



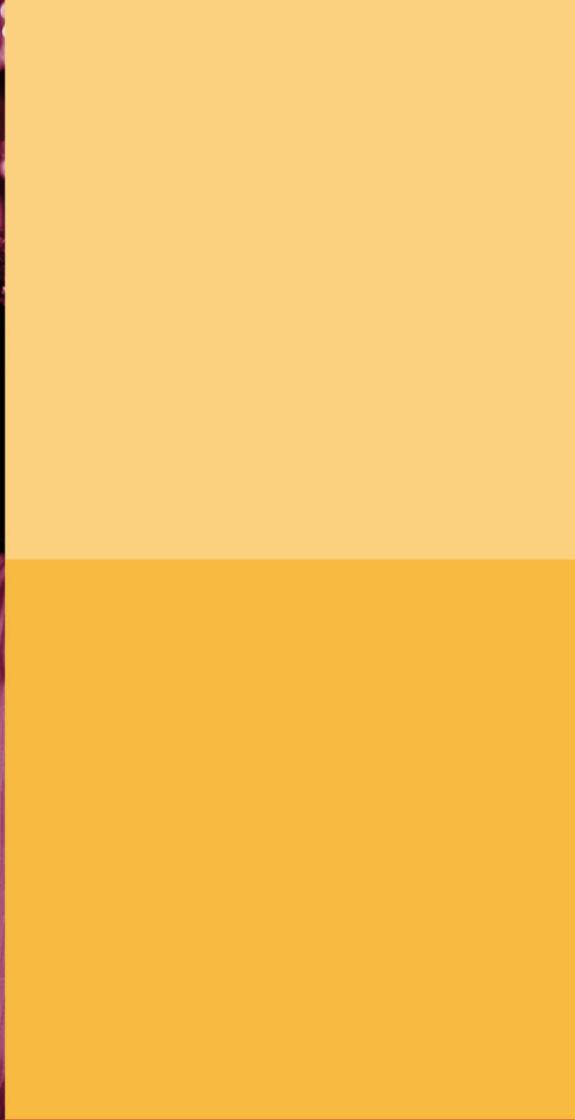
## Interim Report for Q3 2023

AmRest Group  
13 November 2023



# AmRest





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# Highlights



## Financial highlights (consolidated data)

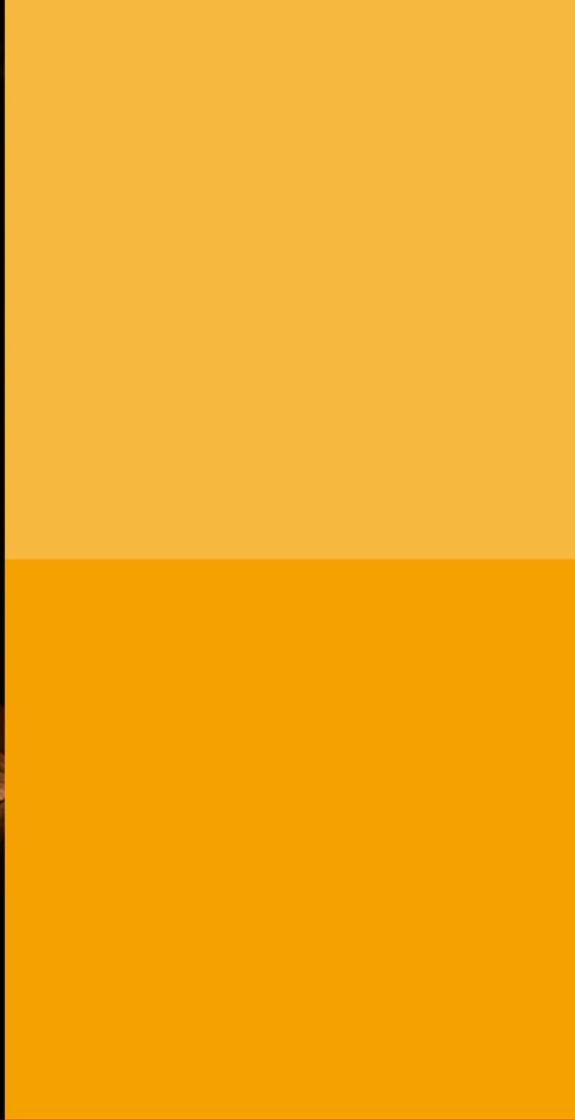
	9 MONTHS ENDED		3 MONTHS ENDED	
	30 September 2023	30 September 2022 Re-presented***	30 September 2023	30 September 2022 Re-presented***
Revenue	1 802.7	1 551.0	632.8	567.2
EBITDA*	282.9	244.2	110.9	95.2
EBITDA margin	15.7%	15.7%	17.5%	16.8%
Adjusted EBITDA**	286.5	246.6	112.5	96.1
Adjusted EBITDA margin	15.9%	15.9%	17.8%	16.9%
Profit from operations (EBIT)	104.0	80.4	52.9	38.8
EBIT margin	5.8%	5.2%	8.4%	6.8%
Profit before tax	60.3	51.5	32.9	33.6
Profit/loss for the period	55.7	3.0	28.9	36.0
Net margin	3.1%	0.2%	4.6%	6.3%
Profit/loss for the period from continuing operations	49.2	39.4	28.9	29.4
Profit/loss for the period from discontinued operation	6.5	(36.4)	-	6.6
Profit/loss for the period attributable to non-controlling interests	5.0	4.3	1.8	1.8
Profit/loss for the period attributable to Shareholders of the parent	50.7	(1.3)	27.1	34.2
Cash flows from operating activities	262.3	249.6	93.2	95.2
Cash flows from investing activities	(53.1)	(84.2)	(40.2)	(36.4)
Cash flows from financing activities	(249.2)	(115.2)	(122.1)	(35.5)
Total cash flows, net	(40.0)	50.2	(69.1)	23.3
Average weighted number of ordinary shares for basic earnings per shares (in thousands)	219 080	219 271	219 251	219 271
Average weighted number of ordinary shares for diluted earnings per shares (in thousands)	219 111	219 271	218 742	219 271
Basic earnings per ordinary share in EUR	0.23	(0.01)	0.12	0.16
Diluted earnings per ordinary share in EUR	0.23	(0.01)	0.12	0.16
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).

\*\*\*Re-presented - excluding Russia business

	30 September 2023	31 December 2022
Total assets	2 175.9	2 280.2
Total liabilities	1 773.6	1 949.0
Non-current liabilities	1 172.7	1 322.6
Current liabilities	600.9	626.4
Equity attributable to shareholders of the parent	387.6	320.1
Non-controlling interests	14.7	11.1
Total equity	402.3	331.2
Share capital	22.0	22.0
Number of restaurants	2 143	2 341
Number of restaurants in Russia only	-	214



# Part A. Directors’ Report for Q3 2023

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## The Group's performance in Q3 2023

### Revenues and profitability

Economic growth, while still positive, slowed down in the main European countries during the quarter, impacted by tighter financing conditions and a lower level of exports than in previous quarters. Despite this, the labour market continued to show great strength, as evidenced by the EU unemployment rate, which reached a record low of 5.9% in August, with several countries registering levels below 3%, such as Germany, Poland and the Czech Republic.

