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## Annual Accounts and Directors' Report for the year ended 31 December 2021

AmRest Holdings SE  
28 FEBRUARY 2022





# AmRest



# Annual Accounts

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## Balance sheet as of 31 December 2021

	Notes	31 December 2021	31 December 2020
<b>Assets</b>			
Intangible assets		0.1	0.2
Non-current investment and loans in group companies		<b>620.3</b>	<b>647.7</b>
Investments in group companies	6 and 8	441.8	390.8
Loans to group companies	5 and 7	178.5	256.9
Non-current financial investments	5	0.1	0.1
Deferred tax assets	15	3.3	2.5
<b>Total non-current assets</b>		<b>623.8</b>	<b>650.5</b>
Trade and other receivables	5 and 7	<b>4.3</b>	<b>3.6</b>
Other receivables from group companies		1.8	1.2
Other trade receivables		0.3	1.0
Current tax assets	15	2.1	1.4
Other tax receivables	15	0.1	-
Investments and loans in group companies	5 and 7	<b>76.5</b>	<b>49.2</b>
Loans to group companies		75.3	45.8
Other financial assets		1.2	3.4
Other current assets		0.1	0.1
Cash and cash equivalents	9	4.7	74.2
<b>Total current assets</b>		<b>85.6</b>	<b>127.1</b>
<b>TOTAL ASSETS</b>		<b>709.4</b>	<b>777.6</b>
<b>Capital and Reserves and adjustments for changes in value</b>			
Share capital	10.1	22.0	22.0
Share premium	10.6	237.3	237.3
Reserves	10.2	95.2	60.9
Treasury shares and equity instruments	10.3	(4.0)	(6.5)
Profit for the period		12.3	34.3
Other equity instruments	10.4	(25.3)	(23.4)
Adjustments for changes in value	10.5	(6.7)	(6.7)
<b>TOTAL EQUITY</b>		<b>330.8</b>	<b>317.9</b>
<b>Liabilities</b>			
Non-current provisions	14	0.1	0.1
Non-current financial liabilities	5 and 12	298.1	399.8
Loans and borrowings from financial institutions		262.6	322.3
Other financial debt		35.5	77.5
Deferred tax liabilities	15	-	-
<b>Total non-current liabilities</b>		<b>298.2</b>	<b>399.9</b>
Loans and borrowings from financial institutions	5 and 12	28.6	28.5
Other financial debt		48.0	25.1
Current debts with group companies		1.6	1.7
Trade and other payables	5 and 12	<b>2.2</b>	<b>4.5</b>
Trade and other payables to third parties		0.1	1.9
Trade and other payables to group companies		1.6	1.8
Personnel (salaries payable)		0.3	0.3
Other payables with tax administration	15	0.2	0.5
<b>Total current liabilities</b>		<b>80.4</b>	<b>59.8</b>
<b>TOTAL LIABILITIES</b>		<b>378.6</b>	<b>459.7</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>709.4</b>	<b>777.6</b>

The accompanying notes are an integral part of the Annual Accounts for 2021

## Income Statement for the year 2021

	Notes	31 December 2021	31 December 2020
<b>Revenues</b>	16.1	<b>23.5</b>	<b>49.0</b>
Dividends received from subsidiaries		15.6	7.6
Net income from the stock option plan		0.3	0.2
Finance income from group companies		7.6	7.7
Results from financial assets held for sale		-	33.5
Personnel expenses	16.2	(0.9)	(1.3)
Other operating expenses	16.3	(3.2)	(6.4)
Impairments of investments in group companies	17	(0.2)	0.8
Depreciation		(0.1)	-
<b>Results from operating activities</b>		<b>19.1</b>	<b>42.1</b>
Finance expenses		(11.5)	(13.1)
Exchange rates gains and losses	16.6	1.7	2.8
<b>Net finance income (expense)</b>	16,5	<b>(9.8)</b>	<b>(10.3)</b>
<b>Profit before income tax</b>		<b>9.3</b>	<b>31.8</b>
Income tax expense	15	3.0	2.5
<b>Profit for the period</b>		<b>12.3</b>	<b>34.3</b>

The accompanying notes are an integral part of the Annual Accounts for 2021

## Statement of recognized income and expenses for the year 2021

	Notes	31 December 2021	31 December 2020
<b>Profit for the period</b>		<b>12.3</b>	<b>34.3</b>
Income from measurement of non-current financial investments	16.1	-	(33.5)
Tax impact from measurement of non-current financial investments		-	8.4
<b>Total recognized income and expenses for the period</b>		<b>12.3</b>	<b>9.2</b>

The accompanying notes are an integral part of the Annual Accounts for 2021

## Statement of cash flows for the year 2021

	Notes	31 December 2021	31 December 2020
<b>Cash flows from operating activities</b>			
<b>Profit before tax</b>		<b>9.3</b>	<b>31.8</b>
<b>Adjustments:</b>		<b>(13.3)</b>	<b>(39.3)</b>
Impairment losses		0.2	(0.8)
Dividends from subsidiaries	16.1	(15.6)	(7.6)
Share based payment plan revenue	16.1	(0.3)	(0.2)
Depreciation		0.1	-
Finance income	16.5	(7.6)	(7.7)
Finance expenses	16.5	11.5	13.1
Exchange gains/losses	16.6	(1.7)	(2.8)
Results from financial assets held for sale		-	(33.5)
Personnel expenses SOP		0.1	0.2
<b>Changes in operating assets and liabilities</b>		<b>0.4</b>	<b>(1.4)</b>
Trade and other receivables		2.6	0.8
Trade and other payables		(2.2)	(2.2)
<b>Other cash flows from operating activities</b>		<b>10.5</b>	<b>(1.4)</b>
Interest paid		(11.0)	(10.9)
Interest received		4.4	5.1
Other payments		-	(0.5)
Dividends received from subsidiaries		17.8	5.3
Income tax payment		(0.7)	(0.4)
<b>Net cash provided by operating activities</b>		<b>6.9</b>	<b>(10.3)</b>
<b>Cash flows from investing activities</b>			
Increase in investments loans and borrowings with group companies	6-5-7	(68.2)	(71.8)
Proceeds from investment loans and borrowings with group companies	6-5-7	68.8	39.4
Proceeds from other financial assets		-	75.5
Payments from investments in intangible assets		-	(0.1)
<b>Net cash used in investing activities</b>		<b>0.6</b>	<b>43.0</b>
<b>Cash flows from financing activities</b>			
Proceeds from disposals of own shares (employees options)	10.4	0.5	-
Proceeds from debts with financial institutions	5, 12		80.0
Proceeds from debt with group companies	5, 12		4.8
Repayment of debt with financial institutions	5, 12	(59.0)	(48.0)
Repayment of other debts	5, 12	(18.5)	(4.8)
<b>Net cash provided by/(used in) financing activities</b>		<b>(77.0)</b>	<b>32.0</b>
<b>Net change in cash and cash equivalents</b>		<b>(69.5)</b>	<b>64.7</b>
Balance sheet change of cash and cash equivalents"		(69.5)	64.7
<b>Cash and cash equivalents at the beginning of the period</b>	<b>9</b>	<b>74.2</b>	<b>9.5</b>
<b>Cash and cash equivalents as of the end of the period</b>	<b>9</b>	<b>4.7</b>	<b>74.2</b>

The accompanying notes are an integral part of the Annual Accounts for 2021

## Total statement of changes in equity for the year 2021

	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
	Note 10.1	Note 10.6	Note 10.2	Note 10.2	Note 10.3	Note 11	Note 10.4	Note 10.5	
<b>As of 31 December 2019</b>	<b>22.0</b>	<b>237.3</b>	<b>1.5</b>	<b>33.6</b>	<b>(7.5)</b>	<b>25.8</b>	<b>(25.4)</b>	<b>18.4</b>	<b>305.7</b>
Total recognised income and expense	-	-	-	-	-	34.3	-	(25.1)	9.2
Transactions on own shares and equity holdings (net)	-	-	-	-	1.0	-	2.0	-	3.0
Transfer of profit or loss to reserves	-	-	2.6	23.2	-	(25.8)	-	-	-
<b>As of 31 December 2020</b>	<b>22.0</b>	<b>237.3</b>	<b>4.1</b>	<b>56.8</b>	<b>(6.5)</b>	<b>34.3</b>	<b>(23.4)</b>	<b>(6.7)</b>	<b>317.9</b>
Total recognised income and expense	-	-	-	-	-	12.3	-	-	12.3
Transactions on own shares and equity holdings (net)	-	-	-	-	2.5	-	(1.9)	-	0.6
Transfer of profit or loss to reserves	-	-	0.3	34.0	-	(34.3)	-	-	-
<b>As of 31 December 2021</b>	<b>22.0</b>	<b>237.3</b>	<b>4.4</b>	<b>90.8</b>	<b>(4.0)</b>	<b>12.3</b>	<b>(25.3)</b>	<b>(6.7)</b>	<b>330.8</b>

The accompanying notes are an integral part of the Annual Accounts for 2021.



## Notes to the Annual Accounts

### 1. General information

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

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

The Company is the parent of a group in the terms established in article 42 section 2 of the Commercial Code and prepares its consolidated financial statements under IFRS. The Group operates Kentucky Fried Chicken ("KFC"), Pizza Hut ("PH"), Burger King ("BK") and Starbucks ("SBX") restaurants through its subsidiaries in Poland, the Czech Republic (hereinafter Czechia), Hungary, Slovakia, Russia, Serbia, Croatia, Bulgaria, Romania, Germany, France, Austria, Slovenia and Spain, on the basis of franchise rights granted. Starting from 1 October 2016 the Group as a master-franchisee has the right to grant a license to third parties to operate Pizza Hut Express and Pizza Hut Delivery restaurants (sub-franchise) in countries of Central and Eastern Europe, while ensuring a certain share of restaurants operated directly by AmRest. Pizza Hut restaurants acquired in France in May 2017, 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, 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 the central kitchen located in Spain which produces and delivers products to the whole network of the mentioned own brands. In China the Group operates its own brand Blue Frog.

In 2018 the Group acquired the Bacoa and Sushi Shop brands, as a result of which it operates own and franchise restaurants in Spain (Bacoa) and own and franchise Sushi Shop restaurants among the others in France, Belgium, Spain, Switzerland, United Kingdom, Luxembourg, Italy, Portugal, United Arab Emirates and Saudi Arabia. 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.

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 of 31 December 2021, 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 28 February 2022. The Board of Directors considers that the annual accounts for 2021 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 2021, which show consolidated profit of Euros 35.4 million and consolidated Equity of Euros 307.5 million (losses of Euros 183.7 million and 264.7 million, respectively for the financial year 2020).

## 2. Basis of preparation

### True and fair view

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

### 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 and in 2021 COVID-19 has spread throughout globally, including the countries where the subsidiaries of the Company operates. Most governments have been implementing restrictions to reduce the spread of COVID-19. With the approvals of first vaccines at the end of 2020, the governments deployed and started carrying out mass vaccination programs in 2021.

Visible results of the COVID-19 outbreak include the decrease in demand, the disruption or slowdown of supply chains and an increase in economic uncertainty, increase of volatility in the price of assets, exchange rates. Possible results of the pandemic include changes in the market environment, peoples behaviors and ways of living.

The Company is adapting to new local sanitary regulations, developing, and executing safety measures to protect employees. The Company and its subsidiaries continues adapting the business model and sales channels, as well, the quality of the services offered, that result in steady increase in sales levels.

The new variants of COVID-19 that have emerged during the year have had a lesser impact in the main economies where the Company and its subsidiaries operates thanks to the progress in vaccination levels, which have enabled the spread of the virus to be contained and the restrictions imposed by governments to be gradually relaxed, thus facilitating greater mobility and social interaction. However, the evolution and impact has been uneven by geographic areas.

This gradual reopening of economies was reflected in the upward trend in AmRest's revenues and reflected in the higher number of restaurants in operation from its subsidiaries, which stood at 99% at the end of 2021, compared to 92% at the end of 2020. The sales performance of the Group controlled by the Company is also the result of the transformation work being carried out in the Group, developing economies of scale thanks to the adoption of new distribution channels where AmRest aims to offer its guests the same consumer experiences regardless of the distribution channel selected.

