



Interim Report for Q1 2023

AmRest Holdings SE capital group
10 May 2023



AmRest



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Highlights



Financial highlights (consolidated data)

	3 MONTHS ENDED	
	31 March 2023	31 March 2022
Revenue	621.2	507.0
EBITDA*	79.8	75.3
EBITDA margin	12.8%	14.9%
Adjusted EBITDA**	80.7	75.9
Adjusted EBITDA margin	13.0%	15.0%
Profit from operations (EBIT)	17.0	13.9
EBIT margin	2.7%	2.8%
Profit before tax	5.0	1.8
Net profit	3.1	0.9
Net margin	0.5%	0.2%
Net profit attributable to non-controlling interests	1.4	0.8
Net profit attributable to equity holders of the parent	1.7	0.1
Cash flows from operating activities	82.2	53.3
Cash flows from investing activities	(39.8)	(25.6)
Cash flows from financing activities	(19.7)	(46.9)
Total cash flows, net	22.7	(19.2)
Average weighted number of ordinary shares for basic earnings per shares (in thousands)	219 270	219 311
Average weighted number of ordinary shares for diluted earnings per shares (in thousands)	219 270	219 311
Basic earnings per share (EUR)	0.01	0.00
Diluted earnings per share (EUR)	0.01	0.00
Declared or paid dividend per share	-	-

* EBITDA – Operating profit before depreciation, amortisation and impairment losses.

**Adjusted EBITDA – EBITDA adjusted for new openings expenses (Start-up costs), M&A expenses; all material expenses connected with successful acquisition covering professional services (legal, financial, other) directly connected with a transaction or profit/loss on sale of shares/entities and effect of SOP exercise method modification (difference in accounting cost of employee benefits accounted under cash settled versus equity settled option plan).

	31 March 2023	31 December 2022
Total assets	2 322.7	2 280.2
Total liabilities	1 990.5	1 949.0
Non-current liabilities	1 378.9	1 322.6
Current liabilities	611.6	626.4
Equity attributable to shareholders of the parent	319.5	320.1
Non-controlling interests	12.7	11.1
Total equity	332.2	331.2
Share capital	22.0	22.0
Number of restaurants	2 346	2 341



Part A. Directors' Report for Q1 2023

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The Group's performance in Q1 2023

Group Revenues and Profitability

Economic activity has slowed during the first quarter of 2023 in most of the geographies where AmRest Group operates while inflation levels have been extraordinarily high. However, activity is proving more resilient than initially expected and most official agencies are upgrading their forecasts for the rest of the year, while leading confidence indicators are improving. On the inflation side, the moderation in energy and some commodity prices, together with the improvement in the functioning of supply chains, are leading to a scenario of gradually easing cost pressures.

Particularly relevant for AmRest has been the reopening of the Chinese economy after leaving behind the Covid zero policies that had a significant impact on the ability to operate the restaurants in the country during 2022.

However, this macroeconomic environment remains highly uncertain due to geopolitical instability and the effects of tighter financial conditions.

In this context, AmRest's business model has continued to prove itself ready to adapt to the different phases of economic cycles and to continue to grow in a sustainable manner. The Group's value proposition combines great geographic diversification in its portfolio of top-brand restaurants with management aimed at combining greater penetration and advances in efficiency. Always maintaining the Group's identity mark of offering an excellent and differential service.

Continued progression of AmRest's business model resulting in revenues of EUR 621.2 million during the first quarter of 2023.

AmRest Group's quarterly revenue reached EUR 621.2 million, which is the best first quarter figure in the Group's history. The increase compared to the same period in 2022 is 22.5% and the comparable same-store sales index (SSS) stood at 117. The sales performance was driven by further progress in the number of transactions, as corroborated by the comparable same-store transactions index (SST) of 107, and an active revenue management, including the price increases that have been necessary to mitigate the intense cost pressure suffered.

Chart 1 AmRest Group's Q1 sales from 2019 (in EUR millions)

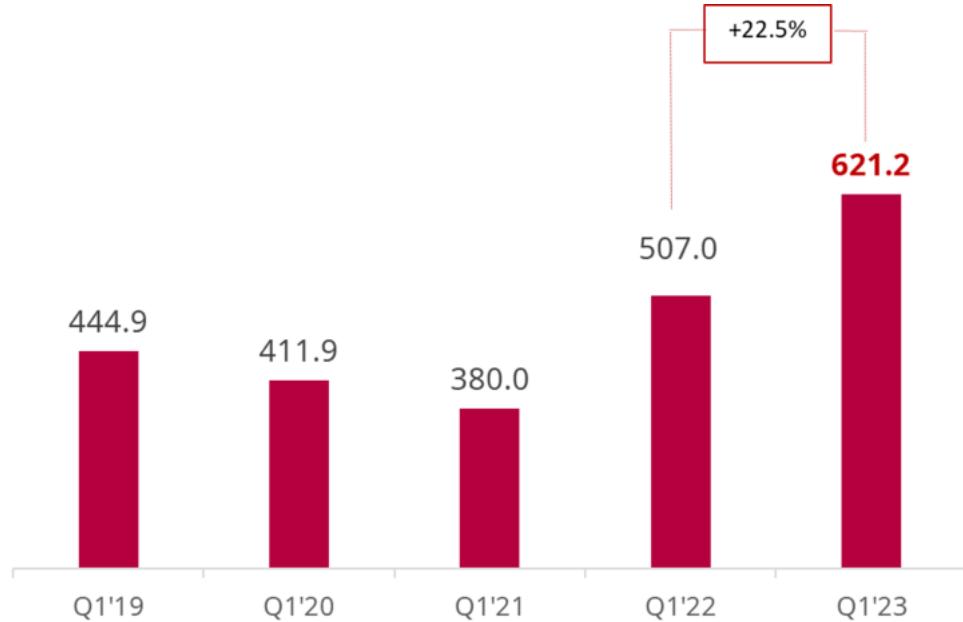
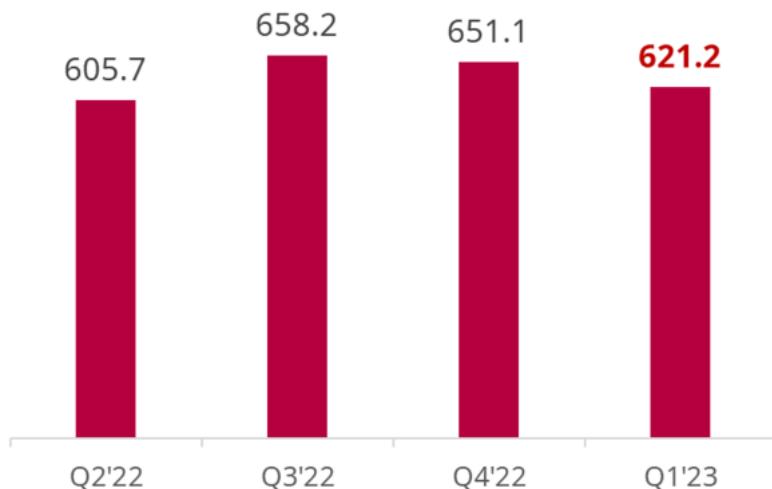


Chart 2 AmRest quarterly Group's sales (in EUR millions)



In terms of distribution channels, the gradual relative recovery of dine-in consumption continued and generated 44% of the sales in the quarter, to the detriment of delivery. This trend is highly correlated with the greater mobility and the recovery of tourism flows that continues to take place in most of Europe. In addition, business dynamics continue to demonstrate the value of the advances made in technology and digitalisation, as well as the importance of continuing to invest in developing new capabilities. During the first quarter of 2023, for the first time, sales originated through digital channels were higher than those coming from other channels.

EBITDA generated reached EUR 79.8 million. Operating profit (EBIT) EUR 17 million.

EBITDA generation reached a new all time high for a first quarter of the year at EUR 79.8 million, an increase of 6% compared to Q122. However, the EBITDA margin fell by almost 2 percentage points to 12.8%, affected by the significant pressure on costs. In terms of operating profit (EBIT), EUR 17.0 million were generated, up 22.1% vs. Q122, resulting in an EBIT margin of 2.7%, stable vs. the same period of the previous year.

EBITDA margin declines have been widespread in most geographies with the remarkable exceptions of China and Germany. The negative impact on the margin was mainly due to the higher cost of goods and energy that nonetheless were partially offset by the positive effects of higher sales, exhaustive cost control and efficiency improvements.