From the perspective of cost pressures, price moderation continues at the aggregate level. However, this reduction is not linear. Some countries are showing some volatility in their inflation levels, affected by the increases in energy prices during the summer months. On the other hand, food costs have left behind the peaks set at the beginning of the year and price reduction is continuing, albeit unevenly across different products. In this regard, the materialisation of adverse weather conditions is affecting production forecasts for some products, especially sugar derivatives.

In addition to this challenging macroeconomic environment, geopolitical risks are still very present. However, leisure, catering and tourism services performed well during the summer months, and AmRest's commercial dynamics stood out once again, confirming the strength of its business model based on service excellence, the attractive value for money proposition of its products, in addition to logistics and technology capabilities that result in high levels of efficiency.

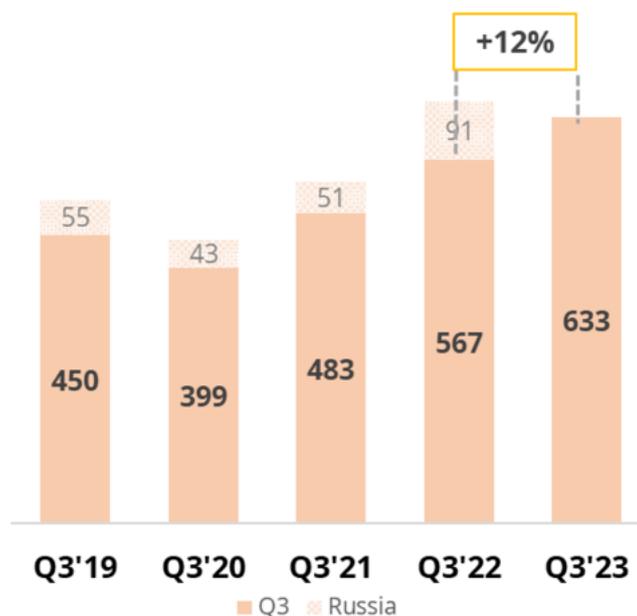
**AmRest's quarterly sales continue to grow strongly at double digit levels with further advances in the number of transactions. During the third quarter of the year, revenues amounted to EUR 632.8 million.**

Revenues generated by AmRest during the third quarter of the year, at EUR 632.8 million, represent organic growth of 11.6% on a comparable basis to the same period of 2022. As in previous quarters, sales growth was driven by further progress in the number of transactions, which increased by 3%, and active revenue management including price increases. Like-for-like sales (SSS) growth was 8.8%.

By service type, the strongest gains were recorded in the coffee and QSR segments, with casual dining showing the lowest level of growth affected by the negative evolution of the Chinese currency.

Digital sales continued to make progress and set a new record in the third quarter of the year. Likewise, all distribution channels again recorded higher levels of activity. Dine in sales showed the highest level of growth, followed by take away and drive through, with delivery being the only channel that did not achieve double-digit growth.

**AmRest Group revenue for the 3 months ended 30 September 2019-2023\***



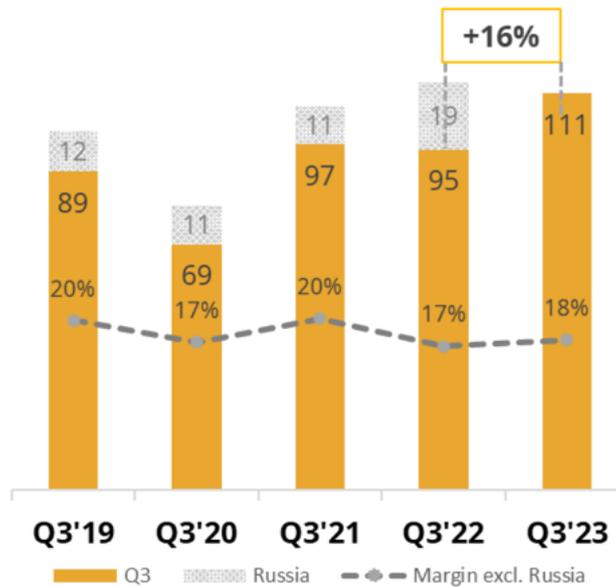
\*percentage change excluding Russia business

**EBITDA generated in the third quarter amounted to EUR 110.9 million. The EBITDA margin increased to 17.5%, the highest level in the last two years. Operating profit (EBIT) amounted to EUR 52.9 million, representing a margin of 8.4%.**

The incipient moderation in the cost of supplies and energy, together with advances in efficiency and higher sales, enabled the EBITDA generated during the third quarter of the year to reach EUR 110.9 million, a growth of 16.5% compared to 2022. This positive progression is practically generalised in all geographies. The EBITDA margin stood at 17.5%, the highest level since the global supply problems began and inflationary pressures around the world began to rise.

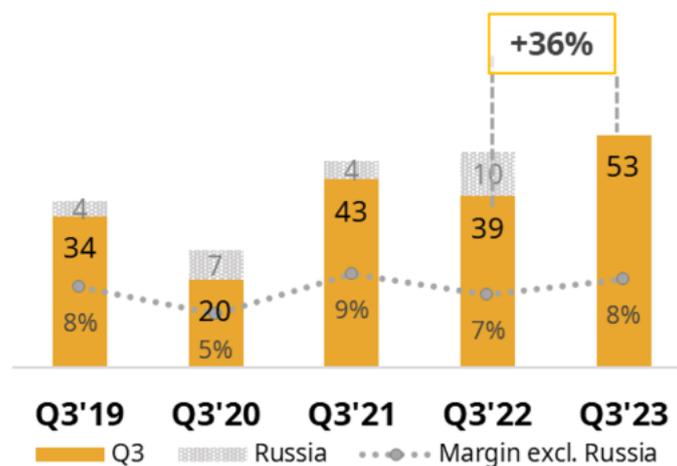
In addition, the operating profit (EBIT) reached EUR 52.9 million, 36.2% more than in the previous year, and representing an EBIT margin of 8.4%.

**AmRest Group EBITDA for the 3 months ended 30 September 2019-2023\***



\*percentage change excluding Russia business

**AmRest Group EBIT for the 3 months ended 30 September 2019-2023\***



**Net profit attributable to shareholders of the parent company stood at EUR 50.7 million accumulated up to the end of the third quarter compared to a loss of EUR -1.3 million in the same period of 2022.**

The AmRest Group's net profit stood at EUR 28.9 million in the third quarter of the year, practically repeating the results generated by continuing operations in the same period of 2022 when they reached EUR 29.4 million. There was a significant increase in the Group's financial costs despite the reduction in debt levels.