The Company maintains close communication with its financing banks and bondholders. In December 2021, after assessing different funding alternatives, the Company has decided to sign an amendment to the existing credit facilities and to extend the maturities. Based on the extended agreement, the repayments are scheduled on each 30 September anniversary of the next three years and the remaining amount on 31 December 2024.

Based on the available information, facts, circumstances and uncertainties about the future, the Board of Directors have prepared this standalone financial statements, under going concern principle.

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

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

- The recoverability of the investments, and the corresponding valuation adjustments for the difference between the book value and the recoverable amount. In the determination of the impairment estimate of these investments (always that there are impairment evidences), the future cash flows expected to be generated by the investees are taken into account using hypotheses based on the existing market conditions).
- 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 31 December 2021, it is possible that events which may occur in the future will make it necessary to modify them in later financial years. The effect on the separated financial statements deriving from the adjustments made in later financial years will be recorded prospectively.

### **Aggregation of items**

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

### **Comparative information**

Each item of the balance sheet, the statement of profit and loss, the statement of changes in equity, the statement of recognized income and expenses, the statement of cash flows, and the notes of the annual accounts present for comparative purposes, the amounts from the previous financial year, which formed part of the annual accounts of the financial year ended 31 December 2020, approved by the Shareholders on 18 May 2021.

### **Functional and presentation currency**

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

### **Changes in Accounting principles**

On 30 January 2021, the Government published in the Official State Gazette the Royal Decree 1/2021, of January 12, which modifies the General Accounting Plan approved by the Royal Decree 1514/2007 from 16 November, the small and medium sized companies accounting plan, the rules for the preparation of the consolidated annual accounts approved by the Royal Decree 1159/2010 from 17 September, and the adaptation of the accounting plan to the entities without any lucrative sin approved by the Royal Decree 1491/2011 from 24 October. Likewise, and as a consequence of the Royal Decree 1/2021, last 13 February 2021, it was published in the Official State Gazette the resolution of the Institute of Auditors and Censors (ICAC) issuing the rules on the posting, valuation and preparation of the annual accounts for the recognition of revenue from the delivery of goods and services (hereinafter referred to as the "Revenue Resolution").

In accordance with section 1) of the First Transitional Provision of Royal Decree 1/2021, the Company has opted to apply the new criteria, considering 1 January 2021 as the transition date, and the figures for 2020 included for comparative purposes in the annual accounts for 2021 have not been adapted in accordance with the new criteria, without prejudice to the reclassification of the previous year's financial instrument items to the new presentation in application of Transitional Provision 6, section 6 e).

The content of the aforementioned Royal Decree and Resolution has been applied in the annual accounts for the financial year commencing on or after 1 January 2021.

The modifications mainly impact the classification of financial instruments explained in the note 3 Accounting policies of this Annual Accounts.

On the date of initial application of Royal Decree 1/2021, 1 January 2021, the Company opted to apply the transitional provision 2 and include comparative information without restating the items for 2020 to show the balances for that year adjusted to the new presentation criteria. Therefore, the Company has applied the new financial instrument categories in accordance with Royal Decree 1/2021 for the year ended 31 December 2021, and has applied the new categories, for presentation purposes only, for the comparative year ended 31 December 2020 and does not entail any change in the Company's equity.

The new standards do not have any material impact on the financial statements as of 31 December 2021 and 2020.

### 3. Accounting policies

#### 3.1 FINANCIAL ASSETS

##### ■ Financial assets at amortized cost:

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

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

This category includes credits for commercial operations and credits for non-commercial operations:

a) Credits for commercial operations are those financial assets that are originate in the sale of goods and the provision of services for traffic operations of the company with deferred collection, and

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

##### Initial measurement

The assets recognized in this category are initially recognized at fair value, which will be equal to the fair value of the consideration given, plus the transaction costs that are directly attributable to them.

However, credits for commercial operations with a maturity not exceeding one year and do not have an explicit contractual interest rate, as well as loans to personnel, dividends receivable and disbursements required on Equity instruments, whose amount is expected to be received in the short term, can be valued at its value nominal when the effect of not updating the cash flows is not significant.

##### Subsequent measurement

Financial assets included in this category will be valued at their amortized cost. The accrued interest will be recorded in the profit and loss account, applying the effective interest rate method.

However, credits maturing no more than one year, that, in accordance with the provided in the previous section, are initially valued at their nominal value, they will continue being valued for said amount, unless they have impaired.

When the contractual cash flows of a financial asset change due to financial difficulties of the issuer, the company will analyze whether it is appropriate to record an impairment loss.

##### Impairment

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

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

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

## ■ Financial assets at cost:

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

### Initial measurement

Investments included in this category will be initially valued at cost, which It will be equal to the fair value of the consideration given plus the transaction costs that are directly attributable to them. The investments in group companies will be valued at cost reduces by at least the correction amount of the impairments.

However, in cases where there is an investment prior to its classification as a group, multi-group or associated company, the cost of said investment is the book value that it should have immediately before the company has such qualification.

Part of the initial valuation is the amount of preferential subscription rights and the like that, if applicable, have been acquired.

### Subsequent measurement

Equity instruments included in this category will be valued at cost, minus, where appropriate, the accumulated amount of the valuation corrections for impairment.

When value must be assigned to these assets due to derecognition or other reason, will apply the method of weighted average cost by homogeneous groups, (values with equals rights) In the case of sale of preferential subscription rights and the like or segregation of the same to exercise them, the amount of the cost of the rights will decrease the book value of the respective assets. Said cost will be determined by applying some valuation formula generally accepted.

### Impairment

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

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

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

## ■ Interest and dividends received from financial assets:

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

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

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

## 3.2 EQUITY

The share capital is represented by ordinary shares. The costs of issuing new shares or options are presented directly against equity, as lower reserves.

In the case of acquisition of the Company's own shares, the consideration paid, including any directly attributable incremental cost, is deducted from equity until its cancellation, reissue or disposal. When these shares are subsequently sold or reissued, any proceeds received, net of any directly attributable incremental transaction costs, are included in equity.

### 3.3 FINANCIAL LIABILITIES

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

- **Financial liabilities at amortized cost:**

The company will classify all financial liabilities in this category except when must be valued at fair value with changes in the profit and loss account.

In general, this category includes debits from operations commercial transactions and debits for non-commercial operations:

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

#### Initial measurement

The financial liabilities included in this category are initially valued at their fair value, which is the transaction price, which is equivalent to the fair value of the consideration received, adjusted for the transaction costs that are directly attributable to them.

However, debits for commercial operations with a maturity of no more than one year and that do not have a contractual interest rate, as well as disbursements required by third parties on participations, the amount of which is expected to be paid in the short term, are valued at their nominal value, when the effect of not updating the cash flows is not significant.

#### Subsequent measurement

Financial liabilities included in this category are valued at their amortized cost. Accrued interest is recorded in the profit and loss account, applying the effective interest rate method.

However, debts maturing in no more than one year that are initially valued at their nominal value continue to be valued at that amount.

#### Derecognition of financial liabilities

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

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

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

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

### 3.4 CURRENT AND DEFERRED TAXES

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

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

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

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

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

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

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

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

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

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

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

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

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

### 3.5 SHARE BASE PAYMENTS TRANSACTIONS

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

##### *Share-based payments*

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

##### *Equity-settled transactions*

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

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

##### *Cash-settled transactions*

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

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

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

If cash settlement is chosen, the payment reduces the fully recognized liability,

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

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

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

According to consultation 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 valuation of the options at grant date.

**3.6 PROVISIONS AND CONTINGENCIES**

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

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

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

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

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

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

**3.7 REVENUES RECOGNITION**

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

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

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

**3.8 FOREIGN CURRENCY TRANSACTIONS**

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

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



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

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

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

### 3.9 TRANSACTIONS BETWEEN RELATED PARTIES

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

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

## 4. Financial Risk Management

### 4.1 Financial risk factors

The Board of Directors of AmRest is responsible for the risk management system and the internal control system as well as for reviewing these systems for operating efficiency. These systems help to identify and manage risks which may prevent the execution of the long-term objectives of AmRest. However, having these 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

Liquidity risk is defined as the risk of incurring losses resulting from the inability to meet payment obligations in a timely manner when they become due or from being unable to do so at a sustainable cost.

The Company is exposed to the risk to a lack of financing at the moment of maturity of the bank loans and bonds.

As of 31 December 2021, the Company has sufficient liquidity to fulfil its liabilities over the next 12 months.

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

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

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

This situation is significantly affecting the global economy, including HORECA sector, and the AmRest Group is not immune to this.

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 behavior 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 in revenues.

The Company as a parent of a group is closely monitoring the development of the situation and looks for the ways of mitigating the impact of COVID-19 spread on the Group. In addition, the Company implemented additional measures to mitigate the risk of infection among its employees, including in particular:

- Providing detailed instructions and guidelines on monitoring the health of the Group's employees and the health of Group's customers.
- Strengthening already stringent hygiene, cleaning and sanitation procedures and introducing contactless options that protect both employees and guests in restaurants.
- Providing the restaurant employees with additional personal protection and hygiene supplies.
- Requesting to reduce the number of meetings as well as domestic and foreign business travel, and to use teleconferencing and video-conferencing facilities to the largest extent possible, as well enabling remote work.

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

AmRest's success depends, to some extent, on the individual effort of selected employees and key members of management. The methods of remunerating and managing human resources developed by the Group help ensure a low rotation of the key personnel. Additionally, the career planning system supports preparing successors ready to execute tasks in key positions. In the event of turnover, a personnel replacement process will be triggered, minimising to the fullest extent possible the adverse effect on business activities and the operating results of the Group.

Excessive turnover of employees and too frequent changes in managerial positions may pose a significant risk to the stability and quality of the business activities. Due to the fact that salaries in the HORECA sector are still relatively lower than in other branches, there is a risk of the outflow of qualified staff. In this regard, the Company is constantly evaluating the competitiveness of the remunerations offered to minimize the risk and to remain market competitive. An additional risk in the employment area may be caused by fluctuations in the unemployment rate in a given market.

- Currency risk

The results of AmRest are exposed to currency risk related to transactions and exchanges into currencies other than the currency in which business transactions are measured in the Company. The Company 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

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

- Tax Risk

In the process of managing and making strategic decisions, which can affect the tax settlements, AmRest is exposed to tax risk. In the event of irregularities occurring in tax settlements increase of the risk of dispute in the case of a potential tax control. As part of minimising this risk, AmRest works to deepening the knowledge of its employees in the area of tax risk management and compliance with respective to the legal requirements of the different countries the Group is based in. 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, the inconsistency of regulations, as well as differences in the interpretation of legal regulations, AmRest uses professional tax advisory services and applies for binding interpretations of the tax law provisions. Current fiscal supervisions are presented in Note 19 to the Standalone Financial Statements as of the year ended 31 December 2021.

