



**Annual Accounts
and Directors' Report
for the year ended
31 December 2020**

AmRest Holdings SE
24 FEBRUARY 2021

This document has been prepared for convenience purposes only.

Annual report has been prepared in XHTML format.



AmRest

AmRest



Annual Accounts

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(all figures in EUR millions unless stated otherwise)

Balance sheet as at 31 December 2020

	Notes	31 December 2020	31 December 2019
Assets			
Intangible assets		0.2	0.1
Non-current investment and loans in group companies		647.7	615.4
Equity instruments	6.1	390.8	387.2
Loans to group companies	6.3	256.9	228.2
Non-current financial investments	6.3	0.1	76.2
Other non-current financial assets		-	0.1
Deferred tax assets	11	2.5	-
Total non-current assets		650.5	691.8
Trade and other receivables	6.4	3.6	22.5
Other receivables from group companies	6.3	1.2	1.1
Other trade receivables	6.3	1.0	20.3
Current tax assets	11	1.4	1.0
Other tax receivables	11	-	0.1
Investments and loans in group companies	6	49.2	23.3
Loans to group companies	6.3	45.8	20.6
Other financial assets		3.4	2.7
Other current assets		0.1	-
Cash and cash equivalents	7	74.2	9.5
Total current assets		127.1	55.3
TOTAL ASSETS		777.6	747.1
Capital and Reserves without valuation adjustments			
	8		
Share capital		22.0	22.0
Share premium		237.3	237.3
Reserves		60.9	35.1
Treasury shares and equity instruments		(6.5)	(7.5)
Profit for the period		34.3	25.8
Other equity instruments		(23.4)	(25.4)
Adjustments for changes in value		(6.7)	18.4
TOTAL EQUITY		317.9	305.7
Liabilities			
Non-current provisions	9, 10	0.1	0.5
Non-current financial liabilities	6.5	399.8	394.8
Loans and borrowings from financial institutions		322.3	293.8
Other financial debt		77.5	101.0
Deferred tax liabilities	11	-	8.4
Total non-current liabilities		399.9	403.7
Loans and borrowings from financial institutions	6.5	28.5	30.0
Other financial debt	6.5	25.1	-
Current debts with group companies	6.5	1.7	1.7
Trade and other payables	6.6	4.5	6.0
Trade and other payables to third parties		1.9	0.3
Trade and other payables to group companies		1.8	1.7
Personnel (salaries payable)		0.3	0.2
Other payables with tax administration	11	0.5	3.8
Total current liabilities		59.8	37.7
TOTAL LIABILITIES		459.7	441.4
TOTAL EQUITY AND LIABILITIES		777.6	747.1

The accompanying notes are an integral part of the Annual Accounts for 2020

Income Statement for the year ended 31 December 2020

	Notes	31 December 2020	31 December 2019
Revenues		49.0	17.2
Dividends received from subsidiaries	6.1 and 12.1	7.6	3.1
Net income from the stock option plan	12.1	0.2	7.6
Finance income from group companies	12.1 and 14	7.7	6.5
Results from financial assets held for sale	6.3 and 12.1	33.5	-
Personnel expenses	12.2	(1.3)	(1.0)
Other operating expenses	12.3	(6.4)	(2.7)
Impairments of credits and receivables with group companies	6.4	-	(0.1)
Impairments of investments in group companies	6.1	0.8	(5.3)
Gains (losses) on disposal of investments in group companies		-	27.0
Results from operating activities		42.1	35.1
Finance expenses		(13.1)	(11.0)
Exchange rates gains and losses		2.8	(0.5)
Net finance income (expense)	13	(10.3)	(11.5)
Profit before income tax		31.8	23.6
Income tax expense	11	2.5	2.2
Profit for the period		34.3	25.8

The accompanying notes are an integral part of the Annual Accounts for 2020

Statement of recognized income and expenses for the year ended 31 December 2020

	Notes	31 December 2020	31 December 2019
Profit for the period		34.3	25.8
Income from measurement of non-current financial investments	6.3	(33.5)	31.7
Tax impact on adjustment in changes in value		8.4	(8.4)
Total recognised income and expenses for the period		9.2	49.1

The accompanying notes are an integral part of the Annual Accounts for 2020

Statement of cash flows for the year ended 31 December 2020

	Notes	31 December 2020	31 December 2019
Cash flows from operating activities			
Profit before tax		31.8	23.6
Adjustments:		(39.3)	(27.3)
Impairment losses		(0.8)	5.4
Dividends from subsidiaries	12	(7.6)	(3.1)
Share based payment plan revenue	12	(0.2)	(7.6)
Gains / (losses) on disposal of investments in group companies		-	(27.0)
Finance income	12	(7.7)	(6.5)
Finance expenses	12 and 13	13.1	11.0
Exchange gains/losses	13	(2.8)	0.5
Results from financial assets held for sale		(33.5)	-
Personnel expenses SOP		0.2	
Changes in operating assets and liabilities		(1.4)	(8.7)
Trade and other receivables	6	0.8	9.2
Trade and other payables	6	(2.2)	(0.7)
Other current assets and liabilities		-	(17.2)
Other cash flows from operating activities		(1.4)	(14.3)
Interest paid		(10.9)	(10.1)
Interest received		5.1	2.2
Other payments		(0.5)	
Dividends received from subsidiaries	12	5.3	3.1
Income tax payment	11	(0.4)	(9.5)
Net cash provided by operating activities		(10.3)	(26.7)
Cash flows from investing activities			
Increase in investments loans and borrowings with group companies	6	(71.8)	(64.8)
Proceeds from investment loans and borrowings with group companies	6	39.4	27.2
Proceeds from other financial assets		75.5	
Increase in intangible assets		(0.1)	(0.1)
Net cash used in investing activities		43.0	(37.7)
Cash flows from financing activities			
Proceeds from disposals of own shares (employees options)	8	-	0.9
Acquisition of own shares (employees option)	8	-	(0.9)
Proceeds on issue debt securities and other financial instruments	6	80.0	67.0
Proceeds from debt with group companies	6 and 14	4.8	1.7
Repayment of debt with financial institutions	6	(48.0)	-
Repayment of debt with group companies	6	(4.8)	(17.7)
Net cash provided by/(used in) financing activities		32.0	51.0
Net change in cash and cash equivalents		64.7	(13.4)
Balance sheet change of cash and cash equivalents"		64.7	(13.4)
Cash and cash equivalents at the beginning of the period	7	9.5	22.9
Cash and cash equivalents as at the end of the period	7	74.2	9.5

The accompanying notes are an integral part of the Annual Accounts for 2020

(all figures in EUR millions unless stated otherwise)

Statement of changes in equity for the year ended 31 December 2020

	Share capital	Share premium	Legal Reserve	Voluntary Reserves	Treasury shares	Profit or loss for the period	Other Equity instruments	Adjustment for changes in value	Total Equity
As at 31 December 2018	22.0	237.3	1.1	29.9	(15.2)	4.1	(6.2)	(4.9)	268.1
Total recognised income and expense	-	-	-	-	-	25.8	-	23.3	49.1
Transactions on own shares and equity holdings (net) (See 8.4)	-	-	-	-	7.7	-	(19.2)	-	(11.5)
Transfer of profit or loss to reserves	-	-	0.4	3.7	-	(4.1)	-	-	-
As at 31 December 2019	22.0	237.3	1.5	33.6	(7.5)	25.8	(25.4)	18.4	305.7
Total recognised income and expense	-	-	-	-	-	34.3	-	(25.2)	9.2
Transactions on own shares and equity holdings (net) (See 8.4)	-	-	-	-	1.0	-	2.0	-	3.0
Transfer of profit or loss to reserves	-	-	2.6	23.2	-	(25.8)	-	-	-
As at 31 December 2020	22.0	237.3	4.1	56.8	(6.5)	34.3	(23.4)	(6.8)	317.9

The accompanying notes are an integral part of the Annual Accounts for 2020

Notes to the Annual Accounts

1. General information

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

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

The Company is the parent of a group in the terms established in article 42 section 2 of the Commercial Code and prepares its consolidated financial statements under IFRS. The Group operates Kentucky Fried Chicken ("KFC"), Pizza Hut, Burger King and Starbucks restaurants through its subsidiaries in Poland, the Czech Republic (hereinafter Czechia), Hungary, Slovakia, Russia, Serbia, Croatia, Bulgaria, Romania, Germany, France, Austria, Slovenia, and Spain, on the basis of franchises granted. Starting from 1 October 2016 the Group as a master-franchisee has the right to grant a license to third parties to operate Pizza Hut Express and Pizza Hut Delivery restaurants (sub-franchise) in countries of Central and Eastern Europe, while ensuring a certain share of restaurants operated directly by AmRest Pizza Hut restaurants acquired in France in May 2017, in Germany in July 2017 and in Russia in June 2018 are operated both by AmRest and its sub-franchisees based on master-franchise agreements.

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

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

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

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

As at 31 December 2020, FCapital Dutch B.V. is the largest shareholder of AmRest Holdings and held 67.05% of its shares and voting rights. The parent entity of the Group on the top level is Grupo Finaccess.

These annual accounts have been prepared and approved by the Company's Board of Directors on 24 February 2021. The Board of Directors considers that the annual accounts for 2020 will be approved with no changes by the shareholders at their annual general meeting.

Simultaneously, the Board of Directors has formulated the consolidated financial statements of AmRest Holdings SE and its Subsidiaries for the financial year 2020, which show consolidated losses of Euros 183.7 million and consolidated Equity of Euros 264.7 million (Profits of Euros 66.9 million and 476.7 million, respectively for the financial year 2019).

2. Basis of preparation

True and fair view

The Annual Accounts for 2020 have been prepared on the basis of the accounting records of AmRest Holdings SE by the Company's Board of Directors in accordance with the accounting principles and standards contained in the Spanish General Chart of Accounts and other prevailing legislation, in order to give a true and fair view of the Company's equity and financial position as of 31 December 2020 and results of operations, changes in equity and cash flows for the year then ended 31 December 2020.

Aggregation of items

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

Comparative information

Each item of the balance sheet, the statement of profit and loss, the statement of changes in equity, the statement of recognized income and expenses, the statement of cash flow, and the notes of the annual accounts present for comparative purposes, the amounts from the previous financial year, which formed part of the annual accounts of the financial year ended 31 December 2019, approved by the Shareholders on 10 June 2020.

Functional and presentation currency

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

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

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

Most governments have implemented measures to reduce the spread of COVID-19. These measures include restrictions on travel outside the home countries, closing or imposing limitations on business and other activities as well as encouraging social distancing. With summer season 2020 some restrictions have been lifted or reduced, however with the another increases in number of infections since the fall season government authorities in major European countries re-impose restrictions on the business and other activities. With the approvals of first vaccines, the governments are developing mass vaccination plans and strategies for 2021.

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

The COVID-19 pandemic has a particularly significant negative impact on the restaurants sectors. The ban or significant restrictions are imposed on the restaurant operators. That results in significant decrease in business activity. High pressure on social distancing has an impact on the customer demand and daily lives and behavior patterns. This requires adjusting restaurant operations into new reality.

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

The COVID-19 related risks and uncertainties are being analyzed at different angles to assess if going concern issue applies for the Company. Crisis Teams were set up in all major countries of Group operations to coordinate actions, execute local sanitary regulations, develop, and execute safety measures to protect employees.

A Cash Taskforce was set up to put a tight and diligent control over payments and vendor relations to manage liquidity of the Group and its entities.

The Group actively manages liquidity risk understood as a possible loss or restriction of its ability to cover current financial commitments. Strengthening of the Group's position in terms of liquidity and mitigation of adverse impacts of COVID-19 outbreak is taken on several areas.

In March 2020 the Group drew the entire facility available under revolving Tranche D of syndicated bank loan, increasing amount drawn from EUR 37.3 million in the end of 2019 to 98.9 million in the end of 1Q 2020. Additionally, in April 2020 Spanish and French subsidiaries applied for state supported bank loans. The Group was granted total EUR 75 million. In Q3 additional EUR 3.9 million of government supported loans were granted on Russian and Czech market. In total, during 2020, the Group was granted EUR 78.9 million of government supported loans out of which EUR 19.3m remains undrawn.

The Group maintains close communication with its financing banks. All scheduled debt repayments were made in 2020.

Prior to 2020 year end AmRest has obtained from its financing banks and its bondholders (Schuldschein) waivers to the compliance with financial covenants related to the Group's leverage and interest coverage ratios from 31 December 2020 to 13 December 2021 (the fourth quarter of 2020 and the first, second and third quarters of 2021). During said periods, those covenants have been replaced by a commitment to maintain a minimum level of liquidity.

Company's management and Directors update the financial plans and cash flow projections as the situation on the markets changes because of COVID-19 pandemic. The most updated version of the financial cash flow projections for 2021 has been approved by the Board on February 2021 prior to issue of financial statements. This financial plan shows that the Group will be able to settle its liabilities within next 12 months after the 2020 clearing period.

In December 2020, the Company has finalized sale of its investment in Glovoapp 23, SL, that resulted in cash inflow of EUR 75.5 million.

During the reported period, the Group performed review of its rental agreements and entered negotiations with landlords as well as took the benefits of various government schemes that allowed deferral or suspension of payments for rental costs during pandemic.

Government programs implemented with regards to COVID-19 spread allow to defer payments taxes, social securities, and other public obligations. The Group is closely monitoring situation on local markets and is taking the benefits of available schemes which allow to enhance liquidity risk management in current situation.

Additionally, the Group has taken numerous actions aimed at utilizing government support related to cost of labor offered on markets where the Group operates. One of the priority tasks in this respect has been to avoid a significant decrease in the level of employment, taking into account the effectiveness of the ongoing processes and to ensure financial security for employees to the extent possible in the current situation but also to optimize payroll costs in Group. Through the support programs the Group can partially adjust its payroll costs level more flexible to respective decrease in revenues due to temporarily closures stores.

After outbreak of pandemic, the Group also decided to temporarily defer the earlier planned development expenditures and significantly decreased capex expenditures in 2020. The Group has also renegotiated certain development agreements, on markets where AmRest also runs business under the franchised brands. This is another tool that allowed to support liquidity management.