Finally, the profit attributable to shareholders of the parent company amounted to EUR 27.1 million in the third quarter of the year.

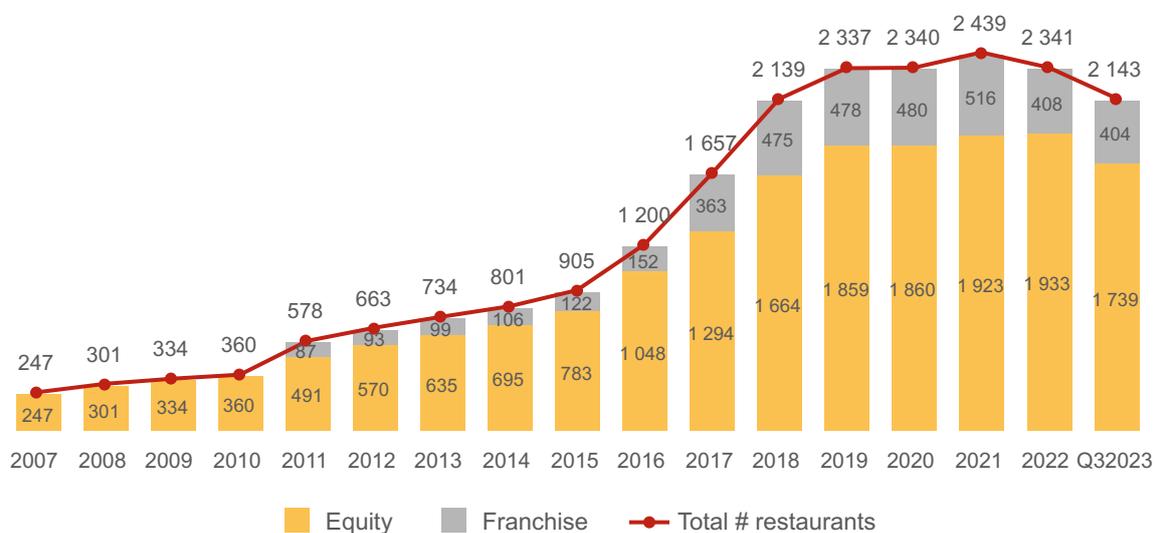
### **Total number of restaurants increases by 20 units to 2 143 outlets.**

AmRest closed the third quarter with a portfolio of 2 143 restaurants after opening 24 units and closing 4 during the quarter. For the full year, openings amounted to 53 while closures reached 38 units.

CAPEX in the quarter increased to EUR 43.5 million, compared to EUR 33.9 million in the same period of 2022. In addition to restaurant openings, investments are being dedicated to the modernisation of a record number of outlets and continued progress in digitalisation processes.

The Group continues to expect to open more restaurants this year than in 2022, when amounted to 109 units, and intends to continue with the portfolio optimisation strategy in order to make further progress in the efficient allocation of capital.

**Number of AmRest Group restaurants from 2007 to Q3 2023**



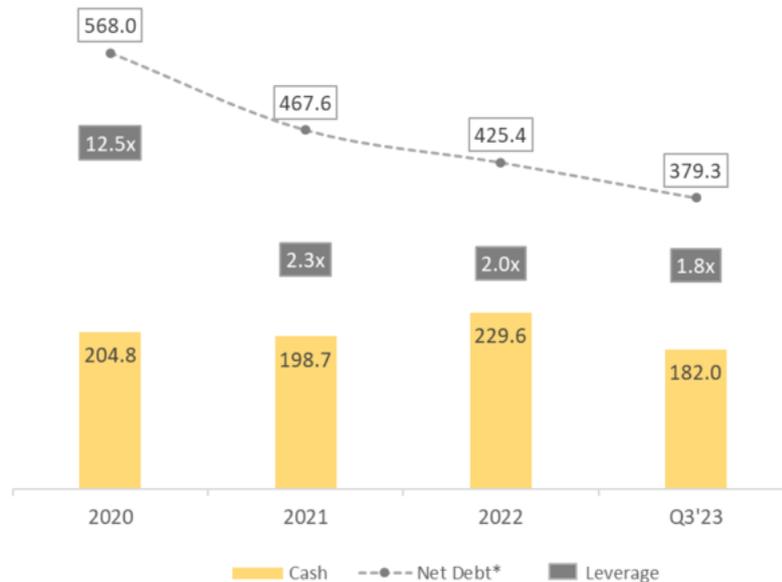
**The improvement in operating results makes it possible to combine increased investment with further progress in strengthening the balance sheet. The leverage ratio was reduced to 1.8x.**

AmRest closed the third quarter of the year with a further increase in shareholders' equity to EUR 402.3 million, after increasing by EUR 71.1 million during the year thanks to the accumulation of profit from continued operations, as well as the positive effect generated by the sale of the Russian business.

The cash position stood at EUR 182.0 million at the end of the quarter after a reduction of EUR 72.8 million. Likewise, financial debt has been repaid in a similar amount, with a practically neutral effect from the perspective of net debt, which is slightly reduced by EUR 1.6 million, to EUR 379.3 million at the end of the quarter. This situation, together with the Group's higher EBITDA generation, once again led to a reduction in the leverage ratio, which stood at 1.8x at the end of the quarter compared to 1.9x in the previous quarter.

This situation allows comfortably meeting the financial covenants that establish a leverage ratio lower than 3.5x and an interest coverage ratio of more than 3.5x. At the end of the third quarter, the Group's leverage ratio (net financial debt/EBITDA pre IFRS16) stood at 1.8x and interest coverage of debt at 6.0x. AmRest believes that the financial position presented provides adequate capacity to meet potential challenges and opportunities that may arise.

## Net financial debt, leverage and cash position evolution



\*Net Debt pre IFRS16

## Revenues and profitability by segments

### Central and Eastern Europe (CEE)

Revenues in the region reached EUR 354.1 million in the quarter, an increase of 17.4% compared to the same period in 2022, representing 56% of the total Group's revenues. Revenues in all of AmRest's main markets in the region grew by double digits, where once again the excellent performance of the commercial dynamics in Hungary stood out, with revenues growing by over 30%.

EBITDA generated in the quarter amounted to EUR 78.9 million, after increasing by 26.6% compared to Q3 2022, resulting in an EBITDA margin of 22.3%. Once again, the improvement in margins is generalised in all the main markets, which now have EBITDA margins above 20%.

AmRest closed the quarter with a portfolio of 1 138 restaurants in the region after the opening of 11 units and the closure of one. This brings to 22 new restaurants opened and 11 closed for the year.

### Western Europe (WE)

Revenues in the region grew at a rate of 7.7% to EUR 230.9 million in the third quarter. The strongest gains were achieved in Germany where revenues increased by 20.6%. On the other hand, France continues to show the most modest growth rate with an increase of 3.7%.