## 5. Financial instruments

### a) Analysis by categories:

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

#### Financial Assets:

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

Categories 2021	Current Financial assets		
	Equity Instruments	Debt Securities	Credits and Other
Financial Assets at Amortized Cost	-	-	78.7
<b>Total</b>	-	-	<b>78.7</b>

Categories 2020	Non-current Financial assets		
	Equity Instruments	Debt Securities	Credits and Other
Financial Assets at Amortized Cost			257.0
<b>Total</b>	-	-	<b>257.0</b>

Categories 2020	Current Financial assets		
	Equity Instruments	Debt Securities	Credits and Other
Financial Assets at Amortized Cost	-	-	51.5
<b>Total</b>	-	-	<b>51.5</b>

#### Financial Liabilities:

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

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

Categories 2020	Non-current Financial liabilities		
	Debts with Financial Institutions	Bonds and other negotiable securities	Derivatives and others
Financial liabilities at Amortized Cost	322.3	77.5	-
<b>Total</b>	<b>322.3</b>	<b>77.5</b>	<b>-</b>

Categories 2020	Current Financial liabilities		
	Debts with Financial Institutions	Bonds and other negotiable securities	Derivatives and others
Financial liabilities at Amortized Cost	28.5	25.1	5.4
<b>Total</b>	<b>28.5</b>	<b>25.1</b>	<b>5.4</b>

**Analysis by Maturities:**

As of 31 December 2021 and 2020, the amounts of financial instruments with a determined or determinable maturity classified by year of maturity are the following:

**Financial Assets:**

<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Following years</b>	<b>Total</b>
Loans to group companies	75.3	97.3	45.6	1.0	34.6	<b>253.8</b>
Non-current financial investments	-	-	-	-	.0,1	<b>0.1</b>
Trade and other receivables	2.1	-	-	-	-	<b>2.1</b>
Other financial assets with group companies	1.2	-	-	-	-	<b>1.2</b>
Other current assets	0.1	-	-	-	-	<b>0.1</b>
<b>Total</b>	<b>78.7</b>	<b>97.3</b>	<b>45.6</b>	<b>1.0</b>	<b>34.7</b>	<b>257.3</b>

<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>Following years</b>	<b>Total</b>
Loans to group companies	45.8	122.6	112.4	13.4	8.5	<b>302.7</b>
Non-current financial investments	-	-	-	-	0.1	<b>0.1</b>
Trade and other receivables	2.2	-	-	-	-	<b>2.2</b>
Other financial assets with group companies	3.4	-	-	-	-	<b>3.4</b>
Other current assets	0.1	-	-	-	-	<b>0.1</b>
	<b>51.5</b>	<b>122.6</b>	<b>112.4</b>	<b>13.4</b>	<b>8.6</b>	<b>308.5</b>

**Financial Liabilities**

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

<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>Following years</b>	<b>Total</b>
Debts with financial Institutions	28.5	322.3	-	-	-	<b>350.8</b>
Other debts and payables	25.1	47.0	-	30.5	-	<b>102.6</b>
Debts with group companies	1.7	-	-	-	-	<b>1.7</b>
Trade and other payables	3.7	-	-	-	-	<b>3.7</b>
<b>Total</b>	<b>59.0</b>	<b>369.3</b>	<b>-</b>	<b>30.5</b>	<b>-</b>	<b>458.8</b>

## 6. Investments in group companies

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

	31 December 2021		31 December 2020			
	Interest ownership	Value of Shares	Interest ownership	Value of Shares	Dividends received in 2021	Dividends received in 2020
AmRest Sp. z o.o. (Poland)	100%	264.4	100%	219.6	-	-
AmRest China Group PTE Ltd. (China)	100%	40.5	100%	40.5	-	-
AmRest s.r.o. (Czechia)	100%	7.1	100%	6.9	15.6	7.6
AmRest France SAS (France)	100%	58.8	100%	58.7	-	-
AmRest HK Ltd	100%	-	100%	-	-	-
AmRest FSVC LLC	100%	-	100%	-	-	-
AmRest EOOD (Bulgaria)	100%	4.1	100%	4.1	-	-
AmRest Acquisition Subsidiary (Malta)	100%	61.0	100%	60.9	-	-
AmRest Global	100%	5.9	100%	-	-	-
AmRest Food SRL	-	-	1%	0.1	-	-
		<b>441.8</b>		<b>390.8</b>		

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

	31 December 2020	Increase	Decrease	Share-base options	31 December 2021
<b>Cost</b>					
AmRest Sp. z o.o. (Poland)	219.6	46.0	-	(1.2)	264.4
AmRest China Group PTE Ltd. (China)	40.5	-	-	-	40.5
AmRest s.r.o. (Czechia)	6.9	-	-	0.2	7.1
AmRest France SAS	58.7	-	-	0.1	58.8
AmRest HK Ltd	5.2	-	-	-	5.2
AmRest FSVC LLC	10.3	-	(10.3)	-	-
AmRest EOOD (Bulgaria)	4.1	-	-	0.1	4.2
AmRest Acquisition Subsidiary (Malta)	60.9	0.1	-	-	61.0
AmRest Global	-	5.7	-	0.1	5.8
AmRest Food SL SRL	0.1	-	(0.1)	-	-
	<b>406.3</b>	<b>51.8</b>	<b>(10.4)</b>	<b>(0.7)</b>	<b>447.0</b>
<b>Impairment</b>	-				
AmRest HK Ltd	(5.2)	-	-	-	(5.2)
AmRest FSVC LLC	(10.3)	-	10.3	-	-
AmRest EOOD (Bulgaria)	-	-	-	-	-
	<b>(15.5)</b>	<b>-</b>	<b>10.3</b>	<b>-</b>	<b>(5.2)</b>
<b>Total Equity instruments in Group companies</b>	<b>390.8</b>	<b>51.8</b>	<b>(0.1)</b>	<b>(0.7)</b>	<b>441.8</b>

- On March 2021 were signed capital increases resolutions in the entity AmRest Acquisition Subsidiary by a total amount of EUR 0.1 million.
- On April 2021, the entity AmRest FSVC LLC has been liquidated, the total value of the investment was fully impaired at the date of the liquidation.
- On April 2021, were signed capital increases resolutions in the entity AmRest Sp. Z.o.o. by a total amount of EUR 46.0 million.
- On December 2021, was signed a shareholder's contribution in order to capitalize the loans keep between The Company and AmRest Global by a total amount of EUR 5.7 million.
- On September 2021, was signed the sale of the Shares that The Company had of AmRest Food SRL.

- The value of investment of some subsidiaries was affected by the valuation of share-based options within SOP and MIP. The total capitalized cost of share option plans in 2021 equals EUR 0.5 million and it is presented in the table below. In the column decrease are presented the cost of exercised and forfeited options. The details by subsidiaries for the year ended as of 31 December 2021 is presented below:

	Increase	Decrease
<b>Cost</b>		
AmRest Sp. z o.o. (Poland)		(1.2)
Amrest SRO (Czechia)	0.2	
AmRest France SAS	0.1	
AmRest EOOD (Bulgaria)	0.1	
AmRest Global	0.1	
	<b>0.5</b>	<b>(1.2)</b>

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

	31 December 2019	Increase	Decrease	Share-base options	31 December 2020
<b>Cost</b>					
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 FSVCLLC	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
	<b>403.5</b>	<b>1.0</b>	<b>-</b>	<b>1.8</b>	<b>406.3</b>
	-				-
<b>Impairment</b>					
AmRest HK Ltd	(5.2)	-	-	-	(5.2)
AmRest FSVCLLC	(10.5)	(0.8)	1.0	-	(10.3)
AmRest EOOD (Bulgaria)	(0.6)	-	0.6	-	-
	<b>(16.3)</b>	<b>(0.8)</b>	<b>1.6</b>	<b>-</b>	<b>(15.5)</b>
<b>Total Equity instruments in Group companies</b>	<b>387.2</b>	<b>0.2</b>	<b>1.6</b>	<b>1.8</b>	<b>390.8</b>

- On June 2020 AmRest Holdings SE increase capital in its subsidiary AmRest China Group PTE Ltd. (China) by EUR 0.1 million
- 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 FSVCLLC up to an amount of EUR 0.8 million. The total amount of these capital increases was impaired as of 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
<b>Cost</b>		
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 FSVCLLC	-	(1.0)
	<b>2.8</b>	<b>(1.0)</b>

### 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.

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

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

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

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

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

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

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

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

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

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

As of 31 December 2020 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 were dormant, and the Company did 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 hypothesis considered in the impairment testing of AmRest EOOD (Bulgaria) considered an average EBITDA Margin of 17,63% and a pre-tax rate of 9,1%. And growth rate in the terminal value of 2,20%

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

Company name	Registered office	2021				2020				
		<i> Holding activity</i>	Total Equity	Net result	Operating result	Dividends distributed	Total Equity	Net result	Operating result	Dividends distributed
AmRest TAG S.L.U.	Madrid Spain		265.5	(4.5)	(2.6)	-	265.9	(14.0)	(13.0)	-
AmRest China Group PTE Ltd	Singapore		23.8	8.3	12.6	-	13.4	3.7	5.9	-
Sushi Shop Group SAS	Paris France		163.3	3.4	2.2	-	167.3	(1.2)	1.2	-
AmRest France SAS	Paris France		37.7	(20.6)	0.1	-	58.3	0.1	0.1	-
Sushi Shop Management SAS	Paris France		3.1	7.7	9.3	-	(5.0)	2.9	3.9	-
Sushi Shop Belgique SA	Bruxelles Belgium		(2.6)	1.6	1.5	-	(1.4)	(1.1)	(1.1)	-
Sushi Shop Holding USA LLC	Dover Kent USA		-	-	-	-	(0.1)	-	-	-
Sushi Shop Luxembourg SARL	Luxembourg		3.5	-	-	-	3.6	(0.0)	(0.0)	-
Sushi Shop Switzerland SA	Fribourg Switzerland		3.0	(0.4)	(0.4)	-	2.9	(0.1)	(0.0)	-
		<i> Restaurant, franchise and master-franchise activity</i>	Total Equity	Net result	Operating result	Dividends distributed	Total Equity	Net result	Operating result	Dividends distributed
AmRest Sp. z o.o.	Wroclaw Poland		397.4	30.5	28.6	-	323.8	(36.1)	(11)	-
AmRest s.r.o.	Prague Czechia		20.3	12.0	16.9	18.0	22.4	3.9	7.1	(7.6)
AmRest Kft	Budapest Hungary		31.1	10.7	11.1	19.2	40.1	0.2	0.6	-
AmRest Coffee Sp. z o.o.	Wroclaw Poland		1.5	(3.1)	(2.7)	-	1.0	(6.8)	(6.8)	-
AmRest EOOD	Sofia Bulgaria		4.9	1.2	1.4	-	3.7	0.3	0.4	-
OOO AmRest	Saint Petersburg Russia		71.1	12.8	17.4	-	58.3	1.5	2.9	-
AmRest Coffee s.r.o.	Prague Czechia		22.4	2.9	2.8	-	18.4	(1.3)	(1.4)	-
AmRest Kávészó Kft	Budapest Hungary		3.6	0.6	0.7	-	2.1	(2.5)	(2.5)	-
AmRest d.o.o.	Belgrade Serbia		2.6	0.8	1.0	-	-	-	-	-
Restauravia Food S.L.U.	Madrid Spain		11.2	(1.7)	(3.0)	-	13.3	(8.0)	(9.7)	-
Pastificio Service S.L.U.	Madrid Spain		25.6	6.1	20.4	-	18.8	(14.6)	(4.6)	-
AmRest Adria d.o.o.	Zagreb Croatia		1.9	0.9	1.0	-	0.9	3.8	0.2	-
AmRest GmbH	Cologne Germany		(13.5)	(0.3)	-	-	(13.2)	(0.3)	0.0	-
AmRest SAS	Lyon France		(3.9)	(0.8)	(0.8)	-	(3.1)	(2.1)	(2.1)	-
Frog King Food&Beverage Management Ltd	Shanghai China		1.3	(0.6)	(0.3)	-	1.7	(0.4)	(0.5)	-
Blue Frog Food&Beverage Management Ltd	Shanghai China		31.8	8.6	11.9	-	20.6	4.6	6.4	-
Shanghai Kabb Western Restaurant Ltd	Shanghai China		(1.9)	0.1	0.1	-	(1.8)	(0.1)	(0.1)	-



