Condensed Consolidated Interim Financial Statements

for the period of 6 months ended 30 June 2023

AmRest Group

30 August 2023

AmRest

AMREST GROUP Condensed Consolidated Interim Financial Statements

for the period of 6 months ended 30 June 2023

Contents

(all figures in EUR millions unless stated otherwise)

Condensed consolidated interim income statement for the period of 6 months ended 30 June 2023

	Note	6 MONTHS ENDED 30 June 2023	6 MONTHS ENDED 30 June 2022 Re-presented
Continuing operations			
Restaurant sales		1 089.9	916.7
Franchise and other sales		80.0	67.0
Total revenue	5	**1 169.9**	**983.7**
Restaurant expenses:			
Food and merchandise	6	(317.4)	(259.6)
Payroll and other employee benefits	6	(269.3)	(237.0)
Royalties	6	(53.6)	(44.1)
Occupancy, depreciation and other operating expenses	6	(335.5)	(292.7)
Franchise and other expenses	6	(62.1)	(50.6)
Gross Profit		**132.0**	**99.7**
General and administrative expenses	6	(78.5)	(70.5)
Net impairment losses on financial assets		(1.2)	(0.9)
Net impairment losses on other assets	13	(5.1)	4.1
Other operating income/expenses	6	4.0	9.2
Profit/loss from operations		**51.2**	**41.6**
Finance income	7	8.0	0.7
Finance costs	7	(31.8)	(24.4)
Profit/loss before tax		**27.4**	**17.9**
Income tax expense	8	(7.1)	(7.9)
Profit/loss for the period from continuing operations		**20.3**	**10.0**
Discontinued operations			
Profit/loss for the period from discontinued operation	4	6.5	(43.0)
Profit/loss for the period		**26.8**	**(33.0)**
Attributable to:			
Shareholders of the parent		23.6	(35.5)
Non-controlling interests		3.2	2.5

		6 MONTHS ENDED 30 June 2023	6 MONTHS ENDED 30 June 2022 Re-presented
Earnings per share for profit/loss from continuing operations attributable to the ordinary equity holders of the company:			
Basic earnings per ordinary share in EUR	17	0.08	0.03
Diluted earnings per ordinary share in EUR	17	0.08	0.03
Earnings per share for profit/loss attributable to the ordinary equity holders of the company:			
Basic earnings per ordinary share in EUR	17	0.11	(0.16)
Diluted earnings per ordinary share in EUR	17	0.11	(0.16)

The above condensed consolidated income statement should be read in conjunction with the accompanying notes.

(all figures in EUR millions unless stated otherwise)

Condensed consolidated interim statement of comprehensive income for the period of 6 months ended 30 June 2023

	Note	6 MONTHS ENDED	
		30 June 2023	30 June 2022 Re-presented
Profit/loss for the period		**26.8**	**(33.0)**
Other comprehensive income/loss	16		
Exchange differences on translation of disposed operation		(8.4)	43.6
Exchange differences reclassified on loss of control	4	28.6	-
Exchange differences on translation of other foreign operations		(3.3)	1.5
Net investment hedges		7.7	(2.7)
Income tax related to net investment hedges		(1.4)	0.4
Other comprehensive income/loss for the period		**23.2**	**42.8**
Total comprehensive income/loss for the period		**50.0**	**9.8**
Attributable to:			
Shareholders of the parent		46.4	7.4
Non-controlling interests		3.6	2.4
Total comprehensive income/loss for the period attributable to owners arises from:			
Continuing operations		23.3	9.2
Discontinued operations		26.7	0.6

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

(all figures in EUR millions unless stated otherwise)

Condensed consolidated interim statement of financial position as of 30 June 2023

	Note	30 June 2023	31 December 2022
Assets			
Property, plant and equipment	9	484.8	501.5
Right-of-use assets	10	784.3	813.3
Goodwill	12	282.0	283.2
Intangible assets	11	233.4	236.4
Investment properties		1.2	4.7
Other non-current assets		22.8	24.0
Deferred tax assets	8	47.5	44.5
Total non-current assets		**1 856.0**	**1 907.6**
Inventories		39.0	37.5
Trade and other receivables	14, 23	82.3	89.1
Income tax receivables		3.6	3.3
Other current assets		13.7	13.1
Cash and cash equivalents	15	254.8	229.6
Total current assets		**393.4**	**372.6**
Total assets		**2 249.4**	**2 280.2**
Equity			
Share capital	16	22.0	22.0
Reserves	16	175.5	166.5
Retained earnings	16	172.4	148.8
Translation reserve	16	(0.7)	(17.2)
Equity attributable to shareholders of the parent		**369.2**	**320.1**
Non-controlling interests		14.0	11.1
Total equity	16	**383.2**	**331.2**
Liabilities			
Interest-bearing loans and borrowings	18, 23	542.2	551.5
Lease liabilities	10	675.7	705.6
Provisions		17.4	18.7
Deferred tax liability	8	39.7	43.0
Other non-current liabilities and employee benefits	20	6.0	3.8
Total non-current liabilities		**1 281.0**	**1 322.6**
Interest-bearing loans and borrowings	18, 23	92.1	102.2
Lease liabilities	10	165.5	173.1
Provisions		4.8	4.4
Trade payables and other liabilities	20	311.9	340.0
Income tax liabilities		10.9	6.7
Total current liabilities		**585.2**	**626.4**
Total liabilities		**1 866.2**	**1 949.0**
Total equity and liabilities		**2 249.4**	**2 280.2**

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

(all figures in EUR millions unless stated otherwise)

Condensed consolidated interim statement of cash flows for the period of 6 months ended 30 June 2023

	Note	6 MONTHS ENDED	
		30 June 2023	**30 June 2022**
Cash flows from operating activities			
Profit/loss for the period		26.8	(33.0)
Adjustments for:			
Amortisation and depreciation		123.1	124.4
Net interest expense		29.8	21.2
Foreign exchange result		(5.5)	1.9
Result on disposal of property, plant and equipment and intangibles		(0.1)	(2.4)
Result on sale of discontinued operation	4	(3.5)	-
Impairment of non-financial assets		5.1	50.6
Share-based payments		2.7	1.4
Tax expense		8.0	10.8
Rent concessions		-	(2.0)
Other		(0.4)	(0.2)
Working capital changes:	15		
Change in trade and other receivables and other assets		4.9	(13.3)
Change in inventories		(3.0)	(2.7)
Change in payables and other liabilities		(5.0)	19.2
Change in provisions and employee benefits		(1.2)	(7.3)
Cash generated from operations		181.7	168.6
Income tax paid		(12.6)	(14.2)
Net cash from operating activities		**169.1**	**154.4**
Cash flows from investing activities			
Net cash outflows on acquisition		-	(1.1)
Net proceeds from the sale of the business	4	61.6	-
Proceeds from the sale of property, plant and equipment, and intangible assets		0.1	0.5
Purchase of property, plant and equipment		(69.9)	(43.3)
Purchase of intangible assets		(4.7)	(3.9)
Net cash from investing activities		**(12.9)**	**(47.8)**
Cash flows from financing activities			
Proceeds from share transfers (employees options)		-	-
Proceeds from loans and borrowings	18	54.1	27.7
Repayment of loans and borrowings	18	(77.6)	(16.2)
Payments of lease liabilities including interests paid	10	(87.1)	(80.7)
Interest paid	18	(18.5)	(11.6)
Interest received		2.8	1.5
Dividends paid to non-controlling interest		(0.8)	(0.5)
Transactions with non-controlling interest		-	0.1
Net cash from financing activities		**(127.1)**	**(79.7)**
Net change in cash and cash equivalents		**29.1**	**26.9**
Effect of foreign exchange rate movements		(3.9)	14.9
Balance sheet change of cash and cash equivalents		25.2	41.8
Cash and cash equivalents, beginning of period		229.6	198.7
Cash and cash equivalents, end of period	**15**	**254.8**	**240.5**

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

(all figures in EUR millions unless stated otherwise)

Condensed consolidated interim statement of changes in equity for the period of 6 months ended 30 June 2023

		ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT						
		Share capital	Reserves	Retained earnings	Translation reserve	**Total**	Non-controlling interest	**Total equity**
As of 1 January 2023		**22.0**	**166.5**	**148.8**	**(17.2)**	**320.1**	**11.1**	**331.2**
Profit/loss for the period		-	-	23.6	-	**23.6**	3.2	**26.8**
Other comprehensive income/loss		-	6.3	-	16.5	**22.8**	0.4	**23.2**
Total comprehensive income/loss		**-**	**6.3**	**23.6**	**16.5**	**46.4**	**3.6**	**50.0**
Transaction with non-controlling interests	16	-	-	-	-	**-**	(0.7)	**(0.7)**
Share based payments	16	-	2.7	-	-	**2.7**	-	**2.7**
As of 30 June 2023		**22.0**	**175.5**	**172.4**	**(0.7)**	**369.2**	**14.0**	**383.2**

		ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT						
		Share capital	Reserves	Retained earnings	Translation reserve	**Total**	Non-controlling interest	**Total equity**
As of 1 January 2022		**22.0**	**165.6**	**147.5**	**(36.4)**	**298.7**	**8.8**	**307.5**
Profit/loss for the period		-	-	(35.5)	-	**(35.5)**	2.5	**(33.0)**
Other comprehensive income/loss		-	(2.3)	-	45.2	**42.9**	(0.1)	**42.8**
Total comprehensive income/loss		**-**	**(2.3)**	**(35.5)**	**45.2**	**7.4**	**2.4**	**9.8**
Transaction with non-controlling interests		-	-	-	-	**-**	0.1	**0.1**
Dividends to non-controlling interests		-	-	-	-	**-**	(0.5)	**(0.5)**
Total transactions with non-controlling interests		**-**	**-**	**-**	**-**	**-**	**(0.4)**	**(0.4)**
Transaction with non-controlling interests	16	-	0.2	-	-	**0.2**	-	**0.2**
Share based payments	16	-	0.5	-	-	**0.5**	-	**0.5**
As of 30 June 2022		**22.0**	**164.0**	**112.0**	**8.8**	**306.8**	**10.8**	**317.6**

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Notes to the Condensed Consolidated Interim Financial Statements

1. General information on AmRest Group

AmRest Holdings SE ("The Company", "AmRest") was incorporated in the Netherlands in October 2000. Since 2008 the Company operates a European Company (Societas Europaea, SE). The company is domiciled in Spain.

Paseo de la Castellana 163, 28046 (Madrid), Spain is the Company's registered office as of 30 June 2023 and has not changed during the the reporting period.

Hereinafter the Company and its subsidiaries shall be referred to as the "Group" and "AmRest Group".

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

Grupo Finaccess S.A.P.I. de C.V. is the ultimate parent of the Group.

The Group is the largest independent chain restaurant operator in Central and Eastern Europe. The Group is also conducting its operations in Western Europe and China. The Group's principal place of business is Europe.

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, 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"). In 2023 AmRest sold its KFC business in Russia. Transaction is further described in note 4.

