as investment cost before having that qualification. The previous valuation adjustments recorded directly in Equity are transferred to the income statement when the investment is disposed or when there is a loss or reversal of the impairment.

If there is objective evidence that the book value is not recoverable, the appropriate valuation adjustments are made for the difference between their book value and the recoverable amount, defined as the greater amount between their fair value less costs to sell and the value in use of the investment. Unless there is better evidence of the recoverable amount, in estimating the impairment of these investments, the net equity of the investee company is taken into account, adjusted for the capital gains existing on the valuation date. The value adjustment and, if applicable, its reversal is recorded in the profit and loss account for the year in which it occurs and presented in results from operating activities (as the possession of investments activities is considered part of the ordinary activity of a Holdings company).

Value in use is calculated based on the Company's share of the present value of future cash flows expected to be derived from ordinary activities and from the disposal of the asset, or the estimated cash flows expected to be received from the distribution of dividends and the final disposal of the investment.

Nonetheless, and in certain cases, unless better evidence of the recoverable amount of the investment is available, when estimating impairment of these types of assets, the investee's equity is taken into consideration, adjusted, where appropriate, to generally accepted accounting principles and standards in Spain, corrected for any net unrealised gains existing at the measurement date.

The carrying amount of the investment includes any monetary item that is receivable or payable for which settlement is neither planned nor likely to occur in the foreseeable future, excluding trade receivables or trade payables.

4.1.4. NON-MONETARY CONTRIBUTIONS IN EXCHANGE FOR INVESTMENTS IN THE EQUITY OF OTHER GROUP COMPANIES

The equity instruments received in exchange of non-monetary contributions of investments in group companies, are valued at the book value of the assets delivered in the individual annual accounts of the contributor, on the date the transaction is carried out, or at the amount representative of the equity percentage of the business contributed, if this is greater.

4.1.5. OWN EQUITY INSTRUMENTS

In transactions carried out by the Company with its own equity instruments, the amount of these instruments shall be recognized in equity as a change in capital and reserves without valuation adjustments. Under no circumstances may it be accounted for as a financial asset of the Company and no profit or loss may be recognized in the income statement. Expenses arising on these transactions, including costs incurred on issuing the instruments such as lawyer, notary and registrar fees, printing of prospectuses, bulletins and securities, taxes, advertising, commissions, and other placement expenses – shall be accounted for directly in equity as a reduction in reserves.

The subsequent amortization of these instruments leads to a capital reduction by the nominal amount of the shares and the positive or negative difference between the purchasing cost and the nominal cost of the shares are accounted in reserves.

4.1.6. OFFSETTING PRINCIPLES

A financial asset and a financial liability are offset only when the Company currently has the legally enforceable right to offset the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

4.1.7. CASH AND CASH AND EQUIVALENTS

Cash and cash equivalents include cash in hand and sight bank deposits in credit institutions. Under this heading are also included under other highly liquid short-term investments provided that are easily convertible into cash and are subject to an insignificant risk of changes in value. For this purpose, investments with maturities of less than three months from the date of acquisition are included.

The Company recognises cash payments and receipts for financial assets and financial liabilities in which turnover is quick on a net basis in the statement of cash flows. Turnover is considered to be quick when the period between the date of acquisition and maturity does not exceed six months.

In the statement of cash flows. bank overdrafts which are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents. Bank overdrafts are recognised in the balance sheet as financial liabilities arising from loans and borrowings

4.2. <u>FOREIGN CURRENCY TRANSACTIONS</u>

Foreign currency transactions have been translated to the functional currency using the spot exchange rate applicable at the transaction date.

Monetary assets and liabilities denominated in foreign currencies have been translated to the functional currency at the closing rate, while non-monetary assets and liabilities measured at historical cost have been translated at the exchange rate prevailing at the transaction date.

Non-monetary assets measured at fair value have been translated to the functional currency at the spot exchange rate at the date that the fair value was determined. In the statement of cash flows. cash flows from foreign currency transactions have been translated to Euros at the average exchange rate for the year.

The effect of exchange rate fluctuations on cash and cash equivalents denominated in foreign currencies is recognized separately in the statement of cash flows as effect of exchange rate fluctuations.

Exchange gains and losses arising on the settlement of foreign currency transactions and on translation to the functional currency of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

4.3. INCOME TAX

The income tax comprises the current income tax and the income deferred tax.

Current and deferred tax are recognised as income or an expense and included in profit or loss for the year, except to the extent that the tax arises from a transaction or event which is recognized, in the same or a different year. directly in equity, or from a business combination.

Current tax assets and liabilities are valued for the amounts that are expected to be paid or recovered by the tax authorities, using the tax rates and tax laws that have been enacted or substantially enacted at the reporting date.

The Company as the representative of the tax group, and the Spanish subsidiaries file consolidated tax return.

In addition to the factors to be considered for individual taxation, set out previously, the following factors are taken into account when determining the accrued income tax expense for the companies forming the consolidated tax group:

- Temporary and permanent differences arising from the elimination of profits and losses on transactions between Group companies, derived from the process of determining consolidated taxable income.
- Deductions and credits corresponding to each company forming the consolidated tax group. For these purposes, deductions and credits are allocated to the company that carried out the activity or obtained the profit necessary to obtain the right to the deduction or tax credit.

Temporary differences arising from the elimination of profits and losses on transactions between tax group companies are allocated to the company which recognized the profit/loss and are valued using the tax rate of that company.

A reciprocal credit and debit arises between the companies that contribute tax losses to the consolidated Group and the rest of the companies that offset those losses. Where a tax loss cannot be offset by the other consolidated group companies, these tax credits for loss carryforwards are recognised as deferred tax assets using the applicable recognition criteria, considering the tax group as a taxable entity.

The Company records the total consolidated income tax payable (recoverable) with a debit (credit) to receivables (payables) from/to group companies and associates.

The amount of the debt (credit) relating to the subsidiaries is recognised with a credit (debit) to payables (receivables) to/from group companies and associates.

Deferred tax liabilities are calculated according to the liability method, on the temporary differences that arise between the tax bases of the assets and liabilities and their book values. However, if the deferred tax liabilities arise from the initial recognition of a goodwill or an asset or a liability in a transaction other than a business combination that at the time of the transaction does not affect either the accounting result or the taxable basis of the tax, they are not recognised.

Deferred tax assets are recognised to the extent that it is probable that future tax profits will be available to offset the temporary differences. Deferred tax assets are recognised on temporary differences that arise in investments in subsidiaries. associates and joint ventures, except in those cases in which the Company can control the timing of the reversal of the temporary differences and it is also probable that these will not reverse in a foreseeable future.

The deferred tax assets and liabilities are determined by applying the regulations and tax rates approved or about to be approved on the date of the balance sheet and which is expected to be applied when the corresponding deferred tax asset is realized, or the deferred tax liability is settled.

4.4. REVENUES RECOGNITION

The amounts related to income derived from equity investments in group companies are an integral part of the net amount of the turnover of a holding company. Based on the provisions of consultation B79C02 of the Institute of Auditors and Censors of September 2009, therefore the result on the execution of stock option plan by employees, interest and dividends received from subsidiaries are presented in the revenue of the Company.

4.5. PROVISIONS AND CONTINGENCIES

Provisions are recognised when the Company has a present obligation, whether legal, contractual implicit or tacit, as a result of past events, and it is probable that an outflow of resources will be necessary to settle the obligation and the amount can be estimated reliably. Restructuring provisions include penalties for cancellation of the lease and payments for dismissal to employees. No provisions are recognised for future operating losses.

Provisions are valued at the present value of the disbursements that are expected to be necessary to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the specific risks of the obligation. The adjustments in the provision due to its update are recognised as a financial expense as they are accrued.

Provisions with maturity less than or equal to one year, with a non-significant financial effect, are not discounted.

When it is expected that part of the disbursement necessary to settle the provision is reimbursed by a third party, the reimbursement is recognised as an independent asset, provided that its reception is practically certain. The reimbursement is recognised as income in the income statement of the nature of the expenditure up to the amount of the provision.

On the other hand, contingent liabilities are those possible obligations arising because of past events, the materialization of which is conditional on the occurrence or non-occurrence of one or more future events independent of the Company’s will.

If it is not probable that an outflow of resources will be required to settle an obligation, the provision is reversed.