On the revenues streams side, as of 31 December 2020 over 92% of the Group's own and franchise stores remained operative. The Group closely monitors the constrain measures taken and subsequently lifted by governments in various countries and adjusts on daily basis number of opened stores and possible ways of

providing products and services to Group's customers, ensuring staff and customer safety, as well complying with all government directives.

Company's management and Directors have analyzed its situation in the context of COVID-19 around liquidity, financing and securing the continuation of the operations. Based on the analysis of available information, facts, circumstances, and uncertainties about the future, which is at least, but is not limited to, twelve months after the end of the reporting period, Company's management and Directors consider that going concern assumption applies in the foreseeable future. Consequently, these standalone financial statements have been prepared under going concern principle.

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

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

- The recoverability of the investments, and the corresponding valuation adjustments for the difference between the book value and the recoverable amount. In the determination of the impairment estimate of these investments, the future cash flows expected to be generated by the investees are taken into account through the use of hypotheses based on the existing market conditions).
- Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

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

Despite the fact that the estimates made by the Board of Directors of the Company were calculated based on the best information available at 1 December 2020, it is possible that events which may occur in the future will make it necessary to modify them in later financial years. The effect on the condensed separated financial statements deriving from the adjustments made in later financial years will be recorded prospectively.

3. Distribution of profit

The Board of Directors propose the following distribution of profits for the year ended 31 December 2020 and the shareholders approved the following to 31 December 2019.

	Year ended	
	31 December 2020	31 December 2019
<u>Basis of Distribution</u>		
Profit and loss for the period in EUR	34 276 638.79	25 793 482.33
<u>Distribution</u>		
Legal Reserve in EUR	347 301.91	2 579 348.23
Voluntary Reserves in EUR	33 929 336.88	23 214 134.10
	34 276 638.79	25 793 482.33

(all figures in EUR millions unless stated otherwise)

Dividends have not been distributed during the 12 months ended 31 December 2020 and 2019.

Details of non-distributable reserves as of 31 December 2020 and 2019 are as follows:

	31 December 2020	31 December 2019
Legal reserve	4.1	1.5

The Company's freely distributable reserves, as well as the results of the period, are nonetheless subject to legal limits. Dividends may not be distributed if equity would be less than share capital as a result. In any case, at 31 December 2020, Voluntary Reserves and Share Premium are totally distributable.

4. Recognition and measurement accounting policies

The standalone annual accounts were prepared in accordance with the accounting principles and registration and valuation standards contained in the Spanish General Accountancy Plan. The most significant are:

4.1. FINANCIAL INSTRUMENTS

4.1.1. CLASSIFICATION AND SEPARATION OF FINANCIAL INSTRUMENTS

Financial instruments are classified on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the economic substance of the contractual arrangement and the definitions of a financial asset, a financial liability and an equity instrument.

The Company classifies financial instruments into different categories based on the nature of the instruments and the Company's intentions on initial recognition.

Financial assets and financial liabilities are offset only when the Group has the right to offset the amounts received and it intends to settle the net amount or realise the asset and simultaneously cancel the liability.

4.1.2. TRADE AND OTHER NON-TRADE RECEIVABLES

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months from the balance sheet date that are classified as non-current assets. These financial assets are initially valued at their fair value, including transaction costs that are directly attributable to them, and subsequently at amortized cost, recognizing the accrued interest based on their effective interest rate and the discount rate that equals the value in books of the instrument with all its estimated cash flows until maturity. Notwithstanding the foregoing, loans for commercial transactions with maturity not exceeding one year are valued, both at the time of initial recognition and subsequently at their nominal value, provided that the effect of not updating the flows is not significant.

At least at the end of the year the necessary adjustments are made for impairment of value if there is evidence that the amounts owed will not be collected.

The amount of the impairment loss is the difference between the book value of the asset and the present value of the estimated future cash flows discounted at the effective interest rate at the time of initial recognition. The impairment as well as their reversal, where appropriate, is recognized in the profit and loss account.

4.1.3. INVESTMENTS IN THE EQUITY OF GROUP COMPANIES

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

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

If an investment no longer qualifies for classification under this category, it is reclassified as available-for-sale and is measured as such from the reclassification date.

If there is objective evidence that the book value is not recoverable, the appropriate valuation adjustments are made for the difference between their book value and the recoverable amount, defined as the greater amount between their fair value less costs to sell and the value in use of the investment.

The recoverable amount of the investments is based on the Company's share of the present value of future cash flows expected to be derived from ordinary activities, or the estimated cash flows expected to be received from the distribution of dividends and the final disposal of the investment.

In case that the recoverable amount could not be estimated through the present value of the expected cash flows or dividends, the net equity of the investee company is considered, adjusted for the capital gains existing on the valuation date.

The value adjustment and, if applicable, its reversal is recorded in the profit and loss account for the year in which it occurs and presented in results from operating activities (as the possession of investments activities is considered part of the ordinary activity of a Holdings company).

4.1.4. FINANCIAL ASSETS AVAILABLE-FOR-SALE

The Company classify Financial Investments in equity instruments that intends to hold for an unspecified period and that do not comply with the requirements to be classified in other categories of financial assets as financial assets available-for-sale. These investments are recorded under "Non-current assets," unless it is probable and feasible that they will be sold within 12 months.

They are initially measured at fair value, which in the absence of evidence to the contrary is the transaction price plus directly attributable transaction cost.

Financial assets available-for-sale are subsequently measured at fair value, without deducting any transaction costs incurred on disposal. Changes in fair value are accounted for directly in equity until the financial asset is derecognized or impaired, and subsequently recognized in the income statement.

4.1.5. INTEREST AND DIVIDENDS FROM FINANCIAL ASSETS

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

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

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

4.1.6. DEBT AND TRADE AND OTHER PAYABLES

Financial liabilities included in this category shall initially be measured at fair value. In the absence of evidence to the contrary, this shall be the transaction price, which is equivalent to the fair value of the consideration received, adjusted for directly attributable transaction costs. Nonetheless, trade payables falling due within one year for which there is no contractual interest rate and called-up equity holdings expected to be settled in the short term can be measured at their nominal amount provided that the effect of not discounting the cash flows is immaterial.

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

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

4.1.7. OWN EQUITY INSTRUMENTS

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

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

4.1.8. OFFSETTING PRINCIPLES

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

4.1.9. DERECOGNITION OF FINANCIAL ASSETS

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Debt or equity instruments that form part of portfolios of similar instruments that have the same rights are measured and derecognised at weighted average cost.

4.2 CASH AND CASH AND EQUIVALENTS

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

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

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

4.3 FOREIGN CURRENCY TRANSACTIONS

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

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

Non-monetary assets measured at fair value have been translated to the functional currency at the spot exchange rate at the date that the fair value was determined.

In the statement of cash flows, cash flows from foreign currency transactions have been translated to Euros at the average exchange rate for the year.

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

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

4.4 INCOME TAX

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

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

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

The Company as the representative of the tax group and the Spanish subsidiaries file consolidated tax return (see note 11).

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

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

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

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

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

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

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

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

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

4.5 REVENUES RECOGNITION

Based on the provisions of consultation B79C02 of the Institute of Auditors and Censors of September 2009, the amounts related to income derived from dividends received from subsidiaries, results on the execution of stock option plan by employees, interest other revenues from the financing granted to the subsidiaries, as well as the revenues from disposal of financial investments are presented in the revenue of the holding company.

4.6 PROVISIONS AND CONTINGENCIES

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

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

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

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

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

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

4.7 SHARE-BASED PAYMENTS

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

Share-based payments

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

Equity-settled transactions

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

The cost of equity-settled transactions is recognized, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("vesting date"). The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the

vesting period has expired and the number of awards that, in the opinion of the parent's Management Board at that date, based on the best available estimate of the number of equity instruments, will ultimately vest.

Cash-settled transactions

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

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

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

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

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

In the parent company books the operation represents a contribution to the subsidiary that is made effective through the personnel service it receives in exchange for the equity instruments of the parent company the options delivered represents in general a greater value of the investment that the parent company has in the equity of the subsidiary, and registered as an increase in the Company's equity ("Other equity instruments").

According to consultation n°2 of the BOICAC 97/2014 when the parent company sign settlement agreements (Share transfer agreements) through which the parent company charge the intrinsic value of the cost of the agreement equivalent to the market value of the shares delivered, it is considered that there are two separated operations:

- A non-genuine corporate operation of contribution of the parent company in the subsidiary that is registered as a higher value of the investment according to consultation n° 7 of BOICAC N° 75/2008
- And a second corporate operation of distribution or recovery of the investment that is equivalent to difference between the re-charge described above and the cost of the options at grant.

4.8 TRANSACTIONS BETWEEN RELATED PARTIES

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

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

5. Financial Risk Management

5.1. FINANCIAL RISK FACTORS

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

- Currency risk

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

- Risk of increased financial costs

The Company is exposed to a certain extent to adverse impact of interest rate fluctuations in connection with obtaining financing which bears floating interest rates and investing in assets bearing floating interest rates. The interest rates of bank loans and borrowings and issued bonds are based on a combination of fixed and floating reference rates which are updated over periods shorter than one year. Additionally, the Company and its subsidiaries may, as part of the interest rate hedging strategy, enter into derivative and other financial contracts the valuation of which is significantly affected by the level of reference rates.

- Liquidity risk

The Group of which the Company is the dominant entity is exposed to the liquidity risk due to the breach of covenants and reclassification of long-term debt to short-term which can be therefore due in the next 12 months, however, prior to 2020 year end AmRest has obtained from its financing banks and majority of bondholders (Schuldschein) waivers to the compliance with certain covenants related to the Group's leverage and interest coverage ratios from 31 December 2020 to 31 December 2021 (fourth quarter of 2020 and the first, second and third quarters of 2021).

The Group actively manages liquidity resources and does its best to improve the business. Strengthening of the Group's position in terms of liquidity and mitigation of adverse impacts of COVID-19 outbreak is taken on several areas. The Group maintains close communication with its financing banks. In March 2020 Group has drawn entire facility available under revolving Tranche D of syndicated bank loan, increasing amount drawn from EUR 37.3 million in the end of 2019 to 98.9 million in the end of 1Q 2020. Additionally, in April 2020 Spanish and French subsidiaries of AmRest Holdings SE applied for state supported bank loans, guaranteed by the governments in 70% and 90%, respectively. The Group was granted total EUR 75 million. Additionally, the Group sees recovery in its core business as the number of open restaurants have increased and the revenues trends have been recovering.

AmRest has established internal task forces in every market to monitor the situation also around cost saving initiatives and also a big part of capital expenditures has been put under review. The Group was and is closely monitoring available program that are offered on various markets. The government support programs include for example direct subsidies to payroll costs, tax exemptions, social security contributions reductions. Additionally, entities from the Group were able to apply for extended deadlines for payments of various taxes.

The Group analyzes liquidity needs with particular focus on maturity of debt and proactively investigates various forms of financing that could be utilized if needed. As at 31 December 2020, the company has enough short-term assets to fulfil its liabilities due in the next 12 months.

- Credit Risk

(all figures in EUR millions unless stated otherwise)

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

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

6. Financial instruments

6.1. EQUITY INSTRUMENTS

The value of the shares owned by the Company in its subsidiaries as at 31 December 2020 and 2019 is as follows:

	31 December 2020		31 December 2019			
	Interest ownership	Value of Shares	Interest ownership	Value of Shares	Dividends received in 2020	Dividends received in 2019
AmRest Sp. z o.o. (Poland)	100%	219.6	100%	217.3	-	-
AmRest China Group PTE Ltd. (China)	100%	40.5	100%	40.4	-	-
AmRest s.r.o. (Czechia)	100%	6.9	100%	6.7	7.6	3.1
AmRest France SAS (France)	100%	58.7	100%	58.5	-	-
AmRest HK Ltd	100%	-	100%	-	-	-
AmRest FSVC LLC	100%	-	100%	-	-	-
AmRest EOOD (Bulgaria)	100%	4.1	100%	3.5	-	-
AmRest Acquisition Subsidiary (Malta)	100%	60.9	100%	60.8	-	-
AmRest Food SRL	1%	0.1	1%	-	-	-
		390.8		387.2		

The movement of the equity instruments in group companies as at 31 December 2020 is as follows:

	31 December 2019	Increase	Decrease	Share-base options	31 December 2020
Cost					
AmRest Sp. z o.o. (Poland)	217.3	-	-	2.3	219.6
AmRest China Group PTE Ltd. (China)	40.4	0.1	-	-	40.5
AmRest s.r.o. (Czechia)	6.7	-	-	0.2	6.9
AmRest France SAS	58.5	-	-	0.2	58.7
AmRest HK Ltd	5.2	-	-	-	5.2
AmRest FSVC LLC	10.5	0.8	-	(1.0)	10.3
AmRest EOOD (Bulgaria)	4.1	-	-	-	4.1
AmRest Acquisition Subsidiary (Malta)	60.8	0.1	-	-	60.9
AmRest Food SL SRL	-	-	-	0.1	0.1
	403.5	1.0	-	1.8	406.3
	-				-
Impairment					
AmRest HK Ltd	(5.2)	-	-	-	(5.2)
AmRest FSVC LLC	(10.5)	(0.8)	1.0	-	(10.3)
AmRest EOOD (Bulgaria)	(0.6)	-	0.6	-	-
	(16.3)	(0.8)	1.6	-	(15.5)
Total Equity instruments in Group companies	387.2	0.2	1.6	1.8	390.8

- On June 2020 AmRest Holdings SE increase capital in its subsidiary AmRest China Group PTE Ltd. (China) by EUR 0.1 million

(all figures in EUR millions unless stated otherwise)

- On May and June 2020 were signed capital increases resolutions in the entity AmRest Acquisition Subsidiary by a total amount of EUR 0.1 million.

- During the year 2020 the Company passed several capital increases resolutions in the entity AmRest FSVC LLC up to an amount of EUR 0.8 million. The total amount of these capital increases was impaired as at 31 December 2020.