In terms of profitability, EBITDA stood at EUR 34.2 million, 23.1% higher than in the same quarter of 2022. This figure represents an EBITDA margin of 14.8%, 1.8 percentage points higher than a year ago. The improvement in margins is once again generalised, although the levels reached in Germany and Spain stand out.

The number of restaurants in the region reached 915 at the end of the third quarter, when 9 units were opened and 2 closed. This implies 20 new openings this year and the closure of 25, of which 17 were concentrated in France.

### China

The intensity of economic growth in China is slowing down and failing to meet expectations following the reopening of the economy after the Covid period. This situation is affecting consumer confidence and is having a major effect on the depreciation of the Renminbi against the Euro.

Revenues in the region stood at EUR 25.6 million, a decline of 4.3% compared to Q3 2022, influenced by the depreciation of the Renminbi against the Euro. In constant Euros, sales recorded a remarkable growth of 9.5% due to the increase in transactions. The commercial positioning of AmRest's business in China, both due to its geographic presence concentrated in the fastest growing urban centres and the attractive value-for-money proposition offered, continues to provide an interesting opportunity for growth.

EBITDA generated in the region amounted to EUR 5.6 million, representing an EBITDA margin of 22.0%, which is 6.9 percentage points lower than in the same period of 2022.

The number of restaurants in the region reached 90 after the opening of 4 units and the closure of 1. The cumulative annual number of openings stands at 11 with only one closure.

**Table 1. Revenues and margins generated in the particular markets for the 9 months ended 30 September 2023 and 2022**

	9 MONTHS ENDED			
	30 September 2023		30 September 2022 Restated*	
	Amount	% of sales	Amount	% of sales
<b>Revenue</b>	<b>1 802.7</b>	<b>100.0%</b>	<b>1 551.0</b>	<b>100.0%</b>
Poland	497.1	27.6%	428.2	27.6%
Czechia	240.3	13.3%	204.2	13.2%
Hungary	146.2	8.1%	107.5	6.9%
Other CEE	108.9	6.0%	84.7	5.5%
<b>Total CEE</b>	<b>992.5</b>	<b>55.1%</b>	<b>824.6</b>	<b>53.2%</b>
Spain	245.8	13.6%	219.3	14.1%
Germany	155.6	8.6%	126.3	8.1%
France	240.7	13.4%	228.4	14.7%
Other WE	26.3	1.5%	31.7	2.0%
<b>Western Europe (WE)</b>	<b>668.4</b>	<b>37.1%</b>	<b>605.7</b>	<b>39.0%</b>
<b>China</b>	<b>77.2</b>	<b>4.3%</b>	<b>62.5</b>	<b>4.0%</b>
<b>Other</b>	<b>64.6</b>	<b>3.6%</b>	<b>58.2</b>	<b>3.8%</b>
<b>EBITDA</b>	<b>282.9</b>	<b>15.7%</b>	<b>244.2</b>	<b>15.7%</b>
Poland	88.0	17.7%	81.0	18.9%
Czechia	55.2	23.0%	46.5	22.8%
Hungary	29.4	20.1%	19.1	17.8%
Other CEE	22.6	20.8%	19.8	23.3%
<b>Total CEE</b>	<b>195.2</b>	<b>19.7%</b>	<b>166.4</b>	<b>20.2%</b>
Spain	46.8	19.0%	44.5	20.3%
Germany	28.8	18.5%	16.9	13.4%
France	11.8	4.9%	13.2	5.8%
Other WE	2.2	8.3%	3.4	11.0%
<b>Western Europe (WE)</b>	<b>89.6</b>	<b>13.4%</b>	<b>78.0</b>	<b>12.9%</b>
<b>China</b>	<b>16.8</b>	<b>21.7%</b>	<b>12.7</b>	<b>20.3%</b>
<b>Other</b>	<b>(18.7)</b>	<b>(28.9)%</b>	<b>(12.9)</b>	<b>(22.1)%</b>
<b>Adjusted EBITDA</b>	<b>286.5</b>	<b>15.9%</b>	<b>246.6</b>	<b>15.9%</b>
Poland	89.0	17.9%	81.6	19.0%
Czechia	55.4	23.1%	47.0	23.0%
Hungary	29.8	20.4%	19.4	18.0%
Other CEE	23.0	21.1%	19.9	23.5%
<b>Total CEE</b>	<b>197.2</b>	<b>19.9%</b>	<b>167.9</b>	<b>20.4%</b>
Spain	47.9	19.5%	45.0	20.5%
Germany	28.9	18.6%	17.0	13.5%
France	11.8	4.9%	13.2	5.8%
Other WE	2.2	8.3%	3.5	11.0%
<b>Western Europe (WE)</b>	<b>90.8</b>	<b>13.6%</b>	<b>78.7</b>	<b>13.0%</b>
<b>China</b>	<b>17.2</b>	<b>22.3%</b>	<b>12.9</b>	<b>20.6%</b>
<b>Other</b>	<b>(18.7)</b>	<b>(28.9)%</b>	<b>(12.9)</b>	<b>(22.1)%</b>

<b>EBIT</b>	<b>104.0</b>	<b>5.8%</b>	<b>80.4</b>	<b>5.2%</b>
Poland	41.8	8.4%	43.1	10.1%
Czechia	33.4	13.9%	25.6	12.6%
Hungary	18.2	12.5%	8.8	8.2%
Other CEE	9.6	8.9%	8.4	9.9%
<b>Total CEE</b>	<b>103.0</b>	<b>10.4%</b>	<b>85.9</b>	<b>10.4%</b>
Spain	16.3	6.6%	19.9	9.1%
Germany	10.8	6.9%	(2.3)	(1.8)%
France	(8.6)	(3.6)%	(6.7)	(2.9)%
Other WE	(1.0)	(3.6)%	(0.7)	(2.3)%
<b>Western Europe (WE)</b>	<b>17.5</b>	<b>2.6%</b>	<b>10.2</b>	<b>1.7%</b>
<b>China</b>	<b>3.1</b>	<b>4.0%</b>	<b>(1.9)</b>	<b>(3.0)%</b>
<b>Other</b>	<b>(19.6)</b>	<b>(30.3)%</b>	<b>(13.8)</b>	<b>(23.7)%</b>

\*Restated - excluding Russia business and including restatement of segment data - some global functions are now analysed in segment Other.

