



REPORT ON THE OPERATION OF THE AUDIT AND RISK COMMITTEE OF AMREST HOLDINGS, SE FOR FISCAL YEAR 2023

1. INTRODUCTION

In accordance with the provisions in the internal regulations of AmRest Holdings, SE ("AmRest" or the "Company") and so that the Board of Directors may supervise the correct functioning of this committee (the "Committee"), pursuant to Article 6.1.(v) of the Regulations of the Board of Directors and Article 529 nonies of Legislative Royal Decree 1/2010 of 2 July, which approves the consolidated text of the Spanish Capital Companies Act (*Ley de Sociedades de Capital*) ("Companies Act"), this Committee prepares this report on its performance.

This report, in reference to the activities developed by the Audit and Risk Committee during 2023, will be available to shareholders and investors via the Company's website (www.amrest.eu) as of the call to the General Shareholders' Meeting.

This report has been prepared in compliance with recommendation six of the Code of Good Governance of listed companies published by the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) ("CNMV") in the year 2020, and its content is consistent with the recommendations of the Technical Guide 3/2017 of the CNMV on Audit Committees of Public Interest Entities.

2. REGULATIONS OF THE COMMITTEE

The rules of organisation and operation of the Audit and Risk Committee are recorded in the Regulations of the Board of Directors and in the Regulations of the Audit and Risk Committee. Both documents are available on the Company's website (www.amrest.eu).

3. COMPOSITION OF THE COMMITTEE

Articles 20 of the Regulations of the Board of Directors and 11 of the Regulations of the Audit and Risk Committee establish that this Committee must be composed of a minimum of three and maximum of five directors, appointed by the Board itself from among its non-executive directors, the majority of which must be, at least, independent directors.

Likewise, the members of the Committee as a group, and especially its Chairman, shall be appointed taking into account their knowledge and experience in accounting, auditing and risk management, both financial and non-financial; and, likewise as a group, the members of the Audit and Risk Committee shall have relevant technical knowledge in relation to the Company's sector of activity.

The Chairman of the Audit and Risk Committee (the "**Chairman**") must be an independent director and will be replaced every four years. The Chairman cannot be re-elected until a minimum period of one year has elapsed since leaving office.

At year-end 2023, the Audit and Risk Committee was composed as follows, with no change through the date of issuance of this Report:

- Ms. Mónica Cueva Díaz (Chairman), external independent director of AmRest since July 1, 2020. She was appointed Chairman of the Committee on August 21, 2023, replacing the former Chairman, Mr. Emilio Fullaondo Botella, after the term of four years had expired since the appointment of the latter as Chairman of the Committee.
- Mr. Emilio Fullaondo Botella (member), external independent director of AmRest since 14 May 2019.
- Mr. Pablo Castilla Reparaz (member), external independent director of AmRest since 5 October 2017.

Mr. Eduardo Rodríguez-Rovira, non-director Secretary of the Board of Directors, holds the post of Secretary of the Audit and Risk Committee in accordance with the Regulations of the Board of Directors, while Mr. Mauricio Gárate Meza, non-director Vice-Secretary of the Board of Directors, holds the post of Vice-Secretary of the Committee.

As a result, the composition of the Committee in 2023 is in line with the requirements of the Companies Act, the Regulations of the Board of Directors and the Regulations of the Audit and Risk Committee. This is due to the fact that it is composed exclusively of non-executive directors appointed by the Board, all of whom are independent, including the Chairman who is also an independent director.

All information concerning the members of the Audit and Risk Committee, including their professional and biographical profiles, is available on the Company's website (www.amrest.eu).

Considering the professional and biographical profiles, the composition of the Committee is diverse in terms of gender, professional experience, competencies and personal abilities, and its

members enjoy the knowledge, skills and experience necessary to carry out their duties, and, as a group, its members have the required technical knowledge related to AmRest's sector of activity.

