AmRest Holdings SE

Individual annual report 2022

Independent auditor's report on the annual accounts

To the shareholders of AmRest Holdings, SE

Report on the annual accounts

Opinion

We have audited the annual accounts of AmRest Holdings, SE (the Company), which comprise the balance sheet as at 31 December 2022, and the income statement, total statement of changes in equity, statement of cash flows and related notes for the year then ended.

In our opinion, the accompanying annual accounts present fairly, in all material respects, the equity and financial position of the Company as at 31 December 2022, as well as its financial performance and cash flows for the year then ended, in accordance with the applicable financial reporting framework (as identified in note 2 of the notes to the annual accounts), and in particular, with the accounting principles and criteria included therein.

Basis for opinion

We conducted our audit in accordance with legislation governing the audit practice in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the annual accounts* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those relating to independence, that are relevant to our audit of the annual accounts in Spain, in accordance with legislation governing the audit practice. In this regard, we have not rendered services other than those relating to the audit of the accounts, and situations or circumstances have not arisen that, in accordance with the provisions of the aforementioned legislation, have affected our necessary independence such that it has been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key audit matters	How our audit addressed the key audit matters
Recoverability of non-current investments in group companies At 31 December 2022, the balance sheet of the Company in the line item non-current investments in group companies includes an amount of 444.6 million euros, which makes up 62.1% of the total assets of the Company. As explained in note 3.1 of the accompanying notes to the annual accounts, these investments are measured at cost less impairment losses, if any. As a minimum at each year end, the Company evaluates the existence of indications of impairment. If it detects any such indications, it assesses the recoverability of the investment by measuring its value in use, using the future cash flows it expects to obtain from the ordinary activities of its investee. The undertaking of this exercise by Company management requires the use of significant judgements and estimates, including, among others, growth in sales, discount rates and terminal growth rates. As a result of the analyses performed, as disclosed in note 6 of the accompanying notes to the annual accounts, the Company has recognised impairment losses against its non-current investments in group companies of 15.8 million euros in the income statement. Deviations in the assumptions underpinning the estimates made by management could drive significant changes in the conclusions reached and, therefore, in the recoverability analysis with respect to non-current investments in group companies. This fact, together with the significance of this line item, is the reason we view this area as a key audit matter.	We gained an understanding of the processes relating to the impairment evaluation undertaken by Company management in respect of non-current investments in group companies, including those relating to the preparation of budgets, analysis and follow-up of projections, that constitute the basis for the principal judgements and estimates used by management. With regard to the cash flows prepared for those investees for which impairment indicators were identified, we analysed the methodology used, as well as the reasonableness of the plans and budgets prepared by Company management, contrasting the key assumptions used against historical performance, available comparable information and relevant industry indicators. We also evaluated the reasonableness of budgets prepared in the past by comparing them to actual results. In addition, based on our assessment of the circumstances applicable in each instance, we relied on the support of our valuation experts to evaluate the discount rates and terminal growth rates used to calculate the net present value of the cash flows. Lastly, we evaluated whether the disclosures provided in note 6 of the accompanying notes to the annual accounts relating to this matter are adequate, bearing in mind those required under applicable accounting standards. We believe that we have obtained sufficient and adequate evidence regarding the conclusions reached by Company management and the consistency of those conclusions with currently available information.

Other information: Directors' report

Other information comprises only the directors' report for the 2022 financial year, the formulation of which is the responsibility of the Company's directors and does not form an integral part of the annual accounts.

Our audit opinion on the annual accounts does not cover the directors' report. Our responsibility regarding the directors' report, in accordance with legislation governing the audit practice, is to:

a) Verify only that certain information included in the Annual Corporate Governance Report and the Annual Report on Director Remuneration, as referred to in the Auditing Act, have been provided in the manner required by applicable legislation and, if not, we are obliged to disclose that fact.

b) Evaluate and report on the consistency between the rest of the information included in the directors' report and the annual accounts as a result of our knowledge of the Company obtained during the audit of the aforementioned financial statements, as well as to evaluate and report on whether the content and presentation of this part of the directors' report is in accordance with applicable regulations. If, based on the work we have performed, we conclude that material misstatements exist, we are required to report that fact.

On the basis of the work performed, as described above, we have verified that the information mentioned in section a) above has been provided in the manner required by applicable legislation and that the rest of the information contained in the directors' report is consistent with that contained in the annual accounts for the 2022 financial year, and its content and presentation are in accordance with applicable regulations.

Responsibility of the directors and the audit committee for the annual accounts

The directors are responsible for the preparation of the accompanying annual accounts, such that they fairly present the equity, financial position and financial performance of the Company, in accordance with the financial reporting framework applicable to the entity in Spain, and for such internal control as the aforementioned directors determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The audit committee is responsible for overseeing the process of preparation and presentation of the annual accounts.

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with legislation governing the audit practice in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with legislation governing the audit practice in Spain, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the entity's audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the entity's audit committee with a statement that we have complied with relevant ethical requirements, including those relating to independence, and we communicate with the aforementioned those matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the entity's audit committee, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

European single electronic format

We have examined the digital file of the European single electronic format (ESEF) of AmRest Holdings, SE for the 2022 financial year that comprises an XHTML file of the annual accounts for the financial year, which will form part of the annual financial report.

The directors of AmRest Holdings, SE are responsible for presenting the annual financial report for the 2022 financial year in accordance with the formatting requirements established in the Delegated Regulation (EU) 2019/815 of 17 December 2018 of the European Commission (hereinafter the ESEF Regulation).

Our responsibility is to examine the digital file prepared by the Company's directors, in accordance with legislation governing the audit practice in Spain. This legislation requires that we plan and execute our audit procedures in order to verify whether the content of the annual accounts included in the aforementioned file completely agrees with that of the annual accounts that we have audited, and whether the format of these accounts has been effected, in all material respects, in accordance with the requirements established in the ESEF Regulation.

In our opinion, the digital file examined completely agrees with the audited annual accounts, and these are presented, in all material respects, in accordance with the requirements established in the ESEF Regulation.

Report to the audit committee

The opinion expressed in this report is consistent with the content of our additional report to the audit committee of the Company dated 28 February 2023.

Appointment period

The General Extraordinary Shareholders' Meeting held on 30 June 2021 appointed us as auditors for a period of three years, as from the year ended 31 December 2021.

Services provided

Services provided to the audited entity for services other than the audit of the accounts are disclosed in note 20 to the annual accounts.

In relation to the services provided to the subsidiaries of the Company for services other than the audit of the accounts, refer to the audit report dated 28 February 2023 on the consolidated financial statements of AmRest Holdings, SE and its subsidiaries, where these subsidiaries have been consolidated.

PricewaterhouseCoopers Auditores, S.L. (S0242)

Álvaro Moral Atienza (21428)

28 February 2023

AUDITORES
INSTITUTO DE CENSORES JURADOS DE CUENTAS DE ESPAÑA

PRICEWATERHOUSECOOPERS AUDITORES, S.L.

2023 Núm. 01/23/01021
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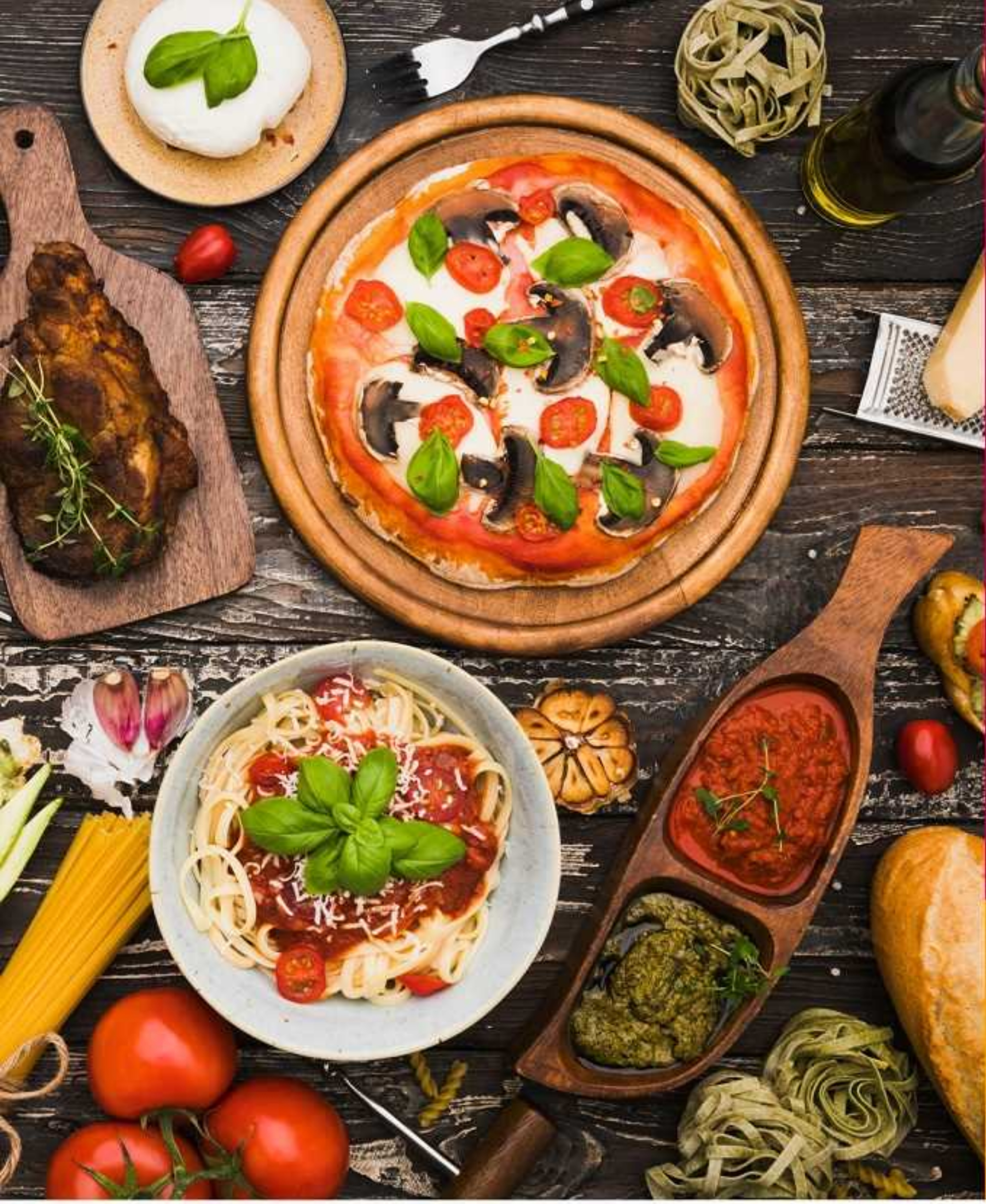

Annual Accounts and Directors' Report

for the year ended 31 December 2022

AmRest Holdings, SE

27 FEBRUARY 2023

AmRest

Annual Accounts

(all figures in EUR millions unless stated otherwise)

Balance sheet as of 31 December 2022

	Notes	31 December 2022	31 December 2021
Assets			
Intangible assets		**0.1**	**0.1**
Non-current investment and loans in group companies		**606.9**	**620.3**
Investments in group companies	6 and 8	444.6	441.8
Loans to group companies	5, 7 and 17	162.3	178.5
Non-current financial investments	5 and 7	**0.1**	**0.1**
Deferred tax assets	15	**8.3**	**3.3**
Total non-current assets		**615.4**	**623.8**
Trade and other receivables		**4.3**	**4.3**
Other receivables from group companies	5, 7 and 17	3.2	1.8
Other trade receivables	5 and 7	0.2	0.3
Current tax assets	15	0.8	2.1
Other tax receivables	15	0.1	0.1
Investments and loans in group companies	5, 7 and 17	**77.2**	**76.5**
Loans to group companies		70.6	75.3
Other financial assets		6.6	1.2
Other current assets	5 and 7	**0.1**	**0.1**
Cash and cash equivalents	9	**19.1**	**4.7**
Total current assets		**100.7**	**85.6**
TOTAL ASSETS		**716.1**	**709.4**
Capital and Reserves and adjustments for changes in value			
Share capital	10.1	22.0	22.0
Share premium	10.6	237.3	237.3
Reserves	10.2 y 11	107.5	95.2
Treasury shares and equity instruments	10.3	(3.7)	(4.0)
Profit for the period	11	(4.8)	12.3
Other equity instruments	10.4	(20.1)	(25.3)
Adjustments for changes in value	10.5	(6.7)	(6.7)
TOTAL EQUITY		**331.5**	**330.8**
Liabilities			
Non-current provisions	14	**0.1**	**0.1**
Non-current financial liabilities	5 and 12	**339.6**	**298.1**
Loans and borrowings from financial institutions		304.1	262.6
Other financial debt		35.5	35.5
Total non-current liabilities		**339.7**	**298.2**
Loans and borrowings from financial institutions	5 and 12	35.8	28.6
Other financial debt	5 and 12	0.4	48.0
Current debts with group companies	5, 12 and 17	5.8	1.6
Trade and other payables		**2.9**	**2.2**
Trade and other payables to third parties	5 and 12	0.2	0.1
Trade and other payables to group companies	5, 12 and 17	1.0	1.6
Personnel (salaries payable)		0.1	0.3
Other payables with tax administration	15	1.6	0.2
Total current liabilities		**44.9**	**80.4**
TOTAL LIABILITES		**384.6**	**378.6**
TOTAL EQUITY AND LIABILITIES		**716.1**	**709.4**

The accompanying notes are an integral part of the Annual Accounts for 2022

(all figures in EUR millions unless stated otherwise)