Chart 3 AmRest Group's Q1 EBITDA from 2019 (in EUR millions)

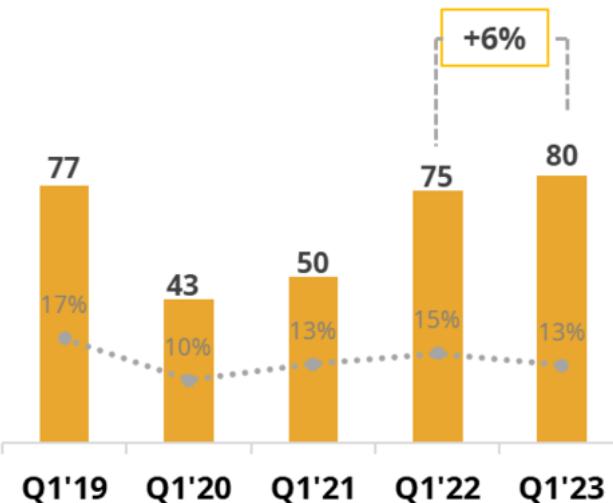
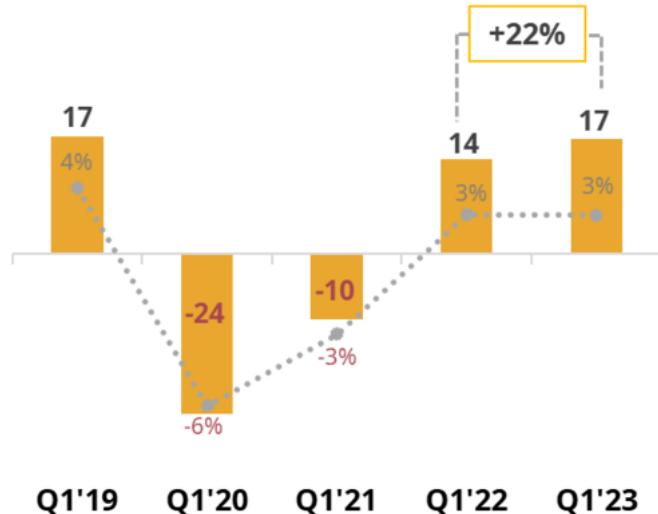


Chart 4 AmRest Group's Q1 EBIT from 2019 (in EUR millions)



The profit generated during the first quarter of 2023 amounted to EUR 3.1 million. Profit attributable to equity holders of the parent company reached EUR 1.7 million.

New restaurant openings reached 17 units.

During the first quarter of 2023 AmRest opened 17 restaurants (8 in Eastern and Central Europe, 5 in Western Europe and 4 in China). In addition, 12 units were closed as part of the portfolio optimisation exercise.

CAPEX during the period amounted to EUR 28.5 million, an increase of EUR 12 million compared to the same period in 2022, as investments in restaurant refurbishment and digitalisation accelerated.

Chart 5 AmRest new openings and closures of restaurants by quarters

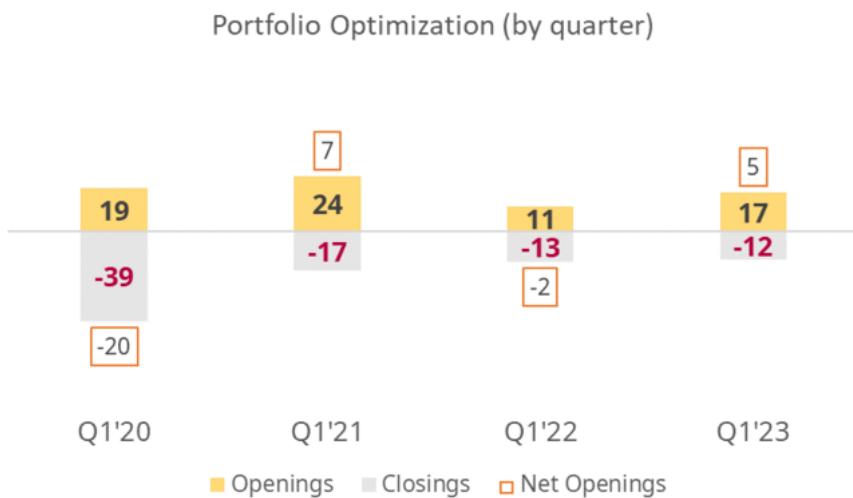
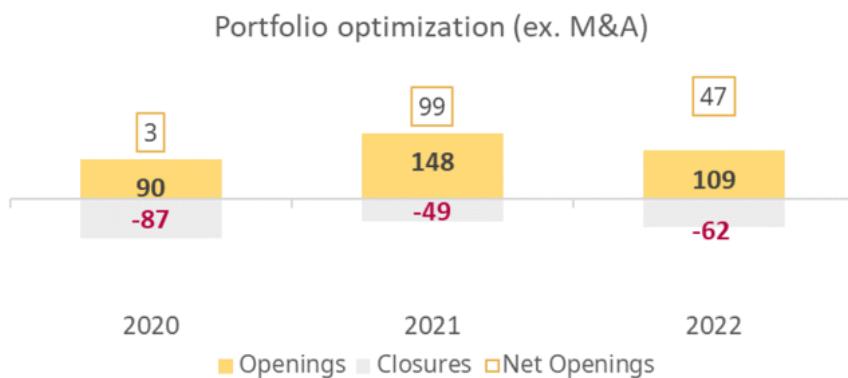


Chart 6 AmRest new openings and closures of restaurants FY



Cash level reached EUR 248.7 million at the end of the first quarter of 2023.

The cash level reached EUR 248.7 million after accumulating EUR 19.1 million in the quarter. It is worth highlighting the generation of net cash from operating activities, which amounted to EUR 82.2 million, compared to EUR 53.3 million in Q122. In addition, new loans were granted totalling EUR 56.5 million by two leading European banks. During the quarter EUR 30 million were provided and subsequently, in April 2023, AmRest received EUR 26.5 million. Both operations are bilateral unsecured loans with maturity date June 2025.

The combination of the transactions executed during the first quarter of 2023 put the Group's net financial debt at EUR 437.3 million, which allows the leverage ratio (net financial debt/EBITDA ex IFRS16) to remain stable at 2.0x at the end of the quarter. AmRest also maintains a structure that allows to comply adequately with all the financial conditions (financial covenants) agreed in the financing agreements at the end of the first quarter of the year.

Revenues and profitability by segments

Central and Eastern Europe (CEE)

Revenues amounted to EUR 304.1 million, representing 49.0% of the Group sales and a YoY growth of 24.6%. The EBITDA generated was EUR 47.8 million, EUR 1.5 million higher than in the same period of 2022, that represents an EBITDA margin of 15.7%.

It is important to highlight the excellent performance of the Czech market with a growth in revenues of more than 25% and one of the highest EBITDA margins across markets with levels over 20%. The EBITDA contribution of this market now represents 19% of the total EBITDA of the Group, being the second highest contributor after Poland.

The restaurant portfolio reached 1 131 units after increasing by 4 restaurants during the quarter with the opening of 8 new restaurants and the closure of 4.

Western Europe (WE)

Revenues in this segment reached EUR 212.6 million, 13.9% higher than in Q122. The EBITDA generated amounted to EUR 23.8 million, a 4.8% growth with respect to the same period of 2022. The EBITDA margin stood at 11.2%.

Stand out the continuation of the strong performance register during the last quarters in the German market. Revenues grew over 28% vs Q122 and EBITDA contribution more than double in nominal terms after expanding EBITDA margin to 12.7%. On the opposite side, the dynamics in France showed a poor performance affected by the numerous protests and strikes that plagued the country during the quarter that affected the normal business course.

The total number of restaurants in the region stood at 918 units with a net decrease of 2 during the quarter. From an organic perspective there were 5 new openings and 7 closures.

Russia

Sales in Russia reached EUR 58.0 million, 33.0% more than in 2022 affected mainly by the exchange rate appreciation of the rouble. The EBITDA generated was EUR 9.2 million, this represents an EBITDA margin of 15.9% and an increase of EUR 2.0 million with respect to Q122.

On 25 February 2023, AmRest signed a sale and purchase agreement with Smart Service, for the disposal of all the businesses held in the country. The closing of the transaction is pending to the regulatory authorizations that are applicable in Russia.

According to the terms of the sale and purchase agreement, as of the date of signing, AmRest expected to receive a minimum of EUR 100 million from the sale of the Business. AmRest estimates that after recognition of the impairment of the Russian business in the consolidated financial statements as of June 30, 2022, the completion of the transaction should not require further adjustments.

China

After Covid restrictions were lifted AmRest's restaurants in China experienced a strong recovery of activity. Revenues generated during the first quarter of the year stood at EUR 24.9 million, 15.5% higher than in Q122. The EBITDA generated EUR 5.6 million, represents a margin of 22.6% and shows an increase of 31.4% with respect to Q122. AmRest closed Q123 with 84 restaurants in the region after increasing the portfolio by 4 units during the quarter, there were no closures of restaurants during the quarter in this region.