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 licensed restaurants in Spain (Bacoa) and proprietary and franchise Sushi Shop restaurants in France, Belgium, Spain, Switzerland, United Kingdom, Luxembourg, 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.

Additionally, among own brands the Group operates virtual brands.

(all figures in EUR millions unless stated otherwise)

The table below shows the terms and conditions of cooperation with franchisors and franchisees of particular brands operated by AmRest as of 30 June 2023

ACTIVITY WHERE AMREST IS A FRANCHISEE					
Brand	**KFC**	**Pizza Hut Dine-In**	**Pizza Hut Express, Delivery**	**Burger King**	**Starbucks** [1]
Franchisor/ Partner	YUM! Restaurants Europe Limited and its affiliates	Pizza Hut Europe Limited	Pizza Hut Europe Limited	Burger King Europe GmbH, Rex Concepts BK Poland S.A,and Rex Concepts BK Czech S.R.O.	Starbucks Coffee International, Inc/Starbucks EMEA Ltd., Starbucks Manufacturing EMEA B.V.
Area covered by the agreement	Poland, Czechia, Hungary, Bulgaria, Serbia, Croatia, Spain, Germany, France, Austria, Slovenia	Poland	Poland, Czechia, Hungary, France, Slovakia.	Poland, Czechia, Bulgaria, Slovakia, Romania	Poland, Czechia, Hungary, Romania, Bulgaria, Germany, Slovakia, Serbia
Term of agreement	10 years with possibility of extension for a further 10 years	10 years with possibility of extension for a further 10 years	10 years with possibility of extension for a further 10 years	Poland, Czechia, Bulgaria, Slovakia, Romania – 10 years without extension possibility within the agreement. In some cases there some 20 year term agreements signed	15 years, possibility of extension for a further 5 years[2]; in Romania till 10 October 2023 16 years; in Bulgaria till 1 October 2027 20 years
Initial fee	up to USD 57.9 thousand [3]	up to USD 57.9 thousand [3]	USD 29.0 thousand [3]	USD 30 thousand	USD 25 thousand
Franchise fee	6% of sales revenues	6% of sales revenues	6% of sales revenues	5% of sales revenues	6% of sales revenues
Marketing fee	5% of sales revenues [4]	5% of sales revenues	6% or 5% of sales revenues depending on the concept [4]	5% of sales revenues [4]	amount agreed each year

ACTIVITY PERFORMED THROUGH OWN BRANDS			
Brand	**La Tagliatella**	**Blue Frog**	**Sushi Shop**
Area of the activity	Spain, Portugal	China	France, Spain, Switzerland, Luxembourg, UK

ACTIVITY WHERE AMREST IS A FRANCHISOR (OWN BRAND OR BASED ON MASTER-FRANCHISE AGREEMENTS)					
Brand	**Pizza Hut Express, Delivery**	**La Tagliatella**	**Blue Frog**	**Bacoa** 5)	**Sushi Shop**
Partner	Pizza Hut Europe Limited, Yum Restaurants International Holdings LLC, Pizza Hut Europe S.a.r.l	Own brand	Own brand	Own brand	Own brand
Area covered by the agreement	France, CEE (Hungary, Czechia, Poland, Slovakia, Slovenia)	Spain	China	Spain	France, Belgium, United Arab Emirates, Saudi Arabia, UK
Term of agreement	10 years with possibility of extension	10 years with possibility of extension	5 years with possibility of extension	up to 5 years	Franchise agreements: from 3 years (corners) to 10 years with a limited territorial exclusivity. EADA - exclusivity for specific territories granted to up to 10 years.

1) AmRest, through AmRest Sp. z o.o. owns 82% and Starbucks 18% of the share capital of the companies in Poland (AmRest Coffee Sp. z o.o), Czechia (AmRest Coffee s.r.o.) and Hungary (AmRest Kavezo Kft.). Upon occurrence of an event of default, both AmRest and Starbucks (as the case may be, acting as non-defaulting shareholder) will have the option to purchase all of the shares of the other shareholder (the defaulting shareholder) in the terms and conditions foreseen in the corresponding agreements. In the event of a deadlock, Starbucks will have, in the first place, the option to purchase all the shares of AmRest and, if Starbucks does not exercise that option, AmRest will have the option to purchase all the shares of Starbucks, in the terms and conditions foreseen in the corresponding agreements. In the event of a change of control in AmRest Holdings, Starbucks will have the right to increase its participation in each of the companies up to 100%.
2) The license agreements entered into by and between AmRest's affiliates and Starbucks EMEA Limited for Poland, Hungary and Czech Republic, were extended for another 5 years.
3) The fee is updated yearly for inflation.
4) Marketing fee might be changed if certain conditions set in the agreement are met. In some exceptional cases the fee is lower than the standard fee.
5) Bacoa restaurants are currently operated under trademark license agreements.

(all figures in EUR millions unless stated otherwise)

2. Group Structure

As of 30 June 2023, the Group comprised the following subsidiaries:

Company name	Registered office	Parent/non-controlling undertaking	Ownership 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 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
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
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.	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 and Beverage Management (Shanghai) 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
KaiFu Restaurant Management (Shanghai) Co. Ltd	Shanghai, China	Blue Frog Food and Beverage Management (Shanghai) 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
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. [3]	Madrid, Spain	AmRest TAG S.L.U.	100.00%	July 2018
Bacoa Holding S.L.U. [3]	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
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

(all figures in EUR millions unless stated otherwise)

Sushi Shop Milan SARL in liquidazione [2]	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%	November 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 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 27 January 2023 Sushi Shop Management SAS and VANRAY S.r.l., shareholders of Sushi Shop Milan SARL, decided to liquidate this company. The company is officially in liquidation and the mention "in liquidazione" has been added to the company's name. The liquidation process has not been finished up until the date of this Report.*
[3] *On 27 July 2023 Amrest TAG, S.L.U., the sole shareholder of Black Rice, S.L.U. and Bacoa Holding, S.L.U. decided to liquidate those companies. The liquidation process has not been finished up until the date of this Report.*

- *On 20 January 2023 AmRest HK Ltd. has been deregistered.*
- *On 23 February 2023 La Tagliatella International Kft has been deregistered.*
- *In December 2022 AmRest entered into a share purchase agreement for the sale of its KFC restaurant business in Russia. On 28 April 2023 after the fulfilment of the conditions precedent to which it was subject, the transaction between AmRest's subsidiaries AmRest Sp. z o.o. and AmRest Acquisition Limited and Smart Service Nord Ltd. for the sale of AmRest's KFC business in Russia has been closed.The registration took place on 15 May 2023, and this date was assessed as a date of loss of control over Russian KFC operations. Transaction is further described in note 4.*

3. Basis of preparation

These condensed consolidated financial statements for the period of 6 months ended 30 June 2023 have been prepared in accordance the IAS 34 Interim Financial Reporting and and other provisions of the financial reporting applicable in Spain and were authorized for issue by the Company's Board of Directors on 30 August 2023.

Unless disclosed otherwise, the amounts in these consolidated financial statements are presented in euro (EUR), rounded off to full millions with one decimal place.

This interim report does not include all the information and disclosures required in the annual financial report. Accordingly, this report should be read in conjunction with the consolidated financial statements for the year ended 31 December 2022. The accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2022, except for the adoption of new standards, interpretations, and amendments to standards effective as of 1 January 2023, which do not have material impact on the interim report of the Group. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The preparation of these condensed consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies. Estimates and judgments are continually verified and are based on professional experience and on various factors, including expectations of future events, which are deemed to be justified in given circumstances. Revisions to estimates are recognised prospectively. Actual results may differ from these estimates.

The Group has prepared these consolidated financial statements on the basis that it will continue to operate as a going concern.

4. Loss of control

During second quarter of 2023 AmRest Group disposed its Russian KFC operations and ceased all its operations and corporate presence in Russia.

In December 2022, AmRest Group entered into a share purchase agreement for the sale of its KFC restaurant business in Russia. The closing of the transaction was subject to the approval from the competition authority in Russia, the consent by Yum! Brands Inc.- brand owner and other regulatory authorizations that may be applicable in Russia. The final terms of the transaction were subject to certain external factors, including EUR/RUB exchange rate.

In February 2023 Unirest LLC, an affiliate of Yum! Brands Inc. exercised its right of first refusal pursuant to the underlying franchise agreements for itself or for the benefit of a third party, and appointed Smart Service Nord Ltd as the purchaser of the Business. As a consequence of Unirest's exercise of its right of first refusal, AmRest terminated the sale and purchase agreement entered in December 2022, and signed a new sale and purchase agreement with Smart Service on 25 February 2023 substantially in the same terms and conditions.

On 28 April 2023, after the fulfilment of the conditions precedent to which it was subject, the transaction between AmRest's subsidiaries AmRest Sp. z o.o. and AmRest Acquisition Limited and Smart Service Nord Ltd. for the sale of AmRest's KFC business in Russia (the "Transaction") was closed. Final price of EUR 100 million was received by AmRest, and as required by local regulations, the Transaction was submitted to the relevant registries for registration.

The registration took place on 15 May 2023, and this date was assessed as a date of loss of control over Russian KFC operations. Accounting effect of the deconsolidation is presented in the tables below.

The transaction represented full disposal of AmRest business held in Russia and Russian market was a separate operating segment reported in consolidated financial statements.

Group assessed that disposal of Russia operation met the definition of discontinued operation under IFRS 5 "Non-current assets held for sale and discontinued operations" ("IFRS 5"). Consequently, following adjustments were applied in these condensed consolidated financial statements:

- For condensed consolidated income statement:
  - discontinued operations were presented as a single line item comprising of post-tax profit or loss of discontinued operations, and post tax gain or loss on loss of control, with further details in note 4 below
  - comparative figures were re-presented to separate continuing operations from discontinued operations
- For condensed consolidated cash flow statement:
  - Net operating, investing and financing cash flows from discontinued operations were presented in note 4 below, and there is no separate presentation of cash flows from discontinued operations on the face of the cash flow statement
- For segment reporting:
  - Segment reporting does not include Russia operations, and consequently comparative figures were re-presented to reflect only continued operations.

No adjustments were introduced for comparative figures in condensed consolidated statement of financial position and condensed consolidated statement of changes in equity.

(all figures in EUR millions unless stated otherwise)

Below table presents details of result of discontinued operation:

	6 MONTHS ENDED	
	30 June 2023	30 June 2022 Re-presented
Restaurant sales	85.7	129.0
Restaurant expenses	(78.4)	(113.9)
General and administrative expenses	(3.0)	(3.7)
Net impairment losses on other assets	-	(54.7)
Other operating income/expenses	0.3	1.8
Net finance result	(0.7)	1.4
Income tax expense	(0.9)	(2.9)
Result from operating activities, after tax	**3.0**	**(43.0)**
Gain/loss on sale after income tax	3.5	-
Profit/loss from discontinued operation	**6.5**	**(43.0)**
Exchange differences	20.2	43.6
Other comprehensive income from discontinued operations	26.7	0.6

Details of accounting for loss of control are presented below:

	15 May 2023
Consideration received	100.0
Carrying amount of net assets sold	(61.2)
Transaction related and other costs	(3.1)
Gain on sale before income tax and reclassification of exchange differences	**35.7**
Exchange differences reclassified on loss of control	(28.6)
Income tax expense on loss of control	(3.6)
Gain/loss on sale after income tax	**3.5**

Details of net assets de-consolidated as a result of transaction are presented below:

	15 May 2023
Property, plant and equipment	37.1
Right-of-use assets	65.1
Other non-current assets	5.1
Cash and cash equivalents	38.4
Other current assets	7.0
Total assets	**152.7**
Lease liabilities non current	57.2
Other non-current liabilities	12.5
Lease liabilities current	15.8
Other current liabilities	6.0
Total liabilities	**91.5**
Carrying amount of net assets sold	**61.2**

Below table presents net operating, investing and financing cash flows from discontinued operations.