Income Statement for the year 2022

	Notes	YEAR ENDED 31 December 2022	YEAR ENDED 31 December 2021
Revenues	16.1 and 17	**24.3**	**23.5**
Dividends received from subsidiaries		16.7	15.6
Net income from the stock option plan		-	0.3
Finance income from group companies		7.6	7.6
Personnel expenses	16.2	(0.5)	(0.9)
Other operating expenses	16.3	(2.1)	(3.2)
Impairments of investments in group companies	7 and 17	(18.8)	(0.2)
Depreciation		(0.1)	(0.1)
Results from operating activities		**2.8**	**19.1**
Finance expenses	16.5	(16.5)	(11.5)
Exchange rates gains and losses	16.6	1.7	1.7
Net finance income (expense)		**(14.8)**	**(9.8)**
Profit before income tax		**(12.0)**	**9.3**
Income tax expense	15	7.2	3.0
Profit for the period	11	**(4.8)**	**12.3**

The accompanying notes are an integral part of the Annual Accounts for 2022

Statement of recognized income and expenses for the year 2022

	Notes	YEAR ENDED 31 December 2022	YEAR ENDED 31 December 2021
Profit for the period		**(4.8)**	**12.3**
Income from measurement of non-current financial investments		-	-
Tax impact from measurement of non-current financial investments		-	-
Total recognized income and expenses for the period		**(4.8)**	**12.3**

The accompanying notes are an integral part of the Annual Accounts for 2022

(all figures in EUR millions unless stated otherwise)

Statement of cash flows for the year 2022

	Notes	31 December 2022	31 December 2021
Cash flows from operating activities			
Profit before tax		**(12.0)**	**9.3**
Adjustments:		**9.4**	**(13.3)**
Impairment losses	7 and 17	18.8	0.2
Dividends from subsidiaries	16.1	(16.7)	(15.6)
Share based payment plan revenue	16.1	-	(0.3)
Depreciation		0.1	0.1
Finance income	16.1	(7.6)	(7.6)
Finance expenses	16.5	16.5	11.5
Exchange gains/losses	16.6	(1.7)	(1.7)
Personnel expenses SOP		-	0.1
Changes in operating assets and liabilities		**1.9**	**0.4**
Trade and other receivables		1.1	2.6
Trade and other payables		0.8	(2.2)
Other cash flows from operating activities		**(6.4)**	**10.5**
Interest paid		(9.4)	(11.0)
Interest received		1.9	4.4
Dividends received from subsidiaries		-	17.8
Income tax payment		1.1	(0.7)
Net cash provided by operating activities		**(7.1)**	**6.9**
Cash flows from investing activities			
Increase in investments loans and borrowings with group companies	5, 7 and 17	(10.3)	(68.2)
Proceeds from investment loans and borrowings with group companies	5, 7 and 17	17.9	68.8
Net cash used in investing activities		**7.6**	**0.6**
Cash flows from financing activities			
Proceeds from disposals of own shares (employees options)	10.4	-	0.5
Proceeds from debts with financial institutions	5 and 12	99.4	-
Proceeds from debt with group companies	5, 12 and 17	4.7	-
Repayment of debt with financial institutions	5 and 12	(56.6)	(59.0)
Repayment of other debts	5 and 12	(33.6)	(18.5)
Net cash provided by/(used in) financing activities		**13.9**	**(77.0)**
Net change in cash and cash equivalents		**14.4**	**(69.5)**
Balance sheet change of cash and cash equivalents”		14.4	(69.5)
Cash and cash equivalents at the beginning of the period	**9**	**4.7**	**74.2**
Cash and cash equivalents as of the end of the period	**9**	**19.1**	**4.7**

The accompanying notes are an integral part of the Annual Accounts for 2022

(all figures in EUR millions unless stated otherwise)

Total statement of changes in equity for the year 2022

	Share capital (Note 10)	Share premium (Note 10)	Legal Reserve (Note 10)	Voluntary Reserves (Note 10)	Treasury shares (Note 10)	Profit or loss for the period (Note 11)	Other Equity instruments (Note 10)	Adjustment for changes in value (Note10)	Total Equity
As of 31 December 2020	**22.0**	**237.3**	**4.1**	**56.8**	**(6.5)**	**34.3**	**(23.4)**	**(6.7)**	**317.9**
Total recognised income and expense	-	-	-	-	-	12.3	-	-	12.3
Transactions on own shares and equity holdings (net)	-	-	-	-	2.5	-	(1.9)	-	0.6
Transfer of profit or loss to reserves	-	-	0.3	34.0	-	(34.3)	-	-	-
As of 31 December 2021	**22.0**	**237.3**	**4.4**	**90.8**	**(4.0)**	**12.3**	**(25.3)**	**(6.7)**	**330.8**
Total recognised income and expense (Note 11)	-	-	-	-	-	(4.8)	-	-	(4.8)
Transactions on own shares and equity holdings (net)	-	-	-	-	0.3	-	5.2	-	5.5
Transfer of profit or loss to reserves	-	-	-	12.3	-	(12.3)	-	-	-
As of 31 December 2022	**22.0**	**237.3**	**4.4**	**103.1**	**(3.7)**	**(4.8)**	**(20.1)**	**(6.7)**	**331.5**

The accompanying notes are an integral part of the Annual Accounts for 2022

Notes to the Annual Accounts

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 is Paseo de la Castellana, 163 28046 Madrid, Spain.

The main activity of the Company is the subscription, possession, 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 ("PH"), Burger King ("BK") and Starbucks ("SBX") 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 franchise rights 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 are operated both by AmRest and its sub-franchisees based on master-franchise agreements ("MFA"). As previously announced, due to termination of Pizza Hut Master Franchise Agreements in Russia and Germany, the Pizza Hut restaurants on these markets were transferred in Q2 2022 and Q4 2022, respectively, to two different counterparties designated by Yum! In December 2022 AmRest entered into a share purchase agreement with Almira OOO, for the sale of its KFC restaurant business in Russia. The closing of the Transaction is subject to the approval by competition authority in Russia, the consent by Yum! Brands Inc.-brand owner and to other regulatory authorizations that may be applicable in Russia.

In Spain and Portugal the Group operates its own brand La Tagliatella. This business is based on operating equity and franchise restaurants and is supported by the central kitchen located in Spain which produces and delivers products to the whole network. In China the Group operates its own brand called Blue Frog.

In 2018 the Group acquired the Bacoa and Sushi Shop brands, as a result of which it operates proprietary and franchise restaurants. Bacoa is operating in Spain and Sushi Shop in France, Belgium, Spain, Switzerland, United Kingdom, Luxembourg, Italy, United Arab Emirates and Saudi Arabia. Bacoa is a primarily premium burger concept in Spain, and Sushi Shop is the operator of the leading European chain of Japanese cuisine restaurants.

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 Armrest's shares have been quoted simultaneously on both above stock exchanges (dual listing).

As of 31 December 2022, FCapital Dutch, S.L. is the largest shareholder of AmRest Holdings and held 67.05% of its shares and voting rights. The parent entity of the Group on the top level is Grupo Finaccess.

These annual accounts have been prepared and approved by the Company's Board of Directors on 27 February 2023. The Board of Directors considers that the annual accounts for 2022 will be approved with no changes by the shareholders at their annual general meeting.

Simultaneously, the Board of Directors has formulated the consolidated financial statements of AmRest Holdings, SE and its Subsidiaries for the financial year 2022, which show consolidated profit of Euros 6.6 million and consolidated Equity of Euros 331.2 million (profit of Euros 35.4 million and 307.5 million, respectively for the financial year 2021).

2. Basis of preparation

True and fair view

The Annual Accounts for 2022 have been prepared on the basis of the accounting records of AmRest Holdings SE by the Company's Board of Directors in accordance with current commercial legislation and with the rules established in the General Accounting Plan approved by Royal Decree 1514/2007 and the modifications incorporated thereto, the last being those incorporated by Royal Decree 1/2021, of 12 December, effective for fiscal years beginning on or after January 1, 2022, in order to give a true and fair view of the Company's equity and financial position as of 31 December 2022 and results of operations, changes in equity and cash flows for the year then ended 31 December 2022.

The preparation of the Annual Accounts 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 (always that there are impairment evidences), the future cash flows expected to be generated by the investees are taken into account using hypotheses based on the existing market conditions).

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 31 December 2022, 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 separated financial statements deriving from the adjustments made in later financial years will be recorded prospectively.

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 flows, and the notes of the annual accounts present for comparative purposes, the amounts from the previous financial year, which formed part of the annual accounts of the financial year ended 31 December 2021, approved by the Shareholders on 12 May 2022.

Functional and presentation currency

The annual accounts are presented in euros, which is the functional and presentation currency of the Company.

3. Accounting policies

3.1 FINANCIAL ASSETS

■ **Financial assets at amortized cost:**

There are included in this category those financial assets, even those admitted to negotiation in an organized market, in which the Company has the investments with the purpose for obtaining cash flows from the execution of the contract, and the contractual conditions from these financial assets give in determined dates cash flows that are the reimbursement of the principal and interest from the remaining amounts.

The contractual cash flows that are only reimbursement of principal and interest from the remaining principal amount that are implicit to an agreement that has the feature as a common loan without prejudice that the operation as a zero interest or lower than the market stablishes.

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.

Initial measurement

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 Equity instruments, 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.

Subsequent measurement

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.

Impairment

The necessary valuation corrections are made, at least at annual closing date, and whenever there is objective evidence that the value of a financial asset, or of a group of financial assets with similar risk characteristics valued collectively, has been impaired as a result of one or more events that have occurred after its initial recognition and that cause a reduction or delay in future estimated cash flows, which may be motivated by the insolvency of the debtor.

The impairment loss is calculated as the difference between net book value and the current value of future cash flows, including, where appropriate, those from the execution of real and personal guarantees, which is estimated to be generated, discounted at the effective interest rate calculated at the time of initial recognition.

Impairment losses adjustments, as well as their reversal when the amount of said loss decreases for reasons related to a subsequent event, are recognized as an expense or income, respectively, in the profit and loss account. The reversal of impairment is limited to the book value of the asset that would be recognized on the reversal date if the impairment had not been recorded.

- **Financial assets at cost:**

In this category are included the Investments in the equity of group, multi-group and associated companies.

Initial measurement

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. The investments in group companies will be valued at cost reduces by at least the correction amount of the impairments.
However, in cases where there is an investment prior to its classification as a group, multi-group or associated company, the cost of said investment is the book value that it should have immediately before the company has such qualification.
Part of the initial valuation is the amount of preferential subscription rights and the like that, if applicable, have been acquired.

Subsequent measurement

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 weighted average cost 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.

Impairment

At least at year-end, the necessary valuation adjustments are made whenever there is objective evidence that the book value of an investment will not be recoverable. The amount of the valuation adjustment is the difference between its book value and the recoverable amount, understood as the higher amount between its fair value less costs to sell and the present value of the future cash flows derived from the investment, which in the case of equity instruments, it is calculated either by estimating what is expected to be received as a result of the distribution of dividends made by the investee company and the disposal or derecognition of the investment therein, or by estimating of its participation in the cash flows that are expected to be generated by the investee company, both from its ordinary activities and from its disposal or derecognition.

Unless there is better evidence of the recoverable amount of investments in equity instruments, the estimate of the loss due to impairment of this class of assets is calculated based on the equity of the investee and the tacit capital gains existing at the valuation date, net of the tax effect. In determining this value, and provided that the investee company has in turn invested in another, the equity included in the consolidated annual accounts prepared by applying the criteria of the Code of Commerce and its implementing regulations is taken into account.

The recognition of valuation corrections for value impairment and, if applicable, their reversal, is recorded as an expense or income, respectively, in the profit and loss account. The reversal of impairment is limited to the book value of the investment that would be recognized on the reversal date if the impairment had not been recorded.

- **Interest and dividends received from financial assets:**

Interest and dividends accrued on financial assets after acquisition shall be recognized as revenue. Interest shall be accounted for using the effective interest rate method, while dividends shall be recognized 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 recognized 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 recognized as income.

3.2 EQUITY

The share capital is represented by ordinary shares. The costs of issuing new shares or options are presented directly against equity, as lower reserves.
In the case of acquisition of the Company's own shares, the consideration paid, including any directly attributable incremental cost, is deducted from equity until its cancellation, reissue or disposal. When these shares are subsequently sold or reissued, any proceeds received, net of any directly attributable incremental transaction costs, are included in equity.

3.3 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.

Initial measurement

The financial liabilities included in this category are initially valued at their fair value, which is the transaction price, which is equivalent to the fair value of the consideration received, adjusted for the transaction costs that are directly attributable to them.
However, debits for commercial operations with a maturity of no more than one year and that do not have a contractual interest rate, as well as disbursements required by third parties on participations, the amount of which is expected to be paid in the short term, are valued at their nominal value, when the effect of not updating the cash flows is not significant.

Subsequent measurement

Financial liabilities included in this category are valued at their amortized cost. Accrued interest is recorded in the profit and loss account, applying the effective interest rate method.
However, debts maturing in no more than one year that are initially valued at their nominal value continue to be valued at that amount.

Derecognition of financial liabilities

The company will write off a financial liability, or part of it, when the obligation has extinguished; that is, when it has been satisfied, canceled, or expired.

When the current conditions of a financial liability are substantially modified, it will be recorded the derecognition of the original financial liability and the new financial liability that arises will be recognized.

In the case the modifications are not substantially different, the original financial liability will be not derecognized. Any transactions cost or commission incurred will adjust the book value of the financial liability and the amortized cost of the financial liability will be determined applying the effective interest rate that equals the book value of the financial liability with the cash flows to be paid under the new conditions since the date of the modification.