Table 1 Split of revenues and margins by divisions for Q1 2023 and 2022

	3 MONTHS ENDED			
	31 March 2023		31 March 2022 Restated*	
	Amount	% of sales	Amount	% of sales
Revenue				
Poland	151.9	24.5%	127.9	25.2%
Czechia	75.1	12.1%	59.9	11.8%
Hungary	44.2	7.1%	32.6	6.4%
Other CEE	32.9	5.3%	23.6	4.7%
Total CEE	304.1	49.0%	244.0	48.1%
Russia	58.0	9.3%	43.6	8.6%
Spain	77.5	12.5%	64.5	12.7%
Germany	44.5	7.2%	34.6	6.8%
France	81.0	13.0%	76.6	15.1%
Other WE	9.6	1.6%	10.9	2.2%
Western Europe (WE)	212.6	34.2%	186.6	36.8%
China	24.9	4.0%	21.5	4.3%
Other	21.6	3.5%	11.3	2.2%
EBITDA	79.8	12.8%	75.3	14.9%
Poland	18.7	12.3%	22.2	17.4%
Czechia	15.4	20.5%	12.7	21.2%
Hungary	7.5	16.9%	6.0	18.3%
Other CEE	6.2	18.9%	5.4	22.7%
Total CEE	47.8	15.7%	46.3	19.0%
Russia	9.2	15.9%	7.2	16.6%
Spain	14.3	18.5%	12.9	20.0%
Germany	5.7	12.7%	2.5	7.6%
France	3.6	4.5%	6.4	8.3%
Other WE	0.2	2.3%	0.9	7.8%
Western Europe (WE)	23.8	11.2%	22.7	12.2%
China	5.6	22.2%	4.3	19.9%
Other	(6.6)	(30.5)%	(5.2)	(46.2)%
Adjusted EBITDA	80.7	13.0%	75.9	15.0%
Poland	18.9	12.5%	22.4	17.5%
Czechia	15.5	20.6%	12.8	21.3%
Hungary	7.7	17.4%	6.0	18.4%
Other CEE	6.2	19.0%	5.5	23.4%
Total CEE	48.3	15.9%	46.7	19.1%
Russia	9.2	16.0%	7.2	16.6%
Spain	14.5	18.8%	12.9	20.0%
Germany	5.7	12.8%	2.7	7.7%
France	3.7	4.5%	6.4	8.3%
Other WE	0.2	2.3%	0.9	7.8%
Western Europe (WE)	24.1	11.3%	22.9	12.2%

China	5.7	22.8%	4.3	20.2%
Other	(6.6)	(30.5)%	(5.2)	(46.2)%
EBIT	17.0	2.7%	13.9	2.8%
Poland	4.7	3.1%	8.6	6.7%
Czechia	8.1	10.8%	5.6	9.4%
Hungary	3.6	8.1%	2.3	7.0%
Other CEE	2.1	6.6%	1.6	6.9%
Total CEE	18.5	6.1%	18.1	7.4%
Russia	2.7	4.6%	1.2	2.8%
Spain	5.5	7.1%	4.7	7.2%
Germany	(0.4)	(0.8)%	(3.8)	(11.0)%
France	(3.5)	(4.4)%	(0.1)	(0.1)%
Other WE	(0.1)	(1.5)%	(0.3)	(2.8)%
Western Europe (WE)	1.5	0.7%	0.5	0.3%
China	1.1	4.7%	(0.5)	(2.4)%
Other	(6.8)	(31.5)%	(5.4)	(47.5)%

* In 2022 Group finalized verification of internal structures. As a result, since 2023, some additional functions were reported as global and are analysed within segment Other. The comparative data in segment reporting note were restated, to reflect the results of all segments as if such change was made already in 2022.

Table 2. Reconciliation of the net profit and adjusted EBITDA for Q1 2023 and Q1 2022

	3 MONTHS ENDED			
	31 March 2023		31 March 2022	
	Amount	% of sales	Amount	% of sales
Profit/(loss) for the period	3.1	0.5%	0.9	0.2%
+ Finance costs	15.4	2.5%	12.7	2.5%
- Finance income	(3.4)	(0.5)%	(0.6)	(0.1)%
+/- Income tax expense	1.9	0.3%	0.9	0.2%
+ Depreciation and Amortisation	62.5	10.1%	61.2	12.1%
+ Impairment losses	0.3	—%	0.2	—%
EBITDA	79.8	12.8%	75.3	14.9%
+ Start-up expenses*	0.9	0.1%	0.6	0.1%
+/- Effect of SOP exercise method modification	0.0	-	0.0	-%
Adjusted EBITDA	80.7	13.0%	75.9	15.0%

* operating costs incurred by the company to open a restaurant but before a restaurant starts generating revenue

Alternative Performance Measures (APM) description

APM are metrics used by the company to describe operational or financial performance taking into account some key information or constituent and adjusting them based on the purpose of such measure. AmRest identifies the following Alternative Performance Measures in the Director's Report:

1. Like-for-like or Same Store Sales ("LFL" or "SSS") – represents revenue growth from comparable restaurants (restaurants that have been operating for a period of longer than 12 months). The measure shows the ability of a restaurant or a brand to increase its sales organically, It can be totalled the most accurately by taking the last twelve months core revenue growth minus the last twelve months net equity openings growth.
2. EBITDA – One of Key Performance Indicators for the Group. It is a close indicator of the cash profitability on operations and consists of profit from operations excluding amortisation and depreciation costs as well as impairments. Reconciliation of the measure is provided in tables 4 or 5.
3. Adjusted EBITDA – Measures profitability performance without startup costs (operating costs incurred by the Group to open a restaurant but before a restaurant starts generating revenue), indirect tax adjustments, M&A related expenses (all material expenses connected with successful acquisitions, covering all professional services, legal, financial, and other directly connected with a transaction) and effect of Stock Option Plan (SOP) exercise method modification (difference in the accounting costs of employee benefits accounted for under the cash settled versus equity settled option plan). It allows to present profitability for restaurants that already generate revenue and without some unusual costs related to M&A, tax adjustments or accounting adjustments related to SOP, Reconciliation of this APM is provided in tables 4 or 5.
4. EBITDA margin – EBITDA divided by Total Revenue.
5. EBIT margin – EBIT divided by Total Revenue.
6. CAPEX – investments capitalized during the period on Property, Plant and Equipment, and on intangible assets.
7. Net financial debt: this is the main metric used by management to measure the Company's level of indebtedness. It is composed of interest-bearing loans and borrowings minus cash and cash equivalents.
8. Leverage ratio: shows a company's indebtedness in relation to its ability to generate cash and operating profits. It is calculated as the ratio of net financial debt to pre-IFRS16 EBITDA.

Significant events and transactions in Q1 2023 (till the date of approval of this Report)

Agreement to sale the business in Russia

On 6 December 2022 AmRest, through its subsidiaries AmRest Sp. z o.o. and AmRest Acquisition Limited, had entered into a share purchase agreement with Almira OOO, for the sale of its KFC restaurant business in Russia (the "Transaction").

As recently informed by AmRest, Unirest LLC ("Unirest"), an affiliate of Yum! Brands, had exercised its right of first refusal pursuant to the underlying franchise agreements for itself or for the benefit of a third party, and had appointed Smart Service Nord Ltd ("Smart Service") as the purchaser of the KFC business in Russia (the "Business").

Smart Service is operated by two Russian KFC franchisees, Messrs. Konstantin Kotov and Andrey Oskolkov and, according to public information, is the entity with which Yum! Brands Inc. entered into a sale and purchase agreement to transfer ownership of its Russian KFC restaurants in October of 2022.

As a consequence of Unirest's exercise of its right of first refusal, AmRest had terminated the sale and purchase agreement entered into with OOO Almira, and signed on 25 February 2023 a new sale and purchase agreement with Smart Service, substantially in the same terms and conditions of the agreement between AmRest and OOO Almira.

The closing of the Transaction is subject to the approval by the anti-trust agency of Russia and to other regulatory authorizations that may be applicable in Russia.

According to the terms of the sale and purchase agreement, as of the date of signing, AmRest expected to receive a minimum of EUR 100 million from the sale of the Business.

The final terms of the Transaction, which are subject to certain external factors, including exchange rate, will be communicated if the Transaction is closed. Nevertheless, AmRest estimates that after recognition of the impairment of the Russian business in the consolidated financial statements as of June 30, 2022, the completion of the Transaction should not require further adjustments.

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. As at 31 March 2023 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 (Secretary, non-Board member)
- Mauricio Garate Meza (Vicesecretary, non-Board member)

On the day of approval of this Report the composition of the Board of Directors remains the same.

On 30 March 2023 the Company informed that the proprietary director Mr. Carlos Fernández González had communicated, through a letter addressed to all the members of the Board, his resignation as director of the Company, effective after the termination of the next General Shareholders Meeting (convened for 11 May 2023 in a first call) and conditioned to the appointment in such Meeting of a new proprietary director.

As a consequence of the above, the Board of Directors accepted the resignation submitted by Mr. Carlos Fernández González in the terms stated above and approved to distinguish him with the appointment as Chairman of Honor of AmRest. Such appointment will be effective once his resignation is formalized.

Also, the Board of Directors approved, with the prior favorable report from the Nominations, Remuneration and Corporate Governance Committee, to propose to the next General Shareholders Meeting, the appointment of Ms. Begoña Orgambide García, as proprietary director, replacing Mr. Carlos Fernández González.

Dividends paid during the period covered by this Report

In the period covered by this report the Group has not paid any dividend to non-controlling interest.

Shareholders of AmRest Holdings SE

During the period covered by this Report following changes occurred with respect to the Company's shareholder structure:

On January 16, 2023 the Commercial Registry of Madrid registered the international transfer of FCapital Dutch, S.L. (formerly FCapital Dutch, B.V.) registered office, without dissolution or loss of its legal personality, from its previous domicile located in Amsterdam (The Netherlands) to Madrid (Spain), under a public deed executed on December 1, 2022 (effective date of the transfer of domicile).