	6 MONTHS ENDED	
	30 June 2023	30 June 2022 Re-presented
Net cash flows from operating activities	9.9	32.7
Net cash flows from investing activities	58.1	(3.0)
Net cash flows from financing activities	(4.6)	(7.9)
Net cash flows of discontinued operation	**63.4**	**21.8**

Financing cash flow reflect mainly lease payments, whereas investing activities cash outflows for purchase of property, plant and equipment and - in 2023 only- net cash inflow on disposal transaction. Group received EUR 100 million of cash proceeds and de-consolidated EUR 38.4 million of cash in Russian operations.

(all figures in EUR millions unless stated otherwise)

5. Segment reporting

AmRest as a group of dynamic developing entities running operations in many markets and various restaurant business segments is under constant analysis of the Board of Directors. The Board is also constantly reviewing the way business is analysed and adjusts it accordingly to changes in the Group's structure as a consequence of strategic decisions.

Group produces various reports, in which its business activities are presented in a variety of ways. Operating segments are set on the basis of management reports used by the Board when making strategic decisions. The Board of Directors analyses the Group's performance by geographical breakdown in divisions described in the table below.

Owned restaurants and franchised businesses are analysed within three operating segments presenting Group's performance in geographical breakdown. Segments are identified based on the similarity of products, services, customer base and exposure to the same market risks. Fourth segment includes non-restaurant business. Details of the operations presented in each segment are presented below:

Segment	Description
Central and Eastern Europe (CEE)	Restaurant operations and franchise activity in: ■ Poland – KFC, Pizza Hut, Starbucks, Burger King, ■ Czechia – KFC, Pizza Hut, Starbucks, Burger King, ■ Hungary – KFC, Pizza Hut, Starbucks, ■ Bulgaria – KFC, Starbucks, Burger King, ■ Croatia, Austria, Slovenia – KFC, ■ Slovakia – Starbucks, Pizza Hut, Burger King, ■ Romania – Starbucks, Burger King, ■ Serbia – KFC, Starbucks.
Western Europe	Restaurant operations together with supply chain and franchise activity in: ■ Spain – KFC, La Tagliatella, Sushi Shop, ■ France – KFC, Pizza Hut, Sushi Shop, ■ Germany – Starbucks, KFC, ■ Portugal – La Tagliatella, ■ Belgium, Switzerland, Luxembourg, United Kingdom and other countries with activities of Sushi Shop.
China	Blue Frog operations in China.
Other	Segment Other includes global support functions such as e.g. Executive Team, Controlling, Global Finance, IT, Global Human Resources, Treasury and Investors Relations. Segment Other also includes expenses related to M&A transactions not finalised during the period, whereas expenses related to finalised merger and acquisition are allocated to applicable segments. Additionally, Other includes non-restaurant businesses performed by AmRest Holdings SE, SCM Sp. z o.o. and its subsidiaries and other minor entities performing holding and/or financing services.

After the disposal of Russian operations segment "Russia" is no longer reported. Comparative amounts were consequently restated to reflect only continuing operations.

When analysing the results of particular business segments the Board of Directors draws attention primarily to EBITDA reached, which is not an IFRS measure.

Segment measures and the reconciliation to profit/loss from operations for the period of 6 months ended 30 June 2023 and for the comparative period of 6 months ended 30 June 2022 are presented below.

6 MONTHS ENDED 30 June 2023	CEE	Western Europe	China	Other	Total
Restaurant sales	638.0	403.4	48.5	-	1 089.9
Franchise and other sales	0.5	34.1	3.0	42.4	80.0
Segment revenue	**638.5**	**437.5**	**51.5**	**42.4**	**1 169.9**
EBITDA	**116.3**	**55.4**	**11.1**	**(10.8)**	**172.0**
Depreciation and amortisation	60.6	44.8	8.7	0.4	114.5
Net impairment losses on financial assets	0.1	0.9	-	0.2	1.2
Net impairment losses on other assets	0.7	4.1	0.3	-	5.1
Profit/loss from operations	**54.9**	**5.6**	**2.1**	**(11.4)**	**51.2**
Capital investment*	**37.0**	**18.9**	**3.9**	**0.6**	**64.0**

**Capital investment comprises additions and acquisition in property, plant and equipment and intangible assets.*

(all figures in EUR millions unless stated otherwise)

6 MONTHS ENDED 30 June 2022 Restated**	CEE	Western Europe	China	Other	Total
Restaurant sales	522.8	358.4	35.5	-	916.7
Franchise and other sales	0.3	33.0	0.2	33.5	67.0
Segment revenue	**523.1**	**391.4**	**35.7**	**33.5**	**983.7**
EBITDA	**102.5**	**50.2**	**5.0**	**(8.7)**	**149.0**
Depreciation and amortisation	56.6	43.8	9.7	0.4	110.5
Net impairment losses on financial assets	(0.1)	1.0	0.1	-	1.0
Net impairment losses on other assets	(3.9)	(0.4)	0.2	-	(4.1)
Profit/loss from operations	**49.9**	**5.8**	**(5.0)**	**(9.1)**	**41.6**
Capital investment*	**22.4**	**15.4**	**2.2**	**0.4**	**40.4**

**Capital investment comprises additions and acquisition in property, plant and equipment and intangible assets.*

*** In 2022 Group finalized verification of internal structures. As a result, since 2023, some additional functions were reported as global and are analysed within segment Other. The comparative data in segment reporting note were restated, to reflect the results of all segments as if such change was made already in 2022. Additionally, comparative data were adjusted and do not include results of Russian business because AmRest Group disposed its Russia operations in Q2 2023 and stopped monitoring and reporting Russian results.*

The segment information has been prepared in accordance with the accounting policies applied in these condensed consolidated financial statements.

6. Operating and other income/costs

Operating costs

Analysis of operating expenses by nature:

	6 MONTHS ENDED 30 June 2023	30 June 2022 Re-presented
Food, merchandise and other materials	380.0	309.2
Payroll	264.9	232.8
Social security and employee benefits	65.7	55.3
Royalties	54.9	46.2
Utilities	63.1	49.6
Marketing expenses	50.2	38.8
Delivery fees	43.5	40.8
Other external services	52.8	50.4
Occupancy cost	14.9	11.9
Depreciation of right-of-use assets	67.8	63.8
Depreciation of property, plant and equipment	41.8	41.1
Amortisation of intangible assets	4.9	5.6
Other	11.9	9.0
Total cost by nature	**1 116.4**	**954.5**

Summary of operating expenses by functions:

	6 MONTHS ENDED 30 June 2023	30 June 2022 Re-presented
Restaurant expenses	975.8	833.4
Franchise and other expenses	62.1	50.6
General and administrative expenses	78.5	70.5
Total costs	**1 116.4**	**954.5**

Other operating income/expenses

In June 2023 the Group sold a part of investment property, which historical value was PLN 22.2 million (EUR 5 million). The profit from this transaction of EUR 0.2 million was recognized and presented in other operating income.

7. Finance costs and incomes

Finance income for the period of 6 months ended 30 June 2023 consists mainly of income from net exchange differences in an amount of EUR 6.1 million and bank and other interests received in an amount of EUR 1.8 million. As for the period of 6 months ended 30 June 2022 finance income represents mainly bank and other interests received.

(all figures in EUR millions unless stated otherwise)

Finance costs are presented in table below:

	6 MONTHS ENDED	
	30 June 2023	30 June 2022 Re-presented
Interest expense	17.7	10.5
Interest expense on lease liability	13.9	11.1
Net cost from exchange differences	**-**	**3.5**
Net exchange differences on lease liability	-	5.0
Net exchange differences - other	-	(1.5)
Other	0.2	(0.7)
Total finance cost	**31.8**	**24.4**

8. Income taxes

	6 MONTHS ENDED	
	30 June 2023	30 June 2022 Re-presented
Current tax	(11.2)	(9.4)
Deferred income tax recognised in the income statement	4.1	1.5
Income tax recognised in the income statement	**(7.1)**	**(7.9)**
Deferred tax asset		
Opening balance	44.5	45.7
Closing balance	47.5	45.6
Deferred tax liability		
Opening balance	43.0	45.4
Closing balance	39.7	46.3
Change in deferred tax assets/liabilities	**6.3**	**(1.0)**
Change in deferred tax assets/liabilities from continuing operation	3.4	0.8
Change in deferred tax assets/liabilities from discontinued operation	2.9	(1.8)

Changes in deferred tax asset and liabilities are recognized as follow:

	6 MONTHS ENDED	
	30 June 2023	30 June 2022 Re-presented
Change in deferred tax assets/liabilities	**6.3**	**(1.0)**
of which:		
Deferred taxes recognised in the income statement	4.1	1.5
Deferred tax of discontinued operation	2.9	(1.8)
Deferred taxes recognised in other comprehensive income – net investment hedges	(1.4)	(0.4)
Deferred taxes recognised in equity -valuation of employee options	-	0.7
Exchange differences	0.7	(1.0)

Income tax calculated according to domestic tax rates applicable to income in particular countries as of 30 June 2023 would amount to EUR 2.4 million. Main position affecting effective tax rate for the period of 6 months ended 30 June 2023 are tax losses for the current period for which no deferred tax asset was recognized (EUR 3.0 million) and local taxes reported as income taxes (EUR 1.4 million).

<u>Tax risks and uncertain tax positions</u>
Tax settlements may be subject of the tax control for the period of 3-5 years from the date of their filing. Tax settlements of AmRest entities are subject to several tax inspections which were widely described in the note "Tax risks and uncertain tax position" to the consolidated financial statements for 2022 ("the Note").

- AmRest sp. z o.o. (Poland):

In respect to tax inspections related to VAT proceedings of fiscal periods:

a) VAT periods April 2018-September 2018: On 17 July 2023 the Company received the decision issued by the Tax Authorities in Wrocław, stating that the Company could not benefit from 5% VAT rate and the biding power of the rulings held by the Company. The total VAT liability assessed by the Tax Authorities amounts to EUR 2.2 million (PLN 9.8 million). No additional sanction imposed. The Company appealed against the decision to the Tax Authorities of second instance.