- The value of investment of some subsidiaries was affected by the valuation of share-based options within SOP and MIP. The total capitalized cost of share option plans in 2020 equals EUR 1.8 million and it is presented in the table below. In the column decrease are presented the cost of exercised options. The details by subsidiaries for the year ended as of 31 December 2020 is presented below:

	Increase	Decrease
Cost		
AmRest Sp. z o.o. (Poland)	2.3	-
Amrest SRO (Czechia)	0.2	-
AmRest France SAS	0.2	-
AmRest Food SL SRL	0.1	-
AmRest FSVC LLC	-	(1.0)
	2.8	(1.0)

The movement of the equity instruments in group companies as at 31 December 2019 is as follow:

	31 December 2018	Increase	Decrease	Reclassifications	31 December 2019
Cost					
AmRest Sp. z o.o. (Poland)	216.4	6.0	(2.7)	(2.4)	217.3
AmRest HK Ltd	5.2	-	-	-	5.2
AmRest China Group PTE Ltd. (China)	40.3	0.1	-	-	40.4
AmRest s.r.o. (Czechia)	7.2	0.3	(0.1)	(0.7)	6.7
AmRest France SAS	58.1	0.4	-	-	58.5
Restaurant Partner Polska Sp. z o.o.	5.9	5.2	(10.7)	(0.4)	0.0
AmRest EOOD (Bulgaria)	4.0	0.1	-	-	4.1
AmRest Acquisition Subsidiary (Malta)	60.8	-	-	-	60.8
AmRest FSVC LLC	3.7	5.8	(2.2)	3.2	10.5
	401.6	17.9	(15.7)	(0.3)	403.5
Call up Capital					
Restaurant Partner Polska Sp. z .o.o.	(0.4)	-	-	0.4	-
	(0.4)	-	-	0.4	-
Impairment					
AmRest HK Ltd	(5.2)	-	-	-	(5.2)
AmRest EOOD (Bulgaria)	(0.6)	-	-	-	(0.6)
AmRest FSVC LLC	(3.7)	(5.3)	-	(1.5)	(10.5)
	(9.5)	(5.3)	-	(1.5)	(16.3)
Total Equity instruments in Group companies	392.1	12.6	(15.7)	(1.8)	387.2

- On 13 March 2019 AmRest Holdings SE (the buyer) has acquired to Delivery Hero SE (the Seller) the remaining 49% of Restaurant Partner Polska Sp. z o.o. shares. The purchase price of this transaction was EUR 5.2 million.

- On 13 August 2019 was signed the Sale and Purchase and Contribution Agreement on the 100% of the shares in Restaurant Partner Polska Sp. z o.o. between AmRest Holdings SE and GlovoAPP23. S.L. ("Glovo") for a total transaction price of EUR 35 million including an earn-out as the price conditions have been met. On 28 October 2019 AmRest Holdings SE lost control over Restaurant Partner Polska Sp. z o.o. In consideration for the transfer of 100% of shares in Restaurant Partner Polska Sp. z o.o. ("PizzaPortal") AmRest Holdings received total sale price in the amount of EUR 35 million, as a combination of cash payment

(all figures in EUR millions unless stated otherwise)

of EUR 20 million, which was repaid in January 2020 (see note 6.4), and newly issued shares of Glovo whose fair value amounted EUR 17.7 million, which constitutes final settlement of the Agreement (see note 6.3). The equity instruments transferred to Glovo had a book value of EUR 10.7 million at the Sale and Purchase Agreement's date what produced a gain on disposal of equity instruments of EUR 27 million.

- On 23 May 2019, the company paid EUR 0.3 million to Top Brands NV (previous owners of Pizza Hut France) as adjustment to price as per the conditions established in the SPA dated on 24 January 2017.

- During the year 2019 the company passed several capital increases resolutions in the entity AmRest FSVC LLC up to an amount of EUR 0.6 million. The total amount of these capital increases was impaired as at 31 December 2019.

- On 13 August 2019, the total amount of receivables held by AmRest Holdings SE with AmRest FSVC LLC (EUR 5.2 million) was converted into capital. This amount was fully impaired as at 31 December 2019.

- The value of investment of some subsidiaries was affected by the valuation and exercises of share-based options within SOP and MIP. The total capitalized cost of share option plans in 2019 equals EUR 6.6 million and it is presented in the column increase. The total amount that refers to exercised option in 2019 EUR 5.0 million is presented in the column decrease.

The details by subsidiaries for the year ended as of 31 December 2019 is presented below:

	Increase	Decrease
Cost		
AmRest Sp. z o.o. (Poland)	6.0	2.7
AmRest China Group PTE Ltd. (China)	0.1	-
Amrest SRO (Czechia)	0.3	0.1
AmRest France SAS	0.1	-
AmRest FSVC LLC	0.1	2.2
	6.6	5.0

Impairment test of Equity Investment in group companies:

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

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

The Company identified impairment indicators for its investments in AmRest EOOD (Bulgaria), and AmRest HK Ltd (China) and AmRest FSVC LLC. For the companies of the Group AmRest HK Ltd (China) and AmRest FSVC LLC no impairment test was performed, as both companies are dormant, and the Company does not expect to reactivate them.

In relation to in AmRest EOOD (Bulgaria) the company has performed an impairment test which led to a reversal on the impairment from previous periods of Eur 0.6 million. The principal hypothesis considered in the impairment test are the following:

- Expected increase in operating income excluding amortization expenses: The growth in operating income excluding amortization expenses is based on the projections estimated by the Management based on the evolutions estimated in the various strategic business plans for the next five years. The weighted budgeted average EBITDA Margin used in the impairment test for AmRest EOOD (Bulgaria) is 17,63% (14,63% in 2019).

- Discount rates: Reflect the evolution of the market with respect to the specific risks of each cash-generating unit, considering the time value of money. The discount rate is based on the specific circumstances of the company and its operating segments and is a consequence of its weighted average cost of capital ("WACC"). The WACC takes into account both debt and equity. The cost of net worth is based on the expected return

(all figures in EUR millions unless stated otherwise)

on investments made by the investors of the Company. On the other hand, the cost of the debt is based on the interest rates of the loans that the Company is obliged to repay. The specific risk of the segment is incorporated by applying individual beta factors, which are evaluated annually based on market data. Discounts rates applied in the impairment test for AmRest EOOD (Bulgary) is 8.5% in 2020 (5.5% in 2019).

There were no conditions for testing of investments in other companies.

(all figures in EUR millions unless stated otherwise)

The Details of the main subsidiaries of the group are presented below:

Company name	Registered office	2020				2019			
		Total Equity	Net result	Operating result	Dividends distributed	Total Equity	Net result	Operating result	Dividends distributed
<i>Holding activity</i>									
AmRest TAG S.L.U.*	Madrid Spain	265.9	(14.0)	(13.0)	-	279.0	3.7	2.9	-
AmRest China Group PTE Ltd	Singapore	13.4	3.7	5.9	-	9.7	(0.5)	(0.2)	-
Sushi Shop Group SAS	Paris France	167.3	(1.2)	1.2	-	13.2	3.4	4.0	-
AmRest France SAS	Paris France	58.3	0.1	0.1	-	58.1	14.1	12.9	-
Sushi Shop Management SAS	Paris France	(5.0)	2.9	3.9	-	0.4	3.1	4.9	-
Sushi Shop Belgique SA	Bruxelles Belgium	(1.4)	(1.1)	(1.1)	-	(-)	(-)	(-)	-
Sushi Shop Holding USA LLC	Dover Kent USA	(0.1)	-	-	-	0.1	-	-	-
Sushi Shop Luxembourg SARL	Luxembourg	3.6	(0.0)	(0.0)	-	4.2	(-)	(-)	-
Sushi Shop Switzerland SA	Fribourg Switzerland	2.9	(0.1)	(0.0)	-	(-)	1.7	(0.1)	-
<i>Restaurant, franchise and master-franchise activity</i>									
AmRest Sp. z o.o.	Wroclaw Poland	323.8	(36.1)	(11)	-	384.8	16.0	28.9	-
AmRest s.r.o.	Prague Czechia	22.4	3.9	7.1	(7.6)	27.0	13.0	17.9	(3.1)
AmRest Kft	Budapest Hungary	40.1	0.2	0.6	-	43.9	7.4	6.0	-
AmRest Coffee Sp. z o.o.	Wroclaw Poland	1.0	(6.8)	(6.8)	-	8.3	(1.7)	(1.6)	-
AmRest EOOD	Sofia Bulgaria	3.7	0.3	0.4	-	3.3	0.4	0.3	-
OOO AmRest	Saint Petersburg Russia	58.3	1.5	2.9	-	50.9	2.1	1.1	-
AmRest Coffee s.r.o.	Prague Czechia	18.4	(1.3)	(1.4)	-	21.7	4.6	5.6	-
AmRest Kávézó Kft	Budapest Hungary	2.1	(2.5)	(2.5)	-	5.1	1.1	1.1	-
AmRest d.o.o.	Belgrade Serbia	-	-	-	-	-	(-)	(-)	-
Restauravia Food S.L.U.	Madrid Spain	13.3	(8.0)	(9.7)	-	21.6	1.0	1.8	-
Pastificio Service S.L.U.	Madrid Spain	18.8	(14.6)	(4.6)	-	33.0	24.4	15.7	-
AmRest Adria d.o.o.	Zagreb Croatia	0.9	3.8	0.2	-	0.9	(0.1)	(0.1)	-
AmRest GmbH	Cologne Germany	(13.2)	(0.3)	0.0	-	(13.0)	(0.3)	-	-
AmRest SAS	Lyon France	(3.1)	(2.1)	(2.1)	-	(1.4)	(1.6)	(1.6)	-
Frog King Food&Beverage Management Ltd	Shanghai China	1.7	(0.4)	(0.5)	-	2.2	(0.3)	(0.4)	-
Blue Frog Food&Beverage Management Ltd	Shanghai China	20.6	4.6	6.4	-	18.7	4.4	6.1	-
Shanghai Kabb Western Restaurant Ltd	Shanghai China	(1.8)	(0.1)	(0.1)	-	(1.6)	(0.3)	(0.2)	-

(all figures in EUR millions unless stated otherwise)

Company name	Registered office	2020				2019			
		Total Equity	Net result	Operating result	Dividends distributed	Total Equity	Net result	Operating result	Dividends distributed
<i>Restaurant, franchise and master-franchise activity</i>									
AmRest Skyline GMBH	Cologne Germany	(1.0)	(0.9)	(0.9)	-	(0.4)	(0.4)	(0.4)	-
Kai Zhen Food and Beverage Management (Shanghai) Ltd	Shanghai China	0.5	0.1	0.1	-	0.4	0.2	0.2	-
AmRest Coffee EOOD	Sofia Bulgaria	2.7	0.0	0.0	-	2.7	0.3	0.2	-
AmRest Coffee S.r.l.	Bucharest Romania	10.6	(1.8)	(1.9)	-	9.1	3.4	3.4	-
AmRest Coffee Deutschland	Munich Germany	(26.2)	(31.5)	(30.6)	-	(13.0)	2.4	3.1	-
AmRest DE Sp. z o.o. & Co. KG	Berlin Germany	(37.0)	(14.3)	(13.1)	-	21.6	18.1	14.1	-
The Grill Concept S.L.U.	Madrid Spain	(2.2)	(3.3)	(4.4)	-	1.1	(2.5)	(3.2)	-
Kai Fu Food and Beverage Management (Shanghai) Co. Ltd	Shanghai China	(0.1)	0.1	0.1	-	(0.1)	0.2	0.2	-
LTP La Tagliatella Portugal Lda	Lisbon Portugal	0.1	(1.2)	(1.1)	-	(0.5)	(0.5)	(0.5)	-
LTP La Tagliatella Franchise II Portugal Lda	Lisbon Portugal	(0.0)	(0.0)	(0.0)	-	-	-	-	-
AmRest Topco France SAS	Paris France	2.2	0.4	1.1	-	20.7	(0.8)	(0.5)	-
AmRest Delco France SAS	Paris France	0.1	(4.0)	(3.2)	-	1.3	(6.3)	(4.4)	-
AmRest Opco SAS 3	Paris France	46.0	(14.7)	(6.9)	-	44.8	(0.8)	3.2	-
OOO Chicken Yug	Saint PetersburgRussia	9.0	1.2	1.2	-	11.0	4.4	5.0	-
OOO Pizza Company 5	Saint PetersburgRussia	(7.0)	(5.9)	(4.4)	-	(9.2)	(5.5)	(7.3)	-
AmRest Chamnord SAS	Paris France	-	-	-	-	1.1	0.1	-	-
AmRest SK s.r.o.	Bratislava Slovakia	(0.4)	(0.7)	(0.7)	-	0.3	0.6	0.6	-
AmRest Pizza GmbH	Munich Germany	0.2	-	(2.3)	-	(0.2)	(-)	(0.1)	-
Black Rice S.L.U.	Madrid Spain	0.2	(1.4)	(1.8)	-	60.3	-	-	-
Bocoa Holding S.L.U.	Madrid Spain	0.8	(0.5)	(0.7)	-	-	-	-	-
Sushi Shop Restauration SAS *	Paris France	9.8	(4.7)	(3.7)	-	(10.3)	(1.9)	3.8	-
Sushiga SARL	Paris France	-	-	-	-	(1.8)	(-)	(-)	-
SSW 1 SPRL	Waterloo Belgium	-	-	-	-	0.2	-	(-)	-
SSW 2 SPRL	Wavre Belgium	-	-	-	-	0.4	-	(0.2)	-
Sushi House SA	Luxembourg	(4.9)	(0.8)	(0.8)	-	(0.3)	0.2	0.4	-
Sushi Sablon SA	Bruxelles Belgium	-	-	-	-	1.6	(0.2)	(0.2)	-
Sushi Shop London Pvt LTD	London UK	(2.5)	0.4	0.4	-	(0.5)	(0.5)	(0.3)	-
Sushi Shop Louise SA	Bruxelles Belgium	1.1	(0.7)	(0.7)	-	(1.1)	(0.4)	(0.4)	-
Sushi Shop UK Pvt LTD	Charing UK	(1.3)	(0.1)	(0.1)	-	(0.2)	(0.2)	(0.3)	-
Sushi Uccle SA	Uccle Belgium	-	-	-	-	(0.9)	(0.1)	(0.1)	-
Sushi Shop Anvers SA	Bruxelles Belgium	(2.2)	1.7	(0.1)	-	-	(0.4)	(0.3)	-
Sushi Shop Geneve SA	Geneva Switzerland	0.7	(0.3)	(0.2)	-	-	0.6	0.9	-
Sushi Shop Lausanne SARL	Lasanne Switzerland	0.7	0.5	0.6	-	0.2	0.7	0.9	-
Sushi Shop Madrid S.L. 7	Madrid Spain	(0.6)	(2.4)	(2.4)	-	(0.2)	(1.0)	(0.2)	-
Sushi Shop Milan SARL	Milan Italy	(0.3)	(0.2)	(0.1)	-	0.3	-	0.1	-
Sushi Shop NE USA LLC	New York USA	(1.1)	-	-	-	-	-	-	-
Sushi Shop NY1	New York USA	-	-	-	-	-	-	-	-
Sushi Shop NY2	New York USA	-	-	-	-	-	-	-	-
Sushi Shop International SA	Bruxelles Belgium	-	-	-	-	0.2	(0.4)	(0.4)	-
Sushi Shop Zurich GMBH	Zurich Switzerland	(1.5)	(0.3)	(0.3)	-	-	(0.2)	(-)	-
Sushi Shop Nyon SARL	Nyon Switzerland	0.2	0.2	0.2	-	0.1	0.2	0.4	-
Sushi Shop NL B.V.	Amsterdam Netherlands	(0.5)	0.6	(0.4)	-	-	(0.5)	(0.4)	-