4.6. SHARE BASE PAYMENTS TRANSACTION

Share-based payments and employee benefits recognition for the benefit plans of the Company’s employees

Share-based payments

The Company has both equity-settled share-based programs and cash-settled share-based programs.

Equity-settled transactions

The cost of equity-settled transactions with employees is measured by reference to awarding fair value at the grant date.

The cost of equity-settled transactions is recognized, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (“vesting date”). The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the number of awards that, in the opinion of the parent’s Management Board at that date, based on the best available estimate of the number of equity instruments, will ultimately vest.

Cash-settled transactions

Cash-settled transactions have been accounted since 2014 as a result of a modification introduced to existing share-based programs. Some programs were modified so that they may be settled in cash or in shares upon decision of a participant. As a result, the Company re-measures the liability related to cash-settled transaction.

The liability is subsequently measured at its fair value at every balance sheet date and recognized to the extent that the service vesting period has elapsed, with changes in liability valuation recognized in income statement. Cumulatively, at least at the original grant date, the fair value of the equity instruments is recognized as an expense (share-based payment expense).

At the date of settlement, the Company remeasures the liability to its fair value. The actual settlement method selected by the employees, will dictate the accounting treatment:

- If cash settlement is chosen, the payment reduces the fully recognized liability,
- If the settlement is in shares, the balance of the liability is transferred to equity, being consideration for the shares granted. Any previously recognized equity component shall remain within equity.

Recognition of the share-based plans correspondent to employees of other group companies

In the parent company books the operation represents a contribution to the subsidiary that is made effective through the personnel service it receives in exchange for the equity instruments of the parent company the options delivered represents in general a greater value of the investment that the parent company has in the equity of the subsidiary.

According to consultation nº2 of the BOICAC 97/2014 when the parent company sign settlement agreements (Share transfer agreements) through which the parent company charge the intrinsic value of the cost of the agreement equivalent to the market value of the shares delivered, it is considered that there are two separated operations:

- A non-genuine corporate operation of contribution of the parent company in the subsidiary that is registered as a higher value of the investment according to consultation nº 7 of BOICAC Nº 75/2008;

- And a second corporate operation of distribution or recovery of the investment that is equivalent to difference between the re-charge described above and the cost of the options at grant.

4.7. TRANSACTIONS BETWEEN RELATED PARTIES

In general, transactions between group companies are initially accounted for at their fair value. If the agreed price differs from its fair value, the difference is recorded according to the economic reality of the operation. The subsequent evaluation is carried out in accordance with the provisions of the corresponding regulations.

The Company carries out all its operations with Group companies, entities and parties linked to market values. In addition, the transfer prices are adequately supported, which is why the Company's Board of Directors consider that there are no significant risks in this respect from which future liabilities could arise.

5. Financial Risk Management

5.1. FINANCIAL RISK FACTORS

The Company's activities are exposed to various financial risks. The Company's global risk management program focuses on the uncertainty of the financial markets and tries to minimize the potential adverse effects on its financial profitability.

- Currency risk

The results of the company are exposed to currency risk related to transactions and translations into currencies other than Euro (Polish Zloty (PLN) and US Dollar (USD), mostly). The exposure to foreign currency cash flow risk is not hedged as there is no significant impact on cash flows.

- Risk of increased financial costs

The Company is exposed to a certain extent to adverse impact of interest rate fluctuations in connection with obtaining financing which bears floating interest rates and investing in assets bearing floating interest rates. The interest rates of bank loans and borrowings and issued bonds are based on a combination of fixed and floating reference rates which are updated over periods shorter than one year. Additionally, the Company 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 2021, the Group has sufficient liquidity to fulfill its liabilities in the next 12 months.

The Group analyzes liquidity needs with particular focus on maturity of debt and proactively investigates various forms of financing that could be utilized as needed.

-Risk related to the COVID-19 and its implications for the economy and society

The COVID-19 pandemic has rapidly spread around the world. Most governments are taking constrain measures to contain the spread, which include isolation, confinement, quarantine and restrictions to free movement of people and closure of public and private facilities.

This situation is affecting significantly the global economy, including HORECA sector, as well as AmRest Group.

Visible results of the COVID-19 outbreak include the decrease in demand, the disruption or slowdown of supply chains and a significant increase in economic uncertainty, increase of volatility in the price of assets, exchange rates and a decrease in long term interest rates. Possible results of the COVID-19 outbreak may include changes in the market environment, people’s behaviors and ways of living.

The COVID-19 pandemic has a particularly negative impact on the restaurants sectors. The ban or significant limitations in operation of restaurants resulted in a decrease in business activity and customer demand and consequently decrease of revenues.

Group management is closely monitoring the development of situation and looks for the ways of mitigating the impact of COVID-19 spread on the Group.

-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.

-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 of the risk of dispute in the case of a potential tax control. As part of these risks' minimization, 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.

-Cyberattack risk

The company and its subisidiaries 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.

- Credit Risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions and balances with the Group, including pending receivables and committed transactions.

In general, the Company maintains its treasury and equivalent liquid assets in financial entities with a high credit rating and of recognized prestige.

(all figures in EUR millions unless stated otherwise)

6. Financial instruments

6.1. GROUP EQUITY INSTRUMENTS

The value of the shares owned by the Company in its subsidiaries as at 30 June 2021 and as at 31 December 2020 is as follow:

	30 June 2021		31 December 2020	
	Interest ownership	**Value of Shares**	**Interest ownership**	**Value of Shares**
AmRest Sp. z o.o. (Poland)	100%	264.1	100%	219.6
AmRest China Group PTE Ltd. (China)	100%	40.5	100%	40.5
AmRest s.r.o. (Czech Republic)	100%	7.1	100%	6.9
AmRest France SAS (France)	100%	58.7	100%	58.7
AmRest EOOD (Bulgaria)	100%	4.2	100%	4.1
AmRest Acquisition Subsidiary (Malta)	100%	60.9	100%	60.9
AmRest Food SRL	100%	0.1	100%	0.1
AmRest HK Ltd	100%	-	100%	-
AmRest FSVC LLC	100%	-	100%	-
AmRest Global	100%	0.1	100%	-
AmRest d.o.o	100%	0.1	100%	-
		435.8		**390.8**

The movement of the equity instruments in group companies as at 30 June 2021 is as follow:

	31 December 2020	**Increase**	**Decreased**	**Share base Options**	**30 June 2021**
Cost					
AmRest Sp. zo.o. (Polonia)	219.6	46.0		(1.5)	264.1
AmRest HK Ltd	5.2	-	-	-	5.2
AmRest China Group PTE Ltd. (China)	40.5	-	-	-	40.5
Amrest SRO (Czechia)	6.9		-	0.2	7.1
AmRest France SAS	58.7	-	-	-	58.7
AmRest EOOD (Bulgaria)	4.1	-	-	0.1	4.2
AmRest Acquisition Subsidiary (Malta)	60.9	-	-	-	60.9
AmRest FSVC LLC	10.3	-	(10.3)	-	-
AmRest Food SRL	0.1	-	-	-	0.1
AmRest Global	-	-	-	0.1	0.1
AmRest d.o.o	-	-	-	0.1	0.1
	406.3	**46.0**	**(10.3)**	**(1.0)**	**441.0**
	-				
Impairment					
AmRest HK Ltd	(5.2)	-	-	-	(5.2)
AmRest FSVC LLC	(10.3)	-	10.3	-	-
	(15.5)	**-**	**10.3**	**-**	**(5.2)**
Total Equity Instruments in group companies	**390.8**	**46.1**	**-**	**(1.0)**	**435.8**

(all figures in EUR millions unless stated otherwise)

During the 6 months ended on 30 June 2021 the company made the following transactions:

- On 21 April 2021 it was subscribed a capital increase in AmRest Sp. z.o.o. (Poland) by an amount of EUR 46.0 million.

- On 9 April 2021 the company AmRest FSVC LLC has been liquidated.