For these purposes, the conditions of the contracts will be considered substantially different, among other cases, when the present value of the cash flows of the new contract, including any commission paid, net of any commission received, differs by at least ten percent of the present value of the remaining cash flows of the original contract, restated both amounts at the effective interest rate of the latter.

3.4 CURRENT AND DEFFERED TAXES

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

Current and deferred tax are recognized 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 arise 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 recognized 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 recognized 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 recognized.

Deferred tax assets are recognized to the extent that it is probable that future tax profits will be available to offset the temporary differences. Deferred tax assets are recognized 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.

3.5 SHARE BASE PAYMENTS TRANSACTIONS

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").

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 valuation of the options at grant date.

3.6 PROVISIONS AND CONTINGENCIES

Provisions are recognized 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 recognized 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 recognized 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 recognized as an independent asset, provided that its reception is practically certain. The reimbursement is recognized 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.

3.7 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.

- Interest income on financial assets measured at amortized cost is recognized using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount by discounting the estimated future cash flows at the instrument's original effective interest rate and continues to carry the discount as a reduction of interest income. Interest income on impaired loans is recognized using the effective interest rate method.

- Dividend income is recognized as income in the income statement when the right to receive payment is established, provided that, since the date of acquisition, the investee or any group company in which the investee has an interest has generated profits in excess of the equity being distributed. Notwithstanding the foregoing, if the dividends distributed unequivocally arise from profits generated prior to the date of because amounts in excess of the profits generated by the investee since acquisition have been distributed, they are not recognized as income and reduce the carrying amount of the investment.

3.8 FOREIGN CURRENCY TRANSACTIONS

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.

3.9 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.

4. Financial Risk Management

4.1 Financial risk factors

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 safeguards in place does not ensure completely against the risk of fraud or against breaking laws. 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 summarised in this section. AmRest reviews and improves its risk management and internal control systems on an on-going basis.

- Liquidity risk

Liquidity risk is defined as the risk of incurring losses resulting from the inability to meet payment obligations in a timely manner when they become due or from being unable to do so at a sustainable cost. The Group is exposed to the risk to a lack of financing at the moment of the maturity of bank loans and bonds.

As of 31 December 2022 the Group has sufficient liquidity to fulfil its liabilities over the next 12 months.

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

- Risks related to key personnel turnover in the Group and increasing labour costs

AmRest´s success depends, to some extent, on the individual effort of selected employees and key members of management.

Excessive turnover of employees and too frequent changes in managerial positions may pose a significant risk to the stability and quality of the business activities.

- Currency risk

The results of AmRest are exposed to currency risk related to transactions and exchanges 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.

- Risk of increased financial costs

AmRest 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, AmRest and its subsidiaries may, as part of the interest rate hedging strategy, enter into derivative and other financial contracts, where the valuation of which is significantly affected by the level of reference rates.

- Tax Risk

In the process of managing and executing strategic decisions, which may affect the tax settlements, AmRest could be exposed to tax risk. In the event of irregularities occurring in tax settlements it would increase the dispute risk in the case of a potential tax control.

- Cyberattack Risk

The Group's operations are supported by a 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 unauthorised access to confidential data, which may be a result of cyberattacks.

- Global crisis and disruption

The potential occurrence of global disasters, such as health epidemics, economic crises, energy crises, extreme weather events, or other critical events creates a risk of disruption the Group's business, industry and economies where the Group operates and could impact the Group's day to day business concerns.

- Adverse regulatory change or evolution

Failure to anticipate, identify and respond to new regulation that may result in fines, litigations and/or the loss of operating licenses or other restrictions.

(all figures in EUR millions unless stated otherwise)

5. Financial instruments

a) Analysis by categories:

The net book value of each one of the categories of financial assets established in the registration and valuation rule for “Financial Instruments” except for investments in the equity of group is as follows:

Financial Assets:

	Non-current Financial assets		
Categories 2022	**Equity Instruments**	**Debt Securities**	**Credits and Other**
Financial Assets at Amortized Cost			162.4
Total			**162.4**

	Current Financial assets		
Categories 2022	**Equity Instruments**	**Debt Securities**	**Credits and Other**
Financial Assets at Amortized Cost	-	-	80.7
Total	**-**	**-**	**80.7**

	Non-current Financial assets		
Categories 2021	**Equity Instruments**	**Debt Securities**	**Credits and Other**
Financial Assets at Amortized Cost	-	-	178.6
Total	**-**	**-**	**178.6**

	Current Financial assets		
Categories 2021	**Equity Instruments**	**Debt Securities**	**Credits and Other**
Financial Assets at Amortized Cost	-	-	78.7
Total	**-**	**-**	**78.7**

Financial Liablities:

	Non-current Financial liabilities		
Categories 2022	**Debts with Financial Institutions**	**Bonds and other negotiable securities**	**Derivatives and others**
Financial liabilities at Amortized Cost	304.1	35.5	-
Total	**304.1**	**35.5**	**-**

	Current Financial liabilities		
Categories 2022	**Debts with Financial Institutions**	**Bonds and other negotiable securities**	**Derivatives and others**
Financial liabilities at Amortized Cost	35.8	0.4	7.0
Total	**35.8**	**0.4**	**7.0**

	Non-current Financial liabilities		
Categories 2021	**Debts with Financial Institutions**	**Bonds and other negotiable securities**	**Derivatives and others**
Financial liabilities at Amortized Cost	262.6	35.5	-
Total	**262.6**	**35.5**	

	Current Financial liabilities		
Categories 2021	**Debts with Financial Institutions**	**Bonds and other negotiable securities**	**Derivatives and others**
Financial liabilities at Amortized Cost	28.6	48.0	3.3
Total	**28.6**	**48.0**	**3.3**

(all figures in EUR millions unless stated otherwise)

Analysis by Maturities:

As of 31 December 2022 and 2021, the amounts of financial instruments with a determined or determinable maturity classified by year of maturity are the following:

Financial Assets:

2022	2023	2024	2025	2026	Following years	Total
Loans to group companies	70.6	77.2	15.3	3.9	65.9	232.9
Non-current financial investments	-	-	-	-	0.1	0.1
Trade and other receivables	3.4	-	-	-	-	3.4
Other financial assets with group companies	6.6	-	-	-	-	6.6
Other current assets	0.1	-	-	-	-	0.1
Total	**80.7**	**77.2**	**15.3**	**3.9**	**66.0**	**243.1**

2021	2022	2023	2024	2025	Following years	Total
Loans to group companies	75.3	97.3	45.6	1.0	34.6	**253.8**
Non-current financial investments	-	-	-	-	0.1	**0.1**
Trade and other receivables	2.1	-	-	-	-	**2.1**
Other financial assets with group companies	1.2	-	-	-	-	**1.2**
Other current assets	0.1	-	-	-	-	**0.1**
Total	**78.7**	**97.3**	**45.6**	**1.0**	**34.7**	**257.3**

Financial Liabilities

2022	2023	2024	2025	2026	Following years	Total
Debts with financial Institutions	35.8	304.1	-	-	-	**339.9**
Other debts and payables	0.4	35.5	-	-	-	**35.9**
Debts with group companies	6.8	-	-	-	-	**6.8**
Trade and other payables	0.2	-	-	-	-	**0.2**
Total	**43.2**	**339.6**	**-**	**-**	**-**	**382.8**

2021	2022	2023	2024	2025	Following years	Total
Debts with financial Institutions	28.6	27.9	234.7	-	-	**291.2**
Other debts and payables	48.0	-	35.5	-	-	**83.5**
Debts with group companies	1.6	-	-	-	-	**1.6**
Trade and other payables	1.7	-	-	-	-	**1.7**
Total	**79.9**	**27.9**	**270.2**			**378.0**

(all figures in EUR millions unless stated otherwise)

6. Investments in group companies

The value of the shares owned by the Company in its subsidiaries as of 31 December 2022 and 2021 is as follow:

	31 December 2022		31 December 2021			
	Interest ownership	**Value of Shares**	**Interest ownership**	**Value of Shares**	**Dividends received in 2022**	**Dividends received in 2021**
AmRest Sp. z o.o. (Poland)	100%	**268.5**	100%	**264.4**	-	-
AmRest China Group PTE Ltd. (China)	100%	**40.6**	100%	**40.5**	-	-
AmRest s.r.o. (Czechia)	100%	**7.5**	100%	**7.1**	16.7	15.6
AmRest France SAS (France)	100%	**69.5**	100%	**58.8**	-	-
AmRest EOOD (Bulgaria)	100%	**4.3**	100%	**4.2**	-	-
AmRest Acquisition Subsidiary (Malta)	100%	**45.2**	100%	**61.0**	-	-
AmRest Global S.L.U.	100%	**8.3**	100%	**5.8**	-	-
AmRest Coffee SRB d.o.o.	100%	**0.7**	100%	**-**	-	-
		444.6		**441.8**	**16.7**	**15.6**

The movement of the equity instruments in group companies as of 31 December 2022 is as follow:

	31 December 2021	**Increase**	**Decrease**	**Share-base options**	**31 December 2022**
Cost					
AmRest Sp. z o.o. (Poland)	264.4	-	-	4.1	268.5
AmRest China Group PTE Ltd. (China)	40.5	-	-	0.1	40.6
AmRest s.r.o. (Czechia)	7.1	-	-	0.4	7.5
AmRest France SAS	58.8	10.7	-	-	69.5
AmRest HK Ltd	5.2	-	-	-	5.2
AmRest EOOD (Bulgaria)	4.2	-	-	0.1	4.3
AmRest Acquisition Subsidiary (Malta)	61.0	-	-	-	61.0
AmRest Global S.L.U.	5.8	2.0	-	0.5	8.3
AmRest Coffee SRB d.o.o.	-	0.7	-	-	0.7
	447.0	**13.4**	**-**	**5.2**	**465.6**
Impairment					
AmRest HK Ltd	(5.2)	-	-	-	(5.2)
AmRest Acquisition Subsidiary (Malta)	-	(15.8)	**-**	-	(15.8)
	(5.2)	**(15.8)**	-	-	**(21.0)**
Total Equity instruments in Group companies	**441.8**	**(2.4)**	-	**5.2**	**444.6**

- On February 2022, was signed a shareholder´s contribution over the entity Amrest Global S.L.U. in a total amount of EUR 2 million.
- On May 2022, was signed capital increases resolutions in the entity Amrest Cofee SRB d.o.o in the amount of EUR 0,7 million.
- On December 2022, was signed capital increases resolutions in the entity Amrest France SAS in the amount of EUR 10.7 million
- After year-end 2022, on 20 January 2023 AmRest HK Ltd. has been deregistered.
- The value of investment of some subsidiaries was affected by the valuation of share-based options within SOP and MIP. The total capitalized cost of share option plans in 2022 equals EUR 5.2 million and it is presented in the table below:

(all figures in EUR millions unless stated otherwise)

	Increase
Cost	
AmRest Sp. z o.o. (Poland)	4.1
AmRest China Group PTE Ltd. (China)	0.1
AmRest s.r.o. (Czechia)	0.4
AmRest EOOD (Bulgaria)	0.1
AmRest Global S.L.U.	0.5
Total	**5.2**

The movement of the equity instruments in group companies as of 31 December 2021 is as follow:

	31 December 2020	Increase	Decrease	Share-base options	31 December 2021
Cost					
AmRest Sp. z o.o. (Poland)	219.6	46.0	-	(1.2)	264.4
AmRest China Group PTE Ltd. (China)	40.5	-	-	-	40.5
AmRest s.r.o. (Czechia)	6.9	-	-	0.2	7.1
AmRest France SAS	58.7	-	-	0.1	58.8
AmRest HK Ltd	5.2	-	-	-	5.2
AmRest FSVC LLC	10.3	-	(10.3)	-	-
AmRest EOOD (Bulgaria)	4.1	-	-	0.1	4.2
AmRest Acquisition Subsidiary (Malta)	60.9	0.1	-	-	61.0
Amrest Global S.L.U.	-	5.7	-	0.1	5.8
AmRest Food SL SRL	0.1	-	(0.1)	-	-
	406.3	**51.8**	**(10.4)**	**(0.7)**	**447.0**
					-
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**	**51.8**	**(0.1)**	**(0.7)**	**441.8**

- On March 2021 were signed capital increases resolutions in the entity AmRest Acquisition Subsidiary by a total amount of EUR 0.1 million.
- On April 2021, the entity AmRest FSVC LLC was liquidated, the total value of the investment was fully impaired at the date of the liquidation.
- On April 2021, were signed capital increases resolutions in the entity AmRest Sp. Z.o.o. by a total amount of EUR 46.0 million.
- On December 2021, was signed a shareholder's contribution in order to capitalize the loans keep between The Company and AmRest Global S.L.U. by a total amount of EUR 5.7 million.
- On September 2021, was signed the sale of the Shares that The Company had of AmRest Food SRL.
- The value of investment of some subsidiaries was affected by the valuation of share-based options within SOP and MIP. The total capitalized cost of share option plans in 2021 equals EUR 0.5 million and it is presented in the table below. In the column decrease are presented the cost of exercised and forfeited options. The details by subsidiaries for the year ended as of 31 December 2021 is presented below:

	Increase	Decrease
Cost		
AmRest Sp. z o.o. (Poland)		(1.2)
Amrest SRO (Czechia)	0.2	
AmRest France SAS	0.1	
AmRest EOOD (Bulgaria)	0.1	
AmRest Global	0.1	
Total	**0.5**	**(1.2)**

<u>Impairment test of Equity Investment in group companies:</u>

To estimate the potential impairment of the Company's investments in group companies and given that the fair value of these investments is not traded in an active market, this is determined using valuation techniques. The Company uses judgment to select a variety of methods and make assumptions that are based primarily on market conditions existing at the balance sheet date.