In line with the information received from the Company's shareholder and published on the website of the National Securities Market Commission (CNMV) in March 2023, on 30 December 2022 the legal merger of fund management entities: Powszechnie Towarzystwo Emerytalne Allianz Polska SA (PTE Allianz) and Aviva Powszechnie Towarzystwo Emerytalne Aviva Santander S.A. (PTE Aviva) was completed. Following the merger, PTE Allianz manages three funds:

- Drugi Allianz Otwarty Fundusz Emerytalny (Second Allianz Open Pension Fund; Drugi Allianz OFE) - ex Aviva Otwarty Fundusz Emerytalny Aviva Santander (ex name Aviva Otwarty Fundusz Emerytalny Aviva BZWBK),
- Otwarty Fundusz Emerytalny Allianz Polska SA (Allianz Poland Open Pension Fund; OFE Allianz),
- Dobrowolny Fundusz Emerytalny Allianz Polska SA (Allianz Poland Voluntary Pension Fund; DFE Allianz).

After the merger, the total share of voting rights of PTE Allianz in AmRest Holding SE is 4.34%.

To the best of AmRest's knowledge as at 31 March 2023 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 S.L.*	147 203 760	67.05%
Artal International S.C.A.	11 366 102	5.18%
Nationale-Nederlanden OFE	10 718 700	4.88%
PTE Allianz Polska SA	9 531 792	4.34%
Other Shareholders	40 733 829	18.55%

* FCapital Dutch S.L. is 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

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

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

As of 31 December 2022 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 March 2023, Mr. Carlos Fernández González still owned (through FCapital Dutch S.L.) 147 203 760 AmRest's shares with a total nominal value of EUR 14 720 376.

In addition, as of 31 December 2022 Mr. Carlos Fernández González held through his another closely associated person - Finaccess México, S.A. de C.V., Sociedad Operadora de Fondos de Inversión, 1 477 523 AmRest shares with a total nominal value of EUR 147 752.3. On 31 March 2023 Finaccess México, S.A. de C.V. still owned 1 477 523 AmRest shares with a total nominal value of EUR 147 752.3. 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).

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 AmRest 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 Ordinary General Shareholders' Meeting of AmRest held on May 12, 2022 resolved to renew the previous authorization granted by the General Shareholders' Meeting of June 6, 2018, revoking it in the unused part.

In the past the Company was acquiring 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 2023 and 31 March 2023, AmRest didn't purchase nor dispose any own shares. As at 31 March 2023 AmRest held 341 645 own shares with a total nominal value of EUR 34 164.5 and representing 0.1556% of the share capital.

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

Forecasts of financial results

The Company has not published any forecasts of financial results.

Uncertainty remains high for yet another quarter. First, geopolitical tensions are extraordinarily high, marked mainly but not exclusively by the war in Ukraine where the uncertain course of the conflict and its implications continue to affect supplies and prices of both commodities and energy. In addition, developments in the war may affect consumer confidence, changing their propensity to consume and the way they consume. Secondly, the further tightening of financial conditions at the global level may have consequences that are difficult to predict, such as the recent episodes of lack of credibility and subsequent bailout of some financial institutions, which may affect the financing capacity and conditions of households and companies.

The management of AmRest is carefully monitoring these events and their potential impacts in the business of the company.



Part.B Condensed Consolidated Interim Report for Q1 2023

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Condensed consolidated income statement for 3 months ended 31 March 2023

	3 MONTHS ENDED	
	31 March 2023	31 March 2022
Continuing operations		
Restaurant sales	582.0	480.1
Franchise and other sales	39.2	26.9
Total revenue	621.2	507.0
Restaurant expenses:		
Food and merchandise	(178.4)	(137.6)
Payroll and other employee benefits	(140.9)	(123.7)
Royalties	(29.3)	(23.1)
Occupancy, depreciation and other operating expenses	(186.1)	(158.3)
Franchise and other expenses	(30.5)	(19.4)
Gross Profit	56.0	44.9
General and administrative expenses	(40.8)	(37.8)
Net impairment losses on financial assets	(0.8)	(0.2)
Net impairment losses on other assets	0.5	-
Other operating income/expenses	2.1	7.0
Profit/loss from operations	17.0	13.9
Finance income	3.4	0.6
Finance costs	(15.4)	(12.7)
Profit/loss before tax	5.0	1.8
Income tax expense	(1.9)	(0.9)
Profit/loss for the period	3.1	0.9
Attributable to:		
Shareholders of the parent	1.7	0.1
Non-controlling interests	1.4	0.8
Profit/loss for the period	3.1	0.9

	3 MONTHS ENDED	
	31 March 2023	31 March 2022
Basic earnings per ordinary share in EUR	0.01	0.00
Diluted earnings per ordinary share in EUR	0.01	0.00

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

Condensed consolidated statement of comprehensive income for 3 months ended 31 March 2023

	3 MONTHS ENDED	
	31 March 2023	31 March 2022
Profit/loss for the period	3.1	0.9
Other comprehensive income/loss		
Exchange differences on translation of foreign operations	(4.2)	(3.0)
Net investment hedges	1.2	(1.7)
Income tax related to net investment hedges	(0.3)	0.3
Other comprehensive income/loss for the period	(3.3)	(4.4)
Total comprehensive income/loss for the period	(0.2)	(3.5)
Attributable to:		
Shareholders of the parent	(1.8)	(4.3)
Non-controlling interests	1.6	0.8

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

Condensed consolidated statement of financial position as of 31 March 2023

	31 March 2023	31 December 2022
Assets		
Property, plant and equipment	505.8	501.5
Right-of-use assets	841.5	813.3
Goodwill	283.1	283.2
Intangible assets	234.0	236.4
Investment properties	4.7	4.7
Other non-current assets	24.1	24.0
Deferred tax assets	47.4	44.5
Total non-current assets	1 940.6	1 907.6
Inventories	38.3	37.5
Trade and other receivables	76.1	89.1
Income tax receivables	3.7	3.3
Other current assets	15.3	13.1
Cash and cash equivalents	248.7	229.6
Total current assets	382.1	372.6
Total assets	2 322.7	2 280.2
Equity		
Share capital	22.0	22.0
Reserves	168.6	166.5
Retained earnings	150.5	148.8
Translation reserve	(21.6)	(17.2)
Equity attributable to shareholders of the parent	319.5	320.1
Non-controlling interests	12.7	11.1
Total equity	332.2	331.2
Liabilities		
Interest-bearing loans and borrowings	586.3	551.5
Lease liabilities	726.0	705.6
Provisions	18.7	18.7
Deferred tax liability	42.4	43.0
Other non-current liabilities and employee benefits	5.5	3.8
Total non-current liabilities	1 378.9	1 322.6
Interest-bearing loans and borrowings	98.3	102.2
Lease liabilities	178.2	173.1
Provisions	3.2	4.4
Trade payables and other liabilities	323.8	340.0
Income tax liabilities	8.1	6.7
Total current liabilities	611.6	626.4
Total liabilities	1 990.5	1 949.0
Total equity and liabilities	2 322.7	2 280.2

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

Condensed consolidated statement of cash flows for 3 months ended 31 March 2023

	3 MONTHS ENDED	
	31 March 2023	31 March 2022
Cash flows from operating activities		
Profit/loss for the period	3.1	0.9
Adjustments for:		
Amortisation and depreciation	62.5	61.2
Net interest expense	14.0	10.9
Foreign exchange result	(1.9)	1.5
Result on disposal of property, plant and equipment and intangibles	(0.4)	(1.3)
Impairment of non-financial assets	(0.5)	-
Share-based payments	1.4	1.9
Tax expense	1.9	0.9
Rent concessions	-	(1.2)
Other	(0.2)	(0.8)
Working capital changes:		
Change in trade and other receivables and other assets	10.6	(7.5)
Change in inventories	(0.7)	2.3
Change in payables and other liabilities	(2.3)	(5.9)
Change in provisions and employee benefits	(1.2)	(7.1)
Cash generated from operations	86.2	55.8
Income tax paid	(4.0)	(2.5)
Net cash from operating activities	82.2	53.3
Cash flows from investing activities		
Net cash outflows on acquisition	-	(1.1)
Proceeds from the sale of property, plant and equipment, and intangible assets	-	0.1
Purchase of property, plant and equipment	(38.1)	(23.8)
Purchase of intangible assets	(1.7)	(0.8)
Net cash from investing activities	(39.8)	(25.6)
Cash flows from financing activities		
Proceeds from loans and borrowings	34.0	-
Repayment of loans and borrowings	(3.1)	(0.8)
Payments of lease liabilities including interests paid	(43.8)	(40.8)
Interest paid	(8.1)	(5.9)
Interest received	1.3	0.6
Net cash from financing activities	(19.7)	(46.9)
Net change in cash and cash equivalents	22.7	(19.2)
Effect of foreign exchange rate movements	(3.6)	-
Balance sheet change of cash and cash equivalents	19.1	(19.2)
Cash and cash equivalents, beginning of period	229.6	198.7
Cash and cash equivalents, end of period	248.7	179.5

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

Condensed consolidated statement of changes in equity for 3 months ended 31 March 2023

	ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT					Non-controlling interest	Total equity
	Share capital	Reserves	Retained earnings	Translation reserve	Total	Non-controlling interest	Total equity
As of 1 January 2023	22.0	166.5	148.8	(17.2)	320.1	11.1	331.2
Profit/loss for the period	-	-	1.7	-	1.7	1.4	3.1
Other comprehensive income/loss	-	0.9	-	(4.4)	(3.5)	0.2	(3.3)
Total comprehensive income/loss	-	0.9	1.7	(4.4)	(1.8)	1.6	(0.2)
Transaction with non-controlling interests	-	-	-	-	-	-	-
Share based payments	-	1.2	-	-	1.2	-	1.2
As of 31 March 2023	22.0	168.6	150.5	(21.6)	319.5	12.7	332.2

	ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT					Non-controlling interest	Total equity
	Share capital	Reserves	Retained earnings	Translation reserve	Total	Non-controlling interest	Total equity
As of 1 January 2022	22.0	165.6	147.5	(36.4)	298.7	8.8	307.5
Profit/loss for the period	-	-	0.1	-	0.1	0.8	0.9
Other comprehensive income/loss	-	(1.4)	-	(3.0)	(4.4)	-	(4.4)
Total comprehensive income/loss	-	(1.4)	0.1	(3.0)	(4.3)	0.8	(3.5)
Transaction with non-controlling interests	-	-	-	-	-	-	-
Share based payments	-	2.0	-	-	2.0	-	2.0
As of 31 March 2022	22.0	166.2	147.6	(39.4)	296.4	9.6	306.0

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

Notes to the condensed consolidated interim report

1. General information on AmRest Group

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

Paseo de la Castellana 163, 28046 (Madrid), Spain is the Company's registered office as of 31 March 2023 and has not changed during the reporting period.

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

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

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

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

The Group operates Kentucky Fried Chicken ("KFC"), Pizza Hut ("PH"), Burger King ("BK") and Starbucks ("SBX") restaurants through its subsidiaries in Poland, the Czech Republic (hereinafter Czechia), Hungary, Slovakia, 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 are operated both by AmRest and its sub-franchisees based on master-franchise agreements ("MFA"). In December 2022 AmRest entered into a share purchase agreement for the sale of its KFC restaurant business in Russia. The status of the transaction is further described in note 3.

In Spain and Portugal the Group operates its own brand La Tagliatella. This business is based on operating equity and franchise restaurants and is supported by the central kitchen located in Spain which produces and delivers products to the whole network. In China the Group operates its own brand called Blue Frog.

In 2018 the Group acquired the Bacoa and Sushi Shop brands, as a result of which it operates licensed restaurants in Spain (Bacoa) and proprietary and franchise Sushi Shop restaurants in France, Belgium, Spain, Switzerland, United Kingdom, Luxembourg, Italy, United Arab Emirates and Saudi Arabia. Bacoa is a primarily premium burger concept in Spain and Sushi Shop is the operator of the leading European chain of Japanese cuisine restaurants.

Additionally, among own brands the Group operates virtual brands.

The table below shows the terms and conditions of cooperation with franchisors and franchisees of particular brands operated by AmRest as of 31 March 2023

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

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

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

1) AmRest, through AmRest Sp. z o.o. owns 82% and Starbucks 18% of the share capital of the companies in Poland (AmRest Coffee Sp. z o.o.), Czechia (AmRest Coffee s.r.o.) and Hungary (AmRest Kavezo Kft.). Upon occurrence of an event of default, both AmRest and Starbucks (as the case may be, acting as non-defaulting shareholder) will have the option to purchase all of the shares of the other shareholder (the defaulting shareholder) in the terms and conditions foreseen in the corresponding agreements. In the event of a deadlock, Starbucks will have, in the first place, the option to purchase all the shares of AmRest and, if Starbucks does not exercise that option, AmRest will have the option to purchase all the shares of Starbucks, in the terms and conditions foreseen in the corresponding agreements. In the event of a change of control in AmRest Holdings, Starbucks will have the right to increase its participation in each of the companies up to 100%.

2) The license agreements entered into by and between AmRest's affiliates and Starbucks EMEA Limited for Poland, Hungary and Czech Republic, were extended for another 5 years.

3) The fee is updated yearly for inflation.

4) Marketing costs might be changed if certain conditions set in the agreement are met.

5) Bacoa restaurants are currently operated under trademark license agreements

2. Group Structure

As of 31 March 2023, the Group comprised the following subsidiaries:

Company name	Registered office	Parent/non-controlling undertaking	Ownership interest and total vote	Date of effective control
Holding activity				
AmRest Acquisition Subsidiary Ltd.	Birkirkara, Malta	AmRest Holdings SE	100.00%	May 2007
AmRest TAG S.L.U.	Madrid, Spain	AmRest Sp. z o.o.	100.00%	March 2011
AmRest China Group PTE Ltd	Singapore	AmRest Holdings SE	100.00%	December 2012
Bigsky Hospitality Group Ltd	Hong Kong, China	AmRest China Group PTE Ltd	100.00%	December 2012
New Precision Ltd	Mriehel, Malta	AmRest China Group PTE Ltd	100.00%	December 2012
Horizon Consultants Ltd.	Mriehel, Malta	AmRest China Group PTE Ltd	100.00%	December 2012
GM Invest SRL	Brussels, Belgium	AmRest TAG S.L.U.	100.00%	October 2018
Sushi Shop Group SAS	Paris, France	GM Invest SRL	9.47%	October 2018
AmRest France SAS	Paris, France	AmRest TAG S.L.U.	90.53%	
Sushi Shop Management SAS	Paris, France	AmRest Holdings SE	100.00%	December 2018
Sushi Shop Luxembourg SARL	Luxembourg	Sushi Shop Group SAS	100.00%	October 2018
Sushi Shop Switzerland SA	Fribourg, Switzerland	Sushi Shop Group SAS	100.00%	October 2018
Restaurant, franchise and master-franchise activity				
AmRest Sp. z o.o.	Wroclaw, Poland	AmRest Holdings SE	100.00%	December 2000
AmRest s.r.o.	Prague, Czechia	AmRest Holdings SE	100.00%	December 2000
AmRest Kft	Budapest, Hungary	AmRest Sp. z o.o.	100.00%	June 2006
AmRest Coffee Sp. z o.o.	Wroclaw, Poland	AmRest Sp. z o.o.	82.00%	March 2007
AmRest EOOD	Sofia, Bulgaria	Starbucks Coffee International, Inc.	18.00%	
OOO AmRest ⁴	Saint Petersburg, Russia	AmRest Holdings SE	100.00%	April 2007
AmRest Coffee s.r.o.	Prague, Czechia	AmRest Acquisition Subsidiary Ltd.	44.72%	
		AmRest Sp. z o.o.	55.28%	July 2007
		AmRest Sp. z o.o.	82.00%	
		Starbucks Coffee International, Inc.	18.00%	August 2007
AmRest Kávézó Kft	Budapest, Hungary	AmRest Sp. z o.o.	82.00%	
		Starbucks Coffee International, Inc.	18.00%	August 2007
AmRest d.o.o.	Belgrade, Serbia	AmRest Sp. z o.o.	100.00%	October 2007
Restauravia Food S.L.U.	Madrid, Spain	AmRest TAG S.L.U.	100.00%	April 2011
Pastificio Service S.L.U.	Madrid, Spain	AmRest TAG S.L.U.	100.00%	April 2011
AmRest Adria d.o.o.	Zagreb, Croatia	AmRest Sp. z o.o.	100.00%	October 2011
AmRest GmbH i.L. ¹	Cologne, Germany	AmRest TAG S.L.U.	100.00%	March 2012
AmRest SAS	Paris, France	AmRest TAG S.L.U.	100.00%	April 2012
AmRest Adria 2 d.o.o.	Ljubljana, Slovenia	AmRest Sp. z o.o.	100.00%	August 2012
Frog King Food&Beverage Management Ltd	Shanghai, China	Bigsky Hospitality Group Ltd	100.00%	December 2012
Blue Frog Food&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.	Bucharest, Romania	AmRest Sp. z o.o.	100.00%	July 2019
AmRest Coffee SK s.r.o.	Bratislava, Slovakia	AmRest s.r.o.	99.00%	December 2015
		AmRest Sp. z o.o.	1.00%	
AmRest Coffee Deutschland Sp. z o.o. & Co. KG	Munich, Germany	AmRest Kaffee Sp. z o.o.	23.00%	May 2016
AmRest DE Sp. z o.o. & Co. KG	Munich, Germany	AmRest TAG S.L.U.	77.00%	
Kai Fu Food and Beverage Management (Shanghai) Co. Ltd	Shanghai, China	AmRest Kaffee Sp. z o.o.	100.00%	December 2016
LTP La Tagliatella Portugal, Lda	Lisbon, Portugal	Blue Frog Food&Beverage Management Ltd	100.00%	
LTP La Tagliatella Franchise II Portugal, Lda	Lisbon, Portugal	AmRest TAG S.L.U.	100.00%	February 2017
AmRest AT GmbH	Vienna, Austria	AmRest TAG S.L.U.	100.00%	April 2019
AmRest Topco France SAS	Paris, France	AmRest Sp. z o.o.	100.00%	March 2017
AmRest Delco France SAS	Paris, France	AmRest France SAS	100.00%	May 2017
AmRest Opco SAS	Paris, France	AmRest Topco France SAS	100.00%	
OOO Chicken Yug ⁴	Saint Petersburg, Russia	AmRest France SAS	100.00%	July 2017
OOO AmRest Pizza ^{3,4}	Saint Petersburg, Russia	OOO AmRest	100.00%	October 2017
AmRest Coffee SRB d.o.o.	Belgrade, Serbia	AmRest Acquisition Subsidiary Ltd.	17.91%	
AmRest Chamnord SAS	Paris, France	OOO AmRest	82.09%	November 2017
AmRest SK s.r.o.	Bratislava, Slovakia	AmRest Holdings SE	100.00%	November 2017
		AmRest Opco SAS	100.00%	March 2018
AmRest Pizza GmbH	Munich, Germany	AmRest s.r.o.	99.00%	
Black Rice S.L.U.	Madrid, Spain	AmRest Sp. z o.o.	1.00%	April 2018
Bacoa Holding S.L.U.	Madrid, Spain	AmRest DE Sp. z o.o. & Co. KG	100.00%	June 2018
Sushi Shop Restauration SAS	Paris, France	AmRest TAG S.L.U.	100.00%	July 2018
Sushi House SA	Luxembourg	AmRest TAG S.L.U.	100.00%	
Sushi Shop London Pvt LTD	London, UK	Sushi Shop Management SAS	100.00%	October 2018
Sushi Shop Belgique SA	Bruxelles, Belgium	Sushi Shop Luxembourg SARL	100.00%	October 2018
Sushi Shop Louise SA	Bruxelles, Belgium	Sushi Shop Group SAS	100.00%	October 2018
		Sushi Shop Group SAS	100.00%	October 2018
		Sushi Shop Belgique SA	100.00%	October 2018