- The value of investment of some subsidiaries was affected by the valuation and exercises of share-based options within SOP and MIP. The total capitalized cost of share option plans in 2021 equals EUR (2.5) million and it is presented in the column increase. The total amount that refers to exercised and forfeited options in 2021 EUR (3.5) million is presented in the column decrease. The details by subsidiaries for the half year ended as of 30 June 2021 is presented below:

	Increase	Decrease
AmRest Sp. zo.o. (Poland)	2.0	(3.5)
Amrest SRO (Czechia)	0.2	-
AmRest EOOD (Bulgaria)	0.1	-
AmRest d.o.o	0.1	-
AmRest Global S.L.U.	0.1	-
	2.5	**(3.5)**

The movement of the equity instruments in group companies as at 30 June 2020 is as follow:

	31 December 2019	Increase	Share base Options	30 June 2020
Cost				
AmRest Sp. zo.o. (Polonia)	217.3		2.2	219.5
AmRest HK Ltd	5.2		-	5.2
AmRest China Group PTE Ltd. (China)	40.4	0.1	-	40.5
Amrest SRO (Czechia)	6.7		0.1	6.8
AmRest France SAS	58.5		0.1	58.6
AmRest EOOD (Bulgaria)	3.5		-	3.5
AmRest Acquisition Subsidiary (Malta)	60.8	0.1	-	60.9
AmRest FSVC LLC	10.5	0.4	0.6	11.5
AmRest Food SRL	-		0.1	0.1
	402.9	**0.6**	**3.1**	**406.6**
	-			
Impairment				
AmRest HK Ltd	(5.2)		-	(5.2)
AmRest FSVC LLC	(10.5)	(1.0)	-	(11.5)
	(15.7)	**(1.0)**	**-**	**(16.7)**
Total Equity Instruments in group companies	**387.2**	**0.4**	**3.1**	**389.9**

(all figures in EUR millions unless stated otherwise)

During the 6 months ended on 30 June 2020 the company made the following transactions:

- On 23 June 2020 it was subscribed a capital increase in AmRest China Group PTE Ltd. (China) by an amount of EUR 0.1million.

- On 6 May 2020 and 22 June 2020, the company passed capital increases in AmRest Acquisition Subsidiary by an amount of EUR 0.05 million each.

- During the 6 months period ended 30 June 2020 the company passed several capital increases resolutions in the entity AmRest FSVC LLC by a total amount of EUR 0.4 million. The total amount of these capital increases was impaired as at 30 June 2020.

- The value of investment of some subsidiaries was affected by the valuation and exercises of share-based options within SOP and MIP. The total capitalized cost of share option plans in 2020 equals EUR 3.9 million and it is presented in the column increase. The total amount that refers to exercised options in 2020 EUR (0.8) million is presented in the column decrease. The details by subsidiaries for the half year ended as of 30 June 2020 is presented below:

	Increase	Decrease
AmRest Sp. zo.o. (Poland)	2.9	(0.7)
Amrest SRO (Czechia)	0.2	(0,1)
AmRest France SAS	0.1	-
AmRest Food SL SRL	0.1	-
AmRest FSVC LLC	0.6	
	3.9	**(0.8)**

6.2. CURRENT AND NON-CURRENT FINANCIAL INVESTMENTS (EXCLUDING GROUP EQUITY INVESTMENTS)

The net book value of each one of the categories of financial instruments as at 30 June 2021 is as follows:

Financial Assets

Classes	Non-current Financial instruments		
Categories	**Equity Instruments**	**Debt Instruments**	**Credits and other**
Financial Assets at amortized cost	-	-	218.8
Total	**-**	**-**	**218.8**

Classes	Current Financial instruments		
Categories	**Equity Instruments**	**Debt Instruments**	**Credits and other**
Financial Assets at amortized cost	-	-	51.2
Total	**-**	**-**	**51.2**

The net book value of each one of the categories of financial instruments as at 30 December 2020 is as follows:

Classes	Non-current Financial instruments		
Categories	**Equity Instruments**	**Debt Instruments**	**Credits and other**
Financial Assets at amortized cost	-	-	257.0
Total	**-**	**-**	**257.0**

Classes	Current Financial instruments		
Categories	**Equity Instruments**	**Debt Instruments**	**Credits and other**
Financial Assets at amortized cost	-		49.2
Total	**-**		**49.2**

(all figures in EUR millions unless stated otherwise)

The company grants loans to group companies at variable interest rates in the range of 2.3%-4.5% plus 3M Euribor/Libor margin, with maturities starting in 2022.

6.3. TRADE AND OTHER RECEIVABLES

As at 30 June 2021 and 31 December 2020 the trade and other receivables were composed as follows:

	30 June 2021	31 December 2020
Trade and other receivables with third parties	0.4	1.0
Trade and other receivables with group companies	3.0	3.0
Income tax and other credits with the tax administration	0.2	1.4
Impairment on other accounts receivables with group companies	(1.8)	(1.8)
Total Trade and other receivables	**1.8**	**3.6**

6.4. FINANCIAL LIABILITES

The breakdown of the financial asset as at 30 June 2021 is the following:

Classes	Non-current Financial liabilities		
Categories	**Debts with Financial Institutions**	**Other Debts**	**other**
Financial liabilities at amortized cost	292.6	63.5	
Total	**296.6**	**63.5**	**-**

Classes	Current Financial liabilities		
Categories	**Debts with Financial Institutions**	**Other Debts**	**other**
Financial liabilities at amortized cost	29.0	23.0	3.5
Total	**29.0**	**23.0**	**3.5**

The breakdown of the financial asset as at 31 December 2020 is the following:

Classes	Non-current Financial liabilities		
Categories	**Debts with Financial Institutions**	**Other Debts and payables**	**other**
Financial liabilities at amortized cost	322.3	77.5	-
Total	**296.6**	**63.5**	**-**

Classes	Current Financial liabilities		
Categories	**Debts with Financial Institutions**	**Other Debts and payables**	**Derivates and other**
Financial liabilities at amortized cost	28.5	25.1	6.2
Total	**28.5**	**25,1**	**6.2**

Debt with financial institutions – Bank loans

As at 30 June 2021, syndicated bank financing security for liabilities in 2017, with further amendments, accounts for the majority of AmRest debt. AmRest Holdings SE executed partially tranches A and D and the tranches E and F which are presented in the financial debt with financial institutions of this Annual Accounts (amounting to EUR 350.8 million the rest of the tranches were executed from AmRest Sp. z o.o. and AmRest s.r.o.).

The available tranches following scheduled repayment in September 2020:

Tranche	Maximum amount (million)	Date added	Purpose
A	EUR 225	October 2017	Repayment of bank debt. general corporate purposes
B	PLN 270	October 2017	
C (fully repaid in Q1 2019)	CZK 0	October 2017	
D	PLN 450	October 2017	
E	PLN 252	June 2018	Repayment of Polish bonds
F	EUR 171	October 2018	M&A. general corporate purposes

Details of bank financing are as follows:

- Signing date: 5 October 2017,
- Final repayment date: 30 September 2022,
- Joint Borrowers: AmRest Holdings SE, AmRest Sp. z o.o. and AmRest s.r.o. (the "Borrowers"; AmRest Sp. z o.o. and AmRest s.r.o. are fully owned by AmRest Holdings SE),
- Lenders: Bank Polska Kasa Opieki S.A., Powszechna Kasa Oszczędności Bank Polski S.A., ING Bank Śląski Polska S.A. and Česká spořitelna, a.s.
- Interest rates: Approximately half of the available facility is provided at variable interest rates (3-month Euribor/Wibor increased by margin) and parts of tranches A and F are provided on fixed rate.
- Securities: submissions to execution from the Borrowers, guarantees from Group companies, pledge on shares of Sushi Shop Group.
- Other information: AmRest is required to maintain certain ratios at agreed level, in particular, net debt/adjusted consolidated EBITDA is to be held below 3.5 and consolidated EBITDA/interest charge is to stay above 3.5. Both ratios are calculated without the effect of IFRS 16. Prior to 2020 year end AmRest has obtained from its financing banks and majority of bondholders (Schuldschein) waivers to the compliance the Group's leverage and interest coverage ratios for the fourth quarter of 2020 and the first, second and third quarters of 2021. During said periods, those covenants shall be replaced by a commitment to maintain a minimum level of liquidity.

Current financial debt with financial institutions principally includes short term repayments of the previously mentioned facility agreement payable on September 30, 2021.

The effective interest rates are similar to the market rates for specific borrowings. Therefore, the fair value of the liabilities and presented above does not differ significantly from their carrying amounts.