Company name	Registered office	2021				2020			
		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	(1.5)	(1.1)	(1.1)	-	(1.0)	(0.9)	(0.9)	-
Kai Zhen Food and Beverage Management (Shanghai) Ltd	Shanghai China	-	(0.2)	(0.2)	-	0.5	0.1	0.1	-
AmRest Coffee EOOD	Sofia Bulgaria	3.3	0.7	0.8	-	2.7	0.0	0.0	-
AmRest Coffee S.r.l.	Bucharest Romania	12.4	1.9	2.2	-	10.6	(1.8)	(1.9)	-
AmRest Coffee Deutschland	Munich Germany	14.7	(5.7)	(6.8)	-	(26.2)	(31.5)	(30.6)	-
AmRest DE Sp. z o.o. & Co. KG	Berlin Germany	5.9	(3.5)	(2.6)	-	(37.0)	(14.3)	(13.1)	-
The Grill Concept S.L.U.	Madrid Spain	(0.9)	(2.6)	(0.8)	-	(2.2)	(3.3)	(4.4)	-
Kai Fu Food and Beverage Management (Shanghai) Co. Ltd	Shanghai China	0.1	0.2	0.2	-	(0.1)	0.1	0.1	-
LTP La Tagliatella Portugal Lda	Lisbon Portugal	(2.0)	(2.1)	(2.0)	-	0.1	(1.2)	(1.1)	-
AmRest Topco France SAS	Paris France	(12.7)	(17.5)	0.8	-	2.2	0.4	1.1	-
AmRest Delco France SAS	Paris France	(7.0)	(3.5)	(3.6)	-	0.1	(4.0)	(3.2)	-
AmRest Opco SAS 3	Paris France	39.5	0.4	1.6	-	46.0	(14.7)	(6.9)	-
OOO Chicken Yug	Saint PetersburgRussia	8.8	(0.4)	(0.8)	-	9.0	1.2	1.2	-
OOO Pizza Company 5	Saint PetersburgRussia	(11.4)	(2.6)	(2.2)	-	(7.0)	(5.9)	(4.4)	-
AmRest SK s.r.o.	Bratislava Slovakia	(1.0)	(0.6)	(0.6)	-	(0.4)	(0.7)	(0.7)	-
AmRest Pizza GmbH	Munich Germany	-	-	(0.4)	-	0.2	-	(2.3)	-
Black Rice S.L.U.	Madrid Spain	0.1	(0.4)	(0.5)	-	0.2	(1.4)	(1.8)	-
Bocoa Holding S.L.U.	Madrid Spain	0.6	(0.6)	(0.4)	-	0.8	(0.5)	(0.7)	-
Sushi Shop Restauration SAS *	Paris France	3.3	4.2	3.5	-	9.8	(4.7)	(3.7)	-
Sushi House SA	Luxembourg	(4.9)	-	(0.1)	-	(4.9)	(0.8)	(0.8)	-
Sushi Shop London Pvt LTD	London UK	(2.4)	(0.5)	(0.5)	-	(2.5)	0.4	0.4	-
Sushi Shop Louise SA	Bruxelles Belgium	0.4	1.0	1.0	-	1.1	(0.7)	(0.7)	-
Sushi Shop UK Pvt LTD	Charing UK	(1.4)	(0.9)	(0.9)	-	(1.3)	(0.1)	(0.1)	-
Sushi Shop Anvers SA	Bruxelles Belgium	(0.5)	-	-	-	(2.2)	1.7	(0.1)	-
Sushi Shop Geneve SA	Geneva Switzerland	0.5	0.2	0.2	-	0.7	(0.3)	(0.2)	-
Sushi Shop Lausanne SARL	Lasanne Switzerland	1.3	(1.0)	(1.2)	-	0.7	0.5	0.6	-
Sushi Shop Madrid S.L. 7	Madrid Spain	3.8	0.9	0.8	-	(0.6)	(2.4)	(2.4)	-
Sushi Shop Milan SARL	Milan Italy	(0.4)	(0.1)	(0.1)	-	(0.3)	(0.2)	(0.1)	-
Sushi Shop NE USA LLC	New York USA	-	-	-	-	(1.1)	-	-	-
Sushi Shop Zurich GMBH	Zurich Switzerland	(1.7)	(0.2)	(0.2)	-	(1.5)	(0.3)	(0.3)	-
Sushi Shop Nyon SARL	Nyon Switzerland	0.4	(0.4)	(0.5)	-	0.2	0.2	0.2	-
Sushi Shop NL B.V.	Amsterdam Netherlands	-	-	-	-	(0.5)	0.6	(0.4)	-
AmRest AT GmbH	Austria	(1.0)	0.1	0.1	-	-	-	-	-
Sushi Shop Vevey SARL	France	(0.2)	0.5	0.5	-	-	-	-	-
Sushi Shop Fribourg SARL	France	(0.4)	0.2	0.2	-	-	-	-	-
Sushi Shop Yverdon SARL	France	(0.3)	-	-	-	-	-	-	-
Sushi Shop Morges SARL	France	-	0.2	0.2	-	-	-	-	-
AmRest Food Srl.	Romania	(0.4)	(2.2)	(1.1)	-	-	-	-	-
AmRest Coffee SK s.r.o.	Slovakia	1.2	0.5	0.5	-	-	-	-	-

Company name	Registered office	2021				2020			
		Total Equity	Net result	Operating result	Dividends distributed	Total Equity	Net result	Operating result	Dividends distributed
<b>Financial services and others for the Group</b>									
AmRest LLC	Wilmington, USA	(0.5)	-	-	-	(1.5)	(0.3)	(0.3)	-
AmRest Work Sp. z o.o.	Wroclaw Poland	1.3	0.1	0.1	-	0.2	0.2	0.2	-
La Tagliatella International Kft		0.1	-	-	-	(0.5)	0.6	(0.4)	-
La Tagliatella SAS	Lyon France	(0.2)	(0.1)	(0.1)	-	(1.5)	(0.3)	(0.3)	-
AmRest FSVC LLC	Wilmington USA	-	-	-	-	0.2	0.2	0.2	-
AmRest Kaffee Sp. z o.o.	Wroclaw Poland	15.8	(3.7)	(0.1)	-	(0.5)	0.6	(0.4)	-
AmRest Franchise Sp. z o.o.	Wroclaw Poland	(2.7)	3.1	(3.2)	0.5	(1.5)	(0.3)	(0.3)	-
<b>Supply services for restaurants operated by the Group</b>									
SCM Sp. z o.o.	Warsaw Poland	23.7	14.6	18.2	12	4.6	2.9	3.6	(1.2)

Above data were derived from local documentation of AmRest Group in accordance with local GAAPS in each country. In some countries local audits for 2021 have not finalized. (note 17)

## 7. Financial Assets at amortized cost

As of 31 December 2021 and 2020 the financial assets at amortized cost were composed as followed:

	31 December 2021	31 December 2020
<b>Non current</b>		
Loans to group companies	178.5	256.9
Non-current financial investments	0.1	0.1
	<b>178.6</b>	<b>257.0</b>
<b>Current</b>		
Trade and other receivables	2.1	2.2
Loans to group companies	75.3	45.8
Other financial assets with group companies	1.2	3.4
Other current assets	0.1	0.1
	<b>78.7</b>	<b>51.5</b>

### -Loans to group companies:

The Company grants loans to group companies at variable interest rates in the range of 2.3%-5.5% plus 3-months Euribor/Libor margin, with maturities starting in 2021 (note 5).

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

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

The total amount of loans with the entity AmRest HK are fully impaired as it is a dormant entity the Company does not expect to reactivate. During the year 2021, the Company registered an Impairment loss of EUR 0.2 million (note 17).

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

### -Non-current financial assets:

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

### -Other current financial assets with group companies

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

### -Other current assets

Are composed by prepaid expenses.

### -Trade receivables:

As of 31 December 2021 and 2020 the trade and other receivables were composed as follows (note 5):

	31 December 2021	31 December 2020
Trade and other receivables with third parties	0.3	1.0
Trade and other receivables with group companies	3.6	3.0
Impairment on other accounts receivables with group companies	(1.8)	(1.8)
<b>Total Trade and other receivables</b>	<b>2.1</b>	<b>2.2</b>

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 2021	31 December 2020
Balance at the beginning of the year	(1.8)	(1.8)
Increase	-	-
Decrease	-	-
Balance at the end of the financial year	(1.8)	(1.8)

The accounting values of the financial assets at amortized cost as of 31 December 2021 and 2020 are denominated in the following currencies:

## 2021

Millions of foreign currency	Denominated in PLN	Denominated in CZK	Denominated in USD
<b>Assets foreign currency</b>			
Total non-current assets foreign currency	-	-	-
Total current assets foreign currency	-	-	9.1
<b>Total assets foreign currency</b>	-	-	<b>9.1</b>

## 2020

Millions of foreign currency	Denominated in PLN	Denominated in CZK	Denominated in USD
<b>Assets foreign currency</b>			
Total non-current assets foreign currency	-	-	15.9
Total current assets foreign currency	0.4	60.0	1.4
<b>Total assets foreign currency</b>	<b>0.4</b>	<b>60.0</b>	<b>17.3</b>

## 8. Financial assets at cost

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

## 9. Cash and cash and equivalents

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

	31 December 2021	31 December 2020
Cash at bank	4.7	74.2
	<b>4.7</b>	<b>74.2</b>

## 10. Equity

### 10.1 Share Capital

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

There were no changes in share capital of the Company during the years 2021 and 2020.

As of 31 December 2021 and 2020 the Company has 219.554.183 shares issued.

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

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

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

To the best of AmRest's knowledge as of 31 December 2021 AmRest Holdings had the following shareholder structure:

Shareholder	Number of shares and votes at the Shareholders' meeting	% of shares and votes at the Shareholders' meeting
FCapital Dutch B. V.*	147 203 760	67.05%
Artal International S.C.A.	11 366 102	5.18%
Nationale-Nederlanden OFE	9 358 214	4.26%
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.

## 10.2 Reserves

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

	31 December 2021	31 December 2020
Voluntary Reserves	90.8	56.8
Legal reserves	4.1	4.1
	<b>95.2</b>	<b>60.9</b>

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 31 December 2021, the company has fully endowed this reserve with the minimum limited established. As of December 31, 2020, the Company has not fully endowed this reserve with the minimum limit established by the Consolidated Text of the Capital Companies Law.

## 10.3 Treasury shares

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

As of 31 December 2021, AmRest held 371.416 own shares representing 0.1692 % of the share capital (623,461 shares in 2020).

During 2021 and 2020, AmRest Holdings SE did not purchase any own shares.

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

	YEAR ENDED	
	31 December 2021	31 December 2020
<b>Initial Balance</b>	<b>(6.5)</b>	<b>(7.5)</b>
Acquisition of own shares	-	-
Delivery of shares for the stock option plan	2.5	1.0
<b>Ending Balance</b>	<b>(4.0)</b>	<b>(6.5)</b>

## 10.4 Other equity instruments

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

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

	YEAR ENDED	
	31 December 2021	31 December 2020
<b>Initial Balance</b>	<b>(23.4)</b>	<b>(25.4)</b>
Equity share base plans accrual	0.5	2.8
Settlement of cash-settled plans in shares (accrued costs)	0.6	0.1
Delivery of shares for the stock option plan	(2.5)	(1.0)
Proceeds from shares transfers (employee's options)	(0.5)	0.1
<b>Ending Balance</b>	<b>(25.3)</b>	<b>(23.4)</b>

## 10.5 Adjustments for changes in value

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

	31 December 2021	31 December 2020
Currency translation reserve	(6.7)	(6.7)
<b>Adjustments for changes in value</b>	<b>(6.7)</b>	<b>(6.7)</b>

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

## 10.6 Share premium

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

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

There were no transactions within share premium in 2021 and 2020.

## 11. Distribution of profit

The Board of Directors propose the following distribution of profits for the year ended 31 December 2021 and the shareholders approved the following to 31 December 2020.

	YEAR ENDED	
	31 December 2021	31 December 2020
<b><u>Basis of Distribution</u></b>		
Profit and loss for the period in EUR	12 273 853.28	34 276 638.79
<b><u>Distribution</u></b>		
Legal Reserve in EUR	-	347 301.91
Voluntary Reserves in EUR	12 273 853.28	33 929 336.88
	<b>12 273 853.28</b>	<b>34 276 638.79</b>

Dividends have not been distributed during the 12 months ended 31 December 2021 and 2020.

Details of non-distributable reserves as of 31 December 2021 and 2020 are as follows:

	31 December 2021	31 December 2020
Legal reserve	4.4	4.1

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 2021, Voluntary Reserves and Share Premium are totally distributable.

## 12. Financial liabilities at amortized cost

As of 31 December 2021 and 2020 the financial assets at amortized cost were composed as followed:

	31 December 2021	31 December 2020
<b>Non current</b>		
Loans and borrowings from financial institutions	262.6	322.3
Other financial liabilities	35.5	77.5
	<b>298.1</b>	<b>399.8</b>
<b>Current</b>		
Loans and borrowings from financial institutions	28.6	28.5
Other financial liabilities	48.0	25.1
Debts with group companies	1.6	1.7
Trade and other payables to third parties	0.1	1.9
Trade and other payables to group companies	1.6	1.8
	<b>79.9</b>	<b>59.0</b>

### -Debt with financial institutions – Syndicated Bank loan

As of 31 December 2021, following extension signed on 13 December 2021, syndicated bank financing originated in 2017, with further amendments, accounts for the majority of AmRest debt. AmRest Holdings SE executed partially tranches A and D and the tranches E and F which are presented in the financial debt with financial institutions of this Annual Accounts (amounting to EUR 291.2 EUR, 350.8 in 2020) the rest of the tranches were executed from AmRest Sp. z o.o. and AmRest s.r.o.