(all figures in EUR millions unless stated otherwise)

Company name	Registered office	2020				2019			
		Total Equity	Net result	Operating result	Dividends distributed	Total Equity	Net result	Operating result	Dividends distributed
Financial services and others for the Group									
AmRest LLC	Wilmington, USA	(0.4)	(0.1)	(0.0)	-	(6.3)	5.9	(-)	-
AmRest Work Sp. z o.o.	Wroclaw Poland	0.3	0.1	0.1	-	0.2	(-)	-	-
La Tagliatella International Kft		(0.1)	(0.3)	(0.3)	-	0.2	(0.1)	(0.1)	-
La Tagliatella SAS	Lyon France	(0.2)	(0.0)	(0.0)	-	0.1	-	-	-
AmRest FSVC LLC	Wilmington USA	(0.8)	(0.6)	(0.6)	-	9.6	(10.6)	(4.8)	-
AmRest Kaffee Sp. z o.o.	Wroclaw Poland	(26.5)	(31.0)	0.0	-	4.7	(0.2)	4.4	-
AmRest Franchise Sp. z o.o.	Wroc?aw Poland	1.0	0.8	3.6	-	-	0.2	0.3	-
Supply services for restaurants operated by the Group									
SCM Sp. z o.o.	Warsaw Poland	4.6	2.9	3.6	(1.2)	6.2	3.5	4.1	(2.9)

Above data were derived from local documentation of AmRest Group in accordance with local GAAPS in each country. In some countries local audits for 2020 have not finalized.

*See details in note 14.

6.2 ASSETS AND LIABILITIES IN FOREIGN CURRENCIES:

The value of assets and liabilities denominated in foreign currency as at 31 December 2020 are presented below:

Millions of foreign currency	Denominated in PLN	Denominated In CZK	Denominated in USD
Assets foreign currency			
Total non-current assets foreign currency	-	-	15.9
Total current assets foreign currency	0.4	60.0	1.4
Total assets foreign currency	0.4	60.0	17.3
Liabilities foreign currency			
Total non-current liabilities foreign currency	224.0	-	-
Total current liabilities foreign currency	28.5	-	-
Total liabilities foreign currency (see note 6.5)	252.5	-	-

Total liabilities in foreign currency, both in the short and long term, mainly correspond to the senior term and revolving facilities agreement with financial institutions for a total amount of PLN 252 million signed on October 5, 2017. At the end of 2020, the total liabilities pending to be paid correspond to the total amount of the loan less the amortization of part of it during 2020.

The assets denominated in CZK and USD corresponds mainly to Dividends receivables with the entity AmRest S.R.O (CZK) and with loans and interest receivables with the entities Amrest China group LTD., Blue Frog Food & Beverage Management and AmRest HK Limited (USD).

The value of assets and liabilities denominated in foreign currency as at 31 December 2019 are presented below:

Millions of foreign currency	Denominated in PLN	Denominated in USD
Assets foreign currency		
Total non-current assets foreign currency	-	13.2
Total current assets foreign currency	1.4	1.3
Total assets foreign currency	1.4	14.5
Liabilities foreign currency		
Total non-current liabilities foreign currency	252.0	-
Total current liabilities foreign currency	28.4	-
Total liabilities foreign currency (see note 6.5)	280.4	-

6.3. CURRENT AND NON-CURRENT FINANCIAL ASSETS (EXCLUDING EQUITY INVESTMENTS)

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

Categories	Non-current Financial assets		Current Financial assets	
	Other credits and derivatives	Other credits and derivatives	Other credits and derivatives	Other credits and derivatives
	2020	2019	2020	2019
Loans to group companies (note 14)	256.9	228.2	45.8	20.6
Other financial assets	0.1	0.1	0.1	-
Other financial assets with group companies (note 14)	-	-	3.4	2.7

(all figures in EUR millions unless stated otherwise)

Trade and other receivables (nota 6.4)	-	-	2.2	21.4
Available-for-sale financial assets at fair value	-	76.2	-	-
Total	257.0	304.5	51.5	44.7

The Company grants loans to group companies at variable interest rates in the range of 2.3%-5.5% plus 3-months Euribor/Libor margin, with maturities starting in 2021 (see note 6.7).

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

The Company identified impairment indicators for the following credits to group companies: AmRest Adria d.o.o., AmRest Pizza GmbH, AmRest SK s.r.o., AmRest Coffee Deutschland Sp. z o.o, AmRest DE Sp. z o.o. & Co. KG, AmRest Kaffee Sp. z o.o, AmRest TopCo, AmRest HK Ltd.

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

The total amount of loans with the entity AmRest HK have been impaired in previous years by a total amount of 1,7million EUROS as the entity is dormant.

Available-for-sale financial assets

Available-for-sale financial assets comprised the equity investment in Glovoapp23. S.L., based in Barcelona, Spain ("Glovo").

The movement of the Available for sale financial assets as at 31 December 2020 is as follow:

Cost	31 December 2019	Increase	Decrease	31 December 2020
Glovoapp23. S.L.	76.2	-	76.2	-
Total	76.2		76.2	

In October 2020, the Company has reached an agreement with Delivery Hero for the transfer of its 7.5% stake (non-diluted) the Company has in Glovo for an amount of EUR 76.2 million. This agreement led to a revenue recognition of EUR 33.5 million arising from the reversal in equity of the past fair revaluations registered (EUR 31.7 million and EUR 1.9 million in 2019 and 2018, respectively), net of the deferred tax assets arisen from these valuations (EUR 8.4 million). The finalization took place in December 2020 and resulted in cash inflow of EUR 75.5 million, presented as proceeds from other financial assets in the Statement of Cash Flows. At 31 December 2020 Eur 0.7 million are pending to be collected from this operation.

The movement of the Available for sale financial assets as at 31 December 2019 is as follow:

Cost	31 December 2018	Additions	Fair valuation	31 December 2019
Glovoapp23. S.L.	26.9	17.6	31.7	76.2
Total	26.9	17.6	31.7	76.2

On 18 July 2018, based on the agreements signed, AmRest acquired a tranche of newly-issued shares in Glovo and purchased a portion of existing shares from certain shareholders of Glovo. As a result of the investment, which totaled EUR 25 million, AmRest became a co-lead investor holding Glovo shares giving it a 10% stake at shareholders' meetings.

On 13 August 2019, the Group signed the agreement with Glovoapp23. S.L. for the transfer from AmRest to Glovo of 100% shares in Restaurant Partner Polska Sp. z o.o. ("PizzaPortal"). On 28 October, due to satisfaction of conditions precedent, AmRest transferred 100% of shares in PizzaPortal to Glovo. The transaction price

(all figures in EUR millions unless stated otherwise)

amounted to EUR 35 million, including earn-out as the requirements have been met in consideration for the transfer of 100% of shares in PizzaPortal, AmRest received total sale price in the amount of EUR 35 million, as a combination of cash payment of EUR 20 million and newly issued shares of Glovo valued according to the agreement at EUR 15 million (see note 6.1), which constitutes final settlement of the agreement. Fair value of newly issued shares amounted to EUR 17.6 million.

As a result of the abovementioned transaction and share capital increases in Glovo, as of 31 December 2019 AmRest held Glovo shares giving it a 7.5% stake at shareholders' meetings. As there are some dilutive instruments such as employee options and phantom shares, a fully-diluted AmRest stake in Glovo is 6.19%.

6.4 TRADE AND OTHER RECEIVABLES

As at 31 December 2020 and 2019 the trade and other receivables were composed as follows (see note 6.3):

	31 December 2020	31 December 2019
Trade and other receivables with third parties	1.0	20.3
Trade and other receivables with group companies	3.0	2.9
Income tax and other credits with the tax administration	1.4	1.1
Impairment on other accounts receivables with group companies	(1.8)	(1.8)
Total Trade and other receivables	3.6	22.5

At 31 December 2019 the Company had pending to receive EUR 20 million arising from the sale of Glovo.

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

	Year ended	
	31 December 2020	31 December 2019
Balance at the beginning of the year	1.8	2.4
Reclassifications to Equity instruments	-	(1.5)
other	-	0.9
Balance at the end of the financial year	1.8	1.8

6.5 FINANCIAL LIABILITES

Classes	Non-current Financial Liabilities		Current Financial Liabilities	
	2020	2019	2020	2019
Categories				
Debts with Financial Institutions	322.3	293.8	28.5	30.0
Other Debts and payables	77.5	101.0	25.1	-
Debts with group companies (note 14)	-	-	1.7	1.7
Total	399.8	394.8	55.3	31.7

Debt with financial institutions – Bank loans

As at 31 December 2020, syndicated bank financing security for liabilities in 2017, with further amendments, accounts for the majority of AmRest debt. AmRest Holdings SE executed partially tranches A and D and the tranches E and F which are presented in the financial debt with financial institutions of this Annual Accounts (amounting to EUR 350.8 million the rest of the tranches were executed from AmRest Sp. z o.o. and AmRest s.r.o.). Short term debt includes 0,5 million Euros related to waiver fees payables.

(all figures in EUR millions unless stated otherwise)

The available tranches following scheduled repayment in September 2020:

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

* Approximate total amount: EUR 609m

Details of bank financing are as follows:

- Signing date: 5 October 2017,
- Final repayment date: 30 September 2022,
- Joint Borrowers: AmRest Holdings SE, AmRest Sp. z o.o. and AmRest s.r.o. (the "Borrowers"; AmRest Sp. z o.o. and AmRest s.r.o. are fully owned by AmRest Holdings SE),
- Lenders: Bank Polska Kasa Opieki S.A., Powszechna Kasa Oszczędności Bank Polski S.A., ING Bank Śląski Polska S.A. and Česká spořitelna, a.s.
- Interest rates: Approximately half of the available facility is provided at variable interest rates (3-month Euribor/Wibor increased by margin) and parts of tranches A and F are provided on fixed rate.
- Securities: submissions to execution from the Borrowers, guarantees from Group companies, pledge on shares of Sushi Shop Group.
- Other information: AmRest is required to maintain certain ratios at agreed level, in particular, net debt/adjusted consolidated EBITDA is to be held below 3.5 and consolidated EBITDA/interest charge is to stay above 3.5. Both ratios are calculated without the effect of IFRS 16.

Prior to 2020-year-end AmRest has obtained from its financing banks and majority of bondholders (Schuldschein) waivers to the compliance with certain covenants related to the Group's leverage and interest coverage ratios for fourth quarter of 2020 and the first, second and third quarters of 2021). During said periods, those covenants have been replaced by a commitment to maintain a minimum level of liquidity (80 million euros, which is lowered to 50 million euros for the third and fourth quarters of 2021).

The Group maintains close communication with its financing banks. All scheduled repayments were made in 2020

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

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

Other debts and payables - Bonds

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

(all figures in EUR millions unless stated otherwise)

The table below presents all SSD issues and their maturities:

Issue date	Amount (EUR million)	Interest rate	Maturity date	Amount expected to be repaid* in 2021 (EUR million)	Purpose
7 April 2017	17.0	Fixed	7 April 2022	3.0	Repayment, general corporate purposes
7 April 2017	9.0	Fixed	5 April 2024	8.0	
3 July 2017	45.5	Fixed	1 July 2022	12.5	
3 July 2017	20.0	Fixed	3 July 2024	0	
3 July 2017	9.5	Variable	3 July 2024	0	
				101.0	

The role of the Lead Arranger and Paying Agent on all issues was entrusted to Erste Group Bank AG.

As at 31 December 2020 the debt amounts to EUR 101.0 million, interest and waiver fees payables amounting to EUR 1.4 million and 0.2 million respectively, that are presented in the current liabilities.

AmRest Group is required to maintain certain ratios at agreed levels, in particular net debt/EBITDA is to be held below 3.5x and EBITDA/interest charge is to stay above 3.5. As these covenants were not met at 2020 YE, the Company expects EUR 23.5 million out of 101 million will be repaid in 2021* to investors who did not grant the covenant waivers.