<u>Other debts and payables – Bonds</u>

In April 2017 AmRest Holdings SE entered the Schuldscheinedarlehen ("SSD" – debt instrument under German law) market for the first time to diversify financing sources and interest rate structure of debt and has executed several issues since then. The role of the Lead Arranger and Paying Agent on all issues was entrusted to Erste Group Bank AG.

The table below presents all SSD issues and their maturities:

Issue date	Amount (EUR million)	Interest rate	Maturity date	Amount expected to be repaid* in 2021 (EUR million)	Purpose
7 April 2017	14.0	Fixed	7 April 2022	-	Repayment. general corporate purposes
7 April 2017	6.0	Fixed	5 April 2024	5.0	
3 July 2017	35.5	Fixed	1 July 2022	2.5	
3 July 2017	20.0	Fixed	3 July 2024	-	
3 July 2017	9.5	Variable	3 July 2024	-	
	85.0				

(all figures in EUR millions unless stated otherwise)

As at 30 June2021 the SSD debt amounts to EUR 85.0 million and its corresponding interest amounting to EUR 1.5 million that are presented in the current liabilities.

*AmRest is required to maintain certain ratios at agreed levels, in particular, net debt/EBITDA is to be held below 3.5x and EBITDA/interest charge is to stay above 3.5. As these covenants were not met at 2020 YE, the company has repaid EUR 16m of SSD in the first half of the year and expects further EUR 7.5m will be repaid in 2021 to SSD investors who did not grant the covenant waivers.

The effective interest rates are similar to the market rates for specific borrowings. Therefore, the fair value of the liabilities and presented above does not differ significantly from their carrying amounts.

Current financial debt with financial institutions principally includes short term repayments of the previously mentioned bank facility agreement payable on September 30, 2021.

6.5. TRADE AND OTHER PAYABLES

As at 30 June 2021 and 31 December 2020 the trade and other payables were composed as follows:

	30 June 2021	31 December 2020
Trade and other payables with third parities	0.1	1.9
Trade and other payables with group companies	1.5	1.8
Remunerations of the board of Directors	0.3	0.3
Other payables with tax administration	0.1	0.5
Total trade and other payables	**2.0**	**4.5**

(all figures in EUR millions unless stated otherwise)

7. Cash and cash and equivalents

Cash and cash equivalents as at 30 June 2021 and 31 December 2020 are presented in the table below:

	30 June 2021	31 December 2020
Cash at bank	14.2	74.2
	14.2	**74.2**

8. Equity

8.1. SHARE CAPITAL

Since 27 April 2005, the shares of AmRest Holdings SE were listed on the Warsaw Stock Exchange ("WSE") and since 21 November 2018 on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges.

There were no changes in share capital of the Company during the half year ended on 30 June 2021.

As at 30 June 2021 and at 31 December 2020 the Company has 219 554 183 shares issued.

Share capital consists of ordinary shares. All shares issued are subscribed and fully paid. The par value of each share is 0.1 EUR.

Holders of ordinary shares are authorized to receive dividends and have voting rights at the Group's General Shareholders' Meetings proportionate to their holdings.

There are no shares committed to be issued under options, employee share schemes and contracts for the sale of shares.

To the best of AmRest's knowledge as at 30 June 2021 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	9 358 214	4.26%
Artal International S.C.A.	11 366 102	5.18%
Aviva OFE	6 843 700	3.12%
Other Shareholders	44 782 407	20.40%

** FCapital Dutch B. V. is the sole shareholder of FCapital Lux (holding directly 56 509 547 AmRest shares) and the subsidiary of Finaccess Capital, S.A. de C.V. Grupo Finaccess 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.*

8.2. RESERVES

The composition of reserves as at 30 June 2021 and 31 December 2020 is as follows:

	30 June 2021	31 December 2020
Voluntary Reserves	90.8	56.8
Legal reserves	4.4	4.1
	95.2	**60.9**

(all figures in EUR millions unless stated otherwise)

8.3. TREASURY SHARES

The Company holds treasury shares for the purpose of the execution of the stock option plan of the employees. As AmRest Holdings shares are also trading in the Warsaw Stock Exchange in Poland the price of the share is denominated in PLN.

In the period between 1 January 2021 and 30 June 2021, there were not purchases of own shares. During the same period, the Company disposed a total of 118 451 own shares with a total nominal value of EUR 11 845 and representing 0.0540% of the share capital to entitled participants of the stock options plans.

As at 30 June 2021 the Company held 505 010 treasury shares by a total value of EUR 5.2 million of (PLN 21.66 million) that were acquired at an average purchase price of PLN 42.88 (640 277 treasury shares by a total value of EUR 6.6 million (PLN 27.86 million) as at 31 December 2020 that were acquired at an average purchase price of PLN 42.98).

The movement of treasury shares for the stock option plan is as follows:

	30 June 2020	30 June 2020
Initial Balance	(6.5)	(7.5)
Adquisition of own Shares	-	-
Delivery of shares for the stock option plan	1.3	1.0
Ending Balance	(5.2)	(6.5)

8.4. OTHER EQUITY INSTRUMENTS

In the item of the balance sheet other equity instruments, it is registered the provision of the stock option plan for the employees recognised under the equity settlement method:

	30 June 2020	**31 December 2019**
Provision of the stock option plan under Equity settlement method net of cost	(24.8)	(23.4)
Other Equity instruments	**(24.8)**	**(23.4)**

The movement of the accrual for the equity instruments of the stock option plan during the 6 months ended on 30 June 2021and 2020 is as follow:

	30 June 2021	**30 June 2020**
Initial Balance	**(23.4)**	**(25.4)**
Equity share base plans accrual	2.5	3.9
Delivery of shares for the stock option plan	(1.3)	(0.9)
Proceeds from shares transfers (employee's options)	0.4	0.1
Forfeited options	(3.0)	**-**
Ending Balance	**(24.8)**	**(22.3)**

(all figures in EUR millions unless stated otherwise)

8.5. ADJUSTMENTS FOR CHANGES IN VALUE

The balance of the adjustments for changes in value is as follow:

	30 June 2021	31 December 2020
Currency translation reserve	(6.7)	(6.7)
Adjustments for changes in value	**(6.7)**	**(6.7)**

In the item currency translation reserve is registered the result of the change of the functional and presentation currency from PLN to EUR that was made during the year 2018.

9. Provisions

In the item of the balance sheet other provisions is registered the provision of the stock option plan for the employees recognised under the cash settlement method:

	30 June 2021	31 December 2020
Provision of the stock option plan under cash settlement method	0.1	0.1
Provisions	**0.1**	**0.1**

The movement of the accrual for the 6 months ended on 30 June 2021 and 2020 is as follow:

	30 June 2021	30 de Junio de 2020
Initial Balance	0.1	0.5
Revaluation to market value of options under cash settlement method	-	(0.3)
Ending Balance	**0.1**	**0.2**

10. Taxation

The composition of the balances with the public administrations is as follow:

	30 June 2021	31 December 2020
Assets		
Income tax receivable	0.2	1.4
VAT receivable	0.2	-
Total	**0.4**	**1.4**
Liabilities		
VAT payable	-	0.4
Personal income tax and other withholding taxes	0.1	0.1
Total	**0.1**	**0.5**

(all figures in EUR millions unless stated otherwise)

Income tax

With effects 1 January 2018, the Company is under the consolidation tax regime set forth in Chapter VI of Title VII of Corporate Income Tax Law 27/2014 of 27 November 2014, being the head of the tax group composed by the Company itself and the rest of the Spanish subsidiaries which at 30 June 2021 are the following:

- AmRestag, S.L.U.
- Restauravia Food, S.L.U.
- Pastificio Service, S.L.U.
- The Grill Concept, S.L.
- Black Rice S.L.U
- Bacoa Holding S.L.U
- Shushi Shop Madrid S.L.U
- AmRest Global S.L.U. *

* On 2 September 2020 the company AmRest Global, S.L.U. has been created and included as a subsidiary in the consolidation tax regime.

The composition of the income tax expense of the individual company is as follows:

	6 months ended	
	June 2021	**June 2020**
Corporate income tax	-	-
Changes in deferred taxes and liabilities	1.5	0.3
Total income tax recognised in the income statement	**1.5**	**0.3**

The amounts reported in change in deferred taxes and liabilities during the 6 months ended 30 June 2021 corresponds to the tax impact of the losses generated by the Company in the first half of the year 2021.