(all figures in EUR millions unless stated otherwise)

b) VAT periods October 2018-March 2019: On 14 March 2023 the Company received the decisions issued by the Tax Authorities in Katowice, stating that the Company could not benefit from 5% VAT and the biding power of the rulings held by the Company. The total VAT liability assessed by the Tax Authorities amounts to EUR 4.0 million (PLN 17.9 million) which includes a penalty of 30%. The Company appealed against the decisions to the Tax Authorities of second instance and to date no decisions of second instance have been received. On 21 August 2023, the Company received an information that fiscal-penal proceeding has been started and the limitation period has been suspended.

In respect to tax inspection regarding CIT for 2013, the decision of the Tax Authorities has been repealed by the Court on 6 April 2022 and the case was sent to the Tax Authorities to reconsider it again. On 7 August 2023, the Company received a decision of second instance (issued again). The Tax Authorities confirmed that the limitation period has been suspended in a correct way and did not cancel the proceedings. The Company is preparing the complaint to be submitted to the Court. No additional liability assessed based on the decision (the liability was paid in 2021).

- Pastificio Service S.L.U., AmRest Tag S.L.U. and AmRest Holdings SE (Spain): On 22 March 2021, the entities received tax settlement agreement indicating the additional tax liability amounting to EUR 1.1 million for CIT 2014-2017 with regards to certain tax benefits related to intangible assets (i.e. patent box regimen), which was paid on 14 June 2021. The Group disagree and submitted on 26 July 2021 economic-administrative claim which were rejected. On 21 December 2022, the companies filed before the National Audience the allegations writ and to date the Court's resolution has not been received.

On 18 April 2023, AmRest Holdings SE (as head of the CIT Group) and Pastificio Service S.L.U received a notice of initiation of tax audit relating to the patent box regime for fiscal years 2018 and 2019. No tax assessment has been received at the date of this report.

- SuShi Shop Group (France): On 9 June 2022, the Company received two tax assessments relating to corporate income tax (CIT) for fiscal years 2018, 2019 and 2020. The first tax assessments included corrections for CIT of fiscal years 2018 and 2019 in the amount of EUR 1 million. The Company proceeded to pay EUR 0.7 million and not agreeing with the rest of the tax assessment (EUR 0.3 million) filed allegations before Tax Authorities which were rejected. Subsequently the Company filed allegations before the French Courts on 11 April 2023 which are pending of resolution.

The second tax assessments for fiscal year 2020 amounted EUR 2.8 million. The Company did not agree with this tax assessment and filed an appeal before tax authorities, obtaining a favorable ruling on 14 February 2023.

Bank guarantee requested for filing allegations (amounting EUR 3.1 million) are refunded for an amount of EUR 2.8 million. The rest (EUR 0.3 million) will be maintained until the procedure for FY 2018 and 2019 is closed.

The Group's risk assessment regarding tax risks and uncertainties has not changed since the publication of the consolidated financial statements for 2022. Therefore, as of 30 June 2023 and as of the date of publication of this Condensed Consolidated Interim Financial Statements, no new provisions were created.

In Group's opinion, there are no other material contingent liabilities concerning pending audits and tax proceedings.

9. Property, plant and equipment

The table below presents changes in the value of property, plant and equipment in the period of 6 months ended 30 June 2023 and 2022:

2023	**Leasehold improvements, land, buildings**	**Restaurants equipment and vehicles**	**Furniture and other assets**	**Assets under construction**	**Total**
PPE as of 1 January	**263.3**	**153.4**	**36.8**	**48.0**	**501.5**
Acquisitions	-	-	-	-	-
Additions	2.2	4.6	0.8	51.7	59.3
Depreciation (note 6)	(19.8)	(18.4)	(6.7)	-	(44.9)
Impairment losses (note 13)	(0.3)	(0.1)	(0.5)	-	(0.9)
Loss of control	(25.6)	(7.9)	(2.0)	(1.6)	(37.1)
Disposals, liquidation	0.1	(0.5)	(0.2)	(0.1)	(0.7)
Transfers	19.4	14.9	9.9	(43.3)	0.9
Exchange differences	2.9	1.7	0.3	1.8	6.7
PPE as of 30 June	**242.2**	**147.7**	**38.4**	**56.5**	**484.8**
Gross book value	605.4	405.1	123.1	57.1	1 190.7
Accumulated depreciation and impairments	(363.2)	(257.4)	(84.7)	(0.6)	(705.9)
Net book value	**242.2**	**147.7**	**38.4**	**56.5**	**484.8**

2022	**Leasehold improvements, land, buildings**	**Restaurants equipment and vehicles**	**Furniture and other assets**	**Assets under construction**	**Total**
PPE as of 1 January	**259.5**	**139.9**	**35.5**	**26.0**	**460.9**
Acquisitions	-	0.1	0.1	-	0.2
Additions	2.1	6.0	0.6	30.3	39.0
Depreciation (note 6)	(21.3)	(18.8)	(6.2)	-	(46.3)
Impairment losses (note 13)	(1.0)	(1.0)	0.5	-	(1.5)
Disposals, liquidation	(0.1)	(0.3)	(0.2)	-	(0.6)
Transfers	4.0	12.6	3.3	(20.0)	(0.1)
Exchange differences	13.2	4.1	1.1	0.3	18.7
PPE as of 30 June	**256.4**	**142.6**	**34.7**	**36.6**	**470.3**
Gross book value	651.8	405.5	108.4	37.3	1 203.0
Accumulated depreciation and impairments	(395.4)	(262.9)	(73.7)	(0.7)	(732.7)
Net book value	**256.4**	**142.6**	**34.7**	**36.6**	**470.3**

(all figures in EUR millions unless stated otherwise)

Depreciation was charged as follows:

	6 MONTHS ENDED	
	30 June 2023	**30 June 2022**
Costs of restaurant operations	43.2	44.8
Franchise expenses and other	0.7	0.8
General and administrative expense	1.0	0.7
Total depreciation	**44.9**	**46.3**
from continuing operation	41.8	41.1
from discontinued operation	3.1	5.2

10. Leases

The table below presents the reconciliation of the right-of-use assets and lease liabilities for the period of 6 months ended 30 June 2023 and 2022:

	Right-of-use asset			Lease liabilities
2023	Restaurant properties	Other	Total right-of-use asset	Total liabilities
As of 1 January	**793.0**	**20.3**	**813.3**	**878.7**
Additions – new contracts	22.4	0.9	23.3	23.2
Remeasurements and modifications	82.6	1.3	83.9	84.4
Depreciation (note 6)	(70.1)	(2.9)	(73.0)	-
Impairment losses (note 13)	(4.4)	-	(4.4)	-
Interest expense	-	-	-	14.8
Payments	-	-	-	(87.1)
Exchange differences	6.4	-	6.4	0.3
Loss of control	(63.6)	(1.6)	(65.2)	(73.1)
Disposals	-	-	-	-
As of 30 June	**766.3**	**18.0**	**784.3**	**841.2**

	Right-of-use asset			Lease liabilities
2022	Restaurant properties	Other	Total right-of-use asset	Total liabilities
As of 1 January	**756.8**	**14.2**	**771.0**	**822.9**
Additions – new contracts	13.8	1.9	15.7	15.5
Remeasurements and modifications	69.8	(0.1)	69.7	66.2
Depreciation (note 6)	(68.8)	(3.2)	(72.0)	-
Impairment losses (note 13)	(2.0)	-	(2.0)	-
Interest expense	-	-	-	12.2
Payments	-	-	-	(80.7)
Exchange differences	31.7	0.9	32.6	37.1
Disposals	(1.6)	-	(1.6)	(2.6)
As of 30 June	**799.7**	**13.7**	**813.4**	**870.6**

Depreciation was charged as follows:

	6 MONTHS ENDED	
	30 June 2023	**30 June 2022**
Costs of restaurant operations	70.4	69.4
General and administrative expense	2.6	2.6
Total depreciation	**73.0**	**72.0**
from continuing operation	67.8	63.8
from discontinued operation	5.2	8.2

The Group recognised rent expense from short-term leases of EUR 0.4 million, leases of low-value assets of EUR 3.1 million and variable lease payments of EUR 11.1 million for the period of 6 months ended 30 June 2023. Impairment test procedures, assumptions used and tests' results are disclosed in note 13.

Amounts recognised in statement of cash flows amounted to EUR 87.1 million presented in financing activity as repayment of lease liability and EUR 14.6 million in operating activity as lease payments not included in the lease liability. Total cash outflow for leases amounted to EUR 101.7 million in the period of 6 months ended 30 June 2023.

In the comparable period, in 2022, the Group recognised rent expense from short-term leases of EUR 0.3 million, leases of low-value assets of EUR 2.7 million and variable lease payments of EUR 9.8 million (including negative amount of

(all figures in EUR millions unless stated otherwise)

EUR 2.0 million COVID-19-related rent concessions). Impairment test procedures, assumptions used and tests' results are disclosed in note 13.

In the comparable period, in 2022, amounts recognised in statement of cash flows amounted to EUR 80.7 million presented as repayment of lease liability and EUR 12.8 million as lease payments not included in the lease liability. Total cash outflow for leases amounted to EUR 93.5 million.

The following are the remaining contractual maturities of lease payments at the reporting date. The amounts are gross and undiscounted and include contractual interest payments.

	30 June 2023	31 December 2022
Up to 1 year	169.9	178.0
Between 1 and 3 years	260.9	277.3
Between 3 and 5 years	189.3	197.1
Between 5 and 10 years	234.6	242.2
More than 10 years	167.6	160.0
Total contractual lease payments	**1 022.3**	**1 054.6**
Future finance costs of leases	181.1	175.9
Total lease liabilities	**841.2**	**878.7**

11. Intangible assets

The table below presents changes in the value of intangible assets in the period of 6 months ended 30 June 2023 and 2022:

2023	Own brands	Licenses for franchise brands	Relations with franchisees and customers	Other intangible assets	Total
IA as of 1 January	**153.8**	**22.9**	**25.8**	**33.9**	**236.4**
Additions	-	-	-	4.7	**4.7**
Amortisation (note 6)	(0.1)	(2.1)	(1.2)	(1.8)	**(5.2)**
Impairment losses (note 13)	-	0.3	-	-	**0.3**
Loss of control	-	(2.3)	-	(0.2)	**(2.5)**
Disposals and derecognition of assets	-	-	-	-	**-**
Transfers between categories	-	1.8	-	(2.7)	**(0.9)**
Exchange differences	(0.1)	0.5	-	0.2	**0.6**
IA as of 30 June	**153.6**	**21.1**	**24.6**	**34.1**	**233.4**
Gross book value	**158.4**	**45.5**	**51.9**	**87.0**	**342.8**
Accumulated amortisation and impairments	**(4.8)**	**(24.4)**	**(27.3)**	**(52.9)**	**(109.4)**
Net book value	**153.6**	**21.1**	**24.6**	**34.1**	**233.4**

2022	Own brands	Licenses for franchise brands	Relations with franchisees and customers	Other intangible assets	Total
IA as of 1 January	**154.1**	**23.1**	**28.9**	**30.8**	**236.9**
Additions	-	0.2	-	3.7	**3.9**
Amortisation (note 6)	(0.1)	(1.9)	(1.5)	(2.6)	**(6.1)**
Impairment losses (note 13)	-	0.1	-	(0.3)	**(0.2)**
Disposals and derecognition of assets	-	-	-	(0.2)	**(0.2)**
Transfers between categories	-	0.8	-	(0.7)	**0.1**
Exchange differences	-	1.5	-	-	**1.5**
IA as of 30 June	**154.0**	**23.8**	**27.4**	**30.7**	**235.9**
Gross book value	159.0	49.9	51.9	80.4	**341.2**
Accumulated amortisation and impairments	(5.0)	(26.1)	(24.5)	(49.7)	**(105.3)**
Net book value	**154.0**	**23.8**	**27.4**	**30.7**	**235.9**

Amortisation was charged as follows:

	6 MONTHS ENDED	
	30 June 2023	**30 June 2022**
Costs of restaurant operations	2.4	2.4
Franchise expenses and other	0.9	0.7
General and administrative expense	1.9	3.0
Total amortisation	**5.2**	**6.1**

(all figures in EUR millions unless stated otherwise)

	6 MONTHS ENDED	
	30 June 2023	30 June 2022
from continuing operation	4.9	5.6
from discontinued operation	0.3	0.5

Other intangible assets cover key monies in the amount of EUR 18.0 millions (EUR 18.0 millions as of 31 December 2022), sales and business intelligence systems, exclusivity rights and other.