6.6 TRADE AND OTHER PAYABLES

As at 31 December 2020 and 2019 the trade and other payables were composed as follows:

	31 December 2020	31 December 2019
Trade and other payables with third parties	1.9	0.3
Trade and other payables with group companies	1.8	1.7
Personnel expenses	0.3	0.2
Other payables with tax administration (see note 11)	0.5	3.8
Total trade and other payables	4.5	6.0

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

	31 December 2020	31 December 2019
Number of days:	63	29
Ratio of payments	34	32
Ratio of outstanding invoices	120	19
Millions of EUR:		
Total payments	6.3	5.1
Outstanding invoices	3.2	1.7

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

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

(all figures in EUR millions unless stated otherwise)

6.7 ANALYSIS BY MATURITIES

As at 31 December 2020 and 2019, the amounts of financial instruments with a determined or determinable maturity classified by year of maturity are the following:

2020	Financial Assets					Total
	2021	2022	2023	2024	Following years	
Loans to group companies (note 6.3)	45.8	122.6	112.4	13.4	8.5	302.7
Trade and other receivables	3.6	-	-	-	-	3.6
Other financial assets with group companies	3.4	-	-	-	-	3.4
Other current assets	0.1	-	-	-	-	0.1
Total	52.9	122.6	112.4	13.4	8.5	309.8

2019	Financial Assets					Total
	2020	2021	2022	2023	Following years	
Loans to group companies (note 6.3)	20.6	33.1	95.3	99.8	-	248.8
Trade and other receivables	21.4	-	-	-	-	21.4
Other financial assets with group companies	2.7	-	-	-	-	2.7
Total	44.7	33.1	95.3	99.8	-	272.9

2020	Financial Liabilities					Total
	2021	2022	2023	2024	Following years	
Debts with Financial Institutions	28.5	322.3	-	-	-	350.8
Other Debts and payables	25.1	47.0	-	30.5	-	102.6
Debts with group companies	1.7	-	-	-	-	1.7
Trade and Other payables	4.5	-	-	-	-	4.5
Total	59.8	369.3	-	30.5	-	459.6

2019	Financial Liabilities					Total
	2020	2021	2022	2023	Following years	
Other Debts and payables	1.3	-	62.5	-	38.5	102.3
Debts with Financial Institutions	28.7	28.5	265.3	-	-	322.5
Debts with group companies	1.7	-	-	-	-	1.7
Trade and Other payables	6.0	-	-	-	-	6.0
Total	37.7	28.5	327.8	-	38.5	432.5

7. Cash and cash equivalents

Cash and cash equivalents as at 31 December 2020 and 2019 are presented in the table below:

	31 December 2020	31 December 2019
Cash at bank	74.2	9.5
	74.2	9.5

8. Equity

8.1. SHARE CAPITAL

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

There were no changes in share capital of the Company during the years 2020 and 2019.

As at 31 December 2020 and 2019 the Company has 219 554 183 shares issued.

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

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

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

To the best of AmRest's knowledge as at 31 December 2020 AmRest Holdings had the following shareholder structure:

Shareholder	Number of shares and votes at the Shareholders' meeting	% of shares and votes at the Shareholders' meeting
FCapital Dutch B. V.*	147 203 760	67.05%
Nationale-Nederlanden OFE	9 358 214	4.26%
Artal International S.C.A.	11 366 102	5,18%
Aviva OFE	6 843 700	3.12%
Other Shareholders	44 782 407	20.40%

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

8.2. RESERVES

The composition of reserves as at 31 December 2020 and 2019 is as follows:

	31 December 2020	31 December 2019
Voluntary Reserves	56.8	33.5
Legal reserves	4.1	1.6
	60.9	35.1

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

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

As of December 31, 2020, and 2019, the Company has not fully endowed this reserve with the minimum limit established by the Consolidated Text of the Capital Companies Law.

8.3. TREASURY SHARES

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

As at 31 December 2020 AmRest held 623,461 own shares representing 0.2840% of the share capital (724,415 shares in 2019).

During 2020, AmRest Holdings SE did not purchase any own shares (89.000 treasury shares at an average purchase price of PLN 43.75 in 2019)

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

	Year ended	
	31 December 2020	31 December 2019
Initial Balance	(7.5)	(15.2)
Acquisition of own shares	-	(0.9)
Delivery of shares for the stock option plan (see note 8.4)	1.0	8.6
Ending Balance	(6.5)	(7.5)

8.4. OTHER EQUITY INSTRUMENTS

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

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

	Year ended	
	31 December 2020	31 December 2019
Initial Balance	(25.4)	(6.2)
Equity share base plans accrual	2.8	6.6
Settlement of cash-settled plans in shares (accrued costs)	0.1	0.7
Reclassification of options exercised in cash	-	(17.1)
Delivery of shares for the stock option plan (see note 8.3)	(1.0)	(8.6)
Proceeds from shares transfers (employee's options)	0.1	0.9
Settlements of WHT paid by the entity	-	(1.7)
Ending Balance	(23.4)	(25.4)

8.5. ADJUSTMENTS FOR CHANGES IN VALUE

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

	31 December 2020	31 December 2019
Currency translation reserve	(6.7)	(6.7)
Fair value adjustments of assets available for sale (see note 6)	-	33.5
Tax impact on adjustment of changes in value	-	(8.4)
Adjustments for changes in value	(6.7)	18.4

In the item currency translation reserve is registered the result of the change of the functional and presentation currency from PLN to EUR.

In the item fair value adjustments of assets available-for-sale was registered the revenue resulting from the valuation at fair value of Glovoapp 23. S.L. investment (EUR 33.5 million) and its corresponding tax impact. During the year 2020 fair valuation was transferred to P&L and the tax impact adjustment was reversed.

8.6. SHARE PREMIUM

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

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

There were no transactions within share premium in 2020 and 2019.

9. Employee benefits and share based payments

The Company established long-term incentive plans in order to bind a portion of managers' and executives' remuneration with the Group's market value. During year 2020, the Company had the share-based payment arrangements according to six share option plans. Part of options in the Plan 2 is accounted as cash-settled due to the availability of cash exercise method upon the choice of an employee. All other options in the following plans are equity-settled.

Plan 2 – Stock Option Plan 2005

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

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

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

Plan 3 – Management Incentive Plan 2011

Granting of the options finished in 2014. The Supervisory Board of Group (then existing) was entitled to determine the employees authorized to participate in the Plan and the number of options granted and the dates for their granting. The option exercise price was in principle equal to the market price of the Company's shares as at the date preceding the day of awarding the option and then increased by 11% each year. The vesting period was 3-5 years. All remaining options granted within the Plan 3 has been exercised during year 2019.

Plan 4 – Stock Option Plan 2017

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

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

Plan 5 – Management Incentive Plan 2017

In January 2017 the Group introduced a new share-based Management Incentive Plan, offered to selected employees. The whole number of shares which were attributed to the options was determined by the Board of Directors, however, it may not exceed 1,000,000 shares. In accordance with the provisions of the Plan, when requested by management the Board of Directors, was entitled to determine the employees authorized to participate in the Plan, the number of options granted and the dates for their granting among other issues. The Granting Period was set between 1 January 2017 and 31 December 2019. The option initial exercise price

was in principle equal to the market price of the Company's shares as at the date of First Grant. The exercise price shall increase on 1st, 2nd and 3rd anniversary by 11%. The vesting period lasts 3 to 5 years. There are no cash settlement alternatives.

Plan 6 – Stock Option Plan 2020

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

Plan 7 – Management Incentive Plan 2020

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

The terms and conditions for the share options outstanding as at 31 December 2020 are presented in the table below:

Grant date	Terms and conditions for vesting of the options	The maximum term of options	Option exercise price in EUR	Method of settlement
<u>Plan 2 – SOP</u>				
June 20, 2011			1.87	Equity or equity/cash*
April 30, 2012			1.68	Equity or equity/cash*
April 30, 2013	1-5 years, 20% per annum	10 years	1.94	Equity or equity/cash*
April 30, 2014			1.96	Equity or equity/cash*
December 9, 2015			3.14	Equity or equity/cash*
April 30, 2016			5.35	Equity
<u>Plan 4 – SOP</u>				
May 30, 2017			8.14	Equity
January 1, 2018			9.66	Equity
April 30, 2018	3-5 years, 60% after 3rd year, 20% after 4th and 5th year	10 years	10.91	Equity
August 6, 2018			10.46	Equity
October 1, 2018			10.63	Equity
December 10, 2018			9.40	Equity
April 30, 2019			9.62	Equity
<u>Plan 5 – MIP</u>				
March 15, 2017			10.51	Equity
September 13, 2017			10.97	Equity
March 3, 2018	3-5 years, 33% p.a.	10 years	10.43 - 10.88	Equity
October 1, 2018			14.54	Equity
March 26, 2019			10.23 - 14.49	Equity
May 13, 2019			12.10	Equity
<u>Plan 6 – SOP</u>				
July 13, 2020		10 years	4,99	Equity

(all figures in EUR millions unless stated otherwise)

Grant date	Terms and conditions for vesting of the options	The maximum term of options	Option exercise price in EUR	Method of settlement
Plan 2 – SOP				
June 20, 2011			1.87	Equity or equity/cash*
April 30, 2012			1.68	Equity or equity/cash*
April 30, 2013	1-5 years, 20% per annum	10 years	1.94	Equity or equity/cash*
April 30, 2014			1.96	Equity or equity/cash*
December 9, 2015			3.14	Equity or equity/cash*
April 30, 2016			5.35	Equity
October 1, 2020	3-5 years, 60% after 3rd year, 20% after 4th and 5th year		5,78	Equity
Plan 7 – MIP				
February 10, 2020	3-5 years, 33% p.a.	10 years	15,10	Equity
October 1, 2020			7,90	Equity

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

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

In the table below we present the number and weighted average of the exercise prices (WAEP) of, and movements in, the options from all plans during the year ended 31 December 2020 and 2019:

Number of option	WAEP in EUR (before indexation)	2020					
		Plan 7	Plan 6	Plan 5	Plan 4	Plan 3	Plan 2
At the beginning of the period	8.52	-	-	5 400 000	6 988 850	-	1 150 266
Granted during the period	7.07	3 350 000	3 204 500	-	-	-	-
Exercised during the period	7.04	-	-	(166 666)	-	-	(159 554)
Forfeited during the period	10.15	-	-	(1 950 000)	(209 200)	-	(58 310)
Outstanding at the end of the period	8.68	3 350 000	3 204 500	3 283 334	6 779 650	-	932 402
- including exercisable as at the end of the period	6.36	-	-	-	938 730	-	722 562
Number of option	WAEP in EUR (before indexation)	2019					
		Plan 7	Plan 6	Plan 5	Plan 4	Plan 3	Plan 2
At the beginning of the period	7.71	-	-	6 650 000	4 118 750	2 750 003	2 274 776
Granted during the period	9.23	-	-	1 450 000	3 440 800	-	-
Exercised during the period	1.98	-	-	-	(10 000)	(2 750 003)	(1 027 742)
Forfeited during the period	8.30	-	-	(2 700 000)	(560 700)	-	(96 768)
Outstanding at the end of the period	8.52	-	-	5 400 000	6 988 850	-	1 150 266
- including exercisable as at the end of the period	3.59	-	-	-	499 168	-	-

The weighted average share price at the dates of exercise of the options was EUR 6.98 in 2020 and EUR 9.83 in 2019.

The weighted average remaining contractual life for the share options outstanding as at 31 December 2020 was 8.20 years (2019: 8,21 years).

Measurement

(all figures in EUR millions unless stated otherwise)

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

The fair value of the options granted during the period, as at the grant date, amounted as described below. It was determined on the basis of the following parameters:

Plan	Average fair value of option as at grant date	Average share price at the grant date	Average exercise price	Expected volatility	Expected term to exercise of options	Risk-free interest rate
2020						
Plan 6 (SOP)	EUR 0.93	EUR 4.14	EUR 5.75	35%	5 years	2%
Plan 7 (MIP)	EUR 0.63	EUR 4.50	EUR 8.30	35%	5 years	2%
2019						
Plan 4 (SOP)	EUR 2.90	EUR 9.62	EUR 9.62	30%	5 years	2%
Plan 5 (MIP)	EUR 2.83	EUR 10.36	EUR 11.37	30%	5 years	2%

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

Share-based payments costs and liabilities

The Company recognises accrual for equity-settled options in reserve capital. The amounts as at 31 December 2020 and 31 December 2019 are presented in a table below:

	31 December 2020	31 December 2019
Reserve capital - Plan 2	1.8	1.8
Reserve capital - Plan 4	8.3	5.0
Reserve capital - Plan 5	5.2	6.6
Reserve capital - Plan 6	0.1	-
Reserve capital - Plan 7	0.2	-
	15.6	13.4

10. Provisions

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

	Year ended	
	31 December 2020	31 December 2019
Initial Balance	0.5	1.3
Revaluation fair value	(0.3)	-
Plan modification (reclassification from SOP Equity settlement to cash settlement)	(0.1)	17.1
Reclassification of options settled with equity method	-	(0.7)
Options under Equity settlement method exercise in cash	-	(17.1)
Options exercised with cash settlement method	-	(0.1)
Ending Balance	0.1	0.5

11. Taxation

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

Assets (note 6.4)	31 December 2020	31 December 2019
Income tax receivable	1.4	1.0
VAT Receivable	-	0.1
Total	1.4	1.1
Liabilities (note 6.6)		
VAT payable	0.4	0.1
Personal income tax and other withholding taxes	0.1	3.7
Total	0.5	3.8

Income tax

With effects 1 January 2018, the Company is under the consolidation tax regime set forth in Chapter VI of Title VII of Corporate Income Tax Law 27/2014 of 27 November 2014, being the head of the tax group composed by the Company itself and the rest of the Spanish subsidiaries which at 31 December 2020 are the following:

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

On 1 October 2019 AmRestavia, S.L.U. and Restauravia Grupo Empresarial, S.L. were merged into AmRest Tag S.L.U. On 26 December 2019 AmRest Capital Zrt. (Hungary) was merged into AmRest Tag S.L.U. On mentioned date all assets of merged companies have been taken by AmRest TAG S.L.U.