The reconciliation between the net result and the tax base of the individual entity for the 6 months period ended on 30 June 2021 is as follow:

	Income statement		
	Additions	Decreases	Total
Profit and loss for the period	**-**	**-**	**(5.0)**
Income tax expense	-	-	(1.5)
Permanent differences	**-**	**-**	**-**
Temporary differences	**0.5**	**-**	**0.5**
- With origin in the current year	0.5	-	0.5
- With origin in previous years	-	-	-
Tax base	**-**	**-**	**(6.0)**
Corporate income tax 25%	**-**	-	**-**

In temporary differences are adjusted mostly the impairments for receivables and investments with group companies, that will be deductible once the companies are liquidated.

The reconciliation between the net result and the tax base of the individual entity for the 6 months period ended on 30 June 2020 is as follow:

(all figures in EUR millions unless stated otherwise)

	Income statement		
	Additions	Decreases	Total
Profit and loss for the period	**-**	**-**	**(1.5)**
Income tax expense	-	-	(0,3)
Permanent differences	**0.0**	**(0.3)**	**(0.3)**
Temporary differences	**1.0**	**-**	**1.0**
- With origin in the current year	1.0	-	1.0
- With origin in previous years	-	-	-
Tax base	**-**	**-**	**(1.1)**
Corporate income tax 25%			-

In permanent differences are adjusted the revenues from Dividends and the stock option plan that are considered exempt for income tax purposes.

In temporary differences are adjusted mostly the impairments for receivables and investments with group companies, that will be deductible once the companies are liquidated.

The reconciliation between the consolidated tax base and the individual tax base of the subsidiaries of the tax group is detailed below:

	6 months ended	
	30 June 2021	30 June 2020
Tax base AmRest Holdings	**(6.0)**	**(4.1)**
Tax base contributed by subsidiaries of the tax group:	**(7.7)**	**(10.5)**
AmRestag, S.L.U.	(3.9)	(3.5)
AmRest Global S.L.U	(1)	-
Restauravia Food, S.L.U.	(1.9)	(4.4)
Pastificio Service, S.L.U.	0.5	(0.6)
The Grill Concept, S.L.U.	(0.3)	(0.9)
Bacoa Holding S.L.U.	(0.2)	(0.2)
Black Rice, S.L.U.	(0.3)	(0.4)
Sushi Shop Madrid, S.L.	(0.6)	(0.5)
Tax base of the consolidated tax group	**(13.7)**	**(11.6)**
Current income tax of the consolidated tax group (25%)	-	-

AmRest Holdings SE has the following balances related to current accounts with group entities resulted from the Consolidated tax regimen:

	30 June 2021	31 December 2020
Receivables:		
Restauravia Food, S.L.U.	1.0	1.0
AmRestag S.L.U.	0.1	0.1
Total receivables from the Consolidated tax regime	**1.1**	**1.1**
Payables		
The Grill Concept S.L.U.	(1.0)	(1.0)
Black Rice S.L.	-	(0.2)
Total payables from the Consolidated tax regime	**(1.0)**	**(1.2)**

(all figures in EUR millions unless stated otherwise)

11. Income and expenses

11.1. REVENUES

In the item Revenues of the separate income statement for the 6 months ended on 30 June 2021 and 2020 were recognized the result of the execution of stock option plan for employees, and the interest and dividends received from subsidiaries as well as the refacturation of cost to the Spanish subsidiaries:

	6 months ended	
	30 June 2021	**30 June 2020**
Revenue from Stock option plan	-	0.3
Financial income from group companies	3.8	3.6
Total Revenues	**3.8**	**3.9**

The breakdown of revenues from the stock option plan for the employees by geographical area is as follow:

	6 months ended	
	30 June 2021	**30 June 2020**
Domestic market	**-**	**0.1**
Exports:	**-**	**0.2**
a) European Union	-	0.1
a1) Euro Zone	-	-
a2) No Euro Zone	-	0.1
b) Other countries	-	0.1
Net income from the stock option plan	**-**	**0.3**

The breakdown of finance income from group companies by geographical area is as follow:

	6 months ended	
	30 June 2021	**30 June 2020**
Domestic market	**1.3**	**1.2**
Exports:	**2.5**	**2.4**
a) European Union	2.2	2.0
a1) Euro Zone	1.5	1.4
a2) No Euro Zone	0.7	0.6
b) Other countries	0.3	0.4
Finance income from group companies	**3.8**	**3.6**

11.2. PERSONNEL EXPENSES:

The detail of personnel expenses is as follow:

	6 months ended	
	30 June 2020	**30 June 2019**
Salaries	(0.7)	(0.6)
Social charges	-	-
Total other operating expenses	**(0.7)**	**(0.6)**

(all figures in EUR millions unless stated otherwise)

11.3. OTHER OPERATING EXPENSES

The composition of the other operating expenses is as follows:

	6 months ended	
	30 June 2021	30 June 2020
Profesional Services	(1.3)	(0.8)
Business travel	-	(0.1)
Other taxes	(0.2)	(0.2)
Other expenses	-	(0.1)
Total other operating expenses	**(1.5)**	**(1.2)**

12. Financial result

	6 months ended	
	30 June 2020	30 June 2019
Financial Expenses		
With group companies	(1.3)	(0.1)
With third parties	(5.7)	(5.7)
Total Financial Expenses	**(7.0)**	**(5.8)**

13. Related parties balances and transactions

As at 30 June 2021, the Group comprised the following subsidiaries:

Company name	Registered office	Parent/non-controlling undertaking	Owner-ship interest and total vote	Date of effective control
		Holding activity		
AmRest Acquisition Subsidiary Ltd.	Birkirkara, Malta	AmRest Holdings SE	100.00%	May 2007
AmRest TAG S.L.U.	Madrid, Spain	AmRest Sp. z o.o.	100.00%	March 2011
AmRest HK Ltd	Hong Kong, China	AmRest Holdings SE	100.00%	September 2011
AmRest China Group PTE Ltd	Singapore	AmRest Holdings SE	100.00%	December 2012
Bigsky Hospitality Group Ltd	Hong Kong, China	AmRest China Group PTE Ltd	100.00%	December 2012
New Precision Ltd	Mriehel, Malta	AmRest China Group PTE Ltd	100.00%	December 2012
Horizon Consultants Ltd.	Mriehel, Malta	AmRest China Group PTE Ltd	100.00%	December 2012
AmRest Management Kft	Budapest, Hungary	AmRest Kft AmRest TAG S.L.U.	99.00% 1.00%	August 2018
GM Invest SRL	Brussels, Belgium	AmRest TAG S.L.U.	100.00%	October 2018
Sushi Shop Group SAS	Paris, France	GM Invest SRL AmRest TAG S.L.U.	9.47% 90.53%	October 2018
AmRest France SAS	Paris, France	AmRest Holdings SE	100.00%	December 2018
Sushi Shop Management SAS	Paris, France	Sushi Shop Group SAS	100.00%	October 2018
Sushi Shop Holding USA LLC[4]	Dover Kent, USA	Sushi Shop Management SAS	100.00%	October 2018
Sushi Shop Luxembourg SARL	Luxembourg	Sushi Shop Group SAS	100.00%	October 2018
Sushi Shop Switzerland SA	Fribourg, Switzerland	Sushi Shop Management SAS	100.00%	October 2018
		Restaurant, franchise and master-franchise activity		
AmRest Sp. z o.o.	Wroclaw, Poland	AmRest Holdings SE	100.00%	December 2000
AmRest s.r.o.	Prague, Czechia	AmRest Holdings SE	100.00%	December 2000
AmRest Kft	Budapest, Hungary	AmRest Sp. z o.o.	100.00%	June 2006
AmRest Coffee Sp. z o.o.	Wroclaw, Poland	AmRest Sp. z o.o. Starbucks Coffee International,Inc.	82.00% 18.00%	March 2007
AmRest EOOD	Sofia, Bulgaria	AmRest Holdings SE	100.00%	April 2007
OOO AmRest	Saint Petersburg, Russia	AmRest Acquisition Subsidiary Ltd. AmRest Sp. z o.o.	44.72% 55.28%	July 2007
AmRest Coffee s.r.o.	Prague, Czechia	AmRest Sp. z o.o. Starbucks Coffee International,Inc.	82.00% 18.00%	August 2007
AmRest Kávézó Kft	Budapest, Hungary	AmRest Sp. z o.o. Starbucks Coffee International,Inc.	82.00% 18.00%	August 2007