The Company considers that there are indications of impairment in its investees if the net book value of the investment exceeds the theoretical book value of the equity of the investee. Additionally, other considerations decrease in the activity of the investees or other situations that could indicate signs of deterioration in the companies.

31 December 2022

As of 31 December 2022, the Company identified impairment indicators for its investments in AmRest Acquisition Subsidiary (owner of the Russian Business), AmRest HK Ltd, and AmRest Global.

-AmRest Holdings, SE holds 100% participation in AmRest Acquisition Subsidiary Ltd, the cost of which amounts to EUR 61 million on 31st December 2022 and 31st December 2021. The investee, AmRest Acquisition Subsidiary Ltd, owns a stake of 44.72% in the existing Group business in Russia.

The investment in the Russian business is 44.72% owned by AmRest Acquisition Subsidiary Ltd and 55.28% owned by AmRest Sp. z o.o. Both companies are 100% owned by AmRest Holdings, S.E. The cost reflected in the financial statements for these participations is not proportional to the percentage of ownership. The value of the participation held by AmRest Acquisition Subsidiary Ltd (44.72% participation) amounts EUR 69 million.

On 6 December 2022 AmRest Holdings SE, through its subsidiaries AmRest Sp. z o.o. and AmRest Acquisition Limited, has entered into an agreement with Almira OOO, for the sale of its KFC business in Russia (the "Transaction"). The closing of the Transaction is subject to the approval by competition authority in Russia, the consent by Yum! Brands Inc. and to other regulatory authorizations that may be applicable in Russia.

According to the terms of the share purchase agreement, as of the date of signing, AmRest expects to receive a minimum of EUR 100 million for the Transaction.

Additionally, at the end of 2022, the Company has carried out a recoverability analysis of the business in Russia, and as a result of the imbalance between cost and percentage shareholding ratio, AmRest Holding, SE in its individual financial statements, has proceeded to recognize an impairment of EUR 15.8 million on its shareholding in AmRest Acquisition Subsidiary Ltd.

The assumptions considered in the impairment testing of the Russian Business are an average EBITDA Margin of 12,80%, pre-tax rate of 37,97% and post-tax discount rate applied of 31.11% . For the terminal value calculation a perpetual growth of 3,80% has been considered after 2027 exercise.

The company carried out a sensitivity analysis for the impairment tests performed. The sensitivity analysis examined the impact of changes in:

discount rate applied,
weighted average budgeted EBITDA margin,
growth rate for residual value,
assuming other factors remain unchanged.

The objective of such a sensitivity analysis is to determine if reasonable possible changes in the main financial assumptions would lead to a change in the recognized impairment.

For discount rate, growth rate, weighted average budgeted EBITDA margin, a reasonable possible change was determined as 10% of the input data, applicable for particular unit. Consequently, each impairment test has a different level of a reasonable change in inputs, which can be determined by multiplying the base input data used in the impairment test described before by 10%.

The following table presents what change in impairment loss would be accounted if respective main input data were changed by tested percentage, assuming remaining parameters remain stable:

Input / Change in input	(Increase)/decrease in impairment loss (EUR million)
Growth rate for residual value	
(-10%) of base value	(0,3)
(-5%) of base value	(0,2)
5% of base value	0,1
10% of base value	0,2
Discount rate	
(-10%) of base value	4,6
(-5%) of base value	2,1
5% of base value	(2,0)
10% of base value	(3,7)
Wieighted average budgeted EBITDA margin value	
(-10%) of base value	(5,0)
(-5%) of base value	(2,5)
5% of base value	2,4
10% of base value	4,8

-The investment in the entity AmRest HK Ltd (China) is fully impaired as it is a dormant entity the Company does not expect to reactivate. On 20 January 2023 AmRest HK Ltd. has been deregistered.

-The entity AmRest Global started its operation during the fiscal year 2021 and based on the projections and business model the Board of Directors of the Company considers the value of this investment will be recoverable in the future.

31 December 2021

As of 31 December 2021, the Company identified impairment indicators for its investments in AmRest Acquisition Subsidiary (owner of the Russian Business), AmRest HK Ltd, and AmRest Global.

The hypothesis considered in the impairment testing of AmRest Acquisition Subsidiary considered an average EBITDA Margin of 13,20% and a pre-tax rate of 11,53%. And growth rate in the terminal value of 3,82% had been taken into account until 2026.

The company carried out a sensitivity analysis for the impairment tests performed. The sensitivity analysis examined the impact of changes in:

discount rate applied,
weighted average budgeted EBITDA margin,
growth rate for residual value,
sales revenues increases,
assuming other factors remain unchanged.

The objective of such a sensitivity analysis is to determine if reasonable possible changes in the main financial assumptions would lead to an impairment loss being recognized.

For discount rate, growth rate, weighted average budgeted EBITDA margin, a reasonable possible change was determined as 10% of the input data, applicable for particular unit. Consequently, each impairment test has a different level of a reasonable change in inputs, which can be determined by multiplying the base input data used in the impairment test described before by 10%.

Additionally the Company performed sensitivity analysis on the expected changes in sales revenues recognition. In that case the Company determines reasonable change individually for each business tested. Usually this is in a range of 1-5% decrease of estimated sales revenues in each year of projection.

Based on the sensitivity analysis performed a reasonably possible change in any of the key assumptions used would not lead to recognition of impairment losses i.e. carrying amount would not exceed the recoverable amount.

-The investment in the entity AmRest HK Ltd (China) was fully impaired as it is a dormant entity the Company did not expect to reactivate.

-The entity AmRest Global started its operation during the fiscal year 2021 and based on the projections and business model the Board of Directors of the Company considers the value of this investment will be recoverable in the future.

(all figures in EUR millions unless stated otherwise)

The Details of the main subsidiaries are presented below:

Company name	Registered office	2022				2021			
Holding activity		**Total Equity**	**Net result**	**Operating result**	**Dividends distributed**	**Total Equity**	**Net result**	**Operating result**	**Dividends distributed**
AmRest China Group PTE Ltd	Singapore	19.1	(3.6)	(3.7)	-	23.8	8.3	12.6	-
AmRest France SAS	Paris France	43.8	(6.6)	(6.3)	-	37.7	(20.6)	0.1	-
Amrest Global S.L.U.	Madrid Spain	7.1	4.6	6.1	-	0.6	(6.8)	(8.4)	-
Amrest Acquisition Subsidiary	Birkirkara, Malta	69.1	(3.3)	(3.3)	-	69.1	(0.1)	(0.1)	-

Company name	Registered office	2022				2021			
Restaurant, franchise and master-franchise activity		**Total Equity**	**Net result**	**Operating result**	**Dividends distributed**	**Total Equity**	**Net result**	**Operating result**	**Dividends distributed**
AmRest Sp. z o.o.	Wroclaw Poland	422,6	32.4	27,5	-	323.8	(36.1)	(11)	-
AmRest s.r.o.	Prague Czechia	21.8	17.6	22.3	16.7	22.4	3.9	7.1	(7.6)
AmRest EOOD	Sofia Bulgaria	6.4	1.7	2	-	3.7	0.3	0.4	-
AmRest Coffee S.R.B D.O.O.	Bucharest Romania	0.7	0.1	3.9	-	0.1	-	-	-

Above data were derived from local documentation of AmRest Group in accordance with local GAAPS in each country. In some countries local audits for 2022 have not finalized.

(note 17)

(all figures in EUR millions unless stated otherwise)

7. Financial Assets at amortized cost

As of 31 December 2022 and 2021 the financial assets at amortized cost were composed as followed:

	31 December 2022	31 December 2021
Non current		
Loans to group companies (Note 17)	162.3	178.5
Non-current financial investments	0.1	0.1
	162.4	**178.6**
Current		
Trade and other receivables	3.4	2.1
Loans to group companies (Note 17)	70.6	75.3
Other financial assets with group companies (Note 17)	6.6	1.2
Other current assets	0.1	0.1
	80.7	**78.7**

-Loans to group companies:

The Company grants loans to group companies at variable interest rates in the range of 2.3%-5.5% plus 3-months Euribor/Libor margin, with maturities starting in 2023 (note 5).

The Company considers that there are indications of impairment in the financial assets if the financial credits to the Group companies and the amount of the investment exceeds the theoretical book value of the equity of the group company or if the credits has allocated impairments from previous periods.

To estimate the potential impairment of the credits to group companies, this is determined using valuation techniques. The Company uses judgment to select a variety of methods and make assumptions that are based primarily on market conditions existing at the balance sheet date.

The total amount of loans with the entities AmRest HK and AmRest Pizza GmbH are fully impaired as it are a dormant entities, the Company does not expect to reactivate. During the year 2022, the Company registered an impairment loss of EUR 2,8 million (EUR 0.2 million during 2021) (note 17).

Based on the analysis performed the company did not recognize additional impairment loss associated to loans to given to group companies.

-Non-current financial assets:

Under this category are booked the rent deposits related to lease agreements.

-Other current financial assets with group companies

Include mostly the balances originated due to the accounting of the reciprocal balances originated due to the accounting of the income tax under the consolidated tax regimen.

-Other current assets

Are composed by prepaid expenses.

-Trade receivables:

As of 31 December 2022 and 2021 the trade and other receivables were composed as follows (note 5):

	31 December 2022	31 December 2021
Trade and other receivables with third parties	0.2	0.3
Trade and other receivables with group companies (Note 17)	5.2	3.6
Impairment on other accounts receivables with group companies (Note 17)	(2.0)	(1.8)
Total Trade and other receivables	**3.4**	**2.1**

(all figures in EUR millions unless stated otherwise)

The analysis of the movements of the impairment losses deriving from the credit risk of financial assets recorded at amortized cost is as follows:

	Year ended	
	31 December 2022	31 December 2021
Balance at the beginning of the year	**(1.8)**	**(1.8)**
Increase (Note 17)	(0.2)	-
Balance at the end of the financial year	**(2.0)**	**(1.8)**

The accounting values of the financial assets at amortized cost as of 31 December 2022 and 2021 are denominated in the following currencies:

2022

Millions of foreign currency	**Denominated in PLN**	**Denominated in CZK**	**Denominated in USD**
Assets foreign currency			
Total non-current assets foreign currency	-	-	8.3
Total current assets foreign currency	-	2.4	2.4
Total assets foreign currency	**-**	**2.4**	**10.7**

2021

Millions of foreign currency	**Denominated in PLN**	**Denominated in CZK**	**Denominated in USD**
Assets foreign currency			
Total current assets foreign currency	-	-	9.1
Total assets foreign currency	**-**	**-**	**9.1**

8. Financial assets at cost

In this item are classified the Investments in Group Companies (see details in note 6).

9. Cash and cash equivalents

Cash and cash equivalents as of 31 December 2022 and 2021 are presented in the table below:

	31 December 2022	31 December 2021
Cash at bank	19.1	4.7
Total	**19.1**	**4.7**

10. Equity

10.1 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.

As of 31 December 2022 and 31 December 2021 the Company has 219 554 183 shares issued.

Holders of ordinary shares are authorized to receive dividends and have voting rights at the Company'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 of 31 December 2022 AmRest Holdings had the following shareholder structure:

(all figures in EUR millions unless stated otherwise)

Shareholder	Number of shares and votes at the Shareholders' meeting	% of shares and votes at the Shareholders' meeting
FCapital Dutch S.L.*	147,203,760	67.05%
Artal International S.C.A.	11,366,102	5.18%
Nationale-Nederlanden OFE	10,718,700	4.88%
Aviva OFE Aviva BZWBK SA	7,013,700	3.19%
Other Shareholders	43,251,921	19.70%

* FCapital Dutch S.L.. is 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.

10.2 Reserves

The composition of reserves as of 31 December 2022 and 2021 is as follows:

	31 December 2022	31 December 2021
Voluntary Reserves	103.1	90.8
Legal reserves	4.4	4.4
Total	**107.5**	**95.2**

The legal reserves have been accrued according to article 274 of the Capital Companies Law which stablishes that, in any case, an amount of 10% of the profit of the period shall be distributed to legal reserves until it reaches, at least, 20% of the share capital.

It can't be distributed and in case it is used to compensate losses, because there are not other reserves available for it, the reserve has to be replaced with future profits.

As of 31 December 2022 and 31 December 2021, the company has fully endowed this reserve with the minimum limited established.

10.3 Treasury shares

The Company usually acquires treasury shares for the purpose of the execution of the stock option plan of the employees on Warsaw Stock Exchange in Poland, that is why the price of the share is denominated in PLN.

As of 31 December 2022, AmRest held 341.645 own shares representing 0.16% of share capital (371.416 shares in 2021).

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

	YEAR ENDED	
	31 December 2022	31 December 2021
Initial Balance	**(4.0)**	**(6.5)**
Delivery of shares for the stock option plan	0.3	2.5
Ending Balance	**(3.7)**	**(4.0)**

10.4 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 recognized under the equity settlement method.

The movement of the accrual for the equity instruments of the stock option plan is as follow:

	YEAR ENDED	
	31 December 2022	31 December 2021
Initial Balance	**(25.3)**	**(23.4)**
Equity share base plans accrual	5.5	0.5
Settlement of cash-settled plans in shares (accrued costs)	-	0.6
Delivery of shares for the stock option plan	(0.3)	(2.5)
Proceeds from shares transfers (employee's options)	-	(0.5)
Ending Balance	**(20.1)**	**(25.3)**

(all figures in EUR millions unless stated otherwise)

10.5 Adjustments for changes in value

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

	31 December 2022	31 December 2021
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.

10.6 Share premium

This reserve is unrestricted up to the amount which, as a result of its distribution, means that the equity is not less than the share capital.