12. Goodwill

Goodwill recognized on business combinations is allocated to the group of CGUs that is expected to benefit from the synergies of the business combination. The table below presents goodwill allocated to particular levels on which it is monitored by the Group. In all cases is not higher than the operating segment level:

2023	1 January	Increases (provisional)	Impairment	Exchange differences	30 June
Sushi Shop (all markets)	141.0	-	-	-	141.0
Spain – La Tagiatella and KFC	90.9	-	-	-	90.9
China – Blue Frog	21.1	-	-	(1.4)	19.7
France - KFC	14.0	-	-	-	14.0
Germany - Starbucks	8.6	-	-	-	8.6
Hungary – KFC	3.1	-	-	0.2	3.3
Romania - SBX	2.5	-	-	-	2.5
Czechia – KFC	1.4	-	-	-	1.4
Poland – Other	0.6	-	-	-	0.6
Total	**283.2**	**-**	**-**	**(1.2)**	**282.0**

2022	1 January	Increases (provisional)	Impairment	Exchange differences	30 June
Sushi Shop (all markets)	140.5	0.9	-	-	141.4
Spain – La Tagiatella and KFC	90.9	-	-	-	90.9
Russia - KFC	33.1	-	(46.9)	13.8	-
China – Blue Frog	21.5	-	-	0.7	22.2
France - KFC	14.0	-	-	-	14.0
Germany - Starbucks	8.6	-	-	-	8.6
Hungary – KFC	3.4	-	-	(0.2)	3.2
Romania - SBX	2.5	-	-	-	2.5
Czechia – KFC	1.5	-	-	-	1.5
Poland – Other	0.6	-	-	-	0.6
Total	**316.6**	**0.9**	**(46.9)**	**14.3**	**284.9**

Impairment test procedures, assumptions used and tests' results are disclosed in note 13.

13. Impairment of non-current assets

Details of impairments losses recognised:

	6 MONTHS ENDED	
	30 June 2023	30 June 2022 Re-presented
Continued operations:		
Net impairment of property, plant and equipment	(0.9)	1.5
Net impairment of intangible assets	0.3	(0.2)
Net impairment of right of use assets	(4.4)	2.8
Impairment of goodwill	-	-
Net impairment losses of non- current assets	**(5.0)**	**4.1**
Discontinued operations:		
Net impairment losses of discontinued operations	**-**	**(54.7)**

Restaurant level tests

The Group periodically reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated for the purpose of impairment testing. The recoverable amount of an asset is determined at the level of a single restaurant as the smallest unit (or set of assets) generating cash flows that are largely independent of the cash inflows generated by other assets /

(all figures in EUR millions unless stated otherwise)

groups of assets. Restaurant assets include amongst others property, plant and equipment, intangible assets and right of use assets. Impairment indicators defined by the Group are described in note 38 of consolidated financial statements for the year 2022.

Impairment indicators are reviewed twice a year and respective impairments test for restaurants are performed twice a year.
The recoverable amount of the cash-generating unit (CGU) is determined based on value in use calculation for the remaining useful life determined by lease expiry date or restaurant closure date (if confirmed), using the discount rate for each individual country.

For recoverable value calculations of value in use, Group uses cash flow projections based on financial budgets that require relevant judgments and estimates. Cash flow projections are prepared for individual restaurants. The Group uses most recently approved budgets and forecasts prepared on the level of countries or activities of brands in certain countries. Next those assumptions are verified in terms of situation of individual restaurants. Base assumptions may be enhanced or worsen, to reflect the best estimate for expected cash projections of analysed restaurant, if needed. Individual projections for sales and costs may depend on restaurant's main streams of revenues and its recovery path from pandemic (different for take-away business, dine-in, food courts), cost pressure in various markets, supply chain related issues and other.
The restaurant tests are also prepared with diversified projection periods that are correlated to restaurant's rental agreements.

The main assumptions used to determine the value in use were:
- sales growth projections dependent on sales mix and sales channels for a given restaurant
- estimate of direct costs
- costs structure development
- investment expenditures
- a discount rate based on the weighted average cost of capital and reflecting the current market assessment of the time value of money and the business risk of the cash generating unit.

As such, Group does not disclose quantitative ranges for the main assumptions used for restaurant test. The amounts assigned to each of these parameters reflect the Group's experience adjusted for expected changes in the forecast period and corrected by local specifics and characteristics of a given restaurant. This reflects the specifics of Group's operations, where business is conducted through multiple, individually small operating units.
In the event that the fair value less costs of sale is used as a reference, market references are used that take into account, among others, location and updated market information.

Carrying amount of each CGU consists of carrying amount of above described assets of the restaurants. Value in use is determined through the discounted cash flows analysis, without the base rental charge.
Discounts rates applied are shown in the table below.

	Post-tax discount rate 30 June 2023	**Implied pre-tax discount rate 30 June 2023**	**Pre-tax discount rate 31 December 2022**	**Pre-tax discount rate 30 June 2022**
Spain	9.9%	13.3%	14.6%	10.4%
Germany	7.6%	10.8%	12.7%	9.4%
France	8.3%	11.0%	9.6%	9.2%
Poland	11.1%	13.8%	14.0%	11.7%
Czechia	9.1%	11.3%	11.5%	9.3%
Hungary	13.5%	14.9%	16.0%	12.2%
Russia	N/A	N/A	36.5%	40.8%
China	8.9%	11.8%	11.8%	9.9%
Romania	13.3%	15.8%	15.2%	11.9%
Serbia	14.4%	16.9%	17.0%	13.8%
Bulgaria	10.8%	12.0%	12.2%	9.8%
Croatia	11.1%	13.5%	16.3%	11.4%
Slovakia	9.4%	11.9%	14.0%	9.7%
Portugal	11.1%	14.0%	14.0%	10.0%
Austria	8.4%	11.0%	11.8%	9.5%
Slovenia	10.7%	13.2%	13.7%	12.0%
Belgium	8.4%	11.2%	11.3%	9.4%
Italy	11.1%	14.6%	14.3%	11.6%
Switzerland	7.0%	8.5%	9.3%	7.3%
Luxembourg	7.9%	10.6%	10.9%	9.1%
Netherlands	7.6%	10.3%	11.4%	9.1%
United Kingdom	8.5%	11.3%	12.4%	9.7%

Details of impairments losses recognised per category of assets (property, plant and equipment, right of use assets, intangible assets or goodwill) are presented in notes 9, 10, 11 and 12.

Recognized impairment losses do not relate to any individual significant items, but to numerous restaurants tested during the year. This reflects the specifics of Group's operations, where business is conducted through multiple, individually small operating units.

Summary of impairment tests results on the level of restaurants for the period of 6 months ended 30 June 2023 is presented in the table below:

(all figures in EUR millions unless stated otherwise)

HY 2023	Impairment loss	Impairment reversals	Net/Total
Number of units tested			300.0
Units with impairment/reversal recognised	89.0	71.0	
Impairment of property, plant and equipment and intangible assets	(6.4)	5.8	(0.6)
Impairment of right of use assets	(6.2)	1.8	(4.4)
Five highest individual impairment loss/ reversals total	(2.7)	2.1	
Average impairment loss/ reversal per restaurant	(0.1)	0.1	

Summary of impairment tests results on the level of restaurants for the period of 6 months ended 30 June 2022 is presented in the table below:

HY 2022	Impairment loss	Impairment reversals	Net/Total
Number of units tested			394.0
Units with impairment/reversal recognised	84.0	121.0	
Impairment of property, plant and equipment and intangible assets	(5.6)	6.4	0.8
Impairment of right of use assets	(1.7)	3.2	1.5
Five highest individual impairment loss/ reversals total	(1.7)	1.5	
Average impairment loss/ reversal per restaurant	(0.1)	0.1	

Business (goodwill) level tests

The Group performs impairment test for goodwill together with any intangible assets with indefinite useful lives, other intangibles, property plant and equipment, right of use assets, as well any other non-current assets that operate on the group of CGUs where goodwill is allocated.

For recoverable value calculations, the Group uses cash flow projections based on financial budgets that require judgment and other estimates that include, among others, the operating result on sales and the discount and growth rates at long term.

Mandatory impairment tests are performed at year ends.

Present value technique model (the income approach) is used by Group for the purpose of determining fair value. The income approach converts future amounts (e.g. cash flows or income and expenses) to a single discounted amount. The fair value reflects current market expectations about those future amounts. The income approach uses unobservable inputs, as a result, the fair value measurement is generally classified as Level 3 in the fair value hierarchy.

The cash flows were derived from the most recent budgets, plans for next year and forecasts for the following four years. The 5th year normalized projections are used to extrapolate cash flows into the future if the 5th year represents a steady state in the development of the business. The adjustments may be necessary to reflect the expected development of the business (normalization of cash flows). Growth rates do not exceed the long-term average growth rate for the products, industries, or country or market in which the asset is used.

The recoverable amount is most sensitive to the discount rate used, growth rate used for extrapolation purposes and the weighted average budgeted EBITDA margin. The weighted average budgeted EBITDA margin is calculated as an average for the 5 years projection period i.e. without any impact of the residual value element. Budgeted revenues are used as weights. Average restaurants sales growth refers to same-store-sales growth rates reflected in impairment models.

Test results for half-year 2023

The Group has tested two units, for which impairment tests did not revealed any impairment loss. Following key assumption were used when performing impairment test:

HY2023	Post-tax discount rate	Implied pre-tax discount rate	Growth rate for residual value	Average restaurant sales growth 2023-2027	Weighted average budgeted EBITDA margin
Sushi Shop (all markets)	8.3%	10.0%	1.8%	5.2%	14.1%
France – KFC	8.3%	10.0%	1.8%	4.4%	11.1%

The Group carried out a sensitivity analysis for the impairment tests performed. The sensitivity analysis examined the impact of changes in below factors assuming other factors remain unchanged:

- discount rate applied,
- weighted average budgeted EBITDA margin,
- growth rate for residual value,
- sales revenues increases.