**Table 2. Revenues and margins generated in the particular markets for 3 months ended 30 September 2023 and 2022**

	3 MONTHS ENDED			
	30 September 2023		30 September 2022 Restated*	
	Amount	% of sales	Amount	% of sales
<b>Revenue</b>	<b>632.8</b>	<b>100.0%</b>	<b>567.2</b>	<b>100.0%</b>
Poland	179.9	28.4%	156.3	27.6%
Czechia	83.4	13.2%	74.0	13.0%
Hungary	51.1	8.1%	39.0	6.9%
Other CEE	39.7	6.3%	32.2	5.7%
<b>Total CEE</b>	<b>354.1</b>	<b>56.0%</b>	<b>301.5</b>	<b>53.2%</b>
Spain	86.7	13.7%	80.7	14.2%
Germany	57.5	9.1%	47.7	8.4%
France	78.8	12.5%	76.0	13.4%
Other WE	7.9	1.2%	9.9	1.7%
<b>Western Europe (WE)</b>	<b>230.9</b>	<b>36.5%</b>	<b>214.3</b>	<b>37.8%</b>
<b>China</b>	<b>25.6</b>	<b>4.0%</b>	<b>26.7</b>	<b>4.7%</b>
<b>Other</b>	<b>22.2</b>	<b>3.5%</b>	<b>24.7</b>	<b>4.3%</b>
<b>EBITDA</b>	<b>110.9</b>	<b>17.5%</b>	<b>95.2</b>	<b>16.8%</b>
Poland	37.9	21.1%	32.4	20.8%
Czechia	20.1	24.2%	17.1	23.2%
Hungary	11.8	23.0%	6.8	17.4%
Other CEE	9.1	22.9%	7.6	23.4%
<b>Total CEE</b>	<b>78.9</b>	<b>22.3%</b>	<b>63.9</b>	<b>21.2%</b>
Spain	16.6	19.2%	15.8	19.6%
Germany	12.2	21.2%	7.2	15.0%
France	4.4	5.5%	3.6	4.7%
Other WE	1.0	12.6%	1.2	12.5%
<b>Western Europe (WE)</b>	<b>34.2</b>	<b>14.8%</b>	<b>27.8</b>	<b>13.0%</b>
<b>China</b>	<b>5.6</b>	<b>22.0%</b>	<b>7.7</b>	<b>28.9%</b>
<b>Other</b>	<b>(7.8)</b>	<b>(35.3)%</b>	<b>(4.2)</b>	<b>(16.9)%</b>
<b>Adjusted EBITDA</b>	<b>112.5</b>	<b>17.8%</b>	<b>96.1</b>	<b>16.9%</b>
Poland	38.4	21.3%	32.7	20.9%
Czechia	20.3	24.4%	17.4	23.5%
Hungary	11.8	23.1%	6.9	17.7%
Other CEE	9.4	23.4%	7.4	23.1%
<b>Total CEE</b>	<b>79.9</b>	<b>22.6%</b>	<b>64.4</b>	<b>21.4%</b>
Spain	17.0	19.7%	16.0	19.9%
Germany	12.3	21.3%	7.2	15.1%
France	4.4	5.6%	3.6	4.7%
Other WE	1.0	12.6%	1.3	12.5%
<b>Western Europe (WE)</b>	<b>34.7</b>	<b>15.0%</b>	<b>28.1</b>	<b>13.1%</b>
<b>China</b>	<b>5.7</b>	<b>22.6%</b>	<b>7.8</b>	<b>29.3%</b>
<b>Other</b>	<b>(7.8)</b>	<b>(35.3)%</b>	<b>(4.2)</b>	<b>(16.9)%</b>
<b>EBIT</b>	<b>52.9</b>	<b>8.4%</b>	<b>38.8</b>	<b>6.8%</b>

Poland	22.7	12.6%	18.9	12.1%
Czechia	12.7	15.3%	10.1	13.6%
Hungary	7.8	15.3%	3.4	8.7%
Other CEE	4.9	12.2%	3.6	11.3%
<b>Total CEE</b>	<b>48.1</b>	<b>13.6%</b>	<b>36.0</b>	<b>11.9%</b>
Spain	7.5	8.7%	6.6	8.2%
Germany	5.9	10.3%	0.7	1.5%
France	(1.6)	(2.0)%	(2.7)	(3.6)%
Other WE	0.1	1.2%	(0.2)	(2.0)%
<b>Western Europe (WE)</b>	<b>11.9</b>	<b>5.2%</b>	<b>4.4</b>	<b>2.1%</b>
<b>China</b>	<b>1.0</b>	<b>3.9%</b>	<b>3.1</b>	<b>11.7%</b>
<b>Other</b>	<b>(8.1)</b>	<b>(36.8)%</b>	<b>(4.7)</b>	<b>(19.1)%</b>

\*Restated - excluding Russia business and including restatement of segment data - some global functions are now analysed in segment Other.

**Table 3. Reconciliation of the net profit and adjusted EBITDA for 9 months ended 30 September 2023 and 2022**

	9 MONTHS ENDED			
	30 September 2023		30 September 2022 Re-presented**	
	Amount	% of sales	Amount	% of sales
<b>Profit/loss for the period from continuing operations</b>	<b>49.2</b>	<b>2.7%</b>	<b>39.4</b>	<b>2.5%</b>
+ Finance costs	49.2	2.7%	32.3	2.1%
– Finance income	(5.5)	(0.3)%	(3.4)	(0.2)%
+/- Income tax expense	11.1	0.6%	12.1	0.8%
+ Depreciation and Amortisation	173.0	9.6%	165.9	10.7%
+ Impairment losses	5.9	0.3%	(2.1)	(0.1)%
<b>EBITDA</b>	<b>282.9</b>	<b>15.7%</b>	<b>244.2</b>	<b>15.7%</b>
+ Start-up expenses*	3.6	0.2%	2.4	0.2%
+/- Effect of SOP exercise method modification	-	-	-	-
<b>Adjusted EBITDA</b>	<b>286.5</b>	<b>15.9%</b>	<b>246.6</b>	<b>15.9%</b>

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

\*\* Re-presented - excluding Russia business

**Table 4. Reconciliation of the net profit and adjusted EBITDA for 3 months ended 30 September 2023 and 2022**

	3 MONTHS ENDED			
	30 September 2023		30 September 2022 Re-presented**	
	Amount	% of sales	Amount	% of sales
<b>Profit/(loss) for the period</b>	<b>28.8</b>	<b>4.6%</b>	<b>29.4</b>	<b>5.2%</b>
+ Finance costs	17.4	2.7%	7.9	1.4%
– Finance income	2.5	0.4%	(2.8)	(0.5)%
+/- Income tax expense	4.1	0.5%	4.2	0.7%
+ Depreciation and Amortisation	58.5	9.2%	55.4	9.8%
+ Impairment losses	-0.4	(0.1)%	1.1	0.2%
<b>EBITDA</b>	<b>110.9</b>	<b>17.5%</b>	<b>95.2</b>	<b>16.8%</b>
+ Start-up expenses*	1.6	0.3%	0.9	0.2%
+/- Effect of SOP exercise method modification	-	-	-	-
<b>Adjusted EBITDA</b>	<b>112.5</b>	<b>17.8%</b>	<b>96.1</b>	<b>16.9%</b>

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

\*\* Re-presented - excluding Russia business

### 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. Net debt – measures the level of external financing provided for the business as a sum of balance sheet positions of loans and borrowings, including financial lease liabilities pre-IFRS 16, net of available cash and cash equivalents, and guarantees.
5. Leverage ratio - measures the level of EBITDA calculated according to the financing agreements with the banks to net debt. It is a generally accepted level that shows indebtedness of a company relative to its ability to generate cash and profits from operations.

