



REPORT OF THE BOARD OF DIRECTORS OF AMREST HOLDINGS, SE, REGARDING THE PROPOSAL FOR RESOLUTION TO DELEGATE TO THE BOARD OF DIRECTORS THE AUTHORITY TO ISSUE BONDS, DEBENTURES AND OTHER FIXED INCOME SECURITIES CONVERTIBLE INTO SHARES, WARRANTS, PROMISSORY NOTES AND PREFERENCE SHARES OR OTHER SIMILAR SECURITIES THAT MAY GRANT THE RIGHT, DIRECTLY OR INDIRECTLY, TO THE SUBSCRIPTION OF SHARES INCLUDED IN ITEM EIGHT OF THE AGENDA OF THE ORDINARY GENERAL SHAREHOLDERS MEETING CALLED FOR 12 AND 13 MAY 2022, IN THE FIRST AND SECOND CALL, RESPECTIVELY

1. PURPOSE OF THE REPORT

This report is prepared by the Board of Directors of AmRest Holdings, SE (“**AmRest**” or the “**Company**”) in compliance with the provisions of Article 511 of Royal Legislative Decree 1/2010, of 2 July, approving the consolidated text of the Spanish Companies Act (*Ley de Sociedades de Capital*) (“**LSC**” or “**Companies Act**”) and Article 319 of the Commercial Registry Regulations, applying by analogy the provisions of Article 297.1(b) of the Companies Act to justify the proposal for resolution to delegate to the Board of Directors the authority to issue bonds, debentures and other fixed income securities convertible into shares, warrants, promissory notes and preference shares or other similar securities which may grant the right, directly or indirectly, to the subscription of shares, with delegation of authority to exclude, where appropriate, the pre-emptive subscription right included as item eight of the Agenda of the next Ordinary General Shareholders Meeting to be held on 12 May 2022, at the first call or, if the necessary quorum is not reached, on 13 May 2022, at the second call.

2. JUSTIFICATION OF THE PROPOSAL

The purpose of the resolution proposed by the Board of Directors to the General Shareholders Meeting is to renew the authorisation granted to the Board to issue bonds, debentures and other fixed income securities convertible into shares, warrants, promissory notes and preference shares or other similar securities which may, directly or indirectly, grant the right to subscription of shares, with delegation of the authority to exclude, where appropriate, the pre-emptive subscription right.

The Board of Directors considers that this proposal for resolution submitted to the General Shareholders Meeting for approval is justified by the desirability of providing the Board of Directors of the Company with the authority to access, at all times, the best financing conditions, obtaining in the primary securities markets a significant volume of funds that are necessary for the proper development of its business. All the above, with the flexibility and responsiveness required by the current competitive environment, in which the success of most strategic initiatives often depends on the Company's capacity to undertake them quickly, without incurring in additional delays and costs that would inevitably be involved in holding a General Shareholders Meeting.



For this purpose, under Article 319 of the Commercial Registry Regulations and in accordance with Article 12 of AmRest's Articles of Association –which authorise the General Shareholders Meeting to delegate to the Board of Directors the authority to issue the marketable securities subject matter of the proposal– the proposal for resolution made under item eight of the agenda is submitted to the Ordinary General Shareholders Meeting for consideration.

Amount of the issues. The proposed resolution expressly assigns to the Board of Directors the authority to issue, one or more times, bonds, debentures and other fixed income securities, convertible (including contingently) into Company shares, warrants on newly issued Company shares, promissory notes, preference shares and any other financial instruments which grant the right to acquisition of shares in the Company's new issue and to decide on, where appropriate, the capital increase necessary to cover the conversion or exercise, provided that this increase by delegation, considered individually or added to the increases that, if any, would have been agreed under other authorisations proposed by the Board of Directors to the General Shareholders Meeting, as provided for in Article 297.1(b) of the Companies Act, does not exceed half the share capital figure.

The total maximum amount of the issue(s) of securities to be agreed under this delegation will be 1 billion euros or its equivalent in another currency, without prejudice to the limitation provided under Article 297.1(b) of the Companies Act (and, where appropriate, Article 506) for capital increases that occur as a result of the conversion of convertible instruments.

For the purposes of calculating the above limit, in the case of warrants, the sum of the premiums and warrant exercise prices for each issue approved under this delegation will be taken into account. In the case of promissory notes, for the purposes of the previous limit, the outstanding balance of promissory notes issued under the delegation will be computed.