(all figures in EUR millions unless stated otherwise)

Company name	Registered office	Parent/non-controlling undertaking	Owner-ship interest and total vote	Date of effective control
AmRest d.o.o.	Belgrade, Serbia	AmRest Sp. z o.o.	60.00%	October 2007
		ProFood Invest GmbH	40.00%	
Restauravia Food S.L.U.	Madrid, Spain	AmRest TAG S.L.U.	100.00%	April 2011
Pastificio Service S.L.U.	Madrid, Spain	AmRest TAG S.L.U.	100.00%	April 2011
AmRest Adria d.o.o.	Zagreb, Croatia	AmRest Sp. z o.o.	100.00%	October 2011
AmRest GmbH i.L.[1]	Cologne, Germany	AmRest TAG S.L.U.	100.00%	March 2012
AmRest SAS.	Paris, France	AmRest TAG S.L.U.	100.00%	April 2012
AmRest Adria 2 d.o.o.	Ljubljana, Slovenia	AmRest Sp. z o.o.	100.00%	August 2012
Frog King Food&Beverage Management Ltd	Shanghai, China	Bigsky Hospitality Group Ltd	100.00%	December 2012
Blue Frog Food&Beverage Management Ltd	Shanghai, China	New Precision Ltd	100.00%	December 2012
Shanghai Kabb Western Restaurant Ltd	Shanghai, China	Horizon Consultants Ltd.	100.00%	December 2012
AmRest Skyline GMBH	Cologne, Germany	AmRest TAG S.L.U.	100.00%	October 2013
Kai Zhen Food and Beverage Management (Shanghai) Ltd	Shanghai, China	BlueFrog Food&Beverage Management Ltd	100.00%	March 2014
AmRest Coffee EOOD	Sofia, Bulgaria	AmRest Sp. z o.o.	100.00%	June 2015
AmRest Coffee S.r.l.	Bucharest, Romania	AmRest Sp. z o.o.	100.00%	June 2015
AmRest Food Srl.	Bucharest, Romania	AmRest Sp. z o.o.	99.00%	July 2019
		AmRest Holdings SE	1.00%	July 2019
AmRest Coffee SK s.r.o.	Bratislava, Slovakia	AmRest s.r.o.	99.00%	December 2015
		AmRest Sp. z o.o.	1.00%	
AmRest Coffee Deutschland Sp. z o.o. & Co. KG	Munich, Germany	AmRest Kaffee Sp. z o.o.	23.00%	May 2016
		AmRest TAG S.L.U.	77.00%	
AmRest DE Sp. z o.o. & Co. KG	Munich, Germany	AmRest Kaffee Sp. z o.o.	100.00%	December 2016
The Grill Concept S.L.U.	Madrid, Spain	Pastificio Service S.L.U.	100.00%	December 2016
Kai Fu Food and Beverage Management (Shanghai) Co. Ltd	Shanghai, China	Blue Frog Food&Beverage Management Ltd	100.00%	December 2016
LTP La Tagliatella Portugal, Lda	Lisbon, Portugal	AmRest TAG S.L.U.	100.00%	February 2017
LTP La Tagliatella Franchise II Portugal, Lda	Lisbon, Portugal	AmRest TAG S.L.U.	100.00%	April 2019
AmRest AT GmbH	Vienna, Austria	AmRest Sp. z o.o.	100.00%	March 2017
AmRest Topco France SAS	Paris, France	AmRest France SAS	100.00%	May 2017
AmRest Delco France SAS	Paris, France	AmRest Topco France SAS	100.00%	May 2017
AmRest Opco SAS	Paris, France	AmRest France SAS	100.00%	July 2017
OOO Chicken Yug	Saint Petersburg, Russia	OOO AmRest	100.00%	October 2017
OOO AmRest Pizza	Saint Petersburg, Russia	AmRest Acquisition Subsidiary Ltd.	99.999996%	November 2017
		OOO AmRest	0.000004%	
AmRest Coffee SRB d.o.o.	Belgrade, Serbia	AmRest Holdings SE	100.00%	November 2017
AmRest Chamnord SAS	Paris, France	AmRest Opco SAS	100.00%	March 2018
AmRest SK s.r.o.	Bratislava, Slovakia	AmRest s.r.o.	99.00%	April 2018
		AmRest Sp. z o.o.	1.00%	
AmRest Pizza GmbH	Munich, Germany	AmRest DE Sp. z o.o. & Co. KG	100.00%	June 2018
Black Rice S.L.U.	Madrid, Spain	AmRest TAG S.L.U.	100.00%	July 2018
Bacoa Holding S.L.U.	Madrid, Spain	AmRest TAG S.L.U.	100.00%	July 2018
Sushi Shop Restauration SAS	Paris, France	Sushi Shop Management SAS	100.00%	October 2018
Sushi House SA	Luxembourg	Midicapital	14.00%	October 2018
		Sushi Shop Luxembourg SARL	86.00%	
Sushi Shop London Pvt LTD	London, UK	Sushi Shop Group SAS	100.00%	October 2018
Sushi Shop Belgique SA	Bruxelles, Belgium	Sushi Shop Group SAS	100.00%	October 2018
Sushi Shop Louise SA	Bruxelles, Belgium	Sushi Shop Belgique SA	54.80%	October 2018
		Midicapital	45.20%	
Sushi Shop UK Pvt LTD	Charing, UK	Sushi Shop Group SAS	100.00%	October 2018
Sushi Shop Anvers SA[2]	Bruxelles, Belgium	Sushi Shop Belgique SA	100.00%	October 2018
Sushi Shop Geneve SA	Geneva, Switzerland	Sushi Shop Switzerland SA	100.00%	October 2018
Sushi Shop Lausanne SARL	Lasanne, Switzerland	Sushi Shop Switzerland SA	100.00%	October 2018
Sushi Shop Madrid S.L.	Madrid, Spain	Sushi Shop Management SAS	100.00%	October 2018
Sushi Shop Milan SARL	Milan, Italy	Sushi Shop Management SAS	70.00%	October 2018
		Vanray SRL	30.00%	
Sushi Shop NE USA LLC[4]	New York, USA	Sushi Shop Holding USA LLC	100.00%	October 2018
Sushi Shop NY1 LLC[4]	New York, USA	Sushi Shop Holding USA LLC	64.00%	October 2018

(all figures in EUR millions unless stated otherwise)

Company name	Registered office	Parent/non-controlling undertaking	Owner-ship interest and total vote	Date of effective control
		Sushi Shop NE USA LLC	36.00%	
Sushi Shop NY2 LLC[4]	New York, USA	Sushi Shop Holding USA LLC	100.00%	October 2018
Sushi Shop Zurich GMBH	Zurich, Switzerland	Sushi Shop Switzerland SA	100.00%	October 2018
Sushi Shop Nyon SARL	Nyon, Switzerland	Sushi Shop Switzerland SA	100.00%	October 2018
Sushi Shop NL B.V. [3]	Amsterdam, Netherlands	Sushi Shop Group SAS	100.00%	October 2018
Sushi Shop Vevey SARL	Vevey, Switzerland	Sushi Shop Switzerland SA	100.00%	November 2019
Sushi Shop Fribourg SARL	Fribourg, Switzerland	Sushi Shop Switzerland SA	100.00%	November 2019
Sushi Shop Yverdon SARL	Yverdon, Switzerland	Sushi Shop Switzerland SA	100.00%	Novemner 2019
Financial services and others for the Group				
AmRest LLC	Wilmington, USA	AmRest Sp. z o.o.	100.00%	July 2008
AmRest Work Sp. z o.o.	Wroclaw, Poland	AmRest Sp. z o.o.	100.00%	March 2012
La Tagliatella International Kft	Budapest, Hungary	AmRest TAG S.L.U.	100.00%	November 2012
La Tagliatella SAS	Paris, France	AmRest TAG S.L.U.	100.00%	March 2014
AmRest Kaffee Sp. z o.o.	Wroclaw, Poland	AmRest Sp. z o.o.	100.00%	March 2016
AmRest Estate SAS	Paris, France	AmRest Opco SAS	100.00%	September 2017
AmRest Leasing SAS	Paris, France	AmRest Opco SAS	100.00%	September 2017
AmRest Franchise Sp. z o.o.	Wrocław, Poland	AmRest Sp. z o.o.	100.00%	December 2018
AmRest Global S.L.U.	Madrid, Spain	AmRest Holdings SE	100.00%	September 2020
Supply services for restaurants operated by the Group				
SCM Czech s.r.o.	Prague, Czechia	SCM Sp. z o.o.	90.00%	March 2007
		Ondrej Razga	10.00%	
SCM Sp. z o.o.	Warsaw, Poland	AmRest Sp. z o.o.	51.00%	October 2008
		R&D Sp. z o.o.	33.80%	
		Beata Szafarczyk-Cylny	5.00%	
		Zbigniew Cylny	10.20%	