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

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

The new repayment schedule is established in the following dates: 30 September 2022, 30 September 2023, 30 September 2024 and the final payment on 31 December 2024.

The available tranches, following amortized repayments made in Sept 2020 and Sept 2021:

Tranche(*)	Maximum amount (million)	Date added	Purpose
A	EUR 200	October 2017	
B	PLN 240	October 2017	Refinancing of bank debt, general corporate purposes
C (fully repaid in Q1 2019)	CZK 0	October 2017	
D	PLN 450	October 2017	
E	PLN 224	June 2018	Refinancing of Polish bonds
F	EUR 152	October 2018	M&A, general corporate purposes

\* Approximate total amount: EUR 550m

- Signing date: 5 October 2017,
- Final repayment date: 31 December 2024,
- Joint Borrowers: AmRest Holdings SE, AmRest Sp. z o.o. and AmRest s.r.o (the "Borrowers"; AmRest Sp. z o.o. and AmRest s.r.o are fully owned by AmRest Holdings SE),

- Lenders: Bank Polska Kasa Opieki S.A., Powszechna Kasa Oszczędności Bank Polski S.A., ING Bank Śląski Polska S.A. and Česká spořitelna, a.s.

Details of bank financing are as follows:

- Interest rates: Variable interest rates (3M Euribor/Wibor increased by a margin).
- Securities: submissions to execution from the Borrowers, guarantees from Group companies, pledge on shares of Sushi Shop Group.
- Uncommitted Tranche G in the amount of up to EUR 100m has been added to the financing.
- Other information: AmRest is required to maintain certain ratios at agreed levels. In particular, net debt/adjusted consolidated EBITDA is to be held below 3.5 and consolidated EBITDA/interest charge is to stay above 3.5. For both ratios EBITDA is calculated without effect of IFRS 16. EBITDA as defined in finance agreements for the purpose of calculating covenants was 199 million Euros for the period of 12 months ended 31 December 2021. The Board of Directors has verified that the aforementioned ratios are accomplished. Additionally the Group is obliged to hold at least EUR 50 million in cash or cash and equivalents and undrawn credit lines. The Board of Directors has verified that the aforementioned ratios are accomplished.

#### Other financial debt:

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

Issue date	Amount (EUR million)	Interest rate	Maturity date	Purpose
7 April 2017	14.0	Fixed	7 April 2022	Refinancing, general corporate purposes
7 April 2017	6.0	Fixed	5 April 2024	
3 July 2017	33.0	Fixed	1 July 2022	
3 July 2017	20.0	Fixed	3 July 2024	
3 July 2017	9.5	Variable	3 July 2024	
	82.5			

As of 31 December 2021, payables concerning the principal of SSD issued amount to EUR 82,5 million, EUR 1 million corresponded to interests.

#### -Debts with group companies:

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

#### -Trade and other payables:

As of 31 December 2021 and 2020 the trade and other payables were composed as follows:

	31 December 2021	31 December 2020
Trade and other payables with third parties	0.1	1.9
Trade and other payables with group companies	1.6	1.8
<b>Total trade and other payables</b>	<b>1.7</b>	<b>3.7</b>

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

	31 December 2021	31 December 2020
<b>Number of days:</b>	<b>88</b>	<b>63</b>
Ratio of payments	58	34
Ratio of outstanding invoices	411	120
<b>Millions of EUR:</b>		
Total payments	4.6	6.3
Outstanding invoices	0.4	3.2

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 since the payment of some intercompany invoices was postponed.

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

	31 December 2021	31 December 2020
<b>Number of days:</b>	<b>56</b>	<b>27</b>
Ratio of payments	56	34
Ratio of outstanding invoices	42	5
<b>Millions of EUR:</b>		
Total payments	4.5	5.8
Outstanding invoices	0.1	1.7

The accounting values of the financial liabilities at amortized cost as of December 31 2021 and 2020 are denominated in the following currencies:

## 2021

Millions of foreign currency	Denominated in PLN
<b>Liabilities foreign currency</b>	
Total non-current liabilities foreign currency	196.0
Total current liabilities foreign currency	28.7
<b>Total liabilities foreign currency</b>	<b>224.7</b>
<b>2020</b>	
<b>Liabilities foreign currency</b>	
Total non-current liabilities foreign currency	224.0
Total current liabilities foreign currency	28.5
<b>Total liabilities foreign</b>	<b>252.5</b>

Total liabilities in foreign currency, both in the short and long term, mainly correspond to the Tranche E of the senior term and revolving facilities agreement with financial institutions denominated in PLN for a total amount of 224.7 million signed on October 5, 2017. These facility agreements have been extended in 13 December 2021.

## 13. Employee benefits and share based payments

The Company established long-term incentive plans in order to bind a portion of managers' and executives' remuneration with the Company's market value. During year 2021, the Company had the share-based payment arrangements according to six share option plans. Part of options in the Plan 2 is accounted as cash-settled due to the availability of cash exercise method upon the choice of an employee. All other options in the following plans are equity-settled.

### -Plan 2 – Stock Option Plan 2005

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

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

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

### -Plan 4 – Stock Option Plan 2017

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

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

#### -Plan 5 – Management Incentive Plan 2017

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

#### -Plan 6 – Stock Option Plan 2020

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

#### -Plan 7 – Management Incentive Plan 2020

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

#### -Plan 8 – Long Term Incentive Plan 2021

In 2021 the Company introduced a new Long-Term Incentive (LTI) Program is addressed to members of the management team and other relevant personnel of the Group. LTI substitutes previous Management Incentive and Stock Option Plans functioning at AmRest, keeping in place the already granted stock options. Participants of the new LTI will have the opportunity to receive AmRest shares. The number of shares to be received will be linked to the Group's performance (realization of Global EBITDA 2021-2023). The LTI grants will vest according to a 5-year agenda (60% after 3rd year, 20% after 4th year, 20% after 5th year). Once vested, the LTI rights will be evaluated and converted (if applicable) into shares, while the shares will be transferred to the participant's brokerage account. There are no cash settlement alternatives. On 23rd December 2021 the Board of Directors approved the grant on the basis of the above mentioned assumptions. The fair value of the grant calculated in December 2021 amounted to 7.0 million EUR.

The terms and conditions for the share options outstanding as of 31 December 2021 are presented in the table below:

Grant date	Terms and conditions for vesting of the options	The maximum term of options	Option exercise price in EUR	Method of settlement
Plan 2 – SOP				
June 20, 2011			1.87	Equity or equity/cash*
April 30, 2012			1.68	Equity or equity/cash*
April 30, 2013			1.94	Equity or equity/cash*
April 30, 2014	1-5 years, 20% per annum	10 years	1.96	Equity or equity/cash*
December 9, 2015			3.14	Equity or equity/cash*
April 30, 2016			5.35	Equity
Plan 4 – SOP				
May 30, 2017			8.14	Equity
January 1, 2018	3-5 years, 60% after 3rd year, 20% after 4th and 5th year	10 years	9.66	Equity
April 30, 2018			10.91	Equity
August 6, 2018			10.46	Equity

Grant date	Terms and conditions for vesting of the options	The maximum term of options	Option exercise price in EUR	Method of settlement
October 1, 2018			10.63	Equity
December 10, 2018			9.40	Equity
April 30, 2019			9.62	Equity
Plan 5 – MIP				
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
Plan 6 – SOP				
July 13, 2020	3-5 years, 60% after 3rd year, 20% after 4th and 5th year	10 years	4.99	Equity
October 1, 2020			5.78	Equity
Plan 7 – MIP				
February 10, 2020			15.10	Equity
October 1, 2020	3-5 years, 33% p.a.	10 years	7.90	Equity
February 1, 2021			7.71	Equity
March 23, 2021			6.08	Equity
May 1, 2021			10.62	Equity

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

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

In the table below we present the number and weighted average of the exercise prices (WAEP) of, and movements in, the options from all plans during the year ended 31 December 2021 and 2020:

Number of option 2021	WAEP in EUR (before indexation)	Plan 7	Plan 6	Plan 5	Plan 4	Plan 2
At the beginning of the period	8,68	3 350 000	3 204 500	3 283 334	6 779 650	932 402
Granted during the period	7,76	600 000	0	0	0	0
Exercised during the period	4,26	0	(5 000)	0	(3 300)	(367 650)
Forfeited during the period	8,96	(1 550 000)	(285 880)	(1 683 334)	(976 950)	(19 000)
Outstanding at the end of the period	8,63	2 400 000	2 913 620	1 600 000	5 799 400	545 752
- including exercisable as of the end of the period	9,05	0,00	0,00	966 667	2 219 460	545 752
Number of option 2020	WAEP in EUR (before indexation)	Plan 7	Plan 6	Plan 5	Plan 4	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 of the end of the period	6.36	-	-	-	938 730	722 562

The weighted average share price at the dates of exercise of the options was EUR 6.79 in 2021 and EUR 6.98 in 2020. The weighted average remaining contractual life for the share options outstanding as of 31 December 2021 was 7.62 years (2020: 8,20 years).

#### -Measurement

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

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

Plan	Average fair value of option as of grant date	Average share price at the grant date	Average exercise price	Expected volatility	Expected term to exercise of options	Expected dividend	Risk-free interest rate
<b>2021</b>							
Plan 7 (MIP)	EUR 1.07	EUR 5.68	EUR 7.76	35%	5 years	-	2%
<b>2020</b>							
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%

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.

## 14. Provisions

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

	YEAR ENDED	
	31 December 2021	31 December 2020
<b>Initial Balance</b>	<b>0.1</b>	<b>0.5</b>
Revaluation fair value	-	(0.3)
Plan modification (reclassification from SOP Equity settlement to cash settlement)	-	(0.1)
<b>Ending Balance</b>	<b>0.1</b>	<b>0.1</b>

## 15. Taxation

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

	31 December 2021	31 December 2020
<b>Assets</b>		
Income tax receivable	2.1	1.4
Other tax receivable	0.1	-
<b>Total</b>	<b>2.2</b>	<b>1.4</b>
<b>Liabilities</b>		
VAT payable	0.1	0.4
Personal income tax and other withholding taxes	0.1	0.1
<b>Total</b>	<b>0.2</b>	<b>0.5</b>

### 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 2021 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.

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

	31 December 2021	31 December 2020
Corporate income tax	-	-
Change in deferred taxes and liabilities	3.0	2.5
<b>Total income tax recognized in the income statement</b>	<b>3.0</b>	<b>2.5</b>

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 2021 is as follows:

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

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

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

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 at 95% for income tax purposes (100% in 2020).

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 2021 and 2020 has been as follows:

	31 December 2021	31 December 2020
<b>Deferred tax assets</b>		
Balance at beginning of the period	2.5	-
Debit (credit) on the profit and loss account	3.0	2.5
Compensation of tax losses with other companies from the tax group	<b>(2.2)</b>	
<b>Balance at the end of the period</b>	<b>3.3</b>	<b>2.5</b>
<b>Deferred tax liability</b>		
Balance at beginning of the period	-	8.4
Debit (credit) registered in Equity	-	<b>(8.4)</b>
<b>Balance at the end of the period</b>	<b>-</b>	<b>-</b>

The increase in deferred tax assets corresponds to the tax losses generated during the FY 2021 and the decrease to compensation of tax losses with Pastificio Service S.L.U another member of the tax group which generated positive tax base.

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.