This item reflects the surplus over the nominal value of the share capital increase and additional contributions to equity without issue of shares made by shareholders prior to becoming a public entity.

There were no transactions within share premium in 2022 and 2021.

11. Distribution of result

The Board of Directors propose the following application of the losses for the year ended 31 December 2022 and the shareholders approved the following to 31 December 2021.

	YEAR ENDED	
	31 December 2022	31 December 2021
Basis of Distribution		
Profit and loss for the period in EUR	(4 789 777.22)	12 273 853.28
Distribution		
Voluntary Reserves	-	12 273 853.28
Retained earnings EUR	(4 789 777.22)	-
	(4 789 777.22)	**12 273 853.28**

Dividends have not been distributed during the 12 months ended 31 December 2022 and 2021.

Details of non-distributable reserves as of 31 December 2022 and 2021 are as follows:

	31 December 2022	31 December 2021
Legal reserve	4.4	4.4

The Company’s freely distributable reserves, as well as the results of the period, are nonetheless subject to legal limits. Dividends may not be distributed if equity would be less than share capital as a result. In any case, at 31 December 2022, Voluntary Reserves and Share Premium are totally distributable.

12. Financial liabilities at amortized cost

As of 31 December 2022 and 2021 the financial assets at amortized cost were composed as followed:

	31 December 2022	31 December 2021
Non current		
Loans and borrowings from financial institutions	304.1	262.6
Other financial liabilities	35.5	35.5
	339.6	**298.1**
Current		
Loans and borrowings from financial institutions	35.8	28.6
Other financial liabilities	0.4	48.0
Debts with group companies (Note 17)	5.8	1.6
Trade and other payables to third parties	0.2	0.1
Trade and other payables to group companies (Note 17)	1.0	1.6
	43.2	**79.9**

-Debt with financial institutions – Syndicated Bank loan

As of 31 December 2022, following extension signed on 13 December 2021, syndicated bank financing originated 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, F and G which are presented in the financial debt with financial institutions of this Annual Accounts amounting to EUR 339.9 EUR (291.2 EUR in 2021) the rest of the tranches were executed from AmRest Sp. z o.o. and AmRest s.r.o.

For debt extension the Company performed, as explained in the note 3.3, the corresponding analysis to determine if the conditions of the financial liability were substantially modified and concluded that the present value of the cash flows of the new contract, including the commission paid, did not differ on more than ten percent of the present value of the remaining cash flows of the original contract, restated both amounts at the effective interest rate of the latter. After the analysis carried out, the Board of Directors of the Company has concluded, the conditions of the financing contract have not been substantially modified, so no impact should be registered in the profit and loss account.

Consequently, the company adjusted the value of the financial liability by the amount of the extension commissions (0,6 million Euros) and updated the amortized cost calculation.

Additionally, the company signed on 8 September 2022 an amendment to certain terms of the Credit Agreement, including the lenders' commitment to grant AmRest the so-called Facility G, in the amount of additional EUR 100 million (77 millon assigned to the comapny), as well as the inclusion of the obligation to maintain an equity / assets ratio, with the main terms regarding interest and maturity remaining unchanged.

As a consequence of such amendment, after the usual conditions for this type of transactions were fulfilled, AmRest drew down the full amount of this credit line and is using it to finance the general corporate purposes of the AmRest group and expansion.

The available tranches at 31 December 2022 are:

Tranche(*)	Maximum amount (million)	Date added	Purpose
A	EUR 21	October 2017	Refinancing of bank debt, general corporate purposes
D	EUR 67	October 2017	
E	PLN 196	June 2019	Refinancing of Polish bonds
F	EUR 313	October 2019	M&A, general corporate purposes
G	EUR 77	September 2022	Refinancing of bank debt and polish bonds

** Approximate total amount: EUR 519m*

- Signing date: 5 October 2017,
- Final repayment date: 31 December 2024,
- 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.

Details of bank financing are as follows:

- Interest rates: Variable interest rates (3M Euribor/Wibor increased by a margin)
- 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 levels. 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 according to the definitions mentioned in the loan agreement. Additionally, the Group is obliged to maintain the equity ratio (expressed as a percentage), calculated as total equity divided by the total assets, above 8%. As of the date of this report, AmRest is in compliance with the three financial covenants.

Other financial debt:

Schuldscheinedarlehen ("SSD" – debt instrument under German law) issued by AmRest Holdings SE. The table below presents all SSD issues and their maturities:

Issue date	Amount (EUR million)	Interest rate	Maturity date	Purpose
7 April 2017	6.0	Fixed	5 April 2024	Refinancing, general corporate purposes
3 July 2017	20.0	Fixed	3 July 2024	
3 July 2017	9.5	Variable	3 July 2024	

As of 31 December 2022, payables concerning the principal of SSD issued amount to EUR 35,5 million.

-Debts with group companies:

This item is composed mostly of reciprocal balances with group companies originated from the accounting of the income tax under the consolidation tax regime (note 15 and 17)

-Trade and other payables:

As of 31 December 2022 and 2021 the trade and other payables were composed as follows:

	31 December 2022	31 December 2021
Trade and other payables with third parities	0.2	0.1
Trade and other payables with group companies	1.0	1.6
Total trade and other payables	**1.2**	**1.7**

Information on average payment period to suppliers. Third additional provision. "Information requirement" of Law 15/2010 of July 5.

	31 December 2022	31 December 2021
Number of days:	**268**	**88**
Ratio of payments	319	58
Ratio of outstanding invoices	61	411
Millions of EUR:		
Total payments	4.2	4.6
Outstanding invoices	1	1
Amount payments<60 days	**2.1**	Not applicable
Number of invoices paid < 60 days	**427**	Not applicable
% Amount of payments made < 60 days out of the total payments	**51%**	Not applicable
% Number of invoices paid < 60 days out of the total payments	**68%**	Not applicable

The maximum legal period applicable to the Spanish entities of the Group in accordance with Law 3/2004, of 29 December, which establishes measures to combat late payment in commercial operations, and in accordance with the transitory provisions established in Law 15/2010, of 5 July, is 60 days from 1 January 2013.

Law 18/2022 of 29 September on the creation and growth of companies has again amended, among others, the Law on the average supplier payment period, requiring all trading companies that do not present abridged annual accounts to expressly include in the notes to their annual accounts their average supplier payment period and extending its content to the following (applicable from 2022):

- the monetary volume and number of invoices paid in a period shorter than the maximum established in the regulations on late payment and

- the percentage they represent of the total number of invoices and of the total monetary payments to their suppliers.

In general, payments to external suppliers were made within the legal limit of 60 days. The ratio of outstanding invoices increased since the payment of some intercompany invoices was postponed.

If the intercompany invoices are not considered in the calculation, the average payment to suppliers period would be as follow:

	31 December 2022	31 December 2021
Number of days:	**45**	**56**
Ratio of payments	45	56
Ratio of outstanding invoices	35	42
Millions of EUR:		
Total payments	2.7	4.5
Outstanding invoices	0.1	0.1
Amount payments<60 days	**2.1**	Not applicable
Number of invoices paid < 60 days	**419**	Not applicable
% Amount of payments made < 60 days out of the total payments	**79%**	Not applicable
% Number of invoices paid < 60 days out of the total payments	**76%**	Not applicable

The accounting values of the financial liabilities at amortized cost as of December 31 2022 and 2021 are denominated in the following currencies:

2022

Millions of foreign currency	Denominated in PLN
Liabilities foreign currency	
Total non-current liabilities foreign currency	36.2
Total current liabilities foreign currency	6.6
Total liabilities foreign currency	**42.8**
2021	
Liabilities foreign currency	
Total non-current liabilities foreign currency	196.0
Total current liabilities foreign currency	28.7
Total liabilities foreign currency	**224.7**

13. Employee benefits and share based payments

The Company established long-term incentive plans in order to bind a portion of managers' and executives' remuneration with the Company's market value. During year 2022, the company had the share-based payment arrangements according to six share option plans. Part of options in the Plan 2 is accounted as cash-settled due to the availability of cash exercise method upon the choice of an employee. All other options in the following plans are equity-settled.

-Plan 2 – Stock Option Plan 2005

Plan 2 was implemented in April 2005. Granting of the options finished in 2016.

Up to November 2014 the exercise method was in equity instruments. In November 2014, the then existing Supervisory Board of the Company approved a change of regulations by adding net cash settlement of option value (employee decides about settlement method). Due to the above changes, Plan 2 comprised both equity-settled options and cash-settled options.

In 2015 a change in regulations eliminated a possibility of option settlement with cash method for the grants after 8 December 2015. Furthermore, a group of employees made a unilateral statement about resignation from the cash settlement possibility in relation to option also granted in previous periods. As a result of the modification of some options from cash-settled to equity-settled, in 2017 a reclassification in amount of EUR 0.5 million was accounted from liabilities into equity.

-Plan 4 – Stock Option Plan 2017

In January 2017 the Company introduced a new share-based Stock Option Plan. The number of options granted, employees awarded and granting dates were initially determined by the then existing Management Board (current Executive Team), however the number of options was limited to 750,000 options. The Granting Period was set between 1 January 2017 and 31 December 2019. The option exercise price will be in principle equal to the market price of the Company's shares as of the date of granting the option, and the vesting period will be 3 to 5 years. There are no cash settlement alternatives.

In December 2018 the Board of Directors of the Company (who took over Management Board faculty on this matter following the transfer of domicile of the Company from Poland to Spain) resolved to adjust the share-based plans of the Company so they can also be executed through the Spanish Stock Exchanges, where the Company's shares started trading on 21 November 2018.

-Plan 5 – Management Incentive Plan 2017

In January 2017 the Company introduced a new share-based Management Incentive Plan, offered to selected employees. The whole number of shares which were attributed to the options was determined by the Board of Directors, however, it may not exceed 1,000,000 shares. In accordance with the provisions of the Plan, when requested by management the Board of Directors, was entitled to determine the employees authorized to participate in the Plan, the number of options granted and the dates for their granting among other issues. The Granting Period was set between 1 January 2017 and 31 December 2019. The option initial exercise price was in principle equal to the market price of the Company's shares as of the date of First Grant. The exercise price shall increase on 1st, 2nd and 3rd anniversary by 11%. The vesting period lasts 3 to 5 years. There are no cash settlement alternatives.

(all figures in EUR millions unless stated otherwise)

-Plan 6 – Stock Option Plan 2020

In 2020 the Company introduced a share-based Stock Option Plan, which is an extension of the regulations introduced in the Stock Option Plan 2017. The plan is effective for an additional period of one year exclusively during the 2020 financial year under their exact same terms and conditions with the sole exception of the Exercise Price mentioned in the table below. The number of options granted, employees awarded and granting dates were initially determined by the Executive Team. In 2020 the number of options was limited to 3.6 million options. The option exercise price will be in principle equal to the market price of the Company's shares as of the date of granting the option, and the vesting period will be 3 to 5 years. There are no cash settlement alternatives.

-Plan 7 – Management Incentive Plan 2020

In 2020 the Company introduced a share-based Management Incentive Plan, offered to selected employees, which is an extension of the regulations introduced in the Management Incentive Plan 2017. The plan is effective for an additional period of one year exclusively during the 2020 financial year under their exact same terms and conditions with the sole exception of the Exercise Price mentioned in the table below. The whole number of shares which were attributed to the options was determined by the Board of Directors. In 2020 the number of options was limited to 4.65 million options. In accordance with the provisions of the Plan, when requested by management the Board of Directors, was entitled to determine the employees authorized to participate in the Plan, the number of options granted and the dates for their granting among other issues. The option initial exercise price was in principle equal to the market price of the Company's shares as of the date of First Grant. The exercise price shall increase on 1st, 2nd and 3rd anniversary by 11%. The vesting period lasts 3 to 5 years. There are no cash settlement alternatives.

-Plan 8 – Long Term Incentive Plan 2021

In 2021 the Group introduced a new Long-Term Incentive (LTI) Program which is addressed to members of the management team and other relevant personnel of the Group. LTI substitutes previous Management Incentive and Stock Option Plans functioning at AmRest, keeping in place the already granted stock options. Participants of the new LTI will have the opportunity to receive AmRest shares. The number of shares to be received will be linked to the Group's performance (realization of Global EBITDA for three years following the date of approval of each grant). The LTI grants will vest according to a 5-year agenda (60% after 3rd year, 20% after 4th year, 20% after 5th year). Once vested, the LTI rights will be evaluated and converted (if applicable) into shares, while the shares will be transferred to the participant's brokerage account. There are no cash settlement alternatives. The grant date for each plan will take place at the vesting date of the 1st tranche. This LTI Program will be the basis for grants that are going to be approved in following years.