[1] *On 25 November 2016 Amrestavia, S.L.U., the sole shareholder of AmRest GmbH, decided to liquidate this company. The liquidation process has not been finished up until the date of this Report.*

[2] *On 1 October 2020 Sushi Shop Belgique SA, the sole shareholder of Sushi Shop Anvers SA, decided to liquidate this company. The liquidation process has not been finished up until the date of this Report.*

[3] *On 1 October 2020 Sushi Shop Group SAS, the sole shareholder of Sushi Shop NL B.V., decided to liquidate this company. The liquidation process has not been finished up until the date of this Report.*

[4] *On 16 December 2020 Sushi Shop Management SAS, the sole shareholder of Sushi Shop Holding USA LLC, Sushi Shop NE USA LLC, Sushi Shop NY1 LLC and Sushi Shop NY2 LLC decided to liquidate these companies. The liquidation process has not been finished up until the date of this Report.*

- *On 9 April 2021 AmRest FSVC LLC has been deregistered.*

(all figures in EUR millions unless stated otherwise)

The balances with the Group entities are as follows:

	30 June 2021	31 December 2020
Assets		
Long term loans granted to group companies	218.7	256.9
Short term loans granted to group companies	48.3	45.8
Total loans granted to group companies	**267.0**	**302.7**
AmRest TopCo	8.2	8.2
AmRest Opco SAS	36.4	35.9
AmRest China	7.4	7.0
AmRest Coffee Deutschland Sp. z o.o.	3.1	37.2
AmRest DE Sp. z o.o. & Co. KG	-	42.8
AmRest AT GmbH	3.6	3.9
AmRest Kaffee Sp. z o.o.	44.6	35.1
AmRest TAG S.L.U.	100.3	70.2
Blue Frog Food & Beverage Management	-	6.9
Pastificio Service. S.L.U.	26.7	27.1
Restauravia Food. S.L.U.	11.4	11.2
AmRest Adria d.o.o.	1.0	1.2
AmRest Pizza Sp. z o.o.&Co. KG	2.7	1.9
AmRest SK s.r.o.	1.9	1.7
OOO AmRest	-	0.7
Sushi Shop SAS	2.5	2.5
AmRest Coffee Sk sro	0.6	0.6
AmRest sp.zoo	13.1	7.1
AmRest Food SRL	1.5	1.5
AmRest Global, S.L.U.	2.0	-
Other financial assets with group companies	**1.1**	**3.4**
Restauravia Food. S.L.U.	1.0	1.0
AmRest TAG S.L.U.	0.1	0.2
AmRest S.R.O.	-	2.2
Trade and other receivables with group companies	**1.0**	**1.2**
AmRest Sp. z o.o.	0.1	0.8
AmRest SRO	0.1	0.1
Pastificio Service S.L.U.	-	0.1
AmRest TAG S.L.U.	0.5	0.2
Other related parties	0.3	-
Liabilities		
Short term debt and other current financial liabilities	**1.5**	**1.8**
The Grill Concept S.L.U.	1.0	1.0
Bacoa Black Rice S.L.	-	0.2
Sushi Shop SAS	0.1	0.1
Pastificio Service S.L.U.	0.4	0.5
Trade payables with group companies	**1.5**	**1.8**
AmRest Sp. z o.o.	0.1	0.3
AmRest TAG S.L.U.	1.1	1.2
Other related parties	0.3	0.3

(all figures in EUR millions unless stated otherwise)

The transactions with group entities are as follows:

	30 June 2021	30 June 2020
Revenues		
Revenues from the result of the stock option plan	**-**	**0.3**
AmRest SRO	-	0.1
OOO AmRest	-	0.1
Other related parties	-	0.1
Financial Income from group companies	**3.8**	**3.6**
AmRest China Group PTE Ltd.	0.2	0.2
AmRest Coffee Deutschland Sp Zoo	0.3	0.2
AmRest Topco France	0.1	0.1
AmRest Opco SAS	0.5	0.5
AmRest DE Sp. z o.o. & Co. KG	0.4	0.5
AmRest Kaffee Sp. z o.o.	0.6	0.5
AmRest TAG S.L.U.	0.9	0.8
Pastificio Service S.L.U.	0.3	0.3
Restauravia Food S.L.U.	0.1	0.1
Blue Frog Food & Beverage Mana	0.1	0.2
AmRest AT GmbH	0.1	0.1
Other related parties	0.2	0.1
Expenses		
Financial expenses with group companies	**(1.7)**	**(0.1)**
Pastificio Service S.L.U.	-	(0.1)
AmRest Tag S.L.U.	(0.1)	-
AmRest Coffee Deutschland Sp. Z.o.o.	(1.6)	-
Impairment in investments of groups companies	**-**	**(0.1)**
AmRest FSVC LLC	-	(0.1)

14. Remuneration of the board of directors and senior executives

(a) Below are described the remunerations of the board of Directors and Management Board (Senior Executives) following the regulations of the CNMV Circular 5/2015 from 28 October:

The remuneration of Board of Directors paid by AmRest Holdings SE for all the retribution concepts is the following:

	6 months ended	
	30 June 2021	**30 June 2020**
Board of Directors Remunerations		
Fixed Remuneration	(0.3)	(0.1)
Operations with shares and/or other financial instruments	-	-
Total Board of Director remunerations	**(0.3)**	**(0.1)**

The remuneration of the Board of Directors paid by other subsidiaries of the group for all the retribution concepts are as follows:

	6 months ended	
	30 June 2021	**30 June 2020**
Board of Directors Remunerations		
Salaries	-	-
Variable Remuneration	-	-
Total Board of Director remunerations	**-**	**-**

The remuneration of the Senior Executives paid by the Company is as follow:

	6 months ended	
	30 June 2021	**30 June 2020**
Total remuneration received by the Senior Executives	(0.5)	(0.9)
Total remuneration received by the Senior Executives	**(0.5)**	**(0.9)**

The remuneration of the Senior Executives paid by other subsidiaries of the group is as follows:

	6 months ended	
	30 June 2021	**30 June 2020**
Total remuneration received by the Senior Executives	(2.2)	(1.4)
Total remuneration received by the Senior Executives	**(2.2)**	**(1.4)**

(b) Information about conflict of interest situations of the Board of Directors:

In the duty to avoid situations of conflict with the interest of the Company, during the year the directors who have held positions on the Board of Directors have complied with the obligations set forth in article 228 of the consolidated text of the Capital Companies Law. Likewise, both they and the persons related to them, have refrained from incurring in the cases of conflict of interest foreseen in article 229 of said law, except in the cases in which the corresponding authorization has been obtained.

(c) Transactions other than ordinary business or under terms differing from market conditions carried out by the Board of Directors or Audit Committee:

During the 6 months ended in June 2021 and 2020 the members of the Board of Directors of the Company or of the Audit Committee have not carried out any transactions other than ordinary business with the Company or applied terms that differ from market conditions.

(all figures in EUR millions unless stated otherwise)

15. Other information

15.1. AVERAGE NUMBER OF EMPLOYEES

The average number of employees, distributed by categories, for the 6 months ended on 30 June 2021 and 30 June 2020 are as follow:

Categories	June 2021	June 2020
Executive Managers	2	2
Other Managers	-	1
Other employees	1	2
Total	**3**	**5**

The number of employees and members of the board of directors, distributed by gender, as at 30 June 2021 and 30 June 2020 is a follow:

Categories/Gender	June 2021		June 2020	
	Males	Females	Males	Females
Board members	5	2	5	2
Executive Managers	2	-	2	-
Other Managers	-	-	1	-
Other employees	1	-	-	2
	8	**2**	**8**	**4**

There are no employees with a disability rating of 33% or higher.