## Significant events and transactions in Q3 2023 (till the date of approval of this Report)

### Share Buy-back Program

On 4 July 2023 AmRest informed that the Company's Board of Directors had resolved unanimously to set-up a buy-back program for the repurchase of its own shares (the "Buy-back Program"), pursuant to the authorisation granted by resolution of the AmRest General Meeting of Shareholders held on 12 May 2022 under item nine of the agenda, relating to the authorisation to the Board of Directors for the derivative acquisition of AmRest shares.

The Buy-back Program had been conducted in accordance with the transparency and operational requirements under Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (Market Abuse Regulation) and Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016 (the "Delegated Regulation 2016/1052") and had the following features:

- Purpose of the Buy-back Program: to cover the settlements of the remuneration plans currently in force for AmRest Group executives and employees.
- Maximum investment: the Buy-back Program was to have a maximum monetary amount of EUR 6.3 million. The maximum monetary amount of the Buy-back Program could be reduced by the amount applied by the Company, during its term, to the acquisition of its own shares in the block market or outside the market for the same purpose, which would be notified to the market in the periodic communications of other relevant information informing of the transactions carried out under the Buy-back Program or separately.
- Maximum number of shares: the maximum number of shares to be acquired in the execution of the Buy-back Program was to be dependent on the average price at which purchases took place but could not exceed 10% of the Company's share capital.
- Price and volume: the acquisition of the shares was to be carried out in accordance with the price and volume conditions set out in article 3 of Delegated Regulation 2016/1052. Specifically:
  - AmRest could not acquire shares at a price higher than the higher of (a) the price of the last independent transaction, or (b) the highest independent bid at that time on the trading venue where the purchase was made, even if the shares were traded on different trading venues. In addition, the limitations approved in the resolution authorizing the acquisition of treasury shares granted to the Board of Directors by AmRest's General Meeting of Shareholders held on 12 May 2022 were to be considered.
  - AmRest could not purchase on any trading day more than 25% of the average daily volume of AmRest shares on the Continuous Market of the Spanish Stock Exchanges or, as the case may be, the Warsaw Stock Exchange, during the 20 trading days preceding the date of purchase.
- Indicative duration of the program: the Buy-back Program commenced on 5 July 2023 and was to remain in force until 4 July 2024. However, AmRest reserved the right to terminate the Buy-Back Program if, prior to its expiry date, it reaches the maximum monetary amount, or the maximum number of shares authorized by the Board of Directors or in the event of other circumstances that make it advisable to do so.
- Execution of the Buy-Back Program: Banco Santander, S.A. had been appointed as the manager of the Buy-Back Program, which was to independently make decisions regarding the purchase of the AmRest shares without any influence or interference from the Company. Purchases under the Buy-back Program could be made on the Continuous Market of the Spanish Stock Exchanges or, as the case may be, the Warsaw Stock Exchange.

On 23 October the Company informed that, as a result of the last of the acquisitions of own shares, the maximum investment foreseen in the Buy-Back Program (i.e. EUR 6.3 million) had been reached, which constituted the acquisition of a total of 1 052 235 own shares, representing 0.4793% of the share capital.

All acquisitions under the Buy-Back Program had been carried out and duly reported on a regular basis to the Spanish Securities Market Commission (CNMV) and the Polish Financial Supervision Authority (KNF) by means of the publication of the corresponding communications to the market, in accordance with the provisions of Delegated Regulation 2016/1052 and the Market Abuse Regulation.

As a consequence of the above, the Buy-Back Program was terminated.

## Changes in the Parent Company's Governing Bodies

During the period covered by this Report there were no changes with respect to the composition of AmRest's Board of Directors.

As at 30 September 2023 the composition of the Board of Directors was as follows:

- Mr. José Parés Gutiérrez
- Mr. Luis Miguel Álvarez Pérez
- Ms. Romana Sadurska
- Mr. Pablo Castilla Reparaz
- Mr. Emilio Fullaondo Botella
- Ms. Mónica Cueva Díaz
- Ms. Begoña Orgambide García
  
- Carlos Fernández González (honorary chairman, non-Board member)
- Eduardo Rodríguez-Rovira (Secretary, non-Board member)
- Mauricio Garate Meza (Vicesecretary, non-Board member)

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

## Dividends paid and received

In the period covered by this report the Group has paid dividend to non-controlling interest of SCM Sp. z o.o. in the amount of EUR 1.4 million.

## Shareholders of AmRest Holdings SE

During the period covered by this Report there were no changes with respect to the Company's shareholder structure.

To the best of AmRest's knowledge as at 30 September 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, honorary chairman of AmRest (no Director)

## 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 30 September 2023 Mr. Carlos Fernández González (honorary chairman, non-Board member) held through its closely associated person, FCapital Dutch S.L., 147 203 760 shares of the Company with a total nominal value of EUR 14 720 376. There were no changes with respect to the previous quarter.

In addition, as of 30 September 2023 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. 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). There were no changes with respect to the previous quarter.

## Transactions on own shares concluded by AmRest

In the period between 1 July 2023 and 30 September 2023, AmRest purchased 804 527 own shares with a total nominal value of EUR 80 452.7 and representing 0.3664% of the share capital for a total price of approx. PLN 21.8 million (EUR 4.9 million). During the same period, the Company disposed a total of 12 330 own shares with a total nominal value of EUR 1 233.0 and representing 0.0056% of the share capital to entitled participants of the stock options plans. Disposal transactions under these plans were executed in three settlement methods, which impacted the sale price. Major part of the shares was transferred to the participants free of charge. As at 30 September 2023 AmRest held 1 131 820 own shares with a total nominal value of EUR 113 182.0 and representing 0.5155% of the share capital.

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

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.

On 5 July 2023 AmRest launched a new Buy-back Program described in Significant events section of this report.

## Forecasts of financial results

The Company has not published any forecasts of financial results.