-Stock Option and Management Inventive Plans

The terms and conditions for the share options outstanding as of 31 December 2022 are presented in the table below:

Grant date	Terms and conditions for vesting of the options	The maximum term of options	Option exercise price in EUR	Method of settlement
Plan 2 - SOP				
April 30, 2012	1-5 years, 20% per annum	10 years	1.68	Equity or equity/cash*
April 30, 2013			1.94	Equity or equity/cash*
April 30, 2014			1.96	Equity or equity/cash*
December 9, 2015			3.14	Equity or equity/cash*
April 30, 2016			5.35	Equity
Plan 4 - SOP				
May 30, 2017	3-5 years, 60% after 3rd year, 20% after 4th and 5th year	10 years	8.14	Equity
January 1, 2018			9.66	Equity
April 30, 2018			10.91	Equity
August 6, 2018			10.46	Equity
October 1, 2018			10.63	Equity
December 10, 2018			9.40	Equity
April 30, 2019			9.62	Equity
Plan 5 - MIP				
March 15, 2017	3-5 years, 33% p.a.	10 years	10.51	Equity
September 13, 2017			10.97	Equity
March 3, 2018			10.43 - 10.88	Equity
October 1, 2018			14.54	Equity
March 26, 2019			10.23 - 14.49	Equity
May 13, 2019			12.10	Equity
Plan 6 - SOP				

(all figures in EUR millions unless stated otherwise)

July 13, 2020	3-5 years, 60% after 3rd year, 20% after 4th and 5th year	10 years	4.99	Equity
October 1, 2020			5.78	Equity
Plan 7 - MIP				
February 10, 2020	3-5 years, 33% p.a.	10 years	15.10	Equity
October 1, 2020			7.90	Equity
February 1, 2021			7.71	Equity
March 23, 2021			6.08	Equity
May 1, 2021			10.62	Equity

**For some options only the equity method is applicable, as some employees can decide upon the settlement method, as disclosed in Plan 2 description above.*

Options vest when the terms and conditions relating to the period of employment are met. The plans do not provide any additional market conditions for vesting of the options.

In the table below we present the number and weighted average of the exercise prices (WAEP) of, and movements in, the options from all plans during the year ended 31 December 2022 and 2021:

Number of option 2022	**WAEP in EUR (before indexation)**	**Plan 7**	**Plan 6**	**Plan 5**	**Plan 4**	**Plan 2**
At the beginning of the period	8.63	2,400,000	2,913,620	1,600,000	5,799,400	545,752
Granted during the period	—	—	—	—	—	—
Exercised during the period	2.60	—	—	—	—	(39,450)
Expired during the period	9.87	—	—	(900,000)	(368,200)	(37,820)
Forfeited during the period	8.16	—	(470,620)	—	(724,100)	—
Outstanding at the end of the period	8.56	2,400,000	2,443,000	700,000	4,707,100	468,482
- including exercisable as of the end of the period	9.37	—	—	300,000	3,644,680	468,482
Number of option 2021	**WAEP in EUR (before indexation)**	**Plan 7**	**Plan 6**	**Plan 5**	**Plan 4**	**Plan 2**
At the beginning of the period	8.68	3,350,000	3,204,500	3,283,334	6,779,850	932,402
Granted during the period	7.76	600,000	—	—	—	—
Exercised during the period	4.26	—	(5 000)	—	(3 300)	(367 650)
Forfeited during the period	8.96	(1 550 000)	(285 880)	(1 683 334)	(976 950)	(19 000)
Outstanding at the end of the period	8.63	2,400,000	2,913,620	1,600,000	5,799,400	545,752
- including exercisable as of the end of the period	9.05	—	—	966,667	2,219,460	545,752

The weighted average share price at the dates of exercise of the options was EUR 4.07 in 2022 and EUR 6.79 in 2021. The weighted average remaining contractual life for the share options outstanding as of 31 December 2022 was 7.31 years (2021: 7.62 years).

The fair value of the equity instruments has been measured using numerical method for solving differential equations by approximating them with difference equations, called finite difference method. The fair value of the cash-settled options has been measured using the Black-Scholes formula. The fair value of the options as of the grant date has been determined using the support of an external actuary.

The fair value of the options granted during the period, as of the grant date, amounted as described below. In 2022 the Group has not decided to grant any options to employees. In 2021 it was determined on the basis of the following parameters:

Plan	**Average fair value of option as of grant date**	**Average share price at the grant date**	**Average exercise price**	**Expected volatility**	**Expected term to exercise of options**	**Expected dividend**	**Risk-free interest rate**
2021							
Plan 7 (MIP)	EUR 1.07	EUR 5.68	EUR 7.76	35%	5 years	-	2%

The expected life of the options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

-Long term incentive plans

The principal terms and conditions for each LTI plan as of 31 December 2022 are presented in the table below:

(all figures in EUR millions unless stated otherwise)

LTI Plan	Approval date	Terms and conditions for vesting of the options	Performance condition factor
LTI 2021	23 December 2021	3-5 years, 60% after 3rd year, 20% after 4th and 5th year	Global EBITDA 2021-2023
LTI 2022	30 November 2022		Global EBITDA 2022-2024

The LTI Program is not an option program – Participants will receive AmRest shares instead of share options. The rights under the LTI Plan were granted as an amount denominated in payroll currency of each Participant, which will be converted into shares at the vesting date of the 1st tranche. The number of shares to be received will be determined according to the following formula:

$$N = [(Grant \div ExRate) \div VWAP] \times M,$$

where:
- Grant is the amount of the grant denominated in payroll currency,
- ExRate is the average exchange rate for the month preceding the vesting date of the 1st tranche that is applicable to the payroll currency being converted into EUR,
- VWAP is the volume weighted average price of AmRest expressed in EUR, during the month preceding the vesting date of the 1st tranche,
- M is the multiplier, the amount of which will depend on the degree to which non-market performance conditions are met (minimum 0%, maximum 200%).

The fair value of the LTI grant is periodically remeasured using the assumptions of the Black-Scholes model. The fair value of the LTI grant was determined on the basis of the following parameters:
- Share price at the valuation date: 4,17 EUR
- No expected dividends
- Risk-free interest rates for each currency according to the table below:

Currency	BGN	CNY	CZK	EUR	GBP	HRK	HUF	PLN	RON	RSD	RUB
Rate	2.78%	2.29%	5.52%	2.55%	3.58%	3.16%	10.81%	6.54%	6.51%	5.39%	8.59%

The amounts for each plan determined based on the valuation above are listed in the table below:

2021	LTI 2021	LTI 2022
At 1 January 2021	—	—
Granted during the period	7.0	—
At 31 December 2021	7.0	—
2022		
Granted during the period	—	7.6
Forfeited and remeasured during the period	(1.1)	
Outstanding as of 31 December 2022	5.9	7.6
- including exercisable as of the end of the period	—	—

Cost of plans recognized during the period are recognized based on the above fair values adjusted by the multiplier M.

14. Provisions

In the item of the balance sheet Long Term Provisions are registered the provision of the stock option plan for the employees recognized under the cash settlement method:

	YEAR ENDED	
	31 December 2022	31 December 2021
Initial Balance	**0.1**	**0.1**
Revaluation fair value	-	-
Plan modification (reclassification from SOP Equity settlement to cash settlement)	-	-
Ending Balance	**0.1**	**0.1**

15. Taxation

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

(all figures in EUR millions unless stated otherwise)

Assets	31 December 2022	31 December 2021
Income tax receivable	0.8	2.1
Other tax receivable	0.1	0.1
Total	**0.9**	**2.2**
Liabilities		
VAT payable	-	0.1
Personal income tax and other withholding taxes	1.6	0.1
Total	**1.6**	**0.2**

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 31 December 2022 are the following:

- AmRest TAG. S.L.U.
- Restauravia Food. S.L.U.
- Pastificio Service. S.L.U.
- Black Rice S.L.U.
- Bacoa Holdings S.L.U.
- Sushi Shop Madrid S.L.U.
- AmRest Global S.L.U.

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

	31 December 2022	31 December 2021
Corporate income tax	2.2	3.0
Change in deferred taxes and liabilities	5.0	-
Total income tax recognized in the income statement	**7.2**	**3.0**

The amounts reported in change in deferred tax assets correspond to tax losses of the period.

The reconciliation between the net result and the tax base of the individual entity as of 31 December 2022 is as follows:

	Income statement		
	Additions	Decreases	Total
Profit and loss for the period	**-**	**-**	**(4.8)**
Income tax expense	-	-	(7.2)
Permanent differences	**-**	**(12.6)**	**(12.6)**
Temporary differences	**-**	**-**	**-**
- With origin in the current year	-	-	15.8
-With origin in previous years	-	-	-
Tax base	**-**		**(8.8)**
Corporate income tax expense/(revenue) 25%			**(2.2)**

The reconciliation between the net result and the tax base of the individual entity as of 31 December 2021 is as follows:

	Income statement		
	Additions	Decreases	Total
Profit and loss for the period	**-**	**-**	**12.3**
Income tax expense	-	-	(3.0)
Permanent differences	**-**	**(14.9)**	**(14.9)**
Temporary differences	**-**	**(6.2)**	**(6.2)**
- With origin in the current year	-	(6.2)	(6.2)
-With origin in previous years	-	-	-
Tax base	**-**		**(11.8)**
Corporate income tax expense/(revenue) 25%			**(3.0)**

In permanent differences are adjusted the revenues from dividends (95% in 2021), the stock option plan, the impairments for receivables and investments with group companies.

(all figures in EUR millions unless stated otherwise)

The movement of the deferred tax assets and liabilities for the years ended 31 December 2022 and 2021 has been as follows:

Deferred tax assets	31 December 2022	31 December 2021
Balance at beginning of the period	3.3	2.5
Debit (credit) on the profit and loss account	5.0	3.0
Compensation of tax losses with other companies from the tax group	-	(2.2)
Balance at the end of the period	**8.3**	**3.3**

The increase in deferred tax assets corresponds to the tax losses generated during the FY 2021 and FY 2020. Additionally, during 2022, as consecuence of the impairment over Amrest Acquisition Subsidiary Ltd participation, deferred tax assets amounting to 3.9 million euros has been recognized.

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

	31 December 2022	31 December 2021
Tax base AmRest Holdings	**(8.8)**	**(11.8)**
Tax base contributed by subsidiaries of the tax group:	**15.1**	**(4.4)**
AmRest TAG, S.L.U.	(1.9)	(2.5)
AmRest Global S.L.U.	4.3	(5.2)
Restauravia Food, S.L.U.	0.7	(0.8)
Pastificio Service, S.L.U.	14.2	10.0
The Grill Concept, S.L.U.	-	(4.0)
Black Rice, S.L.U.	(0.3)	(0.5)
Bacoa Holding, S.L.U.	(0.1)	(0.4)
Shushi Shop Madrid, S.L.U.	(1.8)	(1.0)
Current income tax of the consolidated tax group (25%)	**1.6**	**-**
Withholding taxes and CIT advances	**(1.4)**	**1.9**
Subtotal	(1.4)	(1.9)
Reversal of excess of accrual		-
Income tax receivable from previous years	-	(0.2)
Income tax receivable payable (receivable)	**0.2**	**(2.1)**

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

	31 December 2022	31 December 2021
Receivables:		
Restauravia Food. S.L.U.	0.2	1.0
AmRest TAG S.L.U.	-	0.1
Pastificio Service, S.L.	**3.6**	
AmRest Global, S.L.	**1.0**	
Total receivables from the Consolidated tax regime	**4.8**	**1.1**
Payables		
The Grill Concept S.L.U.	-	(1.0)
Pastificio Service S.L.U.	-	(0.5)
Black Rice S.L.	(0.1)	-
AmRest TAG S.L.U.	(0.5)	
Sushi Shop Madrid S.L.U.	(0.5)	(0.1)
Total payables from the Consolidated tax regime	**(1.1)**	**(1.6)**

16. Income and expenses

16.1 Revenues

In the item Revenues of the separate income statement for the years ended on 31 December 2022 and 2021 were recognized the result of the execution of stock option plan for employees and the interest and dividends received from subsidiaries and the results from financial assets held for sale (see note 6.3):

(all figures in EUR millions unless stated otherwise)

	Year ended	
	31 December 2022	**31 December 2021**
Dividends from Subsidiaries (Note 17)	16.7	15.6
Revenue from the stock option plan	-	0.3
Financial income from group companies (Note 17)	7.6	7.6
Total Revenues	**24.3**	**23.5**

The dividends received during the annual period ended as of 31 December 2022 and 2021 corresponded to the subsidiary AmRest s.r.o. (Czech Republic). The breakdown of Dividends by geographical area for the annual periods ended at 31 December 2022 and 202 is as follow:

	Year ended	
	31 December 2022	**31 December 2021**
Exports:	16.7	15.6
a) European Union	16.7	15.6
Total Dividends received from Subsidiaries	**16.7**	**15.6**

Revenues from stock option plan correspond to the difference between the valuation of the stock options and the book value of the own shares executed for the stock option plan the breakdown of revenues from the stock option plan for the employees by geographical area for the annual periods ended as of 31 December 2022 and 2021 is as follow:

	Year ended	
	31 December 2022	**31 December 2021**
Exports:	**-**	**0.3**
a) European Union	-	0.3
Net income from the stock option plan	**-**	**0.3**

Financial income from subsidiaries correspond to the accrued interest of the loans and other financial assets given from the Company to the group companies during the year. The breakdown of finance income from group companies by geographical area for the annual periods ended as of 31 December 2022 and 2021 is as follow:

	Year ended	
	31 December 2022	**31 December 2021**
Domestic market	3.7	3.3
Exports:	3.9	4.3
a) European Union	3.4	3.8
b) Other countries	0.5	0.5
Finance income from group companies (note 17)	**7.6**	**7.6**

16.2 Personnel expenses

The detail of personnel expenses for the annual periods ended as of 31 December 2022 and 2021 is as follow:

	Year ended	
	31 December 2022	**31 December 2021**
Salaries	(0,3)	(0.6)
Social Charges	(0,1)	(0.2)
Stock option plan	(0.1)	(0.1)
Total personnel expenses	**(0.5)**	**(0.9)**

16.3 Other operating expenses

	Year ended	
	31 December 2022	**31 December 2021**
Professional Services	(1.6)	(1.6)
Business travel	(0.1)	(0.2)
Other taxes	(0.3)	(0.3)
Other expenses	(0.1)	(1.1)
Total other operating expenses	**(2.1)**	**(3.2)**