Sushi Shop UK Pvt LTD	Charing, UK	Sushi Shop Group SAS	100.00%	October 2018
Sushi Shop Anvers SA	Bruxelles, Belgium	Sushi Shop Belgique SA	100.00%	October 2018
Sushi Shop Geneve SA	Geneva, Switzerland	Sushi Shop Switzerland SA	100.00%	October 2018
Sushi Shop Lausanne SARL	Lausanne, Switzerland	Sushi Shop Switzerland SA	100.00%	October 2018
Sushi Shop Madrid S.L.U.	Madrid, Spain	Sushi Shop Management SAS	100.00%	October 2018
Sushi Shop Milan SARL in liquidazione ²	Milan, Italy	Sushi Shop Management SAS	70.00%	October 2018
Sushi Shop Zurich GMBH	Zurich, Switzerland	Vanray SRL	30.00%	October 2018
Sushi Shop Nyon SARL	Nyon, Switzerland	Sushi Shop Switzerland SA	100.00%	October 2018
Sushi Shop Vevey SARL	Vevey, Switzerland	Sushi Shop Switzerland SA	100.00%	November 2019
Sushi Shop Fribourg SARL	Fribourg, Switzerland	Sushi Shop Switzerland SA	100.00%	November 2019
Sushi Shop Yverdon SARL	Yverdon, Switzerland	Sushi Shop Switzerland SA	100.00%	November 2019
Sushi Shop Morges SARL	Moudon, Switzerland	Sushi Shop Switzerland SA	100.00%	October 2020
Financial services and others for the Group				
AmRest LLC	Wilmington, USA	AmRest Sp. z o.o.	100.00%	July 2008
AmRest Work Sp. z o.o.	Wroclaw, Poland	AmRest Sp. z o.o.	100.00%	March 2012
La Tagliatella SAS	Paris, France	AmRest TAG S.L.U.	100.00%	March 2014
AmRest Kaffee Sp. z o.o.	Wroclaw, Poland	AmRest Sp. z o.o.	100.00%	March 2016
AmRest Estate SAS	Paris, France	AmRest Opco SAS	100.00%	September 2017
AmRest Leasing SAS	Paris, France	AmRest Opco SAS	100.00%	September 2017
AmRest Franchise Sp. z o.o.	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
Supply services for restaurants operated by the Group				
SCM Czech s.r.o.	Prague, Czechia	SCM Sp. z o.o.	90.00%	
		Ondrej Razga	10.00%	March 2007
		AmRest Sp. z o.o.	51.00%	
SCM Sp. z o.o.	Warsaw, Poland	R&D Sp. z o.o.	33.80%	
		Beata Szafarczyk-Cylny	5.00%	October 2008
		Zbigniew Cylny	10.20%	

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

² On 27 January 2023 Sushi Shop Management SAS and VANRAY S.r.l., shareholders of Sushi Shop Milan SARL, decided to liquidate this company. The company is officially in liquidation and the mention "in liquidazione" has been added to the company's name. The liquidation process has not been finished up until the date of this Report.

³ On 14 February 2023 capital increase in OOO AmRest Pizza was registered, resulting in the following changes in the company's shares structure: AmRest Acquisition Subsidiary Ltd. reduced its stock from 99.999996% to 17.91% while OOO AmRest increased its stock from 0.000004% to 82.09%

⁴ In December 2022 AmRest entered into a share purchase agreement for the sale of its KFC restaurant business in Russia.

- On 20 January 2023 AmRest HK Ltd. has been deregistered.
- On 23 February 2023 La Tagliatella International Kft has been deregistered.

3. Basis of preparation

Accounting figures presented in this condensed consolidated report were prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ("IFRS").

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

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

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

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

War in Ukraine update and Russian operations

The war in Ukraine started in February 2022 and has led to increased market volatility and higher economic uncertainty. While Russia and Ukraine together represent a relatively small part of the world economy, they account for a large share of global energy exports, as well as exports of a range of metals, food staples and agricultural inputs. Consequently, the war in Ukraine, alongside the imposition of international sanctions continue to have a pervasive economic impact, not only on businesses within Russia and Ukraine, but also globally.

The Group is closely monitoring potential impact of war and sanctions imposed to Russia on Group's current and future operations.

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

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

According to the terms of the sale and purchase agreement, AmRest expected to receive a minimum of EUR 100 million. As of 31 March 2023 the transaction was not completed.

The transaction would represent full disposal of AmRest business held in Russia. Russian market is a separate operating segment reported in consolidated financial statements.

Detailed analysis of IFRS 5 "Non-current assets held for sale and discontinued operations" ("IFRS 5") conditions was run to assess if the conditions are met for Russian business to disclose as disposal group and discontinued operations. Such analysis requires high judgements and estimates. For an asset (or disposal group) to be classified as held for sale:

- it must be available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal groups);
- its sale must be highly probable; and
- it must genuinely be sold, not abandoned.

Detailed analysis of all elements of the definition was performed, taking into account details of the transaction according to the agreement, conditions that need to be satisfied prior finalization, current market situation including volatility of the EUR/RUB exchange rates, legislative and regulatory environment in Russia.

During 3 months period ended 31 March 2023 AmRest's management believed that in accordance with the IFRS 5 conditions, the sale of Russian business cannot be considered as highly probable and, therefore, was not classified as assets/liabilities held for sale and operation of Russian business in this interim consolidated report as discounted operations. The same conclusion was reached as of 31 December 2022 and remains unchanged until the date of this interim report.

As of 31 March 2023 the net assets of Russian operations presented in these consolidated financial statements amount to EUR 60.1 million. The Group uses exchange rate as published by National Bank of Russia to translate Russian rouble to EUR. Foreign exchange rate of Russian rouble to Euro continues to characterize by high volatility in 2023.

The table below shows total split of net assets of Russian operations of the Group as of 31 March 2023. The comparative figures for 31 December 2022 presented in second column reflect data reported in consolidated financial statements for the year ended 31 December 2022, i.e., using forex exchange EUR/RUB as of 31 December 2022. For illustrative purposes Group presents also, in the third column, the estimate of 31 December 2022 data in EUR retranslated using forex exchange from 31 March 2023.