Any forward-looking statements and estimates are aspirational and should be considered indicative and for illustrative purposes only. These statements have been prepared on the basis of the knowledge and information available at the date of publication of this report. In this regard, it should be noted that geopolitical risks remain extraordinarily high. The wars in Ukraine and Israel may generate disruptions in supply chains, in commodity and energy prices. In addition, developments in the wars may affect consumer confidence, changing their propensity to consume and the way we consume. Secondly, the still high cost pressure and the further tightening of financial conditions at the global level may have consequences that are difficult to predict but impacting the disposable income of households, corporate profitability and consequently the propensity and likelihood to consume of final customers

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 Q3 2023

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## Condensed consolidated interim income statement for the period of 9 months ended 30 September 2023

	Note	9 MONTHS ENDED	
		30 September 2023	30 September 2022 Re-presented
<b>Continuing operations</b>			
Restaurant sales		1 679.6	1 439.1
Franchise and other sales		123.1	111.9
<b>Total revenue</b>	5	<b>1 802.7</b>	<b>1 551.0</b>
Restaurant expenses:			
Food and merchandise	6	(479.3)	(413.2)
Payroll and other employee benefits	6	(410.5)	(361.9)
Royalties	6	(83.2)	(69.5)
Occupancy, depreciation and other operating expenses	6	(506.6)	(448.8)
Franchise and other expenses	6	(95.3)	(85.5)
<b>Gross Profit</b>		<b>227.8</b>	<b>172.1</b>
General and administrative expenses	6	(123.3)	(106.1)
Net impairment losses on financial assets		(1.2)	(1.5)
Net impairment losses on non-financial assets		(4.7)	3.6
Other operating income/expenses	6	5.4	12.3
<b>Profit/loss from operations</b>		<b>104.0</b>	<b>80.4</b>
Finance income	7	5.5	3.4
Finance costs	7	(49.2)	(32.3)
<b>Profit/loss before tax</b>		<b>60.3</b>	<b>51.5</b>
Income tax expense	8	(11.1)	(12.1)
<b>Profit/loss for the period from continuing operations</b>		<b>49.2</b>	<b>39.4</b>
<b>Discontinued operations</b>			
Profit/loss for the period from discontinued operation	4	6.5	(36.4)
<b>Profit/loss for the period</b>		<b>55.7</b>	<b>3.0</b>
Attributable to:			
Shareholders of the parent		50.7	(1.3)
Non-controlling interests		5.0	4.3

		9 MONTHS ENDED	
		30 September 2023	30 September 2022 Re-presented
<b>Earnings per share for profit/loss from continuing operations attributable to the ordinary equity holders of the company:</b>			
Basic earnings per ordinary share in EUR	10	0.20	0.16
Diluted earnings per ordinary share in EUR	10	0.20	0.16
<b>Earnings per share for profit/loss attributable to the ordinary equity holders of the company:</b>			
Basic earnings per ordinary share in EUR	10	0.23	(0.01)
Diluted earnings per ordinary share in EUR	10	0.23	(0.01)

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

## Condensed consolidated interim statement of comprehensive income for the period of 9 months ended 30 September 2023

	Note	9 MONTHS ENDED	
		30 September 2023	30 September 2022 Re-presented
<b>Profit/loss for the period</b>		<b>55.7</b>	<b>3.0</b>
<b>Other comprehensive income/loss</b>	9		
Exchange differences on translation of disposed operation		(8.4)	41.9
Exchange differences reclassified on loss of control	4	28.6	-
Exchange differences on translation of other foreign operations		(3.7)	3.4
Net investment hedges		1.6	(7.0)
Income tax related to net investment hedges		(0.3)	1.2
<b>Other comprehensive income/loss for the period</b>		<b>17.8</b>	<b>39.5</b>
<b>Total comprehensive income/loss for the period</b>		<b>73.5</b>	<b>42.5</b>
Attributable to:			
Shareholders of the parent		68.5	38.4
Non-controlling interests		5.0	4.1
<b>Total comprehensive income/loss for the period attributable to owners arises from:</b>			
Continuing operations		46.8	37.0
Discontinued operations		26.7	5.5

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

## Condensed consolidated interim statement of financial position as of 30 September 2023

	Note	30 September 2023	31 December 2022
<b>Assets</b>			
Property, plant and equipment		495.6	501.5
Right-of-use assets		774.6	813.3
Goodwill		282.7	283.2
Intangible assets		231.1	236.4
Investment properties		1.1	4.7
Other non-current assets		23.2	24.0
Deferred tax assets	8	51.4	44.5
<b>Total non-current assets</b>		<b>1 859.7</b>	<b>1 907.6</b>
Inventories		36.7	37.5
Trade and other receivables		79.7	89.1
Income tax receivables		3.0	3.3
Other current assets		14.8	13.1
Cash and cash equivalents		182.0	229.6
<b>Total current assets</b>		<b>316.2</b>	<b>372.6</b>
<b>Total assets</b>		<b>2 175.9</b>	<b>2 280.2</b>
<b>Equity</b>			
Share capital	9	22.0	22.0
Reserves	9	166.8	166.5
Retained earnings		199.5	148.8
Translation reserve	9	(0.7)	(17.2)
<b>Equity attributable to shareholders of the parent</b>		<b>387.6</b>	<b>320.1</b>
Non-controlling interests		14.7	11.1
<b>Total equity</b>	9	<b>402.3</b>	<b>331.2</b>
<b>Liabilities</b>			
Loans and borrowings	11	439.4	551.5
Lease liabilities		671.1	705.6
Provisions		17.0	18.7
Deferred tax liability	8	38.9	43.0
Other non-current liabilities and employee benefits		6.3	3.8
<b>Total non-current liabilities</b>		<b>1 172.7</b>	<b>1 322.6</b>
Loans and borrowings	11	120.9	102.2
Lease liabilities		165.7	173.1
Provisions		4.8	4.4
Trade payables and other liabilities		296.0	340.0
Income tax liabilities		13.5	6.7
<b>Total current liabilities</b>		<b>600.9</b>	<b>626.4</b>
<b>Total liabilities</b>		<b>1 773.6</b>	<b>1 949.0</b>
<b>Total equity and liabilities</b>		<b>2 175.9</b>	<b>2 280.2</b>

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

## Condensed consolidated interim statement of cash flows for the period of 9 months ended 30 September 2023

	Note	9 MONTHS ENDED	
		30 September 2023	30 September 2022
<b>Cash flows from operating activities</b>			
Profit/loss for the period		55.7	3.0
Adjustments for:			
Amortisation and depreciation		181.6	188.5
Net interest expense		45.4	31.1
Foreign exchange result		(1.6)	(1.8)
Result on disposal of property, plant and equipment and intangibles		(0.3)	(3.0)
Result on sale of discontinued operation	4	(3.5)	-
Impairment of non-financial assets		4.7	51.1
Share-based payments		4.1	2.5
Tax expense		12.0	16.5
Rent concessions		-	(2.0)
Other		(1.3)	(1.1)
Working capital changes:			
Change in trade and other receivables and other assets		1.9	(18.6)
Change in inventories		(1.3)	(2.2)
Change in payables and other liabilities		(16.5)	17.0
Change in provisions and employee benefits		(1.2)	(7.9)
Cash generated from operations		279.7	273.1
Income tax paid		(17.4)	(23.5)
<b>Net cash from operating activities</b>		<b>262.3</b>	<b>249.6</b>
<b>Cash flows from investing activities</b>			
Net cash outflows on acquisition		(0.9)	(1.1)
Net proceeds from the sale of the business	4	61.6	-
Proceeds from the sale of property, plant and equipment, and intangible assets		0.3	0.7
Purchase of property, plant and equipment		(111.7)	(77.8)
Purchase of intangible assets		(5.8)	(6.0)
Proceeds from investment property		3.4	-
<b>Net cash from investing activities</b>		<b>(53.1)</b>	<b>(84.2)</b>
<b>Cash flows from financing activities</b>			
Purchase of treasury shares		(4.9)	-
Proceeds from loans and borrowings	11	54.1	128.6
Repayment of loans and borrowings	11	(146.5)	(105.6)
Payments of lease liabilities including interests paid		(127.1)	(120.1)
Interest paid	11	(27.3)	(17.4)
Interest received		3.9	2.7
Dividends paid to non-controlling interest		(1.4)	(1.1)
Transactions with non-controlling interest		-	(2.3)
<b>Net cash from financing activities</b>		<b>(249.2)</b>	<b>(115.2)</b>
<b>Net change in cash and cash equivalents</b>		<b>(40.0)</b>	<b>50.2</b>
Effect of foreign exchange rate movements		(7.6)	12.7
Balance sheet change of cash and cash equivalents		(47.6)	62.9
Cash and cash equivalents, beginning of period		229.6	198.7
<b>Cash and cash equivalents, end of period</b>		<b>182.0</b>	<b>261.6</b>