Conversion rate for the purpose of conversion into shares. The proposal also contains the terms and conditions for conversion of the debentures or bonds into shares, in the event that the Board of Directors decides to use this authorisation, although the implementation of these terms and conditions for conversion or exercise for each specific issue, within the limits established by the Meeting, is delegated to the Board itself. In any case, if the Board of Directors decides to issue convertible bonds, debentures or warrants under the authorisation requested from the General Shareholders Meeting, at the time of approving the issue, the Board will issue a report developing and specifying, in view of the above detailed criteria, the terms and conditions for the conversion methods specifically applicable to the above issue. This report will be accompanied, where appropriate, by the auditor report provided under Articles 414 and 511 of the Companies Act.

In particular, the proposal for resolution, submitted by the Board to the General Shareholders Meeting for approval, provides that securities issued under this resolution will be valued at their nominal amount and shares at the fixed conversion rate (determined or determinable), or variable rate to be determined in the corresponding resolution of the Board.

Thus, for conversion purposes, fixed income securities will be valued at their nominal amount, and the new shares to be issued for conversion, at a fixed conversion rate (determined or



determinable) established by the Board of Directors in the resolution which makes use of this delegation, or at the variable conversion rate to be determined on the date(s) indicated in the Board's own resolution, based on the listed value of the Company's shares on the date(s) or period(s) taken as reference in the same resolution.

An agreement may also be reached to issue convertible fixed income securities at a variable conversion rate. In this case, the price of the shares for the purposes of conversion will be determined by the Board of Directors, which may incorporate a premium or, where appropriate, a discount on the price per share resulting from the established criteria. The premium or discount may be different for each conversion date of each issue (or, where appropriate, each tranche of an issue).

The Board therefore considers that it is given sufficient flexibility to fix the value of the shares for conversion purposes, based on market conditions and other applicable considerations.

In the case of warrants on newly issued shares, to the extent compatible with their nature, the rules on convertible bonds set out in the proposal will apply. In addition, in accordance with Article 415 of the Companies Act, the resolution on the delegation to the Board of the authority to issue convertible securities provides that, for the purposes of conversion, the nominal value of the debentures will not be less than the nominal value of the shares. Nor may convertible debentures be issued for a figure lower than their nominal value.

Removal of the pre-emptive subscription right. In turn, in accordance with the provisions of Article 511 of the Companies Act, authorisation for the issue of fixed income securities includes, in the event that the issue has the effect of convertible bonds or debentures, the attribution to the Board of Directors of the authority to exclude the pre-emptive subscription right of shareholders when corporate interest so requires. In this case, the maximum number of shares into which debentures can be converted, on the basis of their initial conversion rate, if fixed, or their minimum conversion rate, if variable, in addition to that of the shares issued by the directors under the delegation provided under Article 506, may not exceed 20% of the number of shares forming part of the share capital at the time of authorisation.

The Board of Directors of the Company considers that the removal of the pre-emptive subscription right could, on the one hand, taking into account the market circumstances at any given moment, result adequate to achieve the objective pursued by this proposal, i.e., to provide the Company's governing body with sufficient capacity to respond to attract the resources necessary for the proper management of its interests; and, on the other hand, this measure is necessary from the point of view of the corporate interest. To be able to take advantage of the opportunities that arise in the market, it is essential to act quickly and with agility. In particular, flexibility and agility are required to take advantage of the times when market conditions are most favourable for the Company. In this sense, carrying out a transaction, while recognising the pre-emptive subscription right, would significantly increase the complexity of the transaction, as well as incurring higher costs in time and money. In addition, the issue should provide for a pre-emptive subscription period of at least fourteen days, which, together with the mandatory deadlines for publication of notices and the operational formalities required for the closure of the issue, would expose the transaction to



market risk for a considerable period of time, in any case, higher than that of an issue in which the possibility of excluding the pre-emptive subscription right is permitted.

The Board of Directors considers that this additional possibility significantly increases the flexibility and responsiveness for the delegation of authority to issue convertible bonds, and it is justified in the flexibility and agility needed to act in today's financial markets to take advantage of market opportunities. The same reasoning is also found in cases where the aim is to resort to international markets in search of financing, because it allows large volumes of financing to be captured quickly under very favourable terms, taking into account that debentures may be issued on these markets at any given time, in which case, it is not possible to anticipate these opportunities in advance.

In addition, the removal of the pre-emptive subscription right may be necessary when the acquisition of resources is to be carried out by means of the use of book-building techniques, or when otherwise justified by the interest of the Company.