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 as presented in table above by 10%.

Additionally Group performed sensitivity analysis on the expected changes in sales revenues recognition. In that case Group 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.

Results of the sensitivity analysis

Based on the sensitivity analysis performed for France - KFC, 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 following table presents what change in impairment loss in Sushi Shop market would be accounted if respective input data were changed by tested percentage, assuming remaining parameters remain stable:

Input/ change in input	Potential impairment loss (EUR million)
Discount rate - in model (post-tax discount rate (8.3%))	
-10% of base value	-
-5% of base value	-
+5% of base value	12.6
+10% of base value	29.0
Growth rate for residual value - in model (1.8%)	
-10% of base value	0.8
-5% of base value	-
+5% of base value	-
+10% of base value	-
Weighted average budgeted EBITDA margin value - in model (14.1%)	
-10% of base value	35.7
-5% of base value	14.8
+5% of base value	-
+10% of base value	-
Restaurant Sales	
-5% in each year of projection	6.1
-3% in each year of projection	1.3
+3% in each year of projection	-
+5% in each year of projection	-

Comparative information for the goodwill impairment tests performed during period ended 30 June 2022

For the period of 6 months ended 30 June 2022 Group has identified impairment indicators and performed impairment tests for following businesses: China market, KFC France, Sushi Shop (all markets) and KFC Russia. Impairment losses were recognised for KFC Russia. In all remaining tests the recoverable amount exceeds the carrying amount of the tested group of CGUs.

Goodwill impairment test for KFC Russia

The war in Ukraine has introduced uncertainty in the conduct of businesses and, as a result, a significant risk of material adjustment to the carrying amounts of assets and liabilities may have arisen. Determining the recoverable amount in the current uncertain environment requires a careful assessment of the cash-flow projections.

The impairment test performed for KFC Russia business resulted in recognition of impairment losses in total value of EUR 52.9 million (RUB 3 179.8 million retranslated by average forex RUB/EUR exchange rate from June 2022). Impairment loss included impairment for goodwill EUR 46.9 million, impairment of property, plant, and equipment of EUR 2.5 million and impairment of right of use of assets in amount of EUR 3.5 million.

Test were performed in local currency, and the recoverable value of tested unit amounted RUB 8 713.1 million whereas the carrying amount of tested non-current assets including goodwill amounted RUB 11 892.9 million. That resulted in impairment loss of RUB 3 179.8 million, representing 42% of net assets of Russian business.

The Group has performed impairment test taking into account most recent budgets, forecast and expectations towards operating business in Russia. Cash flow projections reflect current central scenario of continuing business operations in Russia and there is no new restaurant development in the country.

The war has impacted the interest rates and inflation trends. Consequently, the discount rate and growth rate for residual period used to determine the recoverable amount were updated to reflect these developments.

The most relevant factor for updating Russia business discount rate, in the current situation, was the country risk premium input. In the past the Group was using Moody’s country ratings, however, on 15 March 2022 the European Union banned top credit rating firms from rating Russia and the Russian companies as part of its sanctions package. Additionally, on 27 June 2022 a technical default of Russia was declared after missing a bond payment in foreign currency as Russian central bank’s reserves were frozen and the local banks did not have access to the global financial system. Nonetheless, holders of Russian government Eurobonds were offered a special account to receive the payment in roubles in accordance with Russian central bank’s exchange rate. The complexity of this scenario increases with the strong appreciation showed by the rouble. This movement is contradictory to what would be implied by a sovereign default due to a lack of resources.

This technical default merits a substantial increase in the country risk premium of Russia. Even though, the country's ability to repay in an appreciating local currency remains in place, the Group considers it reasonable to make the assumption that the country's equivalent credit rating would be in the default threshold “C” (no ability to pay in USD). This scenario implies a country risk premium of 20.34% and a discount rate of 32.62% for Russia market.

Following key assumption were used when performing impairment test:

HY 2022	Post-tax discount rate	Implied pre-tax discount rate	Growth rate for residual value	Weighted average budgeted EBITDA margin	Average total sales growth
Russia – KFC	32.6%	38.7%	5.9%	21.2%	6.6%

The Group carried out a sensitivity analysis. 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 as presented in table above by 10%.

Additionally, Group performed sensitivity analysis on the expected changes in sales revenues recognition. In that case Group determines reasonable change individually for each business tested. Usually this is in a range of 3-5% decrease of estimated sales revenues in each year of projection.

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

Input/ change in input	(Increase)/ decrease in impairment loss (EUR million)
Discount rate - in model (post-tax discount rate (32.6%))	
-10% of base value	15.7
-5% of base value	7.4
+5% of base value	(6.6)
+10% of base value	(12.5)
Growth rate for residual value - in model (5.9%)	
-10% of base value	(0.9)
-5% of base value	(0.4)
+5% of base value	0.4
+10% of base value	0.9
Weighted average budgeted EBITDA margin value - in model (21.2%)	
-10% of base value	(22.2)
-5% of base value	(11.1)
+5% of base value	11.1
+10% of base value	22.2
Restaurant Sales	
-5% in each year of projection	(10.7)
-3% in each year of projection	(6.4)
+3% in each year of projection	6.4
+5% in each year of projection	10.7

The following table shows the values to discount rate and growth rate under which recoverable amount in the model would equal to carrying amount of tested unit (assuming remaining input in model unchanged).

Input value	Post tax discount rate	Growth rate
Applied in model	32.6%	5.9%
When carrying amount of CGU equals to recoverable amount	24.0%	21.2%

Goodwill impairment test for other units

The main input assumptions used in test were as follows:

HY2022	Post-tax discount rate	Implied pre-tax discount rate	Growth rate for residual value	Average restaurant sales growth 2023-2027	Weighted average budgeted EBITDA margin
Sushi Shop (all markets)	6.9%	8.3%	1.8%	6.9%	14.8%
France – KFC	6.9%	8.3%	1.8%	5.4%	10.5%
China - BF	7.4%	9.1%	2.2%	8.2%	25.0%

The Group carried out a sensitivity analysis in the same scope as described for the KFC Russia tests, above.

Based on the sensitivity analysis performed for KFC France a 10% drop in a weighted average budgeted EBITDA margin would result in impairment loss of EUR 5.8 million, whereas the other reasonably possible changes in any of the key assumptions tested would not lead to recognition of impairment losses i.e. carrying amount would not exceed the recoverable amount.

Based on the sensitivity analysis performed for China and Sushi Shop market the reasonably possible changes 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.

14. Trade and other receivables

As of 30 June 2023 and 31 December 2022 the balances of trade and other receivables were as follows:

(all figures in EUR millions unless stated otherwise)

	30 June 2023	31 December 2022
Trade receivables	38.5	44.2
Other tax receivables	23.9	27.2
Credit cards, coupons and food aggregators receivables	25.7	26.9
Loans and borrowings	1.8	1.7
Government grants	0.7	0.6
Other	4.0	1.7
Allowances for receivables (note 23)	(12.3)	(13.2)
	82.3	**89.1**

Information about the impairment of trade receivables and the Group's exposure to credit risk, foreign currency risk and interest rate risk can be found in note 23.

15. Cash and cash equivalents

Cash and cash equivalents as of 30 June 2023 and 31 December 2022 are presented in the table below:

	30 June 2023	31 December 2022
Cash at bank	245.7	216.8
Cash in hand	9.1	12.8
	254.8	**229.6**

Reconciliation of working capital changes as of 30 June 2023 and 30 June 2022 is presented in the table below:

2023	Balance sheet change	Loss of control	Change in investment receivables	Change in investment liabilities	Exchange differences	Working capital changes
Change in trade and other receivables	6.8	(2.6)	3.4	-	1.2	8.8
Change in inventories	(1.5)	(2.0)	-	-	0.5	(3.0)
Change in other assets	0.6	(3.9)	-	-	(0.6)	(3.9)
Change in payables and other liabilities	(25.9)	12.3	-	10.5	(1.9)	(5.0)
Change in other provisions and employee benefits	(0.9)	-	-	-	(0.3)	(1.2)
2022	**Balance sheet change**	**Loss of control**	**Change in investment receivables**	**Change in investment liabilities**	**Exchange differences**	**Working capital changes**
Change in trade and other receivables	(21.2)	-	-	-	(1.5)	(22.7)
Change in inventories	(4.4)	-	-	-	0.1	(4.3)
Change in other assets	(2.7)	-	-	-	0.2	(2.5)
Change in payables and other liabilities	53.0	-	-	(10.1)	3.1	46.0
Change in other provisions and employee benefits	(10.3)	-	-	-	1.1	(9.2)

16. Equity

Share capital

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

As of 30 June 2023 and as of 31 December 2022 the Company has 219 554 183 shares issued.

(all figures in EUR millions unless stated otherwise)

Reserves

The structure of Reserves is as follows:

2023	Share premium	Employee options unexercised	Employee options exercised	Treasury shares	Hedges valuation	Transactions with NCI	Total Reserves
As of 1 January	**236.3**	**15.5**	**(38.1)**	**(3.7)**	**(11.9)**	**(31.6)**	**166.5**
Net investment hedges	-	-	-	-	7.7	-	**7.7**
Income tax related to net investment hedges	-	-	-	-	(1.4)	-	**(1.4)**
Total comprehensive income	**-**	**-**	**-**	**-**	**6.3**	**-**	**6.3**
Value of disposed treasury shares	-	-	-	-	-	-	**-**
Employee stock option plan – proceeds from employees for transferred shares	-	-	-	-	-	-	**-**
Employee stock option plan – reclassification of exercised options	-	(2.1)	2.1	-	-	-	**-**
Employee stock option plan – change in unexercised options	-	2.7	-	-	-	-	**2.7**
Change of deferred tax related to unexercised employee benefits	-	-	-	-	-	-	**-**
Total share based payments	-	0.6	2.1	-	-	-	**2.7**
Total distributions and contributions	**-**	**0.6**	**2.1**	**-**	**-**	**-**	**2.7**
As of 30 June	**236.3**	**16.1**	**(36.0)**	**(3.7)**	**(5.6)**	**(31.6)**	**175.5**

2022	Share premium	Employee options unexercised	Employee options exercised	Treasury shares	Hedges valuation	Transactions with NCI	Total Reserves
As of 1 January	**236.3**	**14.1**	**(40.7)**	**4.0**	**(9.5)**	**(30.6)**	**165.6**
Net investment hedges	-	-	-	-	(2.7)	-	**(2.7)**
Income tax related to net investment hedges	-	-	-	-	0.4	-	**0.4**
Total comprehensive income	**-**	**-**	**-**	**-**	**(2.3)**	**-**	**(2.3)**
Value of disposed treasury shares	-	-	(0.2)	0.2	-	-	**-**
Employee stock option plan – proceeds from employees for transferred shares	-	-	0.1	-	-	-	**0.1**
Employee stock option plan – reclassification of exercised options	-	-	-	-	-	-	**-**
Employee stock option plan – change in unexercised options	-	1.3	-	-	-	-	**1.3**
Change of deferred tax related to unexercised employee benefits	-	(0.7)	-	-	-	-	**(0.7)**
Total share based payments	-	0.6	(0.1)	0.2	-	-	**0.7**
Total distributions and contributions	**-**	**0.6**	**(0.1)**	**0.2**	**-**	**-**	**0.7**
As of 30 June	**236.3**	**14.7**	**(40.8)**	**(3.8)**	**(11.8)**	**(30.6)**	**164.0**

Share premium
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 6 months period ended 30 June 2023.