4. FUNCTIONS AND DUTIES OF THE COMMITTEE

In accordance with the provisions of the Regulations of the Board of Directors and of the Regulations of the Audit and Risk Committee, the Committee shall have the following responsibilities, notwithstanding other tasks the Board of Directors and applicable legislation may entrust to it:

- (a) To report, through its Chairman, to the General Shareholders' Meeting on questions raised by the shareholders regarding matters within its remit and explain the audit's results and how it contributed to the integrity of the financial information and the Audit and Risk Committee's role in this process.
- (b) To oversee the effectiveness of the Company's internal control system, the internal audit, and the risk management system (both financial and non-financial) and discuss with the accounting auditor any significant weaknesses of the internal control system that may be revealed in the course of the audit, while maintaining its independence. For such purposes, the committee may, if appropriate, submit recommendations or motions to the Board of Directors, with the relevant time period for follow-up.
- (c) To oversee and assess the preparation and presentation process and the integrity of the financial and non-financial information, reviewing compliance with legal requirements, the proper determination of the scope of consolidation and the correct application of accounting standards, and submit recommendations or motions to the Board of Directors for the purposes of safeguarding the integrity of the financial information.
- (d) To aim that the annual accounts are prepared by the Board of Directors in accordance with the legal provisions on accounting. However, in cases where the auditor has included a qualification in its audit report, the Chairman of the committee shall clearly explain the Committee's view of its content and scope, being a summary of such view available to the shareholders at the time of publication of the call to the General Meeting.
- (e) To submit motions to the Board of Directors regarding the recruitment, appointment, re-election and replacement of the auditor. The committee takes responsibility for the recruitment process, as well as the terms and conditions of the agreement to be executed

with them, the scope of their professional mandate, the renewal or not of their mandate and where appropriate, and regularly gather information about the audit plan and its implementation, while preserving its independence in the performance of its duties.

- (f) To liaise with the external auditor to receive information on: matters that could represent a threat to its independence; any matter related to the implementation of the audit process; and, where appropriate, the authorisation of any services, other than those forbidden under the terms of the applicable audit regulations, and other communications envisaged by these regulations.

In any event, the Audit and Risk Committee must receive, annually from the accounting auditor: a declaration of its independence regarding the entity or those entities that it has direct or indirect links to; information on any additional services rendered of any kind and the relevant fees received by the auditor or persons, natural or legal, related to the auditor, from the abovementioned entities, pursuant to the provisions of the prevailing audit regulations.

- (g) Regarding the auditor, the Audit and Risk Committee shall also be responsible for the following duties:
 - (i) In the event of the resignation of the auditor, examine the circumstances that gave rise to the resignation.
 - (ii) Ensure that the compensation received by the auditor for its work does not compromise the quality or independence thereof.
 - (iii) Oversee that the Company communicates through the CNMV any change in auditor and attaches a statement regarding any disagreements with the outgoing auditor and, if any, the substance of the disagreement.
 - (iv) Ensure that the auditor meets annually with the full Board of Directors to inform them of the work performed and on the accounting status and the risks of the Company.
 - (v) Ensure that the Company and the auditor comply with the applicable legal provisions regarding the provision of non-audit services, limits on the concentration of the auditor's business, and generally all other provisions regarding the independence of the auditors.
- (h) To issue, annually prior to the issue of the audit report, a report expressing an opinion on whether the independence of the accounting auditor has been jeopardised. The report

must include a reasoned assessment of the provision of each and every additional service referred to in the foregoing paragraph f (other than the legal audit), individually and as a whole, and in relation to the independence system or the audit regulations.

- (i) To report on related-party transactions that must be approved by the shareholders acting at a General Shareholders' Meeting or by the Board of Directors and to supervise the internal process established by the Company for those transactions for which approval has been delegated by the Board of Directors.
- (j) To advise the Company's Board of Directors, in advance, of all of the topics covered by law, the bylaws and these Regulations, and namely, of:
 - (i) The financial information and the directors' report that the Company must disclose on a regular basis;
 - (ii) The creation or acquisition of interests in special purpose vehicles or entities resident in countries or territories considered to be tax havens; and
 - (iii) The structural modifications and corporate transactions that the Company plans to carry out, analysing and reporting to the Board of Directors on their financial terms, accounting impact and in particular, if applicable, on the proposed exchange ratio.
- (k) Monitor the independence of the internal audit function; propose the selection, appointment and removal of the head of the internal audit service; propose the service's budget; approve or make a proposal for approval to the board of the priorities and annual work programme of the internal audit unit, ensuring that it focuses primarily on the main risks the company is exposed to (including reputational risk); receive regular report-backs on its activities; and verify that senior management are acting on the findings and recommendations of its reports.

The head of the internal audit service will submit an annual work program to the Audit and Risk Committee, for approval by this committee or the Board of Directors and shall report to the committee on (i) its execution, as well as any incidents or scope limitations arising during its implementation, (ii) the results, and (iii) the follow-up of its recommendations.