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

	31 December 2021	31 December 2020
<b>Tax base AmRest Holdings</b>	<b>(11.8)</b>	<b>(10.1)</b>
<b>Tax base contributed by subsidiaries of the tax group:</b>	<b>(4.4)</b>	<b>(18.3)</b>
AmRest TAG, S.L.U.	(2.5)	(3.1)
AmRest Global S.L.U.	(5.2)	-
Restauravia Food, S.L.U.	(0.8)	(8.2)
Pastificio Service, S.L.U.	10.0	(2.1)
The Grill Concept, S.L.U.	(4.0)	(2.0)
Black Rice, S.L.U.	(0.5)	(1.2)
Bocoa Holding, S.L.U.	(0.4)	(0.7)
Shushi Shop Madrid, S.L.U.	(1.0)	(1.0)
<b>Current income tax of the consolidated tax group (25%)</b>	<b>-</b>	<b>-</b>
<b>Withholding taxes and CIT advances</b>	<b>1.9</b>	<b>0.4</b>
Subtotal	(1.9)	(0.4)
Reversal of excess of accrual	-	-
Income tax receivable from previous years	(0.2)	(1.0)
<b>Income tax receivable payable (receivable)</b>	<b>(2.1)</b>	<b>(1.4)</b>

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

	31 December 2021	31 December 2020
<b>Receivables:</b>		
Restauravia Food, S.L.U.	1.0	1.0
AmRest TAG S.L.U.	0.1	0.1
<b>Total receivables from the Consolidated tax regime</b>	<b>1.1</b>	<b>1.1</b>
<b>Payables</b>		
The Grill Concept S.L.U.	(1.0)	(1.0)
Pastificio Service S.L.U.	(0.5)	
Black Rice S.L.	-	(0.1)
Sushi Shop Madrid S.L.U.	(0.1)	(0.1)
<b>Total payables from the Consolidated tax regime</b>	<b>(1.6)</b>	<b>(1.2)</b>

## 16. Income and expenses

### 16.1 Revenues

In the item Revenues of the separate income statement for the years ended on 31 December 2021 and 2020 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 2021	31 December 2020
Dividends from Subsidiaries (note 17)	15.6	7.6
Revenue from the stock option plan	0.3	0.2
Financial income from group companies	7.6	7.7
Results from financial assets held for sale	-	33.5
<b>Total Revenues</b>	<b>23.5</b>	<b>49.0</b>

The income in the financial asset held for sale correspond to the sale of the participation of Glovoapp23, S.L. that was sold in December 2020.

The dividends received during the annual period ended as of 31 December 2021 and 2020 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 2021 and 2020 is as follow:

	YEAR ENDED	
	31 December 2021	31 December 2020
Exports:	15.6	7.6
a) European Union	15.6	7.6
<b>Total Dividends received from Subsidiaries</b>	<b>15.6</b>	<b>7.6</b>

Revenues from stock option plan correspond to the difference between the valuation of the stock options and the book value of the own shares executed for the stock option plan the breakdown of revenues from the stock option plan for the employees by geographical area for the annual periods ended as of 31 December 2021 and 2020 is as follow:

	YEAR ENDED	
	31 December 2021	31 December 2020
Domestic market	-	-
Exports:	<b>0.3</b>	<b>0.2</b>
a) European Union	0.3	0.2
<b>Net income from the stock option plan</b>	<b>0.3</b>	<b>0.2</b>

Financial income from subsidiaries correspond to the accrued interest of the loans and other financial assets given from the Company to the group companies during the year. The breakdown of finance income from group companies by geographical area for the annual periods ended as of 31 December 2021 and 2020 is as follow:

	YEAR ENDED	
	31 December 2021	31 December 2020
Domestic market	3.3	2.5
Exports:	4.3	5.2
a) European Union	3.8	4.4
b) Other countries	0.5	0.8
<b>Finance income from group companies (note 17)</b>	<b>7.6</b>	<b>7.7</b>

## 16.2 Personnel expenses

The detail of personnel expenses for the annual periods ended as of 31 December 2021 and 2020 is as follow:

	YEAR ENDED	
	31 December 2021	31 December 2020
Salaries	(0.6)	(0.8)
Social Charges	(0.2)	(0.3)
Stock option plan	(0.1)	(0.2)
<b>Total personnel expenses</b>	<b>(0.9)</b>	<b>(1.3)</b>

## 16.3 Other operating expenses

	YEAR ENDED	
	31 December 2021	31 December 2020
Professional Services	(1.6)	(4.8)
Business travel	(0.2)	(0.1)
Other taxes	(0.3)	(1.1)
Other expenses	(1.1)	(0.4)
<b>Total other operating expenses</b>	<b>(3.2)</b>	<b>(6.4)</b>

## 16.4 Income and expenses in foreign currency

The income and expenses denominated in foreign currency for the annual periods ended on 31 December 2021 and 2020 are as follow:

<b>For the year ended 31 December 2021</b>	<b>PLN</b>	<b>USD</b>
<b>Expenses expressed in million EUR</b>		
Other operating expenses	(0.3)	(0.1)
<b>Results from operating activities</b>	<b>(0.3)</b>	<b>(0.1)</b>
Finance income	-	0.5
Finance expenses	(1.2)	-
<b>Net finance income (expense)</b>	<b>(1.2)</b>	<b>0.5</b>
<b>Total Income and expenses in foreign currency expressed in million EUR</b>	<b>(1.5)</b>	<b>0.4</b>
<b>For the year ended 31 December 2020</b>	<b>PLN</b>	<b>USD</b>
<b>Expenses expressed in million EUR</b>	-	-
Other operating expenses	(0.3)	-
<b>Results from operating activities</b>	<b>(0.3)</b>	-
Finance income	-	0.8
Finance expenses	(1.7)	-
<b>Net finance income (expense)</b>	<b>(1.7)</b>	<b>0.8</b>
<b>Total Income and expenses in foreign currency expressed in million EUR</b>	<b>(2.0)</b>	<b>0.8</b>

## 16.5 Financial result

The financial result for the annual periods ended at 31 December 2021 and 2020 is as follows:

	<b>YEAR ENDED</b>	
	<b>31 December 2021</b>	<b>31 December 2020</b>
<b>Financial Expenses</b>		
With group companies (nota 17)	(1.5)	(0.8)
With third parties	(10.0)	(12.3)
<b>Total Financial Expenses</b>	<b>(11.5)</b>	<b>(13.1)</b>

## 16.6 Exchange rates differences:

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

	<b>YEAR ENDED</b>	
	<b>31 December 2021</b>	<b>31 December 2020</b>
On Investments and loans with group companies	1.2	(1.3)
On Banks and other assets	0.3	(0.2)
On Financial liabilities	0.2	4.3
<b>Total</b>	<b>1.7</b>	<b>2.8</b>



## 17. Related parties balances and transactions

As of 31 December 2021, the Group comprised the following subsidiaries:

Company name	Registered office	Parent/non-controlling undertaking	Owner-ship interest and total vote	Date of effective control
<b>Holding activity</b>				
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 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
<b>Restaurant, franchise and master-franchise activity</b>				
AmRest Sp. z o.o.	Wroclaw, Poland	AmRest Holdings SE	100.00%	December 2000
AmRest s.r.o.	Prague, Czechia	AmRest Holdings SE	100.00%	December 2000
AmRest Kft	Budapest, Hungary	AmRest Sp. z o.o.	100.00%	June 2006
		AmRest Sp. z o.o.	82.00%	
AmRest Coffee Sp. z o.o.	Wroclaw, Poland	Starbucks Coffee 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 Coffee International, Inc.	18.00%	August 2007
		AmRest Sp. z o.o.	82.00%	
AmRest Kávézó Kft	Budapest, Hungary	Starbucks Coffee International, Inc.	18.00%	August 2007
		AmRest Sp. z o.o.	60.00%	
AmRest d.o.o.	Belgrade, Serbia	ProFood Invest GmbH	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. <sup>1</sup>	Cologne, Germany	AmRest TAG S.L.U.	100.00%	March 2012
AmRest SAS.	Paris, France	AmRest TAG S.L.U.	100.00%	April 2012
AmRest Adria 2 d.o.o.	Ljubljana, Slovenia	AmRest Sp. z o.o.	100.00%	August 2012
Frog King Food&Beverage Management Ltd	Shanghai, China	Bigsky Hospitality Group Ltd	100.00%	December 2012
Blue Frog Food&Beverage Management Ltd	Shanghai, China	New Precision Ltd	100.00%	December 2012
Shanghai Kabb Western Restaurant Ltd	Shanghai, China	Horizon Consultants Ltd.	100.00%	December 2012
AmRest Skyline GMBH	Cologne, Germany	AmRest TAG S.L.U.	100.00%	October 2013
AmRest Coffee EOOD	Sofia, Bulgaria	AmRest Sp. z o.o.	100.00%	June 2015
AmRest Coffee S.r.l.	Bucharest, Romania	AmRest Sp. z o.o.	100.00%	June 2015
AmRest Food Srl. <sup>2</sup>	Bucharest, Romania	AmRest Sp. z o.o.	100.00%	July 2019
		AmRest s.r.o.	99.00%	
AmRest Coffee SK s.r.o.	Bratislava, Slovakia	AmRest Sp. z o.o.	1.00%	December 2015
		AmRest Kaffee Sp. z o.o.	23.00%	
AmRest Coffee Deutschland Sp. z o.o. & Co. KG	Munich, Germany	AmRest TAG S.L.U.	77.00%	May 2016
AmRest DE Sp. z o.o. & Co. KG	Munich, Germany	AmRest Kaffee Sp. z o.o.	100.00%	December 2016
The Grill Concept S.L.U.	Madrid, Spain	Pastificio Service S.L.U.	100.00%	December 2016
Kai Fu Food and Beverage Management (Shanghai) Co. Ltd	Shanghai, China	Blue Frog Food&Beverage Management Ltd	100.00%	December 2016
LTP La Tagliatella Portugal, Lda	Lisbon, Portugal	AmRest TAG S.L.U.	100.00%	February 2017
LTP La Tagliatella Franchise II Portugal, Lda	Lisbon, Portugal	AmRest TAG S.L.U.	100.00%	April 2019
AmRest AT GmbH	Vienna, Austria	AmRest Sp. z o.o.	100.00%	March 2017
AmRest Topco France SAS	Paris, France	AmRest France SAS	100.00%	May 2017
AmRest Delco France SAS	Paris, France	AmRest Topco France SAS	100.00%	May 2017
AmRest Opco SAS	Paris, France	AmRest France SAS	100.00%	July 2017
OOO Chicken Yug	Saint Petersburg, Russia	OOO AmRest	100.00%	October 2017
OOO AmRest Pizza	Saint Petersburg, Russia	AmRest Acquisition Subsidiary Ltd.	99.999996%	November 2017
		OOO AmRest	0.000004%	
AmRest Coffee SRB d.o.o.	Belgrade, Serbia	AmRest Holdings SE	100.00%	November 2017
AmRest Chamnord SAS	Paris, France	AmRest Opco SAS	100.00%	March 2018
		AmRest s.r.o.	99.00%	
AmRest SK s.r.o.	Bratislava, Slovakia	AmRest Sp. z o.o.	1.00%	April 2018
		AmRest DE Sp. z o.o. & Co. KG	100.00%	
AmRest Pizza GmbH	Munich, Germany	AmRest TAG S.L.U.	100.00%	June 2018
Black Rice S.L.U.	Madrid, Spain	AmRest TAG S.L.U.	100.00%	July 2018
Bacoa Holding S.L.U.	Madrid, Spain	AmRest TAG S.L.U.	100.00%	July 2018
Sushi Shop Restauration SAS	Paris, France	Sushi Shop Management SAS	100.00%	October 2018
Sushi House SA <sup>4</sup>	Luxembourg	Sushi Shop Luxembourg SARL	100.00%	October 2018
Sushi Shop London Pvt LTD	London, UK	Sushi Shop Group SAS	100.00%	October 2018
Sushi Shop Belgique SA	Bruxelles, Belgium	Sushi Shop Group SAS	100.00%	October 2018
Sushi Shop Louise SA <sup>5</sup>	Bruxelles, Belgium	Sushi Shop Belgique SA	100.00%	October 2018
Sushi Shop UK Pvt LTD	Charing, UK	Sushi Shop Group SAS	100.00%	October 2018
Sushi Shop Anvers SA <sup>3</sup>	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