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

	31 December 2020	31 December 2019
Corporate income tax	-	2.2
Change in deferred taxes and liabilities	2.5	-
Total income tax recognized in the income statement	2.5	2.2

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

The reconciliation between the net result and the tax base of the individual entity as of 31 December 2020 is as follows:

	Income statement		
	Additions	Decreases	Total
Profit and loss for the period	-	-	34.3
Income tax expense	-	-	(2.5)
Permanent differences	-	(7.6)	(7.6)
Temporary differences	-	(34.3)	(34.3)
- With origin in the current year	-	(0.8)	(0.8)
- With origin in the previous year	-	(33.5)	(33.5)
Tax base	-	-	(10.1)
Corporate income tax expense/(revenue) 25%	-	-	-

The reconciliation between the net result and the tax base of the individual entity as of 31 December 2019 is as follows:

(all figures in EUR millions unless stated otherwise)

Income statement			
	Additions	Decreases	Total
Profit and loss for the period			25.8
Income tax expense			(2.2)
Permanent differences	-	(37.7)	(37.7)
Temporary differences	5.4	-	5.4
- With origin in the current year	5.4	-	5.4
Tax base			(8.7)
Corporate income tax expense/(revenue) 25%			(2.2)

In permanent differences are adjusted the revenues from Dividends, the stock option plan, and the gains on disposals of financial assets held for sale that are considered exempt for income tax purposes.

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

The movement of the deferred tax assets and liabilities for the years ended 31 December 2020 and 2019 has been as follows:

	Year ended	
	31 December 2020	31 December 2019
Deferred tax assets		
Balance at beginning of the period	-	-
Debit (credit) on the profit and loss account	2.5	-
Balance at the end of the period	2.5	-
Deferred tax liability		
Balance at beginning of the period	8.4	-
Debit (credit) registered in Equity (see note 8.3)	(8.4)	8.4
Balance at the end of the period	-	8.4

The increase in deferred tax assets corresponds to the tax losses generated during the FY 2020.

The deferred tax liabilities imputed in Equity in 2019 corresponds to the tax impact of the fair valuation of assets held for sale that was reverted in December 2020 (see note 6).

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

	31 December 2020	31 December 2019
Tax base AmRest Holdings	(10.1)	(8.7)
Tax base contributed by subsidiaries of the tax group:	(18.1)	36.5
AmRest TAG, S.L.U.	(3.1)	(1.3)
Restauravia Food, S.L.U.	(8.2)	4.1
Pastificio Service, S.L.U.	(2.1)	37.1
The Grill Concept, S.L.U.	(2.0)	(2.4)
Black Rice, S.L.U.	(1.2)	(0.6)
Bacoa Holding, S.L.U.	(0.7)	(1.1)
Shushi Shop Madrid, S.L.U.	(1.0)	0.7
Current income tax of the consolidated tax group (25%)	-	7.0
Withholding taxes and CIT advances	0.4	8.4
Subtotal	(0.4)	(1.5)
Reversal of excess of accrual	-	0.5
Income tax receivable from 2019	(1.0)	-
Income tax receivable payable (receivable)	(1.4)	(1.0)

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

(all figures in EUR millions unless stated otherwise)

	31 December 2020	31 December 2019
Receivables:		
Restauravia Food. S.L.U.	1.0	1.0
Pastificio Service. S.L.U.	-	1.0
AmRest TAG S.L.U.	0.1	0.1
Total receivables from the Consolidated tax regime	1.1	2.1
Payables		
The Grill Concept S.L.U.	(1.0)	(1.0)
Black Rice S.L.	(0.2)	(0.2)
Shushi Shop Madrid. S.L.U.	-	(0.1)
Total payables from the Consolidated tax regime	(1.3)	(1.3)

12. Income and expenses

12.1 REVENUES

In the item Revenues of the separate income statement for the years ended on 31 December 2020 and 2019 were recognized the result of the execution of stock option plan for employees and the interest and dividends received from subsidiaries and the results from financial assets held for sale (see note 6.3):

	Year ended	
	31 December 2020	31 December 2019
Dividends from Subsidiaries (see note 14)	7.6	3.1
Revenue from the stock option plan	0.2	7.6
Financial income from group companies	7.7	6.5
Results from financial assets held for sale	33.5	-
Total Revenues	49.0	17.2

The dividends received during the annual period ended as at 31 December 2020 and 2019 corresponded to the subsidiary AmRest s.r.o. (Czech Republic). The breakdown of Dividends by geographical area for the annual periods ended at 31 December 2020 and 2019 is as follow:

	Year ended	
	31 December 2020	31 December 2019
Exports:	7.6	3.1
a) European Union	7.6	3.1
Total Dividends received from Subsidiaries	7.6	3.1

Revenues from stock option plan correspond to the difference between the valuation of the stock options and the book value of the own shares executed for the stock option plan the breakdown of revenues from the stock option plan for the employees by geographical area for the annual periods ended as at 31 December 20120 and 2019 is as follow:

	Year ended	
	31 December 2020	31 December 2019
Domestic market	-	4.5
Exports:	0.2	3.1
a) European Union	0.2	1.1
b) O.E.C.D countries	-	1.7
c) Other countries	-	0.3
Net income from the stock option plan	0.2	7.6

Financial income from subsidiaries correspond to the accrued interest of the loans and other financial assets given from the Company to the group companies during the year. The breakdown of finance income from

(all figures in EUR millions unless stated otherwise)

group companies by geographical area for the annual periods ended as at 31 December 2020 and 2019 is as follow:

	Year ended	
	31 December 2020	31 December 2019
Domestic market	2.5	2.4
Exports:	5.2	4.1
a) European Union	4.4	3.5
b) Other countries	0.9	0.7
Finance income from group companies (see note 14)	7.7	6.5

12.2. PERSONNEL EXPENSES:

The detail of personnel expenses for the annual periods ended as at 31 December 2020 and 2019 is as follow:

	Year ended	
	31 December 2020	31 December 2019
Salaries and social charges	(1.1)	(1.0)
Stock option plan	(0.2)	-
Total other operating expenses	(1.3)	(1.0)

12.3. OTHER OPERATING EXPENSES

	Year ended	
	31 December 2020	31 December 2019
Professional Services	(4.8)	(2.1)
Business travel	(0.1)	(0.3)
Other taxes	(1.1)	(0.3)
Other expenses	(0.4)	-
Total other operating expenses	(6.4)	(2.7)

12.4 INCOME AND EXPENSES IN FOREIGN CURRENCY

The income and expenses denominated in foreign currency for the annual periods ended at 31 December 2020 and 2019 are as follow:

For the year ended 31 December 2020	PLN	USD
Expenses	-	-
Other operating expenses	(0.3)	-
Results from operating activities	(0.3)	-
Finance income	-	0.8
Finance expenses	(1.7)	-
Net finance income (expense)	(1.7)	0.8
Total Income and expenses in foreign currency	(2.0)	0.8
For the year ended 31 December 2019	PLN	USD
Revenues	-	-
Other operating expenses	(0.2)	(0.1)
Results from operating activities	(0.2)	(0.1)
Finance income	-	0.6
Finance expenses	(1.2)	-
Net finance income (expense)	(1.2)	0.6
Total Income and expenses in foreign currency	(1.4)	(0.5)

13. Financial result

The financial result for the annual periods ended at 31 December 2020 and 2019 is as follows:

Financial Expenses	Year ended	
	31 December 2020	31 December 2019
With group companies (nota 14)	(0.8)	(0.7)
With third parties	(12.3)	(10.3)
Total Financial Expenses	(13.1)	(11.0)
Exchange rates differences	2.8	(0.5)

13.1 Exchange rates differences:

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

	Year ended	
	31 December 2020	31 December 2019
On Investments and loans with group companies	(1.3)	(0.4)
On Banks and other assets	(0.2)	(0.1)
On Financial liabilities	4.3	-
Total	2.8	0.5

14. Related parties balances and transactions

As at 31 December 2020, the Group comprised the following subsidiaries:

Company name	Registered office	Parent/non-controlling undertaking	Owner-ship interest and total vote	Date of effective control
Holding activity				
AmRest Acquisition Subsidiary Ltd.	Birkirkara, Malta	AmRest Holdings SE	100.00%	May 2007
AmRest TAG S.L.U.	Madrid, Spain	AmRest Sp. z o.o.	100.00%	March 2011
AmRest HK Ltd	Hong Kong, China	AmRest Holdings SE	100.00%	September 2011
AmRest China Group PTE Ltd	Singapore	AmRest Holdings SE	100.00%	December 2012
Bigsky Hospitality Group Ltd	Hong Kong, China	AmRest China Group PTE Ltd	100.00%	December 2012
New Precision Ltd	Mriehel, Malta	AmRest China Group PTE Ltd	100.00%	December 2012
Horizon Consultants Ltd.	Mriehel, Malta	AmRest China Group PTE Ltd	100.00%	December 2012
AmRest Management Kft	Budapest, Hungary	AmRest Kft	99.00%	August 2018
		AmRest TAG S.L.U.	1.00%	
GM Invest SRL	Brussels, Belgium	AmRest TAG S.L.U.	100.00%	October 2018
Sushi Shop Group SAS	Paris, France	GM Invest SRL	9.47%	October 2018
		AmRest TAG S.L.U.	90.53%	
AmRest France SAS	Paris, France	AmRest Holdings SE	100.00%	December 2018
Sushi Shop Management SAS	Paris, France	Sushi Shop Group SAS	100.00%	October 2018
Sushi Shop Holding USA LLC ⁹	Dover Kent, USA	Sushi Shop Management SAS	100.00%	October 2018
Sushi Shop Luxembourg SARL	Luxembourg	Sushi Shop Group SAS	100.00%	October 2018
Sushi Shop Switzerland SA	Fribourg, Switzerland	Sushi Shop Management SAS	100.00%	October 2018
Restaurant, franchise and master-franchise activity				
AmRest Sp. z o.o. ²	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 Sp. z o.o.	82.00%	
AmRest Coffee Sp. z o.o.	Wroclaw, Poland	Starbucks International, Inc.	18.00%	March 2007
AmRest EOOD	Sofia, Bulgaria	AmRest Holdings SE	100.00%	April 2007
OOO AmRest	Saint Petersburg, Russia	AmRest Acquisition Subsidiary Ltd.	44.72%	July 2007
		AmRest Sp. z o.o.	55.28%	
		AmRest Sp. z o.o.	82.00%	
AmRest Coffee s.r.o.	Prague, Czechia	Starbucks International, Inc.	18.00%	August 2007
		AmRest Sp. z o.o.	82.00%	
AmRest Kávészó Kft	Budapest, Hungary	Starbucks International, Inc.	18.00%	August 2007

(all figures in EUR millions unless stated otherwise)

Company name	Registered office	Parent/non-controlling undertaking	Owner-ship interest and total vote	Date of effective control
AmRest d.o.o.	Belgrade, Serbia	AmRest Sp. z o.o. ProFood Invest GmbH	60.00% 40.00%	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. ⁵	Paris, France	AmRest TAG S.L.U.	100.00%	April 2012
AmRest Adria 2 d.o.o.	Ljubljana, Slovenia	AmRest Sp. z o.o.	100.00%	August 2012
Frog King Food&Beverage Management Ltd	Shanghai, China	Bigsky Hospitality Group Ltd	100.00%	December 2012
Blue Frog Food&Beverage Management Ltd	Shanghai, China	New Precision Ltd	100.00%	December 2012
Shanghai Kabb Western Restaurant Ltd	Shanghai, China	Horizon Consultants Ltd.	100.00%	December 2012
AmRest Skyline GMBH	Cologne, Germany	AmRest TAG S.L.U.	100.00%	October 2013
Kai Zhen Food and Beverage Management (Shanghai) Ltd	Shanghai, China	BlueFrog Food&Beverage Management Ltd	100.00%	March 2014
AmRest Coffee EOOD	Sofia, Bulgaria	AmRest Sp. z o.o.	100.00%	June 2015
AmRest Coffee S.r.l.	Bucharest, Romania	AmRest Sp. z o.o.	100.00%	June 2015
AmRest Food Srl.	Bucharest, Romania	AmRest Sp. z o.o. AmRest Holdings SE	99.00% 1.00%	July 2019 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	Berlin, Germany	AmRest Kaffee Sp. z o.o.	100.00%	December 2016
The Grill Concept S.L.U.	Madrid, Spain	Pastificio Service S.L.U.	100.00%	December 2016
Kai Fu Food and Beverage Management (Shanghai) Co. Ltd	Shanghai, China	Blue Frog Food&Beverage Management Ltd	100.00%	December 2016
LTP La Tagliatella Portugal, Lda	Lisbon, Portugal	AmRest TAG S.L.U.	100.00%	February 2017
LTP La Tagliatella Franchise II Portugal, Lda	Lisbon, Portugal	AmRest TAG S.L.U.	100.00%	April 2019
AmRest AT GmbH	Vienna, Austria	AmRest Sp. z o.o.	100.00%	March 2017
AmRest Topco France SAS	Paris, France	AmRest France SAS	100.00%	May 2017
AmRest Delco France SAS	Paris, France	AmRest Topco France SAS	100.00%	May 2017
AmRest Opco SAS	Paris, France	AmRest France SAS	100.00%	July 2017
OOO Chicken Yug	Saint Petersburg, Russia	OOO AmRest	100.00%	October 2017
OOO AmRest Pizza	Saint Petersburg, Russia	AmRest Acquisition Subsidiary Ltd. OOO AmRest	99.999996% 0.000004%	November 2017
AmRest Coffee SRB d.o.o.	Belgrade, Serbia	AmRest Holdings SE	100.00%	November 2017
AmRest Chamnord SAS	Paris, France	AmRest Opco SAS	100.00%	March 2018
AmRest SK s.r.o.	Bratislava, Slovakia	AmRest s.r.o. AmRest Sp. z o.o.	99.00% 1.00%	April 2018
AmRest Pizza GmbH	Munich, Germany	AmRest DE Sp. z o.o. & Co. KG	100.00%	June 2018
Black Rice S.L.U.	Madrid, Spain	AmRest TAG S.L.U.	100.00%	July 2018
Bocoa Holding S.L.U.	Madrid, Spain	AmRest TAG S.L.U.	100.00%	July 2018
Sushi Shop Restauration SAS ⁷	Paris, France	Sushi Shop Management SAS	100.00%	October 2018
Sushi House SA	Luxembourg	Midicapital Sushi Shop Luxembourg SARL	14.00% 86.00%	October 2018
Sushi Shop London Pvt LTD	London, UK	Sushi Shop Group SAS	100.00%	October 2018
Sushi Shop Belgique SA ⁴	Bruxelles, Belgium	Sushi Shop Group SAS	100.00%	October 2018
Sushi Shop Louise SA	Bruxelles, Belgium	Sushi Shop Belgique SA Midicapital	54.80% 45.20%	October 2018
Sushi Shop UK Pvt LTD	Charing, UK	Sushi Shop Group SAS	100.00%	October 2018
Sushi Shop Anvers SA ⁶	Bruxelles, Belgium	Sushi Shop Belgique SA	100.00%	October 2018
Sushi Shop Geneve SA	Geneva, Switzerland	Sushi Shop Switzerland SA	100.00%	October 2018
Sushi Shop Lausanne SARL	Lasanne, Switzerland	Sushi Shop Switzerland SA	100.00%	October 2018
Sushi Shop Madrid S.L.	Madrid, Spain	Sushi Shop Management SAS	100.00%	October 2018
Sushi Shop Milan SARL	Milan, Italy	Sushi Shop Management SAS Vanray SRL	70.00% 30.00%	October 2018
Sushi Shop NE USA LLC ⁹	New York, USA	Sushi Shop Holding USA LLC	100.00%	October 2018