- (l) Establish and supervise the mechanisms that allow employees and other persons related to the Company, such as directors, shareholders, suppliers, contractors or subcontractors to report, confidentially and, if deemed appropriate, anonymously, any irregularities of potential significance, financial, accounting or those of any other nature, that are noticed

within the Company, respecting in all cases the personal data protection regulations and the fundamental rights of the parties involved.

- (m) Monitor in general that the internal control policies and systems established are applied effectively in practice.

In particular, regarding the Company's risk control and management policy, the Audit and Risk Committee is responsible for supervising that it identifies or determines, at least:

- (i) The different types of financial and non-financial risk the company is exposed to (including operational, technological, financial, legal, social, environmental, political and reputational risks, and risks relating to corruption), with the inclusion under financial or economic risks of contingent liabilities and other off-balance-sheet risks.
 - (ii) A risk control and management model based on different levels.
 - (iii) The level of risk that the company considers acceptable.
 - (iv) The measures in place to mitigate the impact of identified risk events should they occur.
 - (v) The internal control and reporting systems to be used to control and manage the above risks, including contingent liabilities and off-balance sheet risks.
- (n) Oversee the risk control and management unit, which shall perform the following responsibilities:
- (i) Ensure that risk control and management systems are functioning correctly and, specifically, that major risks the company is exposed to are correctly identified, managed and quantified.
 - (ii) Participate actively in the preparation of risk strategies and in key decisions about their management.
 - (iii) Ensure that the risk control and management systems are mitigating risks effectively in the frame of the policy drawn up by the Board of Directors.

The Board of Directors, at its meeting held on December 12 and 13, 2023, and at the proposal of the Audit and Risk Committee (which prepared the corresponding Memorandum), approved the partial amendment of the Committee's Regulations.

The aforementioned amendment consisted basically of: (i) adapting the Regulations to the current text of the Company's Bylaws and the Regulations of the Board of Directors of the Company following the amendment approved of such documents in May 2023 and December 2022, respectively; ii) consequently, and in coordination with the amendments made to the Bylaws and the Board of Directors Regulations, to adapt the Regulations to the Recommendations of the Good Governance Code that the Company already complies with at present, and to adapt their wording to that of Article 529 quaterdecies of the Companies Act, essentially in relation to the functions of the Audit and Risk Committee (including the new regulation of related-party transactions introduced in the Companies Act by Law 5/2021); iii) to incorporate certain other aspects derived from Technical Guide 3/2017 on Audit Committees of Public Interest Entities; and iv) to incorporate certain technical and drafting improvements.

5. MEETINGS HELD BY THE COMMITTEE AND THEIR CONSTITUTION DURING 2023

The Audit and Risk Committee meets whenever it is called to meet by resolution of the Committee itself or its Chairman and, as minimum, four times per year. One of its meetings is specifically used to draw up the financial information that the Board must approve and include within the annual public documentation.

The Audit and Risk Committee is validly quorate when the majority of its members are present, either in person or by proxy, and adopts its resolutions by the absolute majority in attendance, whether in person or by proxy.

During 2023, the Audit and Risk Committee met on eight occasions, with the attendance of all its members at each meeting. Therefore, it has met with the frequency necessary for the correct performance of its functions.

In addition, Committee meetings included the presence of the members of AmRest management and, on some occasions as needed, with the presence of statutory auditors. The above persons attended the meetings when invited by the Committee and their presence was limited to discussing the items on the agenda for which they were called, in which case, persons unrelated to the Company were not present at any time in the decision making moments.

During 2023, the Company's statutory auditors, PWC Auditores, S.L. ("PWC"), attended four formal meetings of the Committee to (i) inform about the annual financial report 2022, (ii) inform about the relevant risks in relation to business continuity, (iii) inform about the audit process to be carried out during 2023, and (iv) inform about the accounts audit process of the first half of

2023. PwC also made a presentation to the Committee on the new Pillar 2 (global minimum tax) regulations.

Likewise, the Chief Financial Officer regularly attended the meetings to participate in those matters within his competence, upon invitation by the Chairman of the Committee. In addition, on several occasions, Committee meetings included the presence of the chief internal audit and control officer, the chief risks and compliance officer, the global controller, the chief Group's tax officer and members of the legal team to coordinate the work and monitor the projects, limiting their attendance, as mentioned above, to those items on the agenda in relation to which they were called.

With regard to the preparation and development of meetings, the Chairman of the Committee calls the meetings with proper advance notice, except when, for reasons of urgency or timeliness, the meeting has been held on a universal basis. In addition, the members of the Committee are provided with information on the matters to be dealt with prior to each meeting, encouraging their active participation and informed adoption of resolutions.