16.4 Income and expenses in foreign currency

The income and expenses denominated in foreign currency for the annual periods ended on 31 December 2022 and 2021 are as follow:

For the year ended 31 December 2022	PLN	USD
Expenses expressed in million EUR		
Other operating expenses	(0.1)	(0.2)
Results from operating activities	(0.1)	(0.2)
Finance income	-	0.5
Finance expenses	(3.6)	-
Net finance income (expense)	(3.6)	**0.5**
Total Income and expenses in foreign currency expressed in million EUR	(3.7)	**0.3**
For the year ended 31 December 2021	**PLN**	**USD**
Expenses expressed in million EUR	**-**	**-**
Other operating expenses	(0.3)	(0.1)
Results from operating activities	**(0.3)**	**(0.1)**
Finance income	-	0.5
Finance expenses	(1.2)	-
Net finance income (expense)	**(1.2)**	**0.5**
Total Income and expenses in foreign currency expressed in million EUR	**(1.5)**	**0.4**

16.5 Financial result

The financial result for the annual periods ended at 31 December 2022 and 2021 is as follows:

	Year ended	
Financial Expenses	**31 December 2022**	**31 December 2021**
With group companies (nota 17)	(0.5)	(1.5)
With third parties	(16.0)	(10.0)
Total Financial Expenses	**(16.5)**	**(11.5)**

16.6 Exchange rates differences:

The breakdown of exchange losses and gains recognized in the income statement is follows:

	YEAR ENDED	
	31 December 2022	**31 December 2021**
On Investments and loans with group companies	0.6	1.2
On Banks and other assets	1.0	0.3
On Financial liabilities	0.1	0.2
Total	**1.7**	**1.7**

17. Related parties balances and transactions

As of 31 December 2022, the Group comprised the following subsidiaries:

(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
		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.[3]	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 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
AmRest d.o.o.[2]	Belgrade, Serbia	AmRest Sp. z o.o.	100.00%	October 2007
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
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.	100.00%	July 2019
AmRest Coffee SK s.r.o.	Bratislava, Slovakia	AmRest s.r.o. AmRest Sp. z o.o.	99.00% 1.00%	December 2015
AmRest Coffee Deutschland Sp. z o.o. & Co. KG	Munich, Germany	AmRest Kaffee Sp. z o.o. AmRest TAG S.L.U.	23.00% 77.00%	May 2016
AmRest DE Sp. z o.o. & Co. KG	Munich, Germany	AmRest Kaffee Sp. z o.o.	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. OOO AmRest	99.999996% 0.000004%	November 2017
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. AmRest Sp. z o.o.	99.00% 1.00%	April 2018
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	Sushi Shop Luxembourg SARL	100.00%	October 2018
Sushi Shop London Pvt LTD	London, UK	Sushi Shop Group SAS	100.00%	October 2018

(all figures in EUR millions unless stated otherwise)

Sushi Shop Belgique SA	Bruxelles, Belgium	Sushi Shop Group SAS	100.00%	October 2018
Sushi Shop Louise SA	Bruxelles, Belgium	Sushi Shop Belgique SA	100.00%	October 2018
Sushi Shop UK Pvt LTD	Charing, UK	Sushi Shop Group SAS	100.00%	October 2018
Sushi Shop Anvers SA	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.U.	Madrid, Spain	Sushi Shop Management SAS	100.00%	October 2018
Sushi Shop Milan SARL	Milan, Italy	Sushi Shop Management SAS Vanray SRL	70.00% 30.00%	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 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
Sushi Shop Morges SARL	Moudon, Switzerland	Sushi Shop Switzerland SA	100.00%	October 2020
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 [4]	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. Ondrej Razga	90.00% 10.00%	March 2007
SCM Sp. z o.o.	Warsaw, Poland	AmRest Sp. z o.o. R&D Sp. z o.o. Beata Szafarczyk-Cylny Zbigniew Cylny	51.00% 33.80% 5.00% 10.20%	October 2008

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 7 April 2022 the Share Purchase Agreement was concluded to sale and transfer of the 40% of the shares in AmRest d.o.o. from ProFood Invest GmbH to AmRest Sp. z o.o. On 6 September 2022 changes were registered – AmRest Sp. z o.o. has become sole shareholder of AmRest d.o.o.

3 On 20 January 2023 AmRest HK Ltd. has been deregistered.

4 On 19 December 2022, AmRest Tag, S.L.U., the sole shareholder of La Tagliatella International, Kft., decided to liquidate this company. The liquidation process has not been finished up until the date of this Report.

(all figures in EUR millions unless stated otherwise)

The balances with the Group entities are as follows:

	31 December 2022	31 December 2021
Assets		
Total loans granted to group companies	**232.9**	**253.8**
(Long and short term classification)		
Long term loans granted to group companies (note 7)	162.3	178.5
Short term loans granted to group companies (note 7)	70.6	75.3
(Group entity classification)		
AmRest TopCo	0.5	8.4
AmRest Opco SAS	38.0	36.9
Amrest China group LTD	-	8.0
AmRest AT GmbH	3.2	3.3
AmRest Kaffee Sp. z o.o.	47.6	46.0
AmRest TAG S.L.U.	83.3	104.1
Blue Frog Food & Beverage Management	9.0	-
Pastificio Service. S.L.U.	-	26.8
Restauravia Food. S.L.U.	33.5	11.5
AmRest Adria d.o.o.	-	0.5
AmRest Pizza GmbH	-	2.7
AmRest SK s.r.o.	4.5	2.3
AmRest Global	2.6	0.1
AmRest France SAS	10.7	-
AmRest Coffee SK Sro	-	0.3
AmRest sp.zoo	-	2.9
Other financial assets with group companies (note 7)	**6.6**	**1.2**
Restauravia Food. S.L.U.	0.3	1.0
AmRest TAG S.L.U.	-	0.2
AmRest S.R. O	2.3	-
Pastificio Service S.L.	3.0	-
AmRest Global, S.L.U.	1.0	-
Trade and other receivables with group companies (note 7)	**3.2**	**1.8**
AmRest Sp. z o.o.	0.3	0.1
AmRestag S.L	0.8	0.8
AmRest Coffee Sp. Z.o.o.	0	0.1
AmRest Global	1.6	0.5
AmRest Acquisition	-	0.1
New Precision Limited	0.2	0.1
Horizon Consultants	0.2	0.1
AmRest LLC	0.1	-
Short term debt and other current financial liabilities (note 12 and 15)	**5.8**	**1.6**
Pastificio Service S.L.	0.1	0.5
The Grill Concept S.L.U.	-	1.0
Sushi Shop SAS	-	0.1
AmRest EOOD	1.7	-
AmRest Kft	2.7	-
Sushi Shop Madrid SL	0.5	-
OOO AmRest	0.6	-
Amrest Global	0.1	-
AmRest Sp. z o.o.	0.1	-
Trade payables with group companies (note 12)	**1.0**	**1.6**
AmRest Sp. z o.o.	0.7	0.1
AmRest kft	-	0.1
AmRest TAG S.L.U.	-	1.2
OOO AmRest	0.1	-
Other related parties	0.2	0.2

(all figures in EUR millions unless stated otherwise)

The transactions with group entities are as follows:

	YEAR ENDED	
	31 December 2022	**31 December 2021**
Revenues		
Revenues from dividends (note 16.1)	**16.7**	**15.6**
AmRest SRO	16.7	15.6
Financial Income from group companies (16.1)	**7.6**	**7.6**
AmRest Sp. z o.o.	0.1	0.2
AmRest HK Ltd.	-	0.1
AmRest China Group PTE Ltd.	0.4	0.4
AmRest Coffee Deutschland	-	0.3
AmRest Topco France	0.3	0.2
AmRest Opco SAS	1.1	1.0
AmRest DE Sp. z o.o. & Co. KG	0.1	0.4
AmRest Kaffee Sp. z o.o.	1.5	1.3
AmRest TAG S.L.U.	2.9	2.8
Pastificio Service S.L.U.	0.4	0.1
Restauravia Food S.L.U.	0.4	0.1
AmRest AT GmbH	0.1	0.1
Blue Frog Food & Beverage Management	-	0.1
Other group companies	0.3	0.5
Expenses		
Financial expenses with group companies (note 16.5)	**(0.5)**	**(1.5)**
AmRest SRO	(0.4)	-
AmRest Coffee Deutschland Sp. Z.o.o.	-	(1.5)
Other group companies	(0.1)	-
Impairment of investments and credits with group companies (notes 6 and 7)	**(18.8)**	**(0.2)**
AmRest Pizza GmbH	(2.8)	-
AmRest HK Ltd.	(0.2)	(0.2)
AmRest Acquisition Subsidiary (Malta)	(15,8)	-
Exchange rates differences	**0.6**	**1.2**
AmRest China Group PTE Ltd.	0.1	0.5
Blue Frog Food & Beverage Management	0.5	0.7

(all figures in EUR millions unless stated otherwise)

18. 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:

	Year ended	
	31 December 2022	31 December 2021
Board of Directors Remunerations		
Fixed Remuneration	0.7	0.6
Other items	0.1	0.1
Total Board of Director remunerations	**0.8**	**0.7**

The subsidiaries from the Group have not paid any remuneration to the Board of Directors in the years 2022 and 2021.

Directors Remuneration Policy was approved at the general shareholders' meeting held on 12 May 2022 and will remain in force until 2025 unless the general shareholders' meeting so resolves to amend or replace it.

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

	Year ended	
Senior Executives	31 December 2022	31 December 2021
Remuneration received by the Senior Executives	0.5	0.8
Total remuneration received by the Senior Executives	**0.5**	**0.8**

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

	Year ended	
Senior Executives	31 December 2022	31 December 2021
Remuneration received by the Senior Executives	2.8	2.5
Total remuneration received by the Senior Executives	**2.8**	**2.5**

(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:

In 2022 and 2021 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)

19. Other information

19.1 Number of employees

The average number of employees distributed by categories. for the year 2022 and 2021 is a follow:

	Year ended	
Categories	**31 December 2022**	**31 December 2021**
Executive Managers	1	2
Managers and others	3	1
	4	**3**

The number of employees distributed by gender, as of 31 December 2022 and 2021 is as follow:

Gender	**2022 FY**			**2021 FY**		
	Total	**Males**	**Female**	**Total**	**Males**	**Female**
Board Members	**7**	**5**	**2**	**7**	**5**	**2**
Executive Managers	**-**	**-**	**-**	**1**	**1**	**-**
Managers and others	**3**	**1**	**2**	**1**	**1**	**-**
	10	**6**	**4**	**9**	**7**	**2**

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

19.2 Tax inspections

On 22 July 2019, Pastificio Service, S.L. (as the tax payer), Amrest Tag, S.L. (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, S.L. 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 January 2021 the companies submitted the corresponding allegations before the Technical Office against the final settlement proposal.

On 26 July 2021, the companies presented allegations before the Central Economic-Administrative Court (TEAC) and on 5 July 2022, the dismissal of the allegations writ submitted has been received.

As the companies disagree with the TEAC resolution, the companies have submitted the corresponding allegations writ on 21 December 2022 before the National Court and to date the Court's resolution has not been received.

19.3 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.

All companies face climate-related risks and opportunities and are having to take strategic decisions in this regard. The Company Directors have assessed the climate and environmental risks and consider that they do not have a significant impact on these annual accounts.

19.4 Subsequent events

In connection with the sale of its KFC stores in Russia (the “Business”), AmRest informs that, subsequent to 31 December 2022, Unirest LLC (“Unirest”), an affiliate of Yum! Brands Inc. (“Yum! Brands”), has exercised its right of first refusal pursuant to the underlying franchise agreements for itself or for the benefit of a third party, and has appointed Smart Service Nord Ltd (“Smart Service”) as the purchaser of the Business.

Smart Service is operated by two Russian KFC franchisees, Messrs. Konstantin Kotov and Andrey Oskolkov and, according to public information, is the entity with which Yum! Brands Inc. entered into a sale and purchase agreement to transfer ownership of its Russian KFC restaurants in October of 2022.

As a consequence of Unirest’s exercise of its right of first refusal, AmRest has terminated the sale and purchase agreement entered into with OOO Almira on 6 December 2022, and signed a new sale and purchase agreement with Smart Service on 25 February 2023 substantially in the same terms and conditions of the agreement between AmRest and OOO Almira.

Therefore, the new sale and purchase agreement is subject to the approval by the anti-trust agency of Russia and to other regulatory approvals which could be applicable in Russia.

As of today, and according to the terms of the sale and purchase agreement, AmRest expects to receive a minimum of EUR 100 million from the sale of the Business.

20. Audit fees

The fees accrued during the year ended 31 December 2022 and 31 December 2021 by PricewaterhouseCoopers Auditores, S.L. were as follows:

	Year ended	
In thousands of Euros	**31 December 2022**	**31 December 2021**
Audit fees Service		
Audit	30.0	28.0
Total audit fees	**30.0**	**28.0**

PricewaterhouseCoopers Auditores, S.L. and its group companies has not provided any additional services different to audit during 2022 and 2021.