If the Board decides to remove the pre-emptive subscription right in relation to a particular issue of convertible bonds or debentures, which eventually, it may decide to carry out under the authorisation requested from the General Shareholders Meeting, at the time of approving the issue, a report detailing the specific reasons of corporate interest that justify this measure must be issued, which will be the subject, where appropriate and in accordance with the provisions of Article 510, of the correlative report of the statutory auditor referred to in Articles 414 and 511 of the Companies Act. Both reports will be made available to shareholders and communicated at the first General Meeting held after the adoption of the issue resolution.

These reports must be made available to shareholders and communicated at the first General Shareholders Meeting held following the increase resolution.

In this proposal, the Board is also authorised to guarantee the issue of fixed income securities, where appropriate, convertible and/or exchangeable, or warrants, including promissory notes and preference shares, which may be issued by companies belonging to the AmRest Group.

Admission to trading. It is also envisaged that securities issued under this delegation may be admitted to trading in the relevant secondary market, official or unofficial, organised or not, domestic or foreign.

Delegation. In the event that the resolution proposed herein is finally adopted, all the authorities that will be attributed to the Board of Directors will be granted, under the terms of Article 249.bis.(l) of the Companies Act, with express authority to replace, which will further promote the objective of making the proposed transactions as agile as possible.

3. PROPOSAL FOR RESOLUTION SUBMITTED TO THE ORDINARY GENERAL SHAREHOLDERS MEETING FOR APPROVAL

“Delegation to the Board of Directors, with express authority to replace, of the authority to issue bonds, debentures and other fixed income securities convertible into shares, warrants or other similar securities that may grant the right, directly or

indirectly, to the subscription of shares, as well as promissory notes and preference shares or debt instruments of a similar nature, in turn delegating the authority to exclude the pre-emptive subscription right in these issued securities up to a limit of 20% of the share capital, as well as the authority to increase the share capital by the necessary amount and to amend the corresponding article of the Articles of Association. Revocation, in the unused part, of the authorisation granted in this same sense by the Ordinary General Shareholders Meeting of 6 June 2018 under item fourteen of the agenda.

Leave without value or effect, in the unused part the resolution adopted under item fourteen of the Agenda of the Ordinary General Shareholders Meeting, held on 6 June 2018, concerning the delegation of authority to issue bonds, debentures and other fixed income securities convertible into shares, warrants or other similar securities.

Authorise the Board of Directors, under the general scheme on the issuance of debentures, bonds and other fixed income securities convertible into shares, warrants or other similar securities which may grant the right, directly or indirectly, to the subscription of shares, as well as promissory notes and preference shares or debt instruments of a similar nature, with the authority in this case to exclude the pre-emptive subscription right up to the limit provided by Law, and including the authorisation for the Company to provide guarantees on the issue of the above securities by companies of the Group, in accordance with the following terms:

- 1. Securities subject of the issuance. The marketable securities referred to in this delegation may be bonds, debentures and other fixed income securities convertible into shares, warrants (options to subscribe or acquire new or old shares of the Company) or other similar securities that may grant the right, directly or indirectly, to share subscription. This delegation may also be used to issue promissory notes and preference shares or debt instruments of a similar nature.*
- 2. Time limit for delegation. The securities may be issued on one or more occasions, at any time, within a maximum period of five years from the date of adoption of this resolution.*
- 3. Maximum amount. The total maximum amount of the issue(s) of securities to be agreed under this delegation will be 1 billion euros or its equivalent in another currency, without prejudice to the limitation provided under Article 297.1(b) of the Companies Act (and, where appropriate, Article 506) for capital increases that occur as a result of the conversion of convertible instruments.*

For the purposes of calculating the above limit, in the case of warrants, the sum of the premiums and warrant exercise prices for each issue approved under this delegation will be taken into account. In the case of promissory notes, for the purposes of the previous limit, the outstanding balance of promissory notes issued under the delegation will be computed.