EUR millions	31 March 2023	31 December 2022	31 December 2022 @March 2023 forex rate
Non-current assets	107.8	119.4	108.1
Lease liabilities	73.8	80.4	72.8
Current assets	47.4	48.3	43.7
Other liabilities	21.3	22.6	20.4
Net assets	60.1	64.7	58.6

4. Segment reporting

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

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

Own restaurant and franchise business is analysed for four operating segments presenting Group's performance in geographic breakdown. Geographical areas are identified based on the similarity of products and services, similar characteristics of the production process and of the customer base and economic similarities (i.e. exposure to the same market risks). Fifth segment includes in general non-restaurant business. Details of the operations presented in each segment are presented below:

Segment	Description
Central and Eastern Europe (CEE)	<p>Restaurant operations and franchise activity in:</p> <ul style="list-style-type: none"> ■ Poland – KFC, Pizza Hut, Starbucks, Burger King, ■ Czechia – KFC, Pizza Hut, Starbucks, Burger King, ■ Hungary – KFC, Pizza Hut, Starbucks, ■ Bulgaria – KFC, Starbucks, Burger King, ■ Croatia, Austria, Slovenia – KFC, ■ Slovakia – Starbucks, Pizza Hut, Burger King, ■ Romania – Starbucks, Burger King, ■ Serbia – KFC, Starbucks.
Western Europe	<p>Restaurant operations together with supply chain and franchise activity in:</p> <ul style="list-style-type: none"> ■ Spain – KFC, La Tagliatella, Sushi Shop, ■ France – KFC, Pizza Hut, Sushi Shop, ■ Germany – Starbucks, KFC ■ Portugal – La Tagliatella ■ Belgium, Italy, Switzerland, Luxembourg, United Kingdom and other countries with activities of Sushi Shop.
China	Blue Frog operations in China.
Russia	KFC operations in Russia and until May 2022 Pizza Hut restaurant operations and franchise activity in Russia, Armenia and Azerbaijan (transferred to local operator in May 2022)
Other	Segment Other includes global support functions such as e.g. Executive Team, Controlling, Global Finance, IT, Global Human Resources, Treasury and Investors Relations. Segment Other also includes expenses related to M&A transactions not finalised during the period, whereas expenses related to finalised merger and acquisition are allocated to applicable segments. Additionally, Other includes non-restaurant businesses performed by AmRest Holdings SE, SCM Sp. z o.o. and its subsidiaries and other minor entities performing holding and/or financing services.

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

Segment measures and the reconciliation to profit/loss from operations for 3 months ended 31 March 2023 and for the comparative 3 months ended 31 March 2022 are presented below.

3 MONTHS ENDED		CEE	Western Europe	Russia	China	Other	Total
31 March 2023							
Restaurant sales	303.9	195.3	58.0	24.8	-	-	582.0
Franchise and other sales	0.2	17.3	-	0.1	21.6	-	39.2
Inter-segment revenue	-	-	-	-	-	-	-
Segment revenue	304.1	212.6	58.0	24.9	21.6	21.6	621.2
EBITDA	47.8	23.8	9.2	5.6	(6.6)	79.8	
Depreciation and amortisation	29.2	22.1	6.5	4.5	0.2	-	62.5
Net impairment losses on financial assets	0.1	0.7	-	-	-	-	0.8
Net impairment losses on other assets	-	(0.5)	-	-	-	-	(0.5)
Profit/loss from operations	18.5	1.5	2.7	1.1	(6.8)	17.0	
Finance income and costs	(0.3)	(2.5)	(1.2)	(0.3)	(7.7)	-	(12.0)
Profit before tax	18.2	(1.0)	1.5	0.8	(14.5)	5.0	
Capital investment*	16.1	8.3	2.1	1.9	0.1	28.5	

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

3 MONTHS ENDED		CEE	Western Europe	Russia	China	Other	Total
31 March 2022 Restated**							
Restaurant sales	243.8	171.4	43.5	21.4	-	-	480.1
Franchise and other sales	0.2	15.2	0.1	0.1	11.3	-	26.9
Inter-segment revenue	-	-	-	-	-	-	-
Segment revenue	244.0	186.6	43.6	21.5	11.3	11.3	507.0
EBITDA	46.3	22.7	7.2	4.3	(5.2)	75.3	
Depreciation and amortisation	28.2	22.1	6.0	4.7	0.2	-	61.2
Net impairment losses on financial assets	-	0.1	-	0.1	-	-	0.2
Net impairment losses on other assets	-	-	-	-	-	-	-
Profit/loss from operations	18.1	0.5	1.2	(0.5)	(5.4)	13.9	
Finance income and costs	(4.0)	(2.0)	(1.4)	(0.2)	(4.5)	-	(12.1)
Profit before tax	14.1	(1.5)	(0.2)	(0.7)	(9.9)	1.8	
Capital investment*	7.7	6.7	1.1	0.9	0.1	16.5	

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

** In 2022 Group finalized verification of internal structures. As a result, since 2023, some additional functions were reported as global and are analysed within segment Other. The comparative data in segment reporting note were restated, to reflect the results of all segments as if such change was made already in 2022.

The segment information has been prepared in accordance with the accounting policies applied in these consolidated interim report.

5. Operating costs and losses

Analysis of operating expenses by nature:

	3 MONTHS ENDED	
	31 March 2023	31 March 2022
Food, merchandise and other materials	209.7	157.4
Payroll	137.5	121.0
Social security and employee benefits	34.4	30.6
Royalties	30.1	24.2
Utilities	36.7	28.0
Marketing expenses	28.4	20.2
Delivery fees	23.7	21.3
Other external services	29.3	25.6
Occupancy cost	8.6	5.8
Depreciation of right-of-use assets	37.1	35.3
Depreciation of property, plant and equipment	22.8	22.7
Amortisation of intangible assets	2.6	3.2
Other	5.1	4.6
Total cost by nature	606.0	499.9

Summary of operating expenses by functions:

	3 MONTHS ENDED	
	31 March 2023	31 March 2022
Restaurant expenses	534.7	442.7
Franchise and other expenses	30.5	19.4
General and administrative expenses	40.8	37.8
Total costs	606.0	499.9

6. Finance costs and incomes

	3 MONTHS ENDED	
	31 March 2023	31 March 2022
Interest expense	7.9	5.5
Interest expense on lease liability	7.4	6.0
Net cost from exchange differences	-	1.5
Net exchange differences on lease liability	-	1.7
Net exchange differences - other	-	(0.2)
Other	0.1	(0.3)
Total finance cost	15.4	12.7

Finance income for the 3 months ended 31 March 2023 consists of bank and other interests received in the amount of EUR 1.3 million and net income from exchange differences in the amount of EUR 1.9 million. For the 3 months ended 31 March 2022 finance income represents mainly bank and other interests received in the amount of EUR 0.6 million.

7. Taxes

Income tax calculated according to domestic tax rates applicable to income in particular countries as of 31 March 2023 would amount to EUR (0.7) million. Main position affecting effective tax rate for 3 months ended 31 March 2023 are expenses permanently not deductible for tax purposes (EUR 1.6 million), tax losses for the current period for which no deferred tax asset was recognized (EUR 1.5 million) and local taxes reported as income taxes (EUR 0.9 million).

Tax risks and uncertain tax positions

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

-AmRest sp. z o.o. (Poland): In respect to tax inspections related to VAT proceedings of fiscal periods: i) from April 2018 to September 2018 (described in point (b) of the Note), and ii) from October 2018 to March 2019 (described in point (c) of the Note):

a) VAT periods April 2018-September 2018: On 24 March 2023 the Tax Authorities in Wrocław transferred custom and fiscal inspection into tax proceeding. On 12 April 2023, a protocol from an audit of the tax records was received stating that the Company could not benefit from 5% VAT. The Company submitted reservations to the protocol.

b) VAT periods October 2018-March 2019: On 13 March 2023 the Tax Authorities in Katowice issued tax decisions stating that the Company could not benefit from 5% VAT and the bidding power of the rulings held by the Company. The total VAT liability assessed by Tax Authorities amounts PLN 17.9 million which includes a penalty of 30%. The Company appealed against the decisions to the Tax Authorities of second instance and to date no decisions of second instance have been received.

In respect to tax inspection regarding CIT for 2013, the decision of the Tax Authorities has been repealed by the Court on 6 April 2022 and new decision should be issued by the Tax Authorities. As of the date of approval of this report the proceedings have not concluded. The Company received an information that the new deadline to finish the proceedings is 28 July 2023.

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

On April 18 2023, AmRest Holdings SE (as head of the CIT Group) and Pastificio Service S.L.U received a notice of initiation of tax audit relating to the patent box regime for fiscal years 2018 and 2019.

-SuShi Shop Group (France): On June 9 2022, the company received two tax assessments relating to corporate income tax (CIT) for fiscal years 2018, 2019 and 2020.

The first tax assessments included corrections for CIT of fiscal years 2018 and 2019 in the amount of EUR 1 million. The company proceeded to pay EUR 0.7 million and, not agreeing with the rest of the tax assessment (EUR 0.3 million),

allegations were filed before Tax Authorities which were rejected. Subsequently the Company filed allegations before the French Courts on 11 April 2023 which are pending of resolution.

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

To file allegations for both tax assessment (CIT 2018-2019 and CIT 2020), the company provided bank guarantee amounting EUR 3.1 million, for the fiscal years 2018-2019 (EUR 0.3 million) and for the fiscal year 2020 (EUR 2.8 million). As the Company received a favorable resolution relating to CIT of 2020, Tax Authorities will proceed to release the bank guarantee for this tax assessment (EUR 2.8 million), and the bank guarantee relating to CIT of 2018 and 2019 (EUR 0.3 million) will be maintained.

The Group's risk assessment regarding tax risks and uncertainties has not changed since the publication of the consolidated financial statements for 2022. Therefore, as of 31 March 2023 and as of the date of publication of this Report, no provisions were created.

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

8. Equity

Share capital

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

As of 31 March 2023, and 31 December 2022 the Company has 219 554 183 shares issued.