Company name	Registered office	Parent/non-controlling undertaking	Owner-ship interest and total vote	Date of effective control
Sushi Shop Madrid S.L.U.	Madrid, Spain	Sushi Shop Management SAS	100.00%	October 2018
Sushi Shop Milan SARL	Milan, Italy	Sushi Shop Management SAS	70.00%	October 2018
		Vanray SRL	30.00%	
Sushi Shop Zurich GMBH	Zurich, Switzerland	Sushi Shop Switzerland SA	100.00%	October 2018
Sushi Shop Nyon SARL	Nyon, Switzerland	Sushi Shop Switzerland SA	100.00%	October 2018
Sushi Shop Vevey SARL	Vevey, Switzerland	Sushi Shop Switzerland SA	100.00%	November 2019
Sushi Shop Fribourg SARL	Fribourg, Switzerland	Sushi Shop Switzerland SA	100.00%	November 2019
Sushi Shop Yverdon SARL	Yverdon, Switzerland	Sushi Shop Switzerland SA	100.00%	November 2019
Sushi Shop Morges SARL	Moudon, Switzerland	Sushi Shop Switzerland SA	100.00%	October 2020
<b>Financial services and others for the Group</b>				
AmRest LLC	Wilmington, USA	AmRest Sp. z o.o.	100.00%	July 2008
AmRest Work Sp. z o.o.	Wroclaw, Poland	AmRest Sp. z o.o.	100.00%	March 2012
La Tagliatella International Kft	Budapest, Hungary	AmRest TAG S.L.U.	100.00%	November 2012
La Tagliatella SAS	Paris, France	AmRest TAG S.L.U.	100.00%	March 2014
AmRest Kaffee Sp. z o.o.	Wroclaw, Poland	AmRest Sp. z o.o.	100.00%	March 2016
AmRest Estate SAS	Paris, France	AmRest Opco SAS	100.00%	September 2017
AmRest Leasing SAS	Paris, France	AmRest Opco SAS	100.00%	September 2017
AmRest Franchise Sp. z o.o.	Wroclaw, Poland	AmRest Sp. z o.o.	100.00%	December 2018
AmRest Global S.L.U.	Madrid, Spain	AmRest Holdings SE	100.00%	September 2020
<b>Supply services for restaurants operated by the Group</b>				
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%	

<sup>1</sup> 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.

<sup>2</sup> On 31 August 2021 AmRest Sp. z o.o. became sole shareholder of AmRest Food Srl., through the purchase agreement of the remaining 1% of shares.

<sup>3</sup> 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.

<sup>4</sup> On 31 August 2021 Sushi Shop Luxembourg SARL has acquired 14% of shares of Sushi House SA. On this day Sushi Shop Luxembourg SARL has become sole shareholder of Sushi House SA.

<sup>5</sup> On 31 August 2021 Sushi Shop Belgique SA has acquired 45.20% of shares of Sushi Shop Louise SA. On this day Sushi Shop Belgique SA has become sole shareholder of Sushi Shop Louise SA.

- On 17 February 2021 Sushi Shop NL B.V. has been deregistered

- On 9 April 2021 AmRest FSVC LLC has been deregistered

- On 30 May 2021 Kai Zhen Food and Beverage Management (Shanghai) Ltd has been deregistered

- 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. On 30 August 2021 Sushi Shop NE USA LLC, Sushi Shop NY1 LLC and Sushi Shop NY2 LLC have been deregistered. On 15 September 2021 dissolution Sushi Shop Holding USA LLC was executed.

- On 22 November 2021 Amrest Management Kft has been deregistered

The balances with the Group entities are as follows:

	31 December 2021	31 December 2020
<b>Assets</b>		
<b>Total loans granted to group companies</b>	<b>253.8</b>	<b>302.7</b>
<i>(Long and short term classification)</i>		
Long term loans granted to group companies (note 7)	178.5	256.9
Short term loans granted to group companies (note 7)	75.3	45.8
<i>(Group entity classification)</i>		
AmRest TopCo	8.4	8.2
AmRest Opco SAS	36.9	35.9
Amrest China group LTD	8.0	7.0
AmRest Coffee Deutschland Sp. z o.o.	-	37.2
AmRest DE Sp. z o.o. & Co. KG	-	42.8
AmRest AT GmbH	3.3	3.9
AmRest Kaffee Sp. z o.o.	46.0	35.1
AmRest TAG S.L.U.	104.1	70.3
Blue Frog Food & Beverage Management	-	6.9
Pastificio Service. S.L.U.	26.8	27.1
Restauravia Food. S.L.U.	11.5	11.2
AmRest Adria d.o.o.	0.5	1.2
AmRest Pizza GmbH	2.7	1.9
AmRest SK s.r.o.	2.3	1.6
OOO AmRest	-	0.7
Sushi Shop SAS	-	2.5
AmRest Global	0.1	-
Amrest Food SRL	-	1.5
AmRest Coffee SK Sro	0.3	0.6
AmRest sp.zoo	2.9	7.1
<b>Other financial assets with group companies (note 7)</b>	<b>1.2</b>	<b>3.4</b>
Restauravia Food. S.L.U.	1.0	1.0
AmRest TAG S.L.U.	0.2	0.2
AmRest S.R. O	-	2.2
<b>Trade and other receivables with group companies (note 7)</b>	<b>1.8</b>	<b>1.2</b>
AmRest Sp. z o.o.	0.1	0.8
AmRestag S.L	0.8	0.2
AmRest Coffee Sp. Z.o.o.	0.1	-
AmRest Global	0.5	-
AmRest Acquisition	0.1	-
AmRest SRO	-	0.1
New Precision Limited	0.1	-
Horizon Consultants	0.1	-
Pastificio Service S.L.U.	-	0.1
<b>Short term debt and other current financial liabilities (note 12 and 15)</b>	<b>1.6</b>	<b>1.8</b>
Pastificio Service S.L.	0.5	0.5
The Grill Concept S.L.U.	1.0	1.0
Bacoa Black Rice S.L.	-	0.2
Sushi Shop SAS	0.1	0.1
<b>Trade payables with group companies (note 12)</b>	<b>1.6</b>	<b>1.8</b>
Pastificio Service	-	0.1
AmRest Sp. z o.o.	0.1	0.3
AmRest kft	0.1	0.1
AmRest TAG S.L.U.	1.2	1.2
OOO AmRest	-	0.1
Other related parties	0.2	-

The transactions with group entities are as follows:

	YEAR ENDED	
	31 December 2021	31 December 2020
<b>Revenues</b>		
<b>Revenues from dividends (note 16.1)</b>	<b>15.6</b>	<b>7.6</b>
AmRest SRO	15.6	7.6
<b>Financial Income from group companies (16.1)</b>	<b>7.6</b>	<b>7.7</b>
AmRest Sp. z o.o.	0.2	0.2
AmRest HK Ltd.	0.1	0.1
AmRest China Group PTE Ltd.	0.4	0.4
AmRest Coffee Deutschland	0.3	0.4
AmRest Topco France	0.2	0.2
AmRest Opco SAS	1.0	1.0
AmRest DE Sp. z o.o. & Co. KG	0.4	1.1
AmRest Kaffee Sp. z o.o.	1.3	1.1
AmRest TAG S.L.U.	2.8	1.6
Pastificio Service S.L.U.	0.1	0.6
Restauravia Food S.L.U.	0.1	0.3
AmRest AT GmbH	0.1	0.1
Blue Frog Food & Beverage Management	0.1	0.4
Sushi Shop SAS	-	0.1
Other group companies	0.5	0.1
<b>Expenses</b>		
<b>Financial expenses with group companies (note 16.5)</b>	<b>(1.5)</b>	<b>(0.8)</b>
AmRest Sp. z o.o.	-	(0.3)
Pastificio Service S.L.U.	-	(0.1)
AmRest SRO	-	(0.1)
AmRest TAG S.L.U.	-	(0.1)
AmRest Coffee Deutschland Sp. Z.o.o.	(1.5)	(0.1)
Other group companies	-	(0.1)
<b>Impairment of investments and credits with group companies (notes 6 and 7)</b>	<b>(0.2)</b>	<b>0.8</b>
AmRest EOOD (Bulgaria)	-	0.6
AmRest HK Ltd.	(0.2)	-
AmRest FSV LLC	-	0.2
<b>Exchange rates differences</b>	<b>1.2</b>	<b>(1.3)</b>
AmRest China Group PTE Ltd.	0.5	(0.6)
Blue Frog Food & Beverage Management	0.7	(0.7)

## 18. Remuneration of the board of directors and senior executives

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

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

	YEAR ENDED	
	31 December 2021	31 December 2020
<b>Board of Directors Remunerations</b>		
Fixed Remuneration	0.6	0.4
Other items	0.1	
Operations with shares and/or other financial instruments	-	-
<b>Total Board of Director remunerations</b>	<b>0.7</b>	<b>0.4</b>

The subsidiaries from the Group have not paid any remuneration to the Board of Directors in the years 2021 and 2020.

Directors Remuneration Policy was approved at the general shareholders' meeting held on 12 May 2021 and will remain in force until 2023 unless the general shareholders' meeting so resolves to amend or replace it. The fixed components accrued during the year by the Directors have not changed with respect to the previous year except for the Executive Chairman compensation package, which was first implemented in 2021 since the Chairman was granted executive powers in November 2020, effective January 2021. In 2020, due to the exceptional circumstances caused by the COVID-19 pandemic, the Board of Directors lowered its remuneration by 50%.

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

	YEAR ENDED	
	31 December 2021	31 December 2020
<b>Senior Executives</b>		
Remuneration received by the Senior Executives	0.8	0.8
Operations with shares and/or other financial instruments	-	0.5
<b>Total remuneration received by the Senior Executives</b>	<b>0.8</b>	<b>1.3</b>

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

	YEAR ENDED	
	31 December 2021	31 December 2020
<b>Senior Executives</b>		
Remuneration received by the Senior Executives	2.5	2.7
<b>Total remuneration received by the Senior Executives</b>	<b>2.5</b>	<b>2.7</b>

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

## 19. Other information

### 19.1 Number of employees

The average number of employees distributed by categories. for the year 2021 and 2020 is a follow:

Categories	YEAR ENDED	
	31 December 2021	31 December 2020
Executive Managers	2	2
Managers and others	1	5
	<b>3</b>	<b>7</b>

The number of employees distributed by gender, as of 31 December 2021 and 2020 is as follow:

Gender	31 December 2021			31 December 2020		
	Total	Males	Female	Total	Males	Female
Board Members	7	5	2	7	5	2
Executive Managers	1	1	-	2	2	-
Managers and others	1	1	-	5	3	2
	<b>9</b>	<b>7</b>	<b>2</b>	<b>14</b>	<b>10</b>	<b>4</b>

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

### 19.2 Tax inspections

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

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

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

On January 2021 the companies submitted the corresponding allegations before the Technical Office against the final settlement proposal.

On 26 July 2021, the companies presented allegations before the Central Economic-Administrative Court (TEAC) and to date the Court's resolution has not been received.

### 19.3 Information about the environment

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

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

## 19.4 Subsequent events

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

AmRest will continue to operate 93 Burger King restaurants that it owns in mentioned territories under the best standards of service and quality, in compliance with the franchise agreements signed, which will continue to be in force. Therefore, the revenues, EBITDA and total assets of AmRest will not be significantly affected by the termination of the development agreements.

After the reporting period the uncertainty arising from the conflict between Ukraine and Russia has increased, which may result in a negative impact on economy, including instable currency, interest rates, liquidity, supply chain disruptions and consumer confidence deterioration. All these events and uncertainty that accompanies them may have a significant impact on the Group's operations and financial position, the effect of which is difficult to predict. The future economic and regulatory situation may differ from the Management's expectations however it is being monitored in order to adjust strategic intentions and operational decisions, which will minimize business risks.

## 20. Audit fees

The fees accrued during the year ended 31 December 2021 by PricewaterhouseCoopers Auditores, S.L. and 2020 by KPMG Auditores, S.L. were as follows:

In thousands of Euros	YEAR ENDED	
	31 December 2021	31 December 2020
<b>Audit fees Service</b>		
Audit	28.0	30.0
<b>Total audit fees</b>	<b>28.0</b>	<b>30.0</b>

PricewaterhouseCoopers Auditores, S.L. and its group companies has not provided any additional services different to audit during 2021. KPMG Auditores, S.L. has not provided any additional services different to audit during 2020.