- 4. Scope of the delegation. For each issue, it will be the responsibility of the Board of Directors to determine, including but not limited to, the amount (respecting the applicable quantitative limits at all times), the place of issue –domestic or foreign– and the money or currency, and, if foreign, its equivalence in euros; the modality, whether bonds or*

debentures (including subordinated bonds), warrants (which may in turn be settled by physical delivery of the shares or, where applicable, by differences), promissory notes, preference shares or any other class admitted under law; the date(s) of issue; the number of securities and their nominal value which, in the case of convertible or exchangeable bonds or debentures, will not be less than the nominal value of the shares; in the case of warrants and similar securities, the issue price and the premium, the exercise price –which may be fixed or variable– and the procedure, term and other conditions applicable to the exercise of the subscription right of the underlying shares or, where appropriate, the exclusion of this right; the interest rate, fixed or variable, voucher payment dates and procedures; the redeemable or perpetual nature, and in the former case, the repayment term and maturity date; the guarantees, the repayment rate and premiums and prizes; the form of representation, whether through stock certificates or book entries; and, where appropriate, the pre-emptive subscription right and subscription scheme; applicable legislation; where appropriate, request admission to trading in official or non-official secondary markets, organised or not, domestic or foreign, for securities issued with the requirements specified in each case by applicable law, and in general, any other condition for the issue (including subsequent modification), and, where applicable, appoint the statutory auditor and approve the fundamental rules governing the legal relations between the Company and the syndicate of holders of the securities to be issued. In addition, the Board of Directors is authorised, at its sole discretion, and subject to obtaining, where applicable, the appropriate authorisations and the consent of the groups of the relevant syndicates of securities holders, to change the terms and conditions for the repayment of the fixed income securities issued and their respective term and interest rate that, if any, accrue from those included in each of the issues made under this authorisation.

5. *Terms and conditions for conversion or exchange.* *In the event of the issuance of bonds or debentures convertible into new shares of the Company or exchangeable for outstanding shares of the Company, and for the purposes of determining the terms and conditions of the conversion or exchange, the following criteria will apply:*

(i) *The securities will be convertible into new shares of the Company or exchangeable for outstanding shares of the Company, in accordance with a fixed or variable conversion or exchange rate, determined or determinable. In this case, the Board of Directors is authorised to determine whether they are convertible or exchangeable, and to establish whether they are voluntarily or necessarily convertible or exchangeable, and if voluntarily, whether at the option of their holder or the issuer, the periodicity and during which period, which will be established in the issue resolution and may not exceed fifteen years from the date of issue.*

(ii) *In the event that the issue is convertible and exchangeable, the Board of Directors may agree that the issuer reserves the right to decide at any time between the conversion into new (newly issued) shares or their exchange for outstanding shares, specifying the nature of the shares to be delivered at the time of making the conversion or exchange, even with the option of delivering a*

combination of shares of new issue with pre-existing shares, or even to carry out the settlement of the differences in cash. In any event, the issuer must respect equal treatment among all holders of fixed income securities which are converted or exchanged on the same date.

- (iii) For the purposes of conversion or exchange, fixed income securities will be valued at their nominal amount, and the shares at the fixed exchange rate established by the Board in its resolution to use this delegation, or the determinable exchange rate on the date(s) indicated in this resolution, and depending on the listed value of the Company's shares on the date(s) or period(s) referred to in the same resolution, with or without discount, and in any case, as minimum, the larger amount of the following two: (i) the average share exchange price on the Continuous Market of the Spanish Stock Exchanges, according to the listed value at closing, during the period to be determined by the Board of Directors, not more than three months and not less than fifteen days prior to the date on which the Board adopts the resolution to issue fixed income securities, and (ii) the share exchange price on the Continuous Market at the closing price on the day prior to the adoption of the above issue resolution. The Board may determine that the valuation of shares for conversion and/or exchange purposes may be different for each conversion and/or exchange date. In the case of an exchange for shares of another company (of the Group or not), the same rules will apply to the extent required and with the adaptations as needed, although reference must be made to the listed price of the shares of that company on the corresponding market.*
- (iv) Where the conversion or exchange is appropriate, fractions of shares which, if applicable, should be delivered to the holder of the fixed income securities, will by default be rounded up to the whole number immediately below, and each holder will receive in cash the difference which may arise in that case.*
- (v) In accordance with the provisions of Article 415 of the Companies Act, the value of the share for the purposes of the conversion rate of the debentures to shares may in no case be lower than their nominal value.*

When a resolution is made to issue convertible debentures, under the authorisation conferred by the Meeting, the Board will issue a report developing and specifying, in view of the criteria detailed above, the terms and conditions of the conversion specifically applicable to this issue. This report will be accompanied, where appropriate, by the auditor report provided under Articles 414 and 511 of the Companies Act.