Reserves

The structure of Reserves is as follows:

2023	Share premium	Employee options unexercised	Employee options exercised	Treasury shares	Hedges valuation	Transactions with NCI	Total Reserves
As at 1 January	236.3	15.5	(38.1)	(3.7)	(11.9)	(31.6)	166.5
Net investment hedges	-	-	-	-	1.2	-	1.2
Income tax related to net investment hedges	-	-	-	-	(0.3)	-	(0.3)
Total comprehensive income	-	-	-	-	0.9	-	0.9
Transaction with non-controlling interests	-	-	-	-	-	-	-
Total transaction with non-controlling interests	-	-	-	-	-	-	-
Purchases of treasury shares	-	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-	-
Value of disposed treasury shares	-	-	-	-	-	-	-
Employee stock option plan – proceeds from employees for transferred shares	-	-	-	-	-	-	-
Employee stock option plan – reclassification of exercised options	-	-	-	-	-	-	-
Employee stock option plan – change in unexercised options	-	1.4	-	-	-	-	1.4
Change of deferred tax related to unexercised employee benefits	-	(0.2)	-	-	-	-	(0.2)
Total share based payments	-	1.2	-	-	-	-	1.2
Total distributions and contributions	-	1.2	-	-	-	-	1.2
As at 31 March	236.3	16.7	(38.1)	(3.7)	(11.0)	(31.6)	168.6

2022	Share premium	Employee options unexercised	Employee options exercised	Treasury shares	Hedges valuation	Transactions with NCI	Total Reserves
As at 1 January	236.3	14.4	(41.0)	(4.0)	(9.6)	(30.6)	165.6
Net investment hedges	-	-	-	-	(1.6)	-	(1.6)
Income tax related to net investment hedges	-	-	-	-	0.3	-	0.3
Total comprehensive income	-	-	-	-	(1.4)	-	(1.4)
Transaction with non-controlling interests	-	-	-	-	-	-	-
Total transaction with non-controlling interests	-	-	-	-	-	-	-
Purchases of treasury shares	-	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-	-
Value of disposed treasury shares	-	-	-	0.1	-	-	0.1
Employee stock option plan – proceeds from employees for transferred shares	-	-	-	-	-	-	-
Employee stock option plan – reclassification of exercised options	-	-	(0.1)	-	-	-	(0.1)
Employee stock option plan – change in unexercised options	-	1.9	-	-	-	-	1.9
Change of deferred tax related to unexercised employee benefits	-	-	-	-	-	-	-
Total share based payments	-	1.9	(0.1)	0.1	-	-	1.9
Total distributions and contributions	-	1.9	(0.1)	0.1	-	-	1.9
As at 31 March	236.3	16.3	41.1	3.9	(11.0)	(30.6)	166.2

Share premium

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

There were no transactions within share premium in 3 months ended 31 March 2023.

Hedges valuation

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

In 2018 AmRest Holdings assigned its PLN 280 million external borrowing as a hedging instrument in a net hedge for its Polish subsidiaries. Following scheduled debt repayments, the net investment hedge has been decreased. As of 31 March 2023, the value of net investment hedge amounts to PLN 196 million (PLN 196 million as of 31 December 2022).

AmRest Sp. z o.o., a Polish subsidiary, with PLN as functional currency, is a borrower of external EUR financing. The bank loan has been hedging the net investment in its EUR subsidiaries until 31 March 2023. Following scheduled repayments and an increases in previous years of the syndicated bank loan, the net investment hedge as of 31 March 2023 is EUR 177 million (177 million as of end of 31 December 2022).

Following a change in presentation currency of the Group from PLN to EUR, AmRest Sp. z o.o. remains exposed to the foreign currency risk between the functional currency of its net investment in its EUR investments and its own functional currency (PLN). These different functional currencies create a genuine economic exposure to changes in fair values in the consolidated financial statements of the Group.

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

During the 3 months ended 31 March 2023 and the year 2022 hedges were fully effective.

As of 31 March 2023 the accumulated value of currency revaluation recognised in reserve capital (resulting from net investment hedges) amounted to EUR 1.2 million, and deferred tax concerning this revaluation EUR 0.3 million.

Translation reserves

The balance of translation reserves depends on the changes in the foreign exchange rates. This parameter is out of control of Group.

Total change in translation reserves in year 2023 amounted to EUR (4.4) million. The most significant impact on that balance had a change in Russian rouble in the amount of EUR (6.3) million, Czech crown of EUR 1.2 million and Hungarian forint of EUR 1.4 million. Total change in translation reserves in 3 months ended 31 March 2022 amounted to EUR (3.0) million. The most significant impact on that balance had a change in Russian rouble in the amount of EUR (6.5) million, Chinese renminbi of EUR 1.1 million and Polish zloty of EUR 1.6 million.

Transactions with non-controlling interests

This item reflects the impact of accounting for transactions with non-controlling interests (NCI). During 3 months ended 31 March 2023 and 31 March 2022 there were no transactions with non-controlling interests.

9. Earnings per share

As of 31 March 2023 and 2022 the Company has 219 554 183 shares issued.

Table below presents calculation of basic and diluted earnings per ordinary share for the year 2023 and 2022.

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

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

EPS calculation with the effect of share split	31 March 2023	31 March 2022
Net profit attributable to shareholders of the parent (EUR millions)	1.7	0.1
Weighted average number of ordinary shares for basic EPS (in thousands of shares)	219 270	219 311
Weighted average number of ordinary shares for diluted EPS (in thousands of shares)	219 270	219 311
Basic earnings per ordinary share (EUR)	0.01	0.00
Diluted earnings per ordinary share (EUR)	0.01	0.00

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

Weighted-average number of ordinary shares in thousands of shares	31 March 2023	31 March 2022
Shares issued at the beginning of the period	219 554	219 554
Effect of treasury shares held	(341)	(371)
Effect of share options vested	57	128
Weighted average number of ordinary shares for basic EPS	219 270	219 311

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

Weighted-average number of ordinary shares for diluted EPS in thousands of shares	31 March 2023	31 March 2022
Weighted-average number of ordinary shares for basic EPS	219 270	219 311
Effect of share options unvested	-	-
Weighted average number of ordinary shares for diluted EPS	219 270	219 311

At 31 March 2023, 10 567 thousand of options were excluded from the diluted weighted-average number of ordinary shares calculation because their effect would have been anti-dilutive. At 31 March 2022, there were 12 438 thousand of options with anti-dilutive effect.

10. Borrowings

Long-term	31 March 2023	31 December 2022
Syndicated bank loans	497.0	497.3
SSD	35.5	35.5
Other bank loans	53.8	18.7
Total	586.3	551.5

Short-term	31 March 2023	31 December 2022
Syndicated bank loans	68.6	68.6
SSD	0.7	0.4
Other bank loans	29.0	33.2
Total	98.3	102.2

As of the end of the Q1 2023, bank loans and bond debt (SSD) amounted to EUR 684.6 million, whereas at the end of 2022 amounted to EUR 653.7 million.

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

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

On 31 March 2023, interests of EUR 7.4 million on syndicated bank loans were paid.

As of 31 March 2023, payables concerning Schulschein ("SSD" – debt instrument under German law) issued by AmRest Holdings SE amounted EUR 36.2 million (including EUR 0.7 million of interests). As of 31 March 2023, payables concerning other loans (including State Supported Loans) amounted to EUR 82.8 million.

AmRest is required to maintain certain ratios at agreed levels. In particular, net debt/adjusted consolidated EBITDA is to be held below 3.5 and consolidated EBITDA/interest charge is to stay above 3.5. Both ratios are calculated according to the definitions mentioned in the loan agreement. Additionally, the Group is obliged to maintain the equity ratio (expressed as a percentage), calculated as total equity divided by the total assets, above 9%. As of the date of this report, AmRest is in compliance with the three financial covenants.

The table below presents the reconciliation of the debt:

2023	Bank loans	SSD	Total
As of 1 January	617.8	35.9	653.7
Payment	(3.1)	-	(3.1)
Loan taken/ new contracts	34.0	-	34.0
Accrued interests	7.2	0.7	7.9
Payment of interests	(8.0)	(0.1)	(8.1)
Exchange differences	0.5	(0.3)	0.2
As of 31 March	648.4	36.2	684.6

2022	Bank loans	SSD	Total
As of 1 January	581.2	83.5	664.7
Payment	(0.8)	-	(0.8)
Loan taken/ new contracts	-	-	-
Accrued interests	4.3	1.2	5.5
Payment of interests	(5.0)	(0.9)	(5.9)
Exchange differences	(1.4)	-	(1.4)
As of 31 March	578.3	83.8	662.1

In April 2023, subsequent to the reporting date, according to the permitted conditions in the Syndicated loan agreement, the Group signed an additional unsecured bilateral loan agreement for EUR 26.5 million. The maturity of the loan is end of June 2025.

Additionally, also in April 2023, the Group signed an annex that extended the repayment period for French state supported loans amounting to EUR 10.0 million. Following the amendment, all loans supported by the French state will be repaid between 2023 and 2026.

In the same month, two credit lines in Spain, which were part of the states supported loans programs, reached their expiration and were successfully repaid in total amount of EUR 6.4 million.

11. Future commitments and contingent liabilities

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

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

12. Events after the reporting period

There were no significant subsequent events after the reporting date.



This Interim Report has been approved by resolution
of the Board of Directors following the recommendation of the Audit Committee.

Madrid, 10 May 2023

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