## Signatures of the Board of Directors

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**José Parés Gutiérrez**  
Chairman of the Board

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**Luis Miguel Álvarez Pérez**  
Vice-Chairman of the Board

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**Carlos Fernández González**  
Member of the Board

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**Romana Sadurska**  
Member of the Board

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**Pablo Castilla Reparaz**  
Member of the Board

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**Mónica Cueva Díaz**  
Member of the Board

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**Emilio Fullaondo Botella**  
Member of the Board

Madrid, 28 February 2022





# Directors' Report

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## 1. Financial highlights

	year ended 31 December 2021	year ended 31 December 2020	3 months ended on December 31 2021	3 months ended on December 31 2019
Revenues	23.5	49.0	2.4	37.8
Results from operating activities	19.1	42.1	1.0	36.0
Financial Cost	(9.8)	(10.3)	(1.6)	(1.6)
Income tax expense	3.0	2.5	0.3	1.6
Profit/(loss) for the period	12.3	34.3	(0.3)	32.5

	31 December 2021	31 December 2020
Total Assets	709.4	777.6
Total liabilities and provisions	378.6	459.7
Non-current liabilities	298.2	399.9
Current liabilities	80.4	34.7
Share capital	22	22

## 2. Significant events and transactions in 2021

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

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

### Extension of Credit Agreement with Bank Polska Kasa Opieki S.A., Powszechna Kasa Oszczędności Bank Polski S.A., ING Bank Śląski S.A and Česká spořitelna, a.s.

AmRest, AmRest Sp. z o.o. ("AmRest Poland") and AmRest s.r.o. ("AmRest Czech") - jointly "the Borrowers" and Bank Polska Kasa Opieki S.A., Powszechna Kasa Oszczędności Bank Polski S.A., ING Bank Śląski S.A and Česká spořitelna, a.s. - jointly "the Lenders", had signed on 13 December 2021 an amendment no. 3 providing an extension of the Senior Term and Revolving Facilities Agreement dated 5 October 2017, as amended and restated thereafter ("the Credit Agreement").

### Approval of a new Long Term Incentive Plan

On 30 December 2021 AmRest informed that the Board of Directors of the Company has decided to approve in December 2021 a new Long Term Incentive Plan ("LTI"), which substitutes previous management and incentive stock options programs functioning at AmRest.

The LTI provides the potential delivery of shares of the Company to members of the management team and other relevant personnel of AmRest, as long as certain conditions are met. The main terms and conditions of the LTI, as the number of shares granted, were detailed in the respective regulatory announcement.

## 3. Shareholders of AmRest Holdings SE

To the best of AmRest's knowledge as of 31 December 2021 AmRest Holdings had the following shareholder structure:

Shareholder	Number of shares and votes at the Shareholders' meeting	% of shares and votes at the Shareholders' meeting
FCapital Dutch B. V.*	147 203 760	67.05%
Artal International S.C.A.	11 366 102	5.18%
Nationale-Nederlanden OFE	9 358 214	4.26%
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

As mentioned in Significant events and transactions section of this report, AmRest, AmRest Poland and AmRest Czech had signed on 13 December 2021 with Bank Polska Kasa Opieki S.A., Powszechna Kasa Oszczędności Bank Polski S.A., ING Bank Śląski S.A and Česká spořitelna, a.s. (the Lenders) an amendment no. 3 providing an extension of the Credit Agreement dated 5 October 2017.

After evaluating the different funding alternatives available, the Company assessed that extending the maturity of the available credit facilities at that time with the club banks, it was the most optimal option.

Based on the extended Credit Agreement, the amounts of the facilities A, B, E and F ("Credit facilities") were equal to the outstanding amounts of Credit facilities, after the scheduled repayments in September 2020 and September 2021, these were EUR 352mIn and PLN 464mIn. The repayment schedule is 10% on each 30 September anniversary of the next three years and the remaining amount on 31 December 2024. The Revolving facility D is available in the amount of up to PLN 450mIn and due on December 31st, 2024.

Additionally, a new uncommitted credit facility G, up to a maximum amount of EUR 100mIn, was agreed. The purpose is the financing of the general corporate purposes of the Company. All Borrowers bear joint liability for any obligations resulting from the Credit Agreement.

All the credit facilities are provided at variable interest rate.

AmRest is required to maintain certain pre IFRS16 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.

## 5. Information on dividends paid

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

## 6. Changes in the Company's Governing Bodies

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

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

As of 31 December 2021 the composition of the Board of Directors was as follows:

- Mr. José Parés Gutiérrez
- Mr. Carlos Fernández González
- Mr. Luis Miguel Álvarez Pérez
- Ms. Romana Sadurska
- Mr. Pablo Castilla Reparaz
- Mr. Emilio Fullaondo Botella
- Ms. Mónica Cueva Díaz
  
- Eduardo Rodríguez-Rovira Rodríguez (Secretary, non-Board member)

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

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

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

During the year 2021 there were no changes with respect to AmRest shares and stock options held by the members of the Board of Directors of AmRest.

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

On 31 December 2021, Mr. Carlos Fernández González still owned 147 203 760 AmRest's shares with a total nominal value of EUR 14 720 376 through FCapital Dutch B.V.

As of 31 December 2020 Mr. Carlos Fernández González held through his another closely associated person - Finaccess México, S.A. de C.V., Sociedad Operadora de Fondos de Inversión, 1 172 145 AmRest shares with a total nominal value of EUR 117 214.5.

As of 31 December 2021 he still owned through Finaccess México, S.A. de C.V. 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 2021 and 31 December 2021, AmRest didn't purchase any own shares. During the same period, the Company disposed a total of 252 045 own shares with a total nominal value of EUR 25 204.5 and representing 0.1148% 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 of 31 December 2021 AmRest held 371 416 own shares with a total nominal value of EUR 37 141.6 and representing 0.1692% 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

### - Liquidity risk

Liquidity risk is defined as the risk of incurring losses resulting from the inability to meet payment obligations in a timely manner when they become due or from being unable to do so at a sustainable cost.

The Company is exposed to the risk to a lack of financing at the moment of maturity of the bank loans and bonds.

As of 31 December 2021, the Company has sufficient liquidity to fulfil its liabilities over the next 12 months.

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

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

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

This situation is significantly affecting the global economy, including HORECA sector, and the AmRest Group is not immune to this.

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 behavior 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 in revenues.

The Company as a parent of a group is closely monitoring the development of the situation and looks for the ways of mitigating the impact of COVID-19 spread on the Group. In addition, the Company implemented additional measures to mitigate the risk of infection among its employees, including in particular:

- Providing detailed instructions and guidelines on monitoring the health of the Group's employees and the health of Group's customers.
- Strengthening already stringent hygiene, cleaning and sanitation procedures and introducing contactless options that protect both employees and guests in restaurants.
- Providing the restaurant employees with additional personal protection and hygiene supplies.
- Requesting to reduce the number of meetings as well as domestic and foreign business travel, and to use teleconferencing and video-conferencing facilities to the largest extent possible, as well enabling remote work.

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

AmRest's success depends, to some extent, on the individual effort of selected employees and key members of management. The methods of remunerating and managing human resources developed by the Group help ensure a low rotation of the key personnel. Additionally, the career planning system supports preparing successors ready to execute tasks in key positions. In the event of turnover, a personnel replacement process will be triggered, minimising to the fullest extent possible the adverse effect on business activities and the operating results of the Group.

Excessive turnover of employees and too frequent changes in managerial positions may pose a significant risk to the stability and quality of the business activities. Due to the fact that salaries in the HORECA sector are still relatively lower than in other branches, there is a risk of the outflow of qualified staff. In this regard, the Company is constantly evaluating the competitiveness of the remunerations offered to minimize the risk and to remain market competitive. An additional risk in the employment area may be caused by fluctuations in the unemployment rate in a given market.

#### - Currency risk

The results of AmRest are exposed to currency risk related to transactions and exchanges into currencies other than the currency in which business transactions are measured in the Company. The Company 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

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

#### - Tax Risk

In the process of managing and making strategic decisions, which can affect the tax settlements, AmRest is exposed to tax risk. In the event of irregularities occurring in tax settlements increase of the risk of dispute in the case of a potential tax control. As part of minimising this risk, AmRest works to deepening the knowledge of its employees in the area of tax risk management and compliance with respective to the legal requirements of the different countries the Group is based in. 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, the inconsistency of regulations, as well as differences in the interpretation of legal regulations, AmRest uses professional tax advisory services and applies for binding interpretations of the tax law provisions. Current fiscal supervisions are presented in Note 19 to the Standalone Financial Statements as of the year ended 31 December 2021.

## 10. Number of employees

The average number of employees distributed by categories. for the year 2021 and 2020 is a follow:

Categories	YEAR ENDED	
	31 December 2021	31 December 2020
Executive Managers	2	2
Managers and others	1	5
	<b>3</b>	<b>7</b>

The number of employees distributed by gender, as of 31 December 2021 and 2020 is as follow:

Gender	31 December 2021			31 December 2020		
	Total	Males	Female	Total	Males	Female
Board Members	7	5	2	7	5	2
Executive Managers	1	1	-	2	2	-
Managers and others	1	1	-	5	3	2
	<b>9</b>	<b>7</b>	<b>2</b>	<b>14</b>	<b>10</b>	<b>4</b>

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

## 11. Average payment period

During the year ended on 31 December 2021, the average payment period to external suppliers was 56 days.

## 12. Subsequent Events

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

AmRest will continue to operate 93 Burger King restaurants that it owns in mentioned territories under the best standards of service and quality, in compliance with the franchise agreements signed, which will continue to be in force. Therefore, the revenues, EBITDA and total assets of AmRest will not be significantly affected by the termination of the development agreements.

After the reporting period the uncertainty arising from the conflict between Ukraine and Russia has increased, which may result in a negative impact on economy, including instable currency, interest rates, liquidity, supply chain disruptions and consumer confidence deterioration. All these events and uncertainty that accompanies them may have a significant impact on the Group's operations and financial position, the effect of which is difficult to predict. The future economic and regulatory situation may differ from the Management's expectations however it is being monitored in order to adjust strategic intentions and operational decisions, which will minimize business risks.

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

The Annual Corporate Governance Report is an integral part of this Management Report and is presented in the consolidated management report for the 2021 financial year of AmRest Holdings SE and subsidiaries Reported to the CNMV.

The Annual Report on Directors' Remuneration is an integral part of this Management Report and is presented in the consolidated management report for the 2021 financial year of AmRest Holdings SE and subsidiaries reported to the CNMV.

## Signatures of the Board of Directors

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**José Parés Gutiérrez**  
Chairman of the Board

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**Luis Miguel Álvarez Pérez**  
Vice-Chairman of the Board

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**Carlos Fernández  
González**  
Member of the Board

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**Romana Sadurska**  
Member of the Board

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**Pablo Castilla Reparaz**  
Member of the Board

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**Mónica Cueva Díaz**  
Member of the Board

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**Emilio Fullaondo Botella**  
Member of the Board

Madrid, 28 February 2022

## Statement of responsibility of AMREST HOLDINGS, SE

The members of the Board of Directors of AMREST HOLDINGS, SE (“**AmRest**” or the “**Company**”) on its meeting held on 28 February 2022, and according to article 118 of the reinstated text of the Spanish Securities Markets Act approved by Royal Legislative Decree 4/2015 of 23 October as well as to article 8.1. b) of Royal Decree 1362/2007, of 19 October, declare that, as far as they are aware, the individual Annual Accounts of the Company, as well as the consolidated ones with its dependent companies, corresponding to the financial year ended 31 December 2021, drawn up by the Board of Directors on the referred meeting of 28 February 2022 and prepared in accordance with the applicable accounting principles, offer a true and fair image of the equity, the financial situation and the results of the Company and the companies within the consolidation taken as a whole, and the complementary management reports of the individual and consolidated Annual Accounts include an accurate analysis of the business evolution and results and of the position of AmRest and the companies within the consolidation taken as a whole, together with the main risks and uncertainties which they face.

Madrid, on 28 February 2022



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