Signatures of the Board of Directors

José Parés Gutiérrez
Chairman of the Board

Luis Miguel Álvarez Pérez
Vice-Chairman of the Board

Carlos Fernández González
Member of the Board

Romana Sadurska
Member of the Board

Pablo Castilla Reparaz
Member of the Board

Mónica Cueva Díaz
Member of the Board

Emilio Fullaondo Botella
Member of the Board

Madrid, 27 February 2023

Directors' Report

(all figures in EUR millions unless stated otherwise)

1. Financial highlights

	year ended 31 December 2022	year ended 31 December 2021	3 months ended on December 31 2022	3 months ended on December 31 2021
Revenues	24.3	23.5	19.5	2.4
Results from operating activities	2.8	19.1	(3.4)	1.0
Financial Cost	(14.8)	(9.8)	(9.1)	(1.6)
Income tax expense	7.2	3.0	2.6	0.3
Profit/(loss) for the period	(4.8)	12.3	6.9	(0.3)

	31 December 2022	31 December 2021
Total Assets	716.1	709.4
Total liabilities and provisions	384.6	378.6
Non-current liabilities	339.7	298.2
Current liabilities	44.9	80.4
Share capital	22	22

2. Significant events and transactions in 2022

The end of the development agreement with Burger King

On 1 February 2022 Burger King Europe GMBH has notified AmRest about the termination of the development agreements of the Burger King brand in Poland, the Czech Republic, Slovakia, Bulgaria and Romania effective as of the same day.

AmRest continues to operate 100 Burger King restaurants that it owns in mentioned territories under the best standards of service and quality, in compliance with the franchise agreements which continue to be in force.
Therefore, the revenues, EBITDA and total assets of AmRest will not be significantly affected by the termination of the development agreements.

Initiation of process to suspend temporarily operations in Russia

On 9 March 2022, following the recent announcement made by Yum! Brands, the owner of the KFC and Pizza Hut brands, AmRest informed that it was initiating the process to temporarily suspend its operations in Russia. All investment in the region were also halted.

Transfer of Pizza Hut business in Russia and Germany

As previously announced, due to termination of Pizza Hut Master Franchise Agreements in Russia and Germany, the Pizza Hut restaurants on these markets were transferred in Q2 2022 and Q4 2022, respectively, to two different counterparties designated by Yum! These two transactions have led to the transfer of 145 restaurants (20 equity + 125 franchised), 59 in Russia and 86 in Germany.

Amendment to terms of the Credit Agreement

In relation with the Senior Term and Revolving Facilities agreement dated 5 October 2017 (the “Credit Agreement”) and with the Other Relevant Information published by the Company on 13 December 2021 (with registration number 13163), AmRest signed on 8 September 2022 an amendment to certain terms of the Credit Agreement, including the lenders’ commitment to grant AmRest the so-called Facility G, in the amount of additional EUR 100 million, as well as the inclusion of the obligation to maintain an equity / assets ratio, with the main terms regarding interest and maturity remaining unchanged.
As a consequence of such amendment, after the usual conditions for this type of transactions were fulfilled, AmRest drew down the full amount of this credit line and is using it to finance the general corporate purposes of the AmRest group and expansion.

Agreement to sale the business in Russia

On 6 December 2022 AmRest, through its subsidiaries AmRest Sp. z o.o. and AmRest Acquisition Limited, has entered into a share purchase agreement with Almira OOO, for the sale of its KFC restaurant business in Russia (the "Transaction"). The closing of the Transaction is subject to the approval by competition authority in Russia, the consent by Yum! Brands Inc. and to other regulatory authorizations that may be applicable in Russia.
According to the terms of the share purchase agreement, as of the date of signing, AmRest expected to receive a minimum of 100,000,000 euros for the Transaction.

(all figures in EUR millions unless stated otherwise)

The final terms of the Transaction, which are subject to certain external factors, including exchange rate, will be communicated if the Transaction is closed. Nevertheless, AmRest estimates that after recognition of the impairment of the Russian business in the consolidated financial statements as of June 30, 2022, the completion of the Transaction should not require further adjustments.

3. Shareholders of AmRest Holdings, SE

During the period covered by this Report following changes occurred with respect to the Company's shareholder structure:

In July 2022, the merger by absorption between FCapital Dutch, S.L. (at that time named FCapital Dutch, B.V.), as the absorbing company, and FCapital Lux S.à r.l. (holding directly 56 509 547 AmRest shares), as the absorbed company, was completed. As a result of this merger, FCapital Lux S.à r.l.'s shareholding in AmRest Holdings SE became the property of FCapital Dutch, S.L.

Likewise, FCapital Dutch, S.L. (formerly FCapital Dutch, B.V.) carried out the international transfer of its registered office, without dissolution or loss of its legal personality, from its previous domicile located in Amsterdam (The Netherlands) to Madrid (Spain), under a public deed executed on December 1, 2022 (effective date of the transfer of domicile), which was registered in the Commercial Registry of Madrid on January 16, 2023

To the best of AmRest's knowledge as of 31 December 2022 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 S.L.*	147,203,760	67.05%
Artal International S.C.A.	11,366,102	5.18%
Nationale-Nederlanden OFE	10,718,700	4.88%
Aviva OFE Aviva BZWBK SA	7,013,700	3.19%
Other Shareholders	43,251,921	19.70%

* FCapital Dutch S.L. is 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

As explained in the Significant events and transactions section, in relation with the Senior Term and Revolving Facilities agreement dated 5 October 2017 (the "Credit Agreement") and with the Other Relevant Information published by the Company on 13 December 2021 (with registration number 13163), AmRest signed on 8 September 2022 an amendment to certain terms of the Credit Agreement, including the lenders' commitment to grant AmRest the so-called Facility G, in the amount of additional EUR 100 million, as well as the inclusion of the obligation to maintain an equity / assets ratio, with the main terms regarding interest and maturity remaining unchanged.

As a consequence of such amendment, after the usual conditions for this type of transactions were fulfilled, AmRest drew down the full amount of this credit line and is using it to finance the general corporate purposes of the AmRest group and expansion.

5. Information on dividends paid

Dividends have not been distributed during the 12 months ended 31 December 2022.

6. Changes in the Company's Governing Bodies

During the period covered by this Report there were no changes in the composition of the Board of Directors of AmRest Group.

On 12 May 2021, following the appointment by co-option on July 1, 2020 of Mrs. Mónica Cueva Díaz by the Board of Directors, the Annual General Shareholders 'Meeting of AmRest resolved to ratify the appointment by co-option and to re-elect Mrs. Mónica Cueva Díaz as a member of the Board of Directors, with the status of independent, for the statutory term of four years, with effect from the date of adoption of the resolution.

As of 31 December 2022 the composition of the Board of Directors was as follows:

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

- Ms. Mónica Cueva Díaz

- Eduardo Rodríguez-Rovira Rodríguez (Secretary, non-Board member)
- Mauricio Gárate Meza (Vice Secretary, non board member)

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

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

During the year 2022 there were no significant changes with respect to AmRest shares and stock options held by the members of the Board of Directors of AmRest.

As of 31 December 2021 Mr. Carlos Fernández González (member of the Company's Board of Directors) held through its closely associated person, FCapital Dutch, S.L, 147 203 760 shares of the Company with a total nominal value of EUR 14 720 376. On 31 December 2022, Mr. Carlos Fernández González still owned (through FCapital Dutch, S.L.) 147 203 760 AmRest's shares with a total nominal value of EUR 14 720 376.

In addition, as of 31 December 2021 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. On 31 December 2022 Finaccess México, S.A. de C.V. held 1 477 523 AmRest shares with a total nominal value of EUR 147 752.3. 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).

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 Ordinary General Shareholders' Meeting of AmRest held on May 12, 2022 resolved to renew the previous authorization granted by the General Shareholders' Meeting of June 6, 2018, revoking it in the unused part.

In the past the Company was acquiring 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 2022 and 31 December 2022, AmRest didn't purchase any own shares. During the same period, the Company disposed a total of 29 771 own shares with a total nominal value of EUR 2 977.1 and representing 0.0136% 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 31 December 2022 AmRest held 341 645 own shares with a total nominal value of EUR 34 164.5 and representing 0.1556% 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 safeguards in place does not ensure completely against the risk of fraud or against breaking laws. 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 summarised in this section. AmRest reviews and improves its risk management and internal control systems on an on-going basis.

- Liquidity risk

Liquidity risk is defined as the risk of incurring losses resulting from the inability to meet payment obligations in a timely manner when they become due or from being unable to do so at a sustainable cost. The Group is exposed to the risk to a lack of financing at the moment of the maturity of bank loans and bonds.

As of 31 December 2022 the Group has sufficient liquidity to fulfil its liabilities over the next 12 months.

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

- Risks related to key personnel turnover in the Group and increasing labour costs

(all figures in EUR millions unless stated otherwise)

AmRest´s success depends, to some extent, on the individual effort of selected employees and key members of management.

Excessive turnover of employees and too frequent changes in managerial positions may pose a significant risk to the stability and quality of the business activities.

- Currency risk

The results of AmRest are exposed to currency risk related to transactions and exchanges 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.

- Risk of increased financial costs

AmRest 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, AmRest and its subsidiaries may, as part of the interest rate hedging strategy, enter into derivative and other financial contracts, where the valuation of which is significantly affected by the level of reference rates.

- Tax Risk

In the process of managing and executing strategic decisions, which may affect the tax settlements, AmRest could be exposed to tax risk. In the event of irregularities occurring in tax settlements it would increase the dispute risk in the case of a potential tax control.

- Cyberattack Risk

The Group's operations are supported by a 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 unauthorised access to confidential data, which may be a result of cyberattacks.

- Global crisis and disruption

The potential occurrence of global disasters, such as health epidemics, economic crises, energy crises, extreme weather events, or other critical events creates a risk of disruption the Group's business, industry and economies where the Group operates and could impact the Group's day to day business concerns.

- Adverse regulatory change or evolution

Failure to anticipate, identify and respond to new regulation that may result in fines, litigations and/or the loss of operating licenses or other restrictions.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 safeguards in place does not ensure completely against the risk of fraud or against breaking laws. The Board of Directors of AmRest is permanently analysing and reviewing risks to which the Group is exposed. The main current risks and threats have been summarised in this section. AmRest reviews and improves its risk management and internal control systems on an on-going basis.

10. Number of employees

The average number of employees distributed by categories. for the year 2022 and 2021 is a follow:

	YEAR ENDED	
Categories	**31 December 2022**	**31 December 2021**
Executive Managers	1	2
Managers and others	3	1
	4	**3**

The number of employees distributed by gender, as of 31 December 2022 and 2021 is as follow:

(all figures in EUR millions unless stated otherwise)

Gender	31 December 2022			31 December 2021		
	Total	Males	Female	Total	Males	Female
Board Members	7	5	2	7	5	2
Executive Managers	-	-	-	1	1	-
Managers and others	3	1	2	1	1	-
	10	6	4	9	7	2

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

11. Average payment period

During the year ended on 31 December 2022, the average payment period to external suppliers was 45 days.

12. Subsequent Events

In connection with the sale of its KFC stores in Russia (the “Business”), AmRest informs that, subsequent to 31 December 2022, Unirest LLC (“Unirest”), an affiliate of Yum! Brands Inc. (“Yum! Brands”), has exercised its right of first refusal pursuant to the underlying franchise agreements for itself or for the benefit of a third party, and has appointed Smart Service Nord Ltd (“Smart Service”) as the purchaser of the Business.

Smart Service is operated by two Russian KFC franchisees, Messrs. Konstantin Kotov and Andrey Oskolkov and, according to public information, is the entity with which Yum! Brands Inc. entered into a sale and purchase agreement to transfer ownership of its Russian KFC restaurants in October of 2022.

As a consequence of Unirest’s exercise of its right of first refusal, AmRest has terminated the sale and purchase agreement entered into with OOO Almira on 6 December 2022, and signed a new sale and purchase agreement with Smart Service on 25 February 2023 substantially in the same terms and conditions of the agreement between AmRest and OOO Almira.

Therefore, the new sale and purchase agreement is subject to the approval by the anti-trust agency of Russia and to other regulatory approvals which could be applicable in Russia.

As of today, and according to the terms of the sale and purchase agreement, AmRest expects to receive a minimum of EUR 100 million from the sale of the Business.

13. Annual Corporate Governance Report and Annual Directors' Remuneration Report

The Annual Corporate Governance Report and the Annual Director´s Remuneration Report are an integral part of this Management Report and are presented in the consolidated management report for the 2022 financial year of AmRest Holdings, SE and subsidiaries Reported to the CNMV.

Signatures of the Board of Directors

José Parés Gutiérrez
Chairman of the Board

Luis Miguel Álvarez Pérez
Vice-Chairman of the Board

Carlos Fernández González
Member of the Board

Romana Sadurska
Member of the Board

Pablo Castilla Reparaz
Member of the Board

Mónica Cueva Díaz
Member of the Board

Emilio Fullaondo Botella
Member of the Board

Madrid, 27 February 2023

Statement of responsibility of AMREST HOLDINGS, SE

The members of the Board of Directors of AMREST HOLDINGS, SE ("**AmRest**" or the "**Company**") on its meeting held on 27 February 2023, and according to article 118 of the reinstated text of the Spanish Securities Markets Act approved by Royal Legislative Decree 4/2015 of 23 October as well as to article 8.1. b) of Royal Decree 1362/2007, of 19 October, declare that, as far as they are aware, the individual Annual Accounts of the Company, as well as the consolidated ones with its dependent companies, corresponding to the financial year ended 31 December 2022, drawn up by the Board of Directors on the referred meeting of 27 February 2023 and prepared in accordance with the applicable accounting principles, offer a true and fair image of the equity, the financial situation and the results of the Company and the companies within the consolidation taken as a whole, and the complementary Directors' Reports of the individual and consolidated Annual Accounts include an accurate analysis of the business evolution and results and of the position of AmRest and the companies within the consolidation taken as a whole, together with the main risks and uncertainties which they face.

Madrid, on 27 February 2023

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