Treasury shares
As of 30 June 2023 the Group had 339 623 treasury shares for a total purchase value of EUR 3.7 million, presented as treasury shares within "Reserves" under equity.

Transactions with NCI
This item reflects the impact of accounting for transactions with non-controlling interests (NCI). During the period of 6 months ended 30 June 2023 and 30 June 2022 Group paid dividend to non-controlling shareholders. No other transactions were made.

Hedges valuation
The Group is exposed to foreign currency risk associated with the investment in its foreign subsidiaries, which is managed by applying net hedge investment strategies.

In 2018 AmRest Holdings assigned its PLN 280 million external borrowing as a hedging instrument in a net hedge for its Polish subsidiaries. Following scheduled debt repayments, the net investment hedge has decreased. As of 30 June 2023, the value of net investment hedge amounts to PLN 224 million (PLN 224 million as of end of 2022).

AmRest Sp. z o.o., a Polish subsidiary, with PLN as functional currency, is a borrower of external EUR financing. Since 2017, the bank loan has been hedging the net investment in its EUR subsidiaries. Following a change in presentation currency of the Group from PLN to EUR, AmRest Sp. z o.o. remains exposed to the foreign currency risk between the functional currency of its net investment in its EUR investments and its own functional currency (PLN). These different functional currencies create a genuine economic exposure to changes in fair values in the consolidated financial statements of the Group.

The net investment hedge as of 30 June 2023 is EUR 177 million (177 million as of end of 2022).

For all net investment hedges, exchange gains or losses arising from the translation of liabilities that are hedging net investments are charged to equity in order to offset gains or losses on translation of the net investment in subsidiaries.

During the period of 6 months ended 30 June 2023 and 2022 hedges were fully effective.

During the period of 6 months ended 30 June 2023 the amount of currency revaluation recognised in reserve capital (resulting from net investment hedges) amounted to EUR 7.7 million, and deferred tax concerning this revaluation EUR 1.4 million.

Translation reserves

The balance of translation reserves depends on the changes in the exchange rates. Total change in translation reserves allocated to shareholders of the parent for the period of 6 months ended 30 June 2023 amounted to EUR 16.5 million (including recycling of translation reserve in Russia of EUR 28.6 milion). The most significant impact has a change in Russian ruble to EUR (EUR -8.4 million). Other significant changes result from change of Chinese yuan, Hungarian forint and Polish zloty to EUR.

17. Earnings per share

As of 30 June 2023 and 2022 the Company has 219 554 183 shares issued.

Table below presents calculation of basic and diluted earnings per ordinary share for the period of 6 months ended 30 June 2023 and 2022.

Basic EPS is calculated by dividing net profit attributable to shareholders of the parent by the weighted average number of ordinary shares outstanding during the year (including treasury shares, vested options under share based programs, number of shares to be transferred as a consideration for acquisition).

Diluted EPS is calculated by dividing net profit attributable to shareholders of the parent by the weighted average number of ordinary shares outstanding during the year, adjusted by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares (unvested options for open share based payments programs).

	6 MONTHS ENDED	
EPS calculation with the effect of share split	**30 June 2023**	**30 June 2022 Re-presented**
Net profit attributable to shareholders of the parent (EUR millions)	23.6	(35.5)
Net profit from continuing operations attributable to shareholders of the parent (EUR millions)	17.1	7.5
Weighted average number of ordinary shares for basic EPS (in thousands of shares)	219 269	219 271
Weighted average number of ordinary shares for diluted EPS (in thousands of shares)	219 269	219 271
Basic earnings per share		
From continuing operations attributable to the ordinary equity holders of the company	0.08	0.03
From discontinued operation	0.03	(0.19)
Total basic earnings per share attributable to the ordinary equity holders of the company (EUR)	**0.11**	**(0.16)**
Diluted earnings per share		
From continuing operations attributable to the ordinary equity holders of the company	0.08	0.03
From discontinued operation	0.03	(0.19)
Total diluted earnings per share attributable to the ordinary equity holders of the company (EUR)	**0.11**	**(0.16)**

Reconciliation of weighted-average number of ordinary shares for basic EPS:

Weighted-average number of ordinary shares in thousands of shares	**30 June 2023**	**30 June 2022**
Shares issued at the beginning of the period	219 554	219 554
Effect of treasury shares held	(340)	(363)
Effect of share options vested	55	80
Weighted average number of ordinary shares for basic EPS	**219 269**	**219 271**

Reconciliation of weighted-average number of ordinary shares for diluted EPS:

Weighted-average number of ordinary shares for diluted EPS in thousands of shares	**30 June 2023**	**30 June 2022**
Weighted-average number of ordinary shares for basic EPS	219 269	219 271
Effect of share options unvested	-	-
Weighted average number of ordinary shares for diluted EPS	**219 269**	**219 271**

As of 30 June 2023, 9 381 thousand of options were excluded from the diluted weighted-average number of ordinary shares calculation because their effect would have been anti-dilutive. As of 30 June 2022, there were 11 769 thousand of options with anti-dilutive effect.

18. Borrowings

Long-term	**30 June 2023**	**31 December 2022**
Syndicated bank loans	432.9	497.3
SSD bonds	29.5	35.5
Other bank loans	79.8	18.7
Total	**542.2**	**551.5**

Short-term	**30 June 2023**	**31 December 2022**
Syndicated bank loans	69.3	68.6
SSD bonds	7.0	0.4
Other bank loans	15.8	33.2
Total	**92.1**	**102.2**

As of 30 June 2023, bank loans and bond debt (SSD) amounted EUR 634.3 million, whereas at the end of year 2022 amounted EUR 653.7 million.

Bank loans and bonds

Currency	**Loans/bonds**	**Effective interest rate**	**30 June 2023**	**31 December 2022**
PLN	Syndicated bank loan	3M WIBOR+margin	91.5	87.1
EUR	Syndicated bank loan	3M EURIBOR+margin	410.7	478.9
EUR	Bilateral Loans	3M EURIBOR+margin	51.5	-
EUR	Schuldscheinedarlehen Bonds	6M EURIBOR/fixed +margin	36.5	35.9
EUR	Bank loans Germany	fixed	0.6	1.4
EUR	Bank loans France	fixed	26.2	30.1
EUR	Bank loans Spain	fixed	17.3	20.3
			634.3	**653.7**

Syndicated bank loan

As of 30 June 2023 syndicated bank financing accounts for the majority of AmRest debt. On 25 May 2023, the Group fully repaid the outstanding amount of Tranche D in the amount of EUR 67.5 million. The outstanding amount of the syndicated bank loan as of 30 June 2023 is EUR 502.2 million.

Details of syndicated bank financing originated in 2017, with further amendments, as of 30 June 2023, are as follows:

- 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.

The total tranches as of 30 June 2023:

Tranche(*)	Maximum amount (million)	Date added	Purpose
A	EUR 175	October 2017	Refinancing of bank debt, general corporate purposes
B	PLN 210	October 2017	
C (fully repaid in Q1 2019)	CZK 0	October 2017	
D	PLN 450	October 2017	
E	PLN 196	June 2019	Refinancing of Polish bonds
F	EUR 133	October 2019	M&A, general corporate purposes
G	EUR 100	September 2022	General corporate purposes

** Approximate total amount: EUR 500m. For the tranche D base currency is PLN and optional currency is EUR.*

- 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 and AmRest SAS France.
- 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 9% for the year 2023. As of the date of this report, AmRest is in compliance with the three financial covenants.

Three other sources of AmRest financing are:

- Schuldscheinedarlehen ("SSD" – debt instrument under German law) issued by AmRest Holdings SE.

As of 30 June 2023, payables concerning SSD issued amount to EUR 35.5 million plus interests. No repayments are scheduled or made during 2023. According to the schedule, EUR 35.5 million will be repaid during 2024.

The table below presents all SSD issues and their maturities as of June 2023:

Issue date	Amount (EUR million)	Interest rate	Final maturity	Purpose
7 April 2017	6.0	Fixed	Q2 2024	Refinancing, general corporate purposes
3 July 2017	20.0	Fixed	Q3 2024	
3 July 2017	9.5	Variable	Q3 2024	

- State supported loans taken on by Spanish and French subsidiaries in Q2 2020 and guaranteed by the governments.

In particular, Restauravia Food SL and Pastificio Service S.L.U. were granted EUR 22.5 million each and Sushi Shop Restauration SAS received EUR 20 million and AmRest SAS Opco SAS EUR 10 million. In April 2023, two credit lines in Spain, which were part of the states supported loans programs, reached their expiration and were successfully repaid in total amount of EUR 6.4 million, so that as of 30 June 2023, no amount is available for drawing for the Spanish entities. Additionally during second quarter of 2023 French entities repaid the EUR 3.7 million as scheduled for state supported loans.

As of 30 June 2023, payables concerning state supported Loans amount to EUR 41.0 million. The effective interest rates are similar to the market rates for specific borrowings.

State supported loans taken by the Group companies:

Country	Entities	Effective interest rate	State guarantee	Balance as of 30 June 2023	Available at 30 June 2023	Final maturity
Spain	Restauravia Food SL, Pastificio Food SL	Fixed	70%	14.8	-	Q2 2026
France	Sushi Shop Restauration SAS, AmRest Opco SAS	Fixed	90%	26.2	-	Q2 2026
				41.0	**-**	

After the annexes signed by the Group regarding its French subsidiaries state supported loans, the loans will be repaid during the period 2023 to 2026.

- Bilateral loans signed during the first half of 2023.

On 30 March 2023 AmRest Holdings SE signed an agreement for the disbursement of a loan in the amount of EUR 30 million. It is a bilateral unsecured transaction according to the permitted conditions in the Syndicated bank loan agreement. Details of bilateral loan entered in Q1 2023:

- Signing date: 30 March 2023.
- Final repayment date: 30 June 2025.
- Borrower: AmRest Holdings SE.
- Interest rates: Variable interest rates (Euribor 3M).

(all figures in EUR millions unless stated otherwise)

In April 2023 and according to the permitted conditions in the Syndicated loan agreement, the Group signed an additional unsecured bilateral loan agreement for EUR 26.5 million out of each 24.0 million was taken. The conditions of this agreement are the same as the bilateral loan of 30 March 2023.