(all figures in EUR millions unless stated otherwise)

Company name	Registered office	Parent/non-controlling undertaking	Owner-ship interest and total vote	Date of effective control
Sushi Shop NY1 LLC ⁹	New York, USA	Sushi Shop Holding USA LLC	64.00%	October 2018
		Sushi Shop NE USA LLC	36.00%	
Sushi Shop NY2 LLC ⁹	New York, USA	Sushi Shop Holding USA LLC	100.00%	October 2018
Sushi Shop Zurich GMBH	Zurich, Switzerland	Sushi Shop Switzerland SA	100.00%	October 2018
Sushi Shop Nyon SARL	Nyon, Switzerland	Sushi Shop Switzerland SA	100.00%	October 2018
Sushi Shop NL B.V. ⁸	Amsterdam, Netherlands	Sushi Shop Group SAS	100.00%	October 2018
Sushi Shop Vevey SARL	Vevey, Switzerland	Sushi Shop Switzerland SA	100.00%	November 2019
Sushi Shop Fribourg SARL	Fribourg, Switzerland	Sushi Shop Switzerland SA	100.00%	November 2019
Sushi Shop Yverdon SARL	Yverdon, Switzerland	Sushi Shop Switzerland SA	100.00%	November 2019
Financial services and others for the Group				
AmRest LLC	Wilmington, USA	AmRest Sp. z o.o.	100.00%	July 2008
AmRest Work Sp. z o.o.	Wroclaw, Poland	AmRest Sp. z o.o.	100.00%	March 2012
La Tagliatella International Kft	Budapest, Hungary	AmRest TAG S.L.U.	100.00%	November 2012
La Tagliatella SAS ⁵	Paris, France	AmRest TAG S.L.U.	100.00%	March 2014
AmRest FSVK LLC	Wilmington, USA	AmRest Holdings SE	100.00%	November 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.	Wroclaw, Poland	AmRest Sp. z o.o.	100.00%	December 2018
AmRest Global S.L.U. ³	Madrid, Spain	AmRest Holdings SE	100.00%	September 2020
Supply services for restaurants operated by the Group				
SCM Czech s.r.o.	Prague, Czechia	SCM Sp. z o.o.	90.00%	March 2007
		Ondrej Razga	10.00%	
		AmRest Sp. z o.o.	51.00%	
SCM Sp. z o.o.	Warsaw, Poland	R&D Sp. z o.o.	33.80%	October 2008
		Beata Szafarczyk-Cylny	5.00%	
		Zbigniew Cylny	10.20%	

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

² On 30 June 2020 new company was registered - AmRest Traugutta Sp. z o.o. with registered office Wroclaw, Poland. AmRest Sp. z o.o. owned 99,9999% of shares, 0,0001% of shares owned Michal Lewandowski. As of 30 September 2020 AmRest Sp. z o.o. owned 100% of shares. On 21 December 2020 AmRest Traugutta Sp. z o.o. was merged with AmRest Sp. z o.o.

³ On 2 September 2020 new company was registered - AmRest Global S.L.U. with registered office in Madrid, Spain (100% subsidiary of AmRest Holdings, SE).

⁴ On 30 September 2020 (with the effective date as of 1 January 2020) following entities were merged into Sushi Shop Belgique SA: SSW 1 SPRL, SSW 2 SPRL, Sushi Sablon SA, Sushi Uccle SA and Sushi Shop International SA. On mentioned date all assets of merged companies have been taken by Sushi Shop Belgique SA.

⁵ On 1 October AmRest SAS and La Tagliatella SAS changed the registered office from Lyon, France to Paris, France.

⁶ On 1 October 2020 Sushi Shop Belgique SA, the sole shareholder of Sushi Shop Anvers SA, decided to liquidate this company. The liquidation process has not been finished up until the date of this Report.

⁷ On 30 November 2020 (with the effective date as of 1 January 2020) CMLC Troyes and Orphus SARL were merged into Sushi Shop Restauration SAS.

⁸ On 1 October 2020 Sushi Shop Group SAS, the sole shareholder of Sushi Shop NL B.V., decided to liquidate this company. The liquidation process has not been finished up until the date of this Report.

⁹ On 16 December 2020 Sushi Shop Management SAS, the sole shareholder of Sushi Shop Holding USA LLC, Sushi Shop NE USA LLC, Sushi Shop NY1 LLC, and Sushi Shop NY2 LLC decided to liquidate these companies. The liquidation process has not been finished up until the date of this Report.

- On 2 January 2020 the company La Tagliatella Financing Kft has been deregistered.
- On 27 March 2020 the company OOO RusCo Food has been deregistered.
- On 12 June 2020 the company AmRest Trademark Kft "v.a." (Hungary) has been deregistered.

The balances with the Group entities are as follows:

	31 December 2020	31 December 2019
Assets		

(all figures in EUR millions unless stated otherwise)

Total loans granted to group companies	302.7	248.8
<i>(Long and short term classification)</i>		
Long term loans granted to group companies (note 6.3)	256.9	228.2
Short term loans granted to group companies (note 6.3)	45.8	20.6
<i>(Group entity classification)</i>		
AmRest TopCo	8.2	8.5
AmRest Opco SAS	35.9	33.5
Amrest China group LTD	7.0	7.3
AmRest Coffee Deutschland Sp. z o.o.	37.2	9.7
AmRest DE Sp. z o.o. & Co. KG	42.8	29.5
AmRest AT GmbH	3.9	3.9
AmRest Kaffee Sp. z o.o.	35.1	38.5
AmRest TAG S.L.U.	70.3	68.7
Blue Frog Food & Beverage Management	6.9	4.5
Pastificio Service. S.L.U.	27.1	26.9
Restauravia Food. S.L.U.	11.2	11.1
AmRest Adria d.o.o.	1.2	0.8
AmRest Pizza GmbH	1.9	1.4
AmRest SK s.r.o.	1.6	1.2
OOO AmRest	0.7	1.8
Sushi Shop SAS	2.5	1.5
Amrest Food SRL	1.5	-
AmRest sp.zoo	7.1	-
AmRest Coffee SK Sro	0.6	-
Other financial assets with group companies (see note 6.3)	3.4	2.7
Restauravia Food. S.L.U.	1.0	1.0
Pastificio Service S.L.U.	-	1.0
AmRestavia S.L.U.	-	0.6
AmRest TAG S.L.U.	0.2	0.1
AmRest S.R. O	2.2	-
Trade and other receivables with group companies (see note 6.4)	1.2	1.1
AmRest Sp. z o.o.	0.8	0.6
Restauravia Food. S.L.U.	-	0.1
OOO AmRest	-	0.2
AmRestag S.L	0.2	-
AmRest Kft	-	0.1
AmRest SRO	0.1	0.0
Pastificio Service S.L.U.	0.1	0.1
Short term debt and other current financial liabilities (see note 6.5)	1.8	1.7
Pastificio Service S.L.	0.5	-
The Grill Concept S.L.U.	1.0	1.0
AmRest TAG S.L.U.	-	0.5
Bocoa Black Rice S.L.	0.2	0.1
Sushi Shop SAS	0.1	0.1
Trade payables with group companies (see note 6.6)	1.8	1.7
Pastificio Service	0.1	-
AmRest Sp. z o.o.	0.3	0.2
AmRest kft	0.1	-
AmRest TAG S.L.U.	1.2	1.1
OOO AmRest	0.1	-
Other related parties	-	0.4

The transactions with group entities are as follows:

	Year ended	
	31 December 2020	31 December 2019
Revenues		
Revenues from dividends (note 12.1)	7.6	3.1
AmRest SRO	7.6	3.1
Financial Income from group companies (see note 12.1)	7.7	6.5
AmRest Sp. z o.o.	0.2	0.2
AmRest HK Ltd.	0.1	0.1
AmRest China Group PTE Ltd.	0.4	0.3
AmRest Coffee Deutschland	0.4	0.1
AmRest Topco France	0.2	0.2
AmRest Opco SAS	1.0	0.8
AmRest DE Sp. z o.o. & Co. KG	1.1	0.7
AmRest Kaffee Sp. z o.o.	1.1	1.1
AmRest TAG S.L.U.	1.6	1.5
Pastificio Service S.L.U.	0.6	0.6
Restauravia Food S.L.U.	0.3	0.3
AmRest AT GmbH	0.1	0.1
Blue Frog Food & Beverage Management	0.4	0.2
AmRest Capital Zrt	-	0.1
Sushi Shop SAS	0.1	-
Other group companies	0.1	0.2
Expenses		
Financial expenses with group companies (see note 13)	(0.8)	0.7
AmRest Sp. z o.o.	(0.3)	(0.3)
Pastificio Service S.L.U.	(0.1)	(0.1)
AmRest SRO	(0.1)	(0.1)
AmRest TAG S.L.U.	(0.1)	(0.1)
OOO AmRest	(0.1)	(0.1)
Other group companies	(0.1)	-
Impairment of financial instruments with group companies (see note 6.1)	0.8	(5.3)
AmRest EOOD (Bulgaria)	0.6	-
AmRest FSV LLC	0.2	(5.3)
Exchange rates differences	(1.3)	(0.4)
AmRest China Group PTE Ltd.	(0.6)	(0.2)
Blue Frog Food & Beverage Management	(0.7)	(0.2)

15. Remuneration of the board of directors and senior executives

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

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

	Year ended	
	31 December 2020	31 December 2019
Board of Directors Remunerations		
Fixed Remuneration	0.4	0.6
Operations with shares and/or other financial instruments	-	15.5
Total Board of Director remunerations	0.4	16.1

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

	Year ended	
	31 December 2020	31 December 2019
Board of Directors Remunerations		
Salaries	-	0.1
Variable Remuneration	-	0.1
Termination benefits	-	0.4
Total Board of Director remunerations	-	0.6

Directors Remuneration Policy was approved at the general shareholders' meeting held on 6 June 2018 and will remain in force until 2021 unless the general shareholders' meeting so resolves to amend or replace it. According to the policy, Executive directors may receive additional remuneration for performing executive functions. Since November 2020 Mr. José Parés is the only board member who perform executive functions, no additional remuneration is foreseen in his favor for carrying out these functions. In 2019 Mr. McGovern was the only executive director entitled to a variable cash remuneration.

In addition, he also received a cash amount after the exercise of his share options granted under the MIP and SOP programs which were granted to him in his capacity as first executive of the Company, previous to and independent from his status as Board member.

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

	Year ended	
	31 December 2020	31 December 2019
Senior Executives		
Remuneration received by the Senior Executives	0.8	0.7
Operations with shares and/or other financial instruments	0.5	7.8
Total remuneration received by the Senior Executives	1.3	8.5

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

	Year ended	
	31 December 2020	31 December 2019
Senior Executives		
Remuneration received by the Senior Executives	2.7	2.0
Total remuneration received by the Senior Executives	2.7	2.0

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

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

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

In 2020 and 2019 the members of the Board of Directors of the Company or of the Audit Committee have not carried out any transactions other than ordinary business with the Company or applied terms that differ from market conditions.

16. Other information**16.1. Number of employees**

The average number of employees distributed by categories, for the year 2020 and 2019 is as follows:

Categories	Year ended	
	31 December 2020	31 December 2019
Executive Managers	2	2
Managers and others	5	3
	7	5

The number of employees distributed by gender, as at 31 December 2020 and 2019 is as follows:

Gender	31 December 2020			31 December 2019		
	Total	Males	Female	Total	Males	Female
Board Members	7	5	2	7	6	1
Executive Managers	2	2	-	2	2	-
Managers and others	5	3	2	4	2	3
	14	10	4	13	10	4

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

16.2. Tax inspections

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

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

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

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

Based on independent experts' advice, Directors of the companies consider the allegations submitted will be successful. Therefore, there is not recorded any provision on this matter on the Financial Statements as of December 2020.

16.3 Information about the environment

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

16.4 Subsequent events

On January 30, 2021, Royal Decree 1/2021, of January 12, was published, modifying the General Accounting Plan approved by Royal Decree 1514/2007, of November 16, the General Accounting Plan of Small and Medium Enterprises approved by Royal Decree 1515/2007, of November 16; the Rules for the Formulation of Consolidated Annual Accounts approved by Royal Decree 1159/2010, of September 17; and the rules for the Adaptation of the General Accounting Plan to non-profit entities approved by Royal Decree 1491/2011, of October 24.

The changes to the General Accounting Plan are applicable to the fiscal years beginning on January 1, 2021 and focus on the criteria for recognition, valuation and breakdown of income from the delivery of goods and services, financial instruments, accounting of hedging, valuation of the stocks of raw materials quoted by the intermediaries that trade with them and in the definition of fair value.