15.2. TAX INSPECTIONS

On 22 July 2019, Pastificio Service Service S.L. (as the taxpayer), Amrest Tag SL (as head of the Tax Group 539/11 during the tax audit period) and AmRest Holdings, SE (as the current head of the Tax Group 539/11) were notified of the initiation of a tax audit, regarding to corporate income tax, for the fiscal years 2014 to 2017. This is a partial tax audit, only referred to tax relief applied by Pastificio Service, SL in corporate income tax bases of 2014 to 2017, regarding the deductions related to certain intangible assets (i.e., patent box regimen).

On 17 August 2020, the mentioned companies received the settlement proposal from the tax auditors, including the regularization of the total amount of the tax relief applied during 2014 to 2017. This settlement proposal amounted to 1 million Euros.

On 14 September 2020, the companies submitted allegations before the Tax Auditors, being dismissed.

On 10 December 2020 the Companies have signed the Non-Conformity Tax Audit Settlement with regards to the settlement proposal and, afterwards, on January 2021 the companies submitted the corresponding allegations before the Technical Office against the final settlement proposal.

On 22 March 2021 Pastificio Service S.L.U. (as the taxpayer), AmRest Tag S.L.U. (as head of the Tax Group during the tax audit period) and AmRest Holdings SE (as the current head of the Tax Group) received the settlement agreement from the tax office indicating the additional tax liability amounting to EUR 1.1 million, which was paid by the taxpayer on 14 June 2021. However, the Company disagree with the tax authorities and on 22 April 2021 submitted the economic-administrative claim and the allegations has been filed on 26 July 2021.

15.3. Information about the environment

Given the activity to which the Company is dedicated, it has no liabilities, expenses, assets, provisions, or environmental contingencies that could be significant in relation to the assets, financial situation and results of the same. For this reason, the specific disclosures of information are not included in this report.

15.4. Subsequent events

After 30 June 2021, until the date of publication of this interim report, COVID-19 pandemic continues. Significant efforts are put by governments to mass vaccination programs to succeed and allow to reduce any future infection cycles. Group's revenues and operations after 30 June 2021 were not affected by unexpected factors. Still the uncertainties exist, and the effects of the pandemic cannot be reliably estimated.

Signatures of the Board of Directors

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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

Pablo Castilla Reparaz
Member of the Board

Mónica Cueva Díaz
Member of the Board

Emilio Fullaondo Botella
Member of the Board

Madrid, 25 August 2021

Directors' Report 30 June 2021

CONTENTS

(all figures in EUR millions unless stated otherwise)

1. Financial highlights

	6 months ended		3 months ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
Revenues	**3.8**	3.9	**1.6**	1.7
Results from operating activities	**1.2**	1.1	**0.6**	0.4
Financial Cost	**(7.7)**	(2.9)	**(6.9)**	(4.6)
Income tax expense	**1.5**	0.3	**1.3**	0.9
Profit/(loss) for the period	**(5.0)**	(1.5)	**(5.0)**	(3.3)

	30 June 2021	31 December 2020
Total Assets	**724.5**	**777.6**
Total liabilities and provisions	**411.7**	**459.8**
Non-current liabilities	**356.2**	**399.9**
Current liabilities	**55.5**	**59.8**
Share capital	**22.0**	**22.0**

2. Significant events and transactions in H1 2020

Appointment of new auditor for the years 2021, 2022 and 2023

On 30 June 2021 the Extraordinary General Shareholders 'Meeting of AmRest appointed PricewaterhouseCoopers Auditores, SL as new auditor of the Company and its Consolidated Group for the years 2021, 2022 and 2023.

3. Shareholders of AmRest Holdings SE

To the best of AmRest's knowledge as at 30 June 2020 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	9 358 214	4.26%
Artal International S.C.A.	11 366 102	5.18%
Aviva OFE	6 843 700	3.12%
Other Shareholders	44 782 407	20.40%

** FCapital Dutch B. V. is the sole shareholder of FCapital Lux (holding directly 56 509 547 AmRest shares) and the subsidiary of Finaccess Capital, S.A. de C.V. Grupo Finaccess 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.*

4. 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.

5. Information on dividends paid

Dividends have not been distributed during the 6 months ended 30 June 2021.

6. Changes in the Company's Governing Bodies

As at 30 June 2021 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
- Ms. Mónica Cueva Díaz

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

As at the day of publication of this Report the composition of the Board of Directors has not changed.

On 13 April, 2021 AmRest informed of the appointment of new CEO. Mr. Mark Chandler, CEO of the AmRest Group since May 2019, left AmRest Group effective 30 June 2021. The Board has appointed Mr. Luis Comas as new CEO of the AmRest Group, to date President of La Tagliatella.

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

During the period since 1 January 2021 the following changes occurred with respect to AmRest shares and stock options held by the members of the Board of Directors of AmRest.

As at 31 December 2020 Mr. Carlos Fernández González (member of the Company's Board of Directors) held through its closely associated person, FCapital Dutch B.V., 147 203 760 shares of the Company with a total nominal value of EUR 14 720 376. On 30 June 2021, Mr. Carlos Fernández González still held (through FCapital Dutch B.V.) 147 203 760 AmRest's shares with a total nominal value of EUR 14 720 376.

In addition, as at 31 December 2020, Mr. Carlos Fernández González held through his another closely associated person - Finaccess México, S.A. de C.V., Sociedad Operadora de Fondos de Inversión, 1 172 145 AmRest shares with a total nominal value of EUR 117 214.5. The direct holder of the shares is Latin 10, SA de CV, a fund independently managed by Finaccess Mexico, S.A. de C.V. (a subsidiary of Grupo Finaccess). On 30 June 2021, Finaccess México, S.A. de C.V., Sociedad Operadora de Fondos de Inversión still held 1 172 145 AmRest shares with a total nominal value of EUR 117 214.5.

8. 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 2021 and 30 June, 2021, AmRest didn't purchase any own shares. During the same period, the Company disposed a total of 118 451 own shares with a total nominal value of EUR 11 845.1 and representing 0.054% 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 2021 AmRest held 505 010 own shares with a total nominal value of EUR 50 501.0 and representing 0.23% of the share capital.

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

9. Basic risks and threats the company 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.

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 2021, the Group has sufficient liquidity to fulfill its liabilities in the next 12 months.

The Group analyzes liquidity needs with particular focus on maturity of debt and proactively investigates various forms of financing that could be utilized as needed.

Risk related to the COVID-19 and its implications for the economy and society

The COVID-19 pandemic has rapidly spread around the world. Most governments are taking constrain measures to contain the spread, which include isolation, confinement, quarantine and restrictions to free movement of people and closure of public and private facilities.

This situation is affecting significantly the global economy, including HORECA sector, as well as AmRest Group.

Visible results of the COVID-19 outbreak include the decrease in demand, the disruption or slowdown of supply chains and a significant increase in economic uncertainty, increase of volatility in the price of assets, exchange rates and a decrease in long term interest rates. Possible results of the COVID-19 outbreak may include changes in the market environment, people's behaviors and ways of living.

The COVID-19 pandemic has a particularly negative impact on the restaurants sectors. The ban or significant limitations in operation of restaurants resulted in a decrease in business activity and customer demand and consequently decrease of revenues.

Group management is closely monitoring the development of situation and looks for the ways of mitigating the impact of COVID-19 spread on the Group.

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.

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 of increased financial costs

The Issuer and its subsidiaries are exposed to a certain extent to adverse impact of interest rate fluctuations in connection with obtaining financing which bears floating interest rates and investing in assets bearing floating interest rates. The interest rates of bank loans and borrowings and issued bonds are based on a combination of fixed and floating reference rates which are updated over periods shorter than one year. Additionally, the Issuer 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.

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 of the risk of dispute in the case of a potential tax control. As part of these risks' minimization, 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.

(all figures in EUR millions unless stated otherwise)

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.

10. Average number of employees

The average number of employees, distributed by categories, for the 6 months ended on 30 June 2021 and 30 June 2020 are as follow:

Categories	June 2021	June 2020
Executive Managers	2	2
Other Managers	-	1
Other employees	1	2
Total	**3**	**5**

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