The Secretary has drawn up the relevant minutes of all meetings held, reflecting in these the development, content, deliberations and resolutions adopted in the meetings. The minutes of the Committee are available to both its members and the members of the Board of Directors.

Therefore, the Committee exercises its functions independently and complies with the rules of operation established in the Articles of Association, the Regulations of the Board of Directors and the Regulations of the Audit and Risk Committee, organising itself in a correct and efficient manner for the performance of its duties.

Finally, relations between the Audit and Risk Committee and the Company's Board of Directors are based on the principle of full transparency. In this regard, the Chairman of the Committee reports to the Board of Directors on the main issues discussed and the activities and work performed by the Committee, so that it is made aware of such actions for the exercise of its powers, and, when necessary, proposes to the Company's Board of Directors that any appropriate resolutions be adopted.

6. ACTIVITIES DEVELOPED DURING FINANCIAL YEAR 2023

This Committee, in fulfilment of its functions under Article 20 of the Regulations of the Board of Directors and Articles 5 to 10 of the Regulations of the Audit and Risk Committee, has focused its meetings during 2023 on the following main activities:

6.1. Review of annual accounts and other periodic financial information

The Audit and Risk Committee, in accordance with the duties attributed thereto in this area, monitored the process of preparation and presentation of the Company's financial and non-financial required information. Specifically, the Committee carried out the review of the individual and consolidated annual accounts and directors' reports (which include the statement of non-financial information) of the Company and of its consolidated Group for fiscal year 2022 prior to their formulation by the Board of Directors. In this regard, the Audit and Risk Committee reported favourably to the Board of Directors prior to the formulation of the annual accounts.

It should be noted that the functions relating to the process of collecting, preparing and preparing non-financial information are carried out by the Audit and Risk Committee in constant coordination with the Company's Sustainability, Health and Safety Committee.

It is noted that the audit reports of AmRest's individual and consolidated annual accounts for the year ended 31 December 2022 did not contain any qualifications.

The Committee has also monitored the process of preparing and presentation and integrity of the quarterly financial information (which has continued to be published on a voluntary basis) and semi-annually. In the case of the semi-annually financial information, the Board must submit this information to the market and refer it to the CNMV by virtue of its obligations of periodic reporting as a listed company.

Also, during the year, the Committee has reviewed the Group's level of leverage, being promptly informed of the debt refinancing process; of the signing, on December 11, 2023, of the financing agreement for the amount of 800,000,000 euros; and of the cancellation of the existing debt following the disposal of the entire Tranche A of this agreement.

6.2. External Audit

The Committee has monitored relations with the External Auditor, PWC, during 2023, meeting directly with PWC on several occasions during the financial year, establishing the appropriate relations to receive information on any issues related to the process of developing the audit of accounts. In addition, it has supervised fulfilment of the auditing contract, seeing to it that the opinion regarding the annual accounts and the main contents of the audit report are clearly and accurately drawn up.

Likewise, and in relation to the External Auditor, the Committee approved the proposed fees for the auditing firm PwC for the fiscal year 2022, for the auditing of accounts and other related

services, also approving the contracting of various services, other than the auditing of accounts, always with the due evaluation, justification and motivation.

Finally, and in accordance with the provisions of Section 71 of Technical Guide 3/2017 of the National Securities Market Commission on Audit Committees of Public Interest Entities, the Audit and Risk Committee analyzed the results obtained in the evaluation process of the External Auditor, PwC, and how it has contributed to the quality of the audit and the integrity of the financial information.

6.3. Internal Audits

During 2023, the Audit and Risk Committee has performed the functions relating to the Company's internal audit assigned to it in the Regulations of the Board of Directors and of the Audit and Risk Committee, which are essentially the following: (i) ensure the independence and effectiveness of the internal audit function, and ensure that it has sufficient resources and adequately qualified staff to perform its functions efficiently; (ii) approve the annual activities plan of the internal audit, ensuring that it carries out its functions proactively and that its activity is focused mainly on the relevant risks of the Company and its Group; (iii) receive periodic information on its activities, reserving time within each meeting for the internal audit; and (iv) verify that senior management takes into account the conclusions and recommendations of its reports.

In accordance with the Committee's responsibilities, the progress of the Group's internal audit has been described and the internal audit plan for 2023 has been approved, and the annual plan for 2024 is also being prepared.