The Group has the following unused, awarded credit limits as of 30 June 2023 and 31 December 2022:

	30 June 2023	31 December 2022
Syndicated bank loan	101.4	28.2
Bank loan/credit line Spain	2.5	17.6
Bank loan/credit line Poland	4.5	4.2
Bank loan/credit line Germany	5.4	4.6
Bank loan/credit line Czechia	2.3	0.5
	116.1	**55.1**

The table below presents the reconciliation of the debt:

2023	Bank loans	SSD bonds	Total
As of 1 January	**617.8**	**35.9**	**653.7**
Payment	(77.6)	-	(77.6)
Loan taken/ new contracts	54.1	-	54.1
Accrued interests	17.0	0.7	17.7
Payment of interests	(18.3)	(0.2)	(18.5)
Exchange differences	4.9	-	4.9
As of 30 June	**597.9**	**36.4**	**634.3**

2022	Bank loans	SSD	Total
As of 1 January	**581.1**	**83.5**	**664.6**
Payment	(2.2)	(14.0)	(16.2)
Loan taken/ new contracts	27.7	-	27.7
Accrued interests	8.8	1.7	10.5
Payment of interests	(10.2)	(1.4)	(11.6)
Exchange differences	(2.1)	-	(2.1)
As of 30 June	**603.1**	**69.8**	**672.9**

19. Employee benefits and share based payments

During 6 months ended 30 June 2023, there were no new employee share options plans introduced.

There were no additional options granted under existing programs.

For existing programs, the Group continued to recognise accruals for equity-settled options in reserve capital and accrual for cash-settled options in liabilities. The total amounts of the accrual as of 30 June 2023 and 31 December 2022 are presented in a table below:

	30 June 2023	31 December 2022
Reserve capital- gross value	17.8	17.2
Reserve capital- gross value with deferred tax effect	16.1	15.5
Liability for cash-settled options	0.0	0.1

The costs recognised in connection with the share based programs amounted to EUR 2.7 million (mostly related to the Long Term Incentive Plan 2021 and 2022) and EUR 1.4 million respectively in the period of 6 months ended 30 June 2023 and 30 June 2022.

20. Trade payables and other liabilities

Trade payables and other liabilities as of 30 June 2023 and 31 December 2022 cover the following items:

	30 June 2023	31 December 2022
Trade payables	98.1	104.2
Accruals and uninvoiced deliveries	85.4	78.8
Employee payables	21.1	21.0
Employee related accruals	25.6	32.7
Accrual for holiday leave	14.9	13.1
Social insurance payables	11.8	22.3
Other tax payables	27.0	25.2
Investment payables	13.8	24.2
Contract liabilities – initial fees, loyaltee programs, gift cards	10.8	11.1
Deferred income	6.7	5.9

	30 June 2023	31 December 2022
Other payables	2.7	5.3
Total trade payables and other liabilities	**317.9**	**343.8**

21. Future commitments and contingent liabilities

As in the previous reporting period, the Group's future liabilities are derived mainly from the franchise agreements and development agreements. Group restaurants are operated in accordance with franchise and development agreements with YUM! and subsidiaries of YUM!, Burger King Europe GmbH, Rex Concepts BK Poland S.A,and Rex Concepts BK Czech S.R.O. Starbucks Coffee International, Inc. In accordance with these agreements, the Group is obliged to meet certain development commitments as well as to make the renovations required to maintain the identity, reputation and high operating standards of each brand. Details of the agreements together with other future commitments have been described in note 1 of this Condensed Consolidated Interim Financial Statements for the period of 6 months ended 30 June 2023 and in notes 1 and 38d of the Group's Consolidated Financial Statements for the year ended 31 December 2022.

Collateral on borrowings is described in note 27 and 28 of the Group's Consolidated Financial Statements for the year ended 31 December 2022.

22. Transactions with related entities

Transactions with related parties are carried out in accordance with market regulations.

Group shareholders

As of 30 June 2023, FCapital Dutch, S.L. (formerly FCapital Dutch, B.V.) was the largest shareholder of AmRest and held 67.05% of its shares and voting rights, and as such was its related entity. No transactions with FCapital Dutch, S.L. related parties were noted.

Transactions with members of the Board of Directions and Senior Management Personnel

The remuneration of the Board of Directors and Senior Management Personnel (for these purposes, Senior Management Personnel is understood to be those executives who report directly to the Board of Directors, the chief executive officer or the first executive of the Company, including the person responsible for Internal Audit) paid by the Group was as follows:

	6 MONTHS ENDED	
	30 June 2023	30 June 2022
Remuneration of the members of the Board of Directors	**0.4**	**0.4**
Remuneration of Senior Management Personnel:		
- Remuneration received by the Senior Executives*	2.3	1.9
- Gain on share-based remuneration systems	-	-
Remuneration of Senior Management Personnel	**2.3**	**1.9**
Total compensation paid to key management personnel	**2.7**	**2.3**

**includes the total amount of the variable remuneration in cash (Short-Term Incentive Program) that is recognized in the year it is paid.*

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.

As of 30 June 2023 and 31 December 2022, the Group's members of the Board of Directors had no pension fund or life insurance. Members of the Board of Directors do not participate neither in Stock Option, Management Incentive nor LTI Plans. Senior Management Personnel participates in that Plans (details below). The Group had not granted any advance, loan or credit in favour of the Board Members or the Senior Management.

The Group's Senior Management Personnel participates in the employee share option plans (note 19). For the period of 6 months ended 30 June 2023 the cost relating to the options amounted to EUR 0.3 million (EUR 0.4 million for the period of 6 months ended 30 June 2022).

	30 June 2023	31 December 2022
Number of options outstanding (pcs)	3 285 000	3 285 000
Number of available options (pcs)	595 133	352 000
Fair value of outstanding options as at grant date (EUR millions)	3.5	3.5

The Group's Senior Management Personnel participates in the Long-Term Incentive (LTI) Program which has been started in 2021. The LTI grants will vest according to a 5-year agenda (60% after 3rd year, 20% after 4th year, 20% after 5th year). The first vesting will take place on 31st May 2024. As of 30 June 2023 the total grant related to key management equals EUR 1.9 million. For the period of 6 months ended 30 June 2023 the cost of LTI related to key management amounted to EUR 0.3 million.

As of 30 June 2023 the Group had no outstanding balances with the Senior Management Personnel. As of 31 December 2022 the Group had no outstanding balances with the Senior Management Personnel except for the accrual and payment of annual bonuses payable in the first quarter of the following year.

(all figures in EUR millions unless stated otherwise)

As of 30 June 2023 and 31 December 2022 there were no material liabilities to former employees.

Other related entities

There were no material transactions with other related entities in 2023. There were also no material receivables and payables with other related entities as of 30 June 2023 and 31 December 2022.

23. Financial instruments

The following table shows the carrying amounts of financial assets and financial liabilities. The Group assessed that the fair values of cash and cash equivalents, rental deposits, trade and other receivables, trade and other payables, as well as current loans and borrowings and finance lease liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Fair values of non-current rental deposits, loans and borrowings and financial liabilities immaterially differs from their carrying values. Trade and other receivables and liabilities presented below does not include balance relating to taxes and employee settlements.

As of 30 June 2023 and 31 December 2022 the Group did not have equity instrument measured at fair value. There were no transfers between fair value hierarchy levels in half year 2023 and in half year 2022.

Classification of key classes of financial assets and liabilities with their carrying amounts is presented in note below:

30 June 2023	Note	FVTPL	Financial assets at amortised cost	Financial liabilities at amortised cost
Financial assets not measured at fair value				
Rental deposits		-	22.2	-
Trade and other receivables from clients	14	-	82.3	-
Cash and cash equivalents	15	-	254.8	-
Financial liabilities not measured at fair value				
Loans and borrowings	18	-	-	597.8
SSD bonds	18	-	-	36.5
Lease liabilities	10	-	-	841.2
Trade and other liabilities to suppliers	20	-	-	262.5

31 December 2022	Note	FVTPL	Financial assets at amortised cost	Financial liabilities at amortised cost
Financial assets not measured at fair value				
Rental deposits		-	23.6	-
Trade and other receivables from clients	14	-	89.1	-
Cash and cash equivalents	15	-	229.6	-
Financial liabilities not measured at fair value				
Loans and borrowings	18	-	-	617.8
SSD bonds	18	-	-	35.9
Lease liabilities	10	-	-	878.7
Trade and other liabilities to suppliers	20	-	-	278.4

For credit risk related to receivables the Group applied the simplified approach permitted by IFRS 9, which requires expected credit losses (ECLs) to be recognised from initial recognition of the receivables. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

During year 2023 the Group recognized an impairment of the Group's receivables exposed to credit risk in an net amount of EUR 0.9 million.

The ageing break-down of receivables and receivable loss allowance as of 30 June 2023 and 31 December 2022 is presented in the table below.

	Current	Overdue in days				Total
2023		Less than 90	91-180	181 - 365	More than 365	
Trade and other receivables	65.4	10.5	5.8	3.5	7.6	92.8
Loss allowance (note 20)	(2.1)	(0.6)	(1.5)	(1.6)	(6.5)	(12.3)
Total	**63.3**	**9.9**	**4.3**	**1.9**	**1.1**	**80.5**

	Current	Overdue in days				Total
2022		Less than 90	91-180	181 - 365	More than 365	
Trade and other receivables	74.8	8.0	5.8	3.3	8.7	100.6
Loss allowance (note 20)	(1.1)	(0.2)	(1.3)	(2.3)	(8.3)	(13.2)
Total	**73.7**	**7.8**	**4.5**	**1.0**	**0.4**	**87.4**

(all figures in EUR millions unless stated otherwise)

Value of loss allowance for receivables as of 30 June 2023 and 30 June 2022 is presented in table below:

	30 June 2023	30 June 2022
Value at the beginning of the period	(13.2)	(12.9)
Allowance created	(1.4)	(1.3)
Allowance released	0.2	0.4
Allowance used	1.8	1.0
Other	0.3	-
Value at the end of the period	**(12.3)**	**(12.8)**

24. Events after the reporting period

There were no significant subsequent events after the reporting date.

Signatures of the Board of Directors

José Parés Gutiérrez
Chairman of the Board

Luis Miguel Álvarez Pérez
Vice-Chairman of the Board

Begoña Orgambide García
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

Warsaw, 30 August 2023

STATEMENT OF RESPONSIBILITY OF AMREST HOLDINGS, SE

The members of the Board of Directors of AMREST HOLDINGS, SE (“AmRest” or the “Company”) declare that, as far as they are aware, the Condensed Consolidated Interim Financial Statements for six months ended 30 June 2023, drawn up by the Board of Directors on the meeting of 30 August 2023, and prepared in accordance with the applicable accounting principles, offer a true and fair view of the equity, the financial situation and the results of the Company and the companies within the consolidation taken as a whole, and the Consolidated Directors’ Report includes a true and fair analysis of the required information.

José Parés Gutiérrez
Chairman of the Board

Luis Miguel Álvarez Pérez
Vice-Chairman of the Board

Begoña Orgambide García
Member of the Board

Romana Sadurska
Member of the Board

Pablo Castilla Repáraz
Member of the Board

Mónica Cueva Díaz
Member of the Board

Emilio Fullaondo Botella
Member of the Board

Warsaw, 30 August 2023

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