- 6. Terms and conditions for the exercise of warrants. In the case of issuing warrants, to which the provisions of the Companies Act for convertible debentures will apply by analogy, to determine the terms and conditions to exercise them, the Board of Directors is authorised to determine, in the broadest terms, the criteria applicable to the exercise of subscription rights for Company shares, or those derived from securities of this class*

which are issued under the delegation granted herein. In which case, the criteria set out in section 5 above will be applied in relation to these issues, with the necessary adaptations to make them compatible with the legal and financial system for this class of securities.

Where appropriate, references to the Spanish Stock Exchanges will be understood as referring, where applicable, to the markets where the above shares are listed.

- 7. Rights of holders of convertible securities. As long as the conversion or exchange into shares of the convertible securities is possible, their holders will enjoy all rights recognised by the regulations in force.*
- 8. Capital increase and exclusion of pre-emptive subscription rights in convertible securities. Delegation to the Board of Directors also includes, but is not limited to, the following authorities:*
 - (i) The Board of Directors is authorised to exclude, up to the limit provided by Law, the pre-emptive subscription right of shareholders when this is required by the acquisition of financial resources on domestic or international markets, as well as to use book-building techniques or when otherwise justified according to the Company's interests. In this case, the maximum number of shares into which debentures can be converted, on the basis of their initial conversion rate, if fixed, or their minimum conversion rate, if variable, in addition to that of the shares issued by the directors under the delegation provided under Article 506, may not exceed 20% of the number of shares forming part of the share capital at the time of authorisation. The Board will also issue, at the time of the adoption of the issue resolution, a report explaining the specific reasons of corporate interest which justify this measure, which will be, where appropriate, the subject of the auditors' report in accordance with the provisions of Articles 414, 510 and 511 of the Companies Act. Both reports will be made available to shareholders and communicated at the first General Meeting held after the adoption of the issue resolution.*
 - (ii) Authorisation to increase the capital by the amount necessary to meet conversion requests on newly issued shares. This authorisation may only be exercised by the Board to the extent that, the sum of the increased capital to meet the issue of convertible bonds or debentures, warrants and other similar securities, and the remaining capital increases agreed upon under authorisations granted by the Meeting, does not exceed the limit of half of the share capital figure provided under Article 297.1(b) of the Companies Act. This authorisation to increase the capital includes the authorisation to issue and put into circulation, one or more times, the shares necessary to carry out the conversion, as well as the authorisation to amend the article of the Articles of Association concerning the share capital figure, and, if necessary, to cancel the part of that increase that is necessary to cover this conversion.*
 - (iii) In accordance with the criteria established in section 5 above, the authority to*

develop and specify the terms and conditions for the conversion or exchange and, in general, the authority to determine all those terms and conditions that may be necessary or convenient for the issue.

- (iv) *The delegation to the Board of Directors comprises the broadest powers that are necessary under law for the interpretation, application, execution and development of the resolutions to issue securities that are convertible or exchangeable into Company shares, on one or more occasions, and the corresponding increase in capital, by also granting the Board authority to remedy and supplement the same in all that is needed, as well as for the fulfilment of all the requirements that are legally enforceable to conclude them in good order, and may remedy omissions or defects of these resolutions, indicated by any authorities, officials or bodies, national or foreign. It is also authorised to adopt as many resolutions and grant as many public or private documents as it deems necessary or convenient for the adaptation of the previous resolutions to issue convertible or exchangeable securities and the corresponding increase in capital at the verbal or written qualification of the Commercial Registrar or, in general, of any other competent authorities, officials or institutions, whether national or foreign. The Board of Directors will report to the General Meetings held by the Company on the use it has made so far of the delegations referred to in this resolution.*
9. *Admission to trading.* *By virtue of the delegation, the Board of Directors is authorised, where appropriate, to request the admission to trading in official or unofficial secondary markets, whether organised or not, domestic or foreign, of debentures, bonds, warrants, preference shares, promissory notes and any other securities that are issued by the Company pursuant to this delegation, carrying out in this case the necessary procedures and actions for admission to trading before the competent bodies of the different national or foreign securities markets.*
10. *Guarantee of issues from companies of the Group.* *The Board of Directors is also authorised to guarantee, on behalf of the Company, and within the limits set out above, the issuance of the securities referred to in section 1 above, issued by companies belonging to its Group.*
11. *Replacement.* *The Board of Directors is authorised to delegate to the Chairman, the Secretary or the Deputy Secretary of the Board the authorities conferred by this resolution which are delegable, except in cases where, due to their high amount or special characteristics, these may be considered non-delegable under Article 529 ter (f) of the Companies Act.”*

In Madrid, on 31 March 2022.