6.4. Compliance with the obligations of listed companies. Supervision of legal and tax aspects

The Audit and Risk Committee, in the exercise of its functions, oversees legal and tax aspects of the Group. In particular, the most relevant tax issues and changes in taxation in countries where the Company has business have been reviewed. With regard to legal aspects, the Committee oversees the dispute resolution procedures affecting the companies of the Group and their impact.

The Audit and Risk Committee is also responsible for monitoring the whistle-blowing channel, as well as analyzing the procedure for approving, updating and modifying the Group's internal policies and regulations on matters within its competence.

Finally, the Committee has been responsible for renewing the liability insurance policy for

directors and executives.

6.5. Related party transactions

Within the framework of the new regime of related-party transactions established by Law 5/2021, included in the amendment to the Regulations of the Board of Directors of the Company approved in 2022, the Audit and Risk Committee must report on related-party transactions to be approved by the Company's General Shareholders' Meeting or Board of Directors. During the 2023 financial year, no related-party transactions were carried out that required authorization or, consequently, a report from the Audit and Risk Committee.

6.6. Risk control and management

In compliance with Article 20.4.(b) of the Regulations of the Board of Directors and Article 5.(b) of the Committee's Regulations, the Audit and Risk Committee has monitored the effectiveness of the Company's internal control and risk management systems (both financial and non-financial). To this end, the Audit and Risk Committee has been informed of the most important risks, their financial impact and those responsible for their management in the Company. In addition, it has overseen the preparation of policies to manage the Group's risks and make them known appropriately.

In particular, the Committee has continued to monitor the risk management process, including the review of the Group's risk map, and the implementation process of the Global Risk Management Policy, Global Compliance Policy and Business Continuity Management Policy to manage the Company's risks.

6.7. Communications with regulators

The Committee has carried out the analysis and supervision of the communications with regulators during the financial year on matters within its competence.

6.8. Information on the Company's treasury stock

The Audit and Risk Committee periodically monitors, on a quarterly basis, the balance of the Company's treasury stock and the transactions carried out with treasury shares.

In particular, the Committee reported favorably on the implementation of the share buyback program established by the Company's Board of Directors in order to meet the settlements of the compensation plans in force for AmRest Group officers and employees, and was promptly informed of the execution of this program.



6.9. Reporting, management and financial consolidation systems of the Company

The Audit and Risk Committee has continued to monitor the improvement works the consolidation and reporting systems, to achieve better control of information and to prepare this information more quickly and efficiently to enhance the profitability of operations.

7. EVALUATION OF THE OPERATION AND PERFORMANCE OF THE AUDIT AND RISK COMMITTEE

The Audit and Risk Committee has internally evaluated its operation and performance during the financial year 2023, analyzing, in particular, its composition; work program; documentation; calls to meetings thereof, frequency, duration and conduct of meetings; contacts with the Company's executives and with the external auditors; competencies, functions and means. From the results of this evaluation, duly communicated to the Board of Directors, it can be concluded that the functioning of the Audit and Risk Committee is satisfactory, and that this evaluation has not led to significant changes in its internal organisation and procedures.

8. INFORMATION ON THE COMMITTEE'S OPINION REGARDING THE INDEPENDENCE OF THE EXTERNAL AUDITOR

In accordance with the provisions of section 529.4 quaterdecies of the Companies Act, having been notified by the external auditor for fiscal year 2022 (PWC) of its statement of independence, at its meeting held on February 20, 2023, the Audit and Risk Committee issued its report on the independence of such external auditor, which described, among other things, the services additional to audit services directly and indirectly provided by PWC and its related entities to the Company and its related companies during the period covered by the annual accounts for the fiscal year ended December 31, 2022, as well as the corresponding fees. This report concluded that such external auditor was independent of AmRest Holdings, SE and its related companies on the terms established by applicable law.

9. INFORMATION ON PRACTICAL GUIDELINES ON AUDIT COMMITTEES FOLLOWED BY THE COMMITTEE

AmRest's Audit and Risk Committee follows Technical Guide 3/2017 on Audit Committees of Public Interest Entities, approved by the CNMV on June 27, 2017.



10. CONCLUSIONS

Over the course of 2023, the Audit and Risk Committee has analyzed and examined the main issues and aspects within its purview, regularly reporting to the Company's Board of Directors on the most significant issues.

During fiscal year 2024, the Audit and Risk Committee plans to continue to review and monitor the situation affecting all matters within its purview.

11. DATE OF PREPARATION AND OF APPROVAL OF THE REPORT

This Report was prepared by the Audit and Risk Committee on February 26, 2024, and approved by the Board of Directors on February 28, 2024.

February 2024