In this sense, the individual annual accounts corresponding to the first year beginning on January 1, 2021 will be presented including comparative information, although there is no obligation to re-express the information from the previous year. The comparative information will only be displayed again on the assumption that all the criteria approved by the Royal Decree can be applied without incurring a retrospective bias, without prejudice to the exceptions established in the transitory provisions.

The application of the rule, in general, is retroactive, although with alternative practical solutions. However, the application of hedge accounting is prospective, the criteria for the classification of financial instruments can be applied prospectively and the criteria for income from sales and provision of services can be applied prospectively to contracts initiated on or after 1 January 2021.

The Directors of the Company are carrying out an evaluation of the applicable transition options and the accounting impacts that these modifications will entail, although at the date of preparation of these individual annual accounts they do not yet have sufficient information to conclude on the results of this analysis.

17. Audit fees

The fees accrued during the year ended 31 December 2020 and 2019 by KPMG Auditores, S.L. were as follows:

In thousands of Euros	Year ended	
	31 December 2020	31 December 2019
Audit fees Service		
Audit	30.0	30.0
Total audit fees	30.0	30.0

KPMG Auditores, S.L. has not provided any additional services different to audit during 2020 and 2019.

Signatures of the Board of Directors

José Parés Gutiérrez
Chairman of the Board

Luis Miguel Álvarez Pérez
Vice-Chairman of the Board

Carlos Fernández González
Member of the Board

Romana Sadurska
Member of the Board

Pablo Castilla Reparaz
Member of the Board

Mónica Cueva Díaz
Member of the Board

Emilio Fullaondo Botella
Member of the Board

Madrid, 24 February 2021

Directors' Report

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1. Financial highlights

	year ended 31 December 2020	year ended 31 December 2019	3 months ender on December 31 2020	3 months ender on December 31 2019
Revenues	49.0	17.2	37.8	2.6
Results from operating activities	42.1	35.1	36.0	29.5
Financial Cost	(10.3)	(11.5)	(1.6)	(5.6)
Income tax expense	2.5	2.2	1.6	1.3
Profit/(loss) for the period	34.3	25.8	32.5	25.2

	31 December 2020	31 December 2019
Total Assets	777.6	747.1
Total liabilities and provisions	459.7	441.4
Non-current liabilities	399.9	403.7
Current liabilities	34.7	37.7
Share capital	22	22.0

2. Significant events and transactions in 2020

Satisfaction of all conditions envisaged by the agreement concluded with Glovoapp23 S.L.

On 13 August 2019 the Group has signed the agreement with Glovoapp23, S.L. ("Glovo") for the transfer from AmRest to Glovo of 100% shares in Restaurant Partner Polska Sp. z o.o. ("PizzaPortal") (further: the "Agreement"). As at 30 September 2019, Restaurant Partner Polska Sp. z o.o. was classified as a disposal group held for sale. On 28 October, due to satisfaction of conditions precedent, AmRest transferred 100% of shares in PizzaPortal to Glovo.

On 24 January 2020 the Company announced satisfaction of all conditions envisaged by the Agreement and final settlement of the transaction. In consideration for the transfer of 100% of shares in Restaurant Partner Polska Sp. z o.o. AmRest received total transaction price in the amount of EUR 35 million, as a combination of cash payment of EUR 20 million and newly issued shares of Glovo, which constituted final settlement of the Agreement.

As a result of the abovementioned transaction AmRest held 7.5% stake in Glovo's share capital (non-diluted).

Update on business situation

On 9 July 2020 AmRest released the update on business situation. Following the lifting or loosening of restrictions on the opening of restaurants caused by the COVID-19 pandemic, in the first half of July AmRest maintained open 94% of the Group's total number of restaurants.

Out of the 26 markets in which the Group operates, openings had been fully restored in almost all of them, with the exception of Russia where the percentage of open stores was slightly below 80%.

The AmRest Group had implemented the strictest measures in its restaurants to guarantee the safety of customers and employees at all times.

Agreement with Delivery Hero

On 19 October 2020 AmRest reported that it had reached an agreement with Delivery Hero for the transfer of its 7.5% stake (non-diluted) in the company Glovoapp 23, SL ("Glovo") for an aggregate amount of EUR 76.2 million.

Mentioned sale had no financial impact for AmRest since the investment in Glovo has a book value of EUR 76.2 million.

The deal was subject to the fulfillment of certain conditions precedent standard for this type of deals and completion of the corresponding corporate requirements in accordance with Glovo's internal regulations.

The transaction provided a solid return as the Group made its first investment in Glovo in July 2018 and paid EUR 25.0 million for a 10% stake. It was followed by a sale of PizzaPortal to Glovo in October 2019, which AmRest bought for an aggregate amount of ca. EUR 10.0 million, for the total amount of EUR 35.0 million of which EUR 15.0 million was received in Glovo's shares.

On 31 December 2020 AmRest informed that, once the corresponding corporate requirements have been met in accordance with the internal regulations of Glovo, the transfer of AmRest's stake in Glovoapp 23, SL, which amounted to 7.5% of Glovo's existing share capital, has been closed for a combined total consideration of EUR 76.15 million.

3. Shareholders of AmRest Holdings SE

To the best of AmRest's knowledge as at 31 December 2020 AmRest Holdings had the following shareholder structure:

Shareholder	Number of shares and votes at the Shareholders' meeting	% of shares and votes at the Shareholders' meeting
FCapital Dutch B. V.*	147 203 760	67.05%
Nationale-Nederlanden OFE	9 358 214	4.26%
Artal International S.C.A.	11 366 102	5.18%
Aviva OFE	6 843 700	3.12%
Other Shareholders	44 782 407	20.40%

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

4. External debt

On 9 July, 2020 AmRest reported that it had obtained the waiver from its financing banks to comply with certain financial covenant as of 31 March, 2020, as anticipated in the interim management report for the first quarter of 2020. AmRest is punctually meeting its financial payment obligations vis-à-vis its financing banks, with whom AmRest keeps working closely to adapt the financial commitments to the situation caused by the COVID-19.

On 1 September 2020 the Group has received another waiver letter from the banks. The requirement of the bank covenant for the quarter ending 30 June 2020 has been waived.

Likewise, on 30 September 2020 AmRest had also obtained already from said financing banks a waiver for the fulfillment of certain financial commitments (covenants) linked to the Group's leverage for the third quarter of 2020. Consequently, the long-term debt at the end of the third quarter had been classified as non-current liabilities.

On 7 October 2020 AmRest reported that, in timely compliance with its financial payment obligations and following the corresponding maturity calendar, the Company had partially repaid the syndicated loan it has with its financing banks through the repayment in September 2020 of the amount of EUR 56.8 million.

On 31 December 2020 AmRest informed that it had obtained respectively from its financing banks and its bondholders (Schuldschein) waivers to the compliance with certain covenants related to the Group's leverage and interest coverage ratios for the (fourth quarter of 2020 and the first, second and third quarters of 2021). During said periods, those covenants will be replaced by a commitment to maintain a minimum level of liquidity.

The waiver obtained from the bondholders was approved by a majority of 77% (above the required 70%).

The required minimum level of liquidity of the new covenant assumed by the Group had been determined at 80 million euros and lowered to 50 million euros for the third and fourth quarters of 2021.

5. Information on dividends paid

Dividends have not been distributed during the 12 months ended 31 December 2020.

6. Changes in the Company's Governing Bodies

On 1 July 2020 AmRest informed of the resignation presented by the director Mr. Mustafa Ogretici and the appointment by co-option to fill said vacancy of Ms. Mónica Cueva Díaz, as an independent director, approved on the same day by the Board of Directors, following a proposal from the Appointments and Remunerations Committee and a report from the Board. Ms. Mónica Cueva Díaz also held the positions of member of the Audit Committee and the Health and Safety Committee; the latter of which started to be chaired by Ms. Romana Sadurska.

In accordance with the provisions of article 244 of the Capital Companies Law, said appointment is subject to ratification by the next General Shareholders' Meeting.

On 1 December 2020 AmRest informed that the Board of Directors of the Company, following the recommendation of the Appointments and Remuneration Committee, has resolved to appoint Mr. José Parés Gutiérrez, past Chairman of the Board of Directors and of its Executive Committee, as new Executive Chairman of the AmRest Group.

The Executive Chairman was delegated all the powers that correspond to the Board of Directors except those that are non-delegable by virtue of the current legislation, the Bylaws and the Regulations of the Board of Directors of AmRest.

As at 31 December 2020 the composition of the Board of Directors was as follows:

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

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

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

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

During the year 2020 the following changes occurred with respect to AmRest shares and stock options held by the members of the Board of Directors of AmRest.

As at 31 December 2019 Mr. Carlos Fernández González (member of the Company's Board of Directors) held through its closely associated person, FCapital Dutch B.V., 147 203 760 shares of the Company with a total nominal value of EUR 14 720 376. On 31 December 2020, Mr. Carlos Fernández González still held 147 203 760 AmRest's shares with a total nominal value of EUR 14 720 376 through FCapital Dutch B.V.

As at 31 December 2019 Mr. Carlos Fernández González didn't own AmRest shares through any other closely associated person.

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

8. Transactions on own shares concluded by AmRest

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

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

In the period between 1 January 2020 and 31 December 2020, AmRest didn't purchase any own shares. During the same period, the Company disposed a total of 100 954 own shares with a total nominal value of EUR 10 095.4 and representing 0.0460% of the share capital to entitled participants of the stock options plans. Disposal transactions under these plans were executed in three settlement methods, which impacted the sale price. Major part of the shares was transferred to the participants free of charge. As at 31 December 2020 AmRest held 623 461 own shares with a total nominal value of EUR 62 346.1 and representing 0.2840% of the share capital.

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

9. Basic risks and threats the company is expose to

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

Liquidity risk

The Group is exposed to the liquidity risk due to the breach of covenants and reclassification of long-term debt to short-term which can be therefore due in the next 12 months, however, prior to 2020 year end AmRest has obtained from its financing banks and majority of bondholders (Schuldschein) waivers to the compliance with certain covenants related to the Group's leverage and interest coverage ratios for fourth quarter of 2020 and the first, second and third quarters of 2021).

AmRest has established internal task forces in every market to monitor the situation also around cost saving initiatives and also a big part of capital expenditures has been put under review. The Group was and is closely monitoring available program that are offered on various markets. The government support programs include for example direct subsidies to payroll costs, tax exemptions, social security contributions reductions. Additionally, entities from the Group were able to apply for extended deadlines for payments of various taxes.

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

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

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

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

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

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

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

Risk related to keeping key personnel in the Group

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

Currency risk

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

Risk of increased financial costs

The Issuer and its subsidiaries are exposed to a certain extent to adverse impact of interest rate fluctuations in connection with obtaining financing which bears floating interest rates and investing in assets bearing floating interest rates. The interest rates of bank loans and borrowings and issued bonds are based on a combination of fixed and floating reference rates which are updated over periods shorter than one year. Additionally, the Issuer and its subsidiaries may, as part of the interest rate hedging strategy, enter into derivative and other financial contracts the valuation of which is significantly affected by the level of reference rates.

Tax risk

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

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

Tax inspections

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

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

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

Cyberattack risk

(all figures in EUR millions unless stated otherwise)

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

10. Number of employees

The average number of employees distributed by categories. for the year 2020 and 2019 is a follow:

Categories	Year ended	
	31 December 2020	31 December 2019
Executive Managers	2	2
Managers and others	5	3
	7	5

The number of employees distributed by gender, as at 31 December 2020 and 2019 is as follow:

Gender	31 December 2020			31 December 2019		
	Total	Males	Female	Total	Males	Female
Board Members	7	5	2	7	6	1
Executive Managers	2	2	-	2	2	-
Managers and others	5	3	2	4	2	3
	14	10	4	13	10	4

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

11. Average payment period

During the year ended on 31 December 2019, the average payment period was 63 days.

12. Subsequent Events

On January 30, 2021, Royal Decree 1/2021, of January 12, was published, modifying the General Accounting Plan approved by Royal Decree 1514/2007, of November 16, the General Accounting Plan of Small and Medium Enterprises approved by Royal Decree 1515/2007, of November 16; the Rules for the Formulation of Consolidated Annual Accounts approved by Royal Decree 1159/2010, of September 17; and the rules for the Adaptation of the General Accounting Plan to non-profit entities approved by Royal Decree 1491/2011, of October 24.

The changes to the General Accounting Plan are applicable to the fiscal years beginning on January 1, 2021 and focus on the criteria for recognition, valuation and breakdown of income from the delivery of goods and services, financial instruments, accounting of hedging, valuation of the stocks of raw materials quoted by the intermediaries that trade with them and in the definition of fair value.

In this sense, the individual annual accounts corresponding to the first year beginning on January 1, 2021 will be presented including comparative information, although there is no obligation to re-express the information from the previous year. The comparative information will only be displayed again on the assumption that all the criteria approved by the Royal Decree can be applied without incurring a retrospective bias, without prejudice to the exceptions established in the transitory provisions.

The application of the rule, in general, is retroactive, although with alternative practical solutions. However, the application of hedge accounting is prospective, the criteria for the classification of financial instruments

(all figures in EUR millions unless stated otherwise)

can be applied prospectively and the criteria for income from sales and provision of services can be applied prospectively to contracts initiated on or after 1 January 2021.

The Directors of the Company are carrying out an evaluation of the applicable transition options and the accounting impacts that these modifications will entail, although at the date of preparation of these individual annual accounts they do not yet have sufficient information to conclude on the results of this analysis.

13. Annual Corporate Governance Report

The Annual Corporate Governance Report is an integral part of this Management Report and is presented in the consolidated management report for the 2020 financial year of AmRest Holdings SE and subsidiaries Reported to the CNMV.

Signatures of the Board of Directors

José Parés Gutiérrez
Chairman of the Board

Luis Miguel Álvarez Pérez
Vice-Chairman of the Board

Carlos Fernández González
Member of the Board

Romana Sadurska
Member of the Board

Pablo Castilla Reparaz
Member of the Board

Mónica Cueva Díaz
Member of the Board

Emilio Fullaondo Botella
Member of the Board

Madrid, 24 February 2021