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

## Condensed consolidated interim statement of changes in equity for the period of 9 months ended 30 September 2023

		ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT				Non-controlling interest	Total equity	
		Share capital	Reserves	Retained earnings	Translation reserve			Total
<b>As of 1 January 2023</b>		<b>22.0</b>	<b>166.5</b>	<b>148.8</b>	<b>(17.2)</b>	<b>320.1</b>	<b>11.1</b>	<b>331.2</b>
Profit/loss for the period		-	-	50.7	-	50.7	5.0	55.7
Other comprehensive income/loss		-	1.3	-	16.5	17.8	-	17.8
<b>Total comprehensive income/loss</b>		<b>-</b>	<b>1.3</b>	<b>50.7</b>	<b>16.5</b>	<b>68.5</b>	<b>5.0</b>	<b>73.5</b>
Dividends to non-controlling interests	9	-	-	-	-	-	(1.4)	(1.4)
Transactions on treasury shares		-	(4.9)	-	-	(4.9)	-	(4.9)
Share based payments	9	-	3.9	-	-	3.9	-	3.9
<b>As of 30 September 2023</b>		<b>22.0</b>	<b>166.8</b>	<b>199.5</b>	<b>(0.7)</b>	<b>387.6</b>	<b>14.7</b>	<b>402.3</b>

		ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT				Non-controlling interest	Total equity	
		Share capital	Reserves	Retained earnings	Translation reserve			Total
<b>As of 1 January 2022</b>		<b>22.0</b>	<b>165.6</b>	<b>147.5</b>	<b>(36.4)</b>	<b>298.7</b>	<b>8.8</b>	<b>307.5</b>
Profit/loss for the period		-	-	(1.3)	-	(1.3)	4.3	3.0
Other comprehensive income/loss		-	(5.9)	-	45.6	39.7	(0.2)	39.5
<b>Total comprehensive income/loss</b>		<b>-</b>	<b>(5.9)</b>	<b>(1.3)</b>	<b>45.6</b>	<b>38.4</b>	<b>4.1</b>	<b>42.5</b>
Transaction with non-controlling interests	9	-	(1.1)	-	-	(1.1)	(2.4)	(3.5)
Share based payments	9	-	1.9	-	-	1.9	-	1.9
<b>As of 30 September 2022</b>		<b>22.0</b>	<b>160.5</b>	<b>146.2</b>	<b>9.2</b>	<b>337.9</b>	<b>10.5</b>	<b>348.4</b>

The above condensed consolidated interim 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 a 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 30 September 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 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, 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 2023 AmRest sold its KFC business in Russia. Transaction is further described in note 4.

In Spain and Portugal the Group operates its own brand La Tagliatella. In China the Group operates its own brand called Blue Frog. Both businesses are based on operating equity and franchise restaurants supported by the central kitchens located in Spain (La Tagliatella) and in China (for Blue Frog) that produce and deliver products to the whole network.

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, 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 30 September 2023

ACTIVITY WHERE AMREST IS A FRANCHISEE					
Brand	KFC	Pizza Hut Dine-In	Pizza Hut Express, Delivery	Burger King	Starbucks <sup>1)</sup>
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, 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 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 <sup>2)</sup> except Bulgaria, which has a 10-year agreement including extension rights
Initial fee	up to USD 61.7 thousand <sup>3)</sup>	up to USD 61.7 thousand <sup>3)</sup>	USD 30.9 thousand <sup>3)</sup>	USD 30 thousand	USD 25 thousand
Royalty fee	6% of sales revenues	6% of sales revenues	6% of sales revenues	5% of sales revenues	6% of sales revenues
Marketing fee	5% of sales revenues <sup>4)</sup>	5% of sales revenues	6% or 5% of sales revenues depending on the concept <sup>4)</sup>	5% of sales revenues <sup>4)</sup>	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, 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	Bacoo <sup>5)</sup>	Sushi Shop
Partner	Pizza Hut Europe Limited, 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, Czech Republic and Romania were extended for another 5 years.

3) The fee is updated yearly for inflation.

4) Marketing fee might be changed if certain conditions set in the agreement are met. In some exceptional cases the fee is lower than the standard fee.

5) Bacoo restaurants are currently operated under trademark license agreements.

## 2. Group Structure

As of 30 September 2023, the Group comprised the following subsidiaries:

Company name	Registered office	Parent/non-controlling undertaking	Ownership interest and total vote	Date of effective control
<b>Holding activity</b>				
AmRest Acquisition Subsidiary Ltd.	Birkirkara, Malta	AmRest Holdings SE	100.00%	May 2007
AmRest TAG S.L.U.	Madrid, Spain	AmRest Sp. z o.o.	100.00%	March 2011
AmRest 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 TAG S.L.U.	90.53%	
AmRest France SAS	Paris, France	AmRest Holdings SE	100.00%	December 2018
Sushi Shop Management SAS	Paris, France	Sushi Shop Group SAS	100.00%	October 2018
Sushi Shop Luxembourg SARL	Luxembourg	Sushi Shop Group SAS	100.00%	October 2018
Sushi Shop Switzerland SA	Fribourg, Switzerland	Sushi Shop Management SAS	100.00%	October 2018
<b>Restaurant, franchise and master-franchise activity</b>				
AmRest Sp. z o.o.	Wroclaw, Poland	AmRest Holdings SE	100.00%	December 2000
AmRest s.r.o.	Prague, Czechia	AmRest Holdings SE	100.00%	December 2000
AmRest Kft	Budapest, Hungary	AmRest Sp. z o.o.	100.00%	June 2006
AmRest Coffee Sp. z o.o.	Wroclaw, Poland	AmRest Sp. z o.o.	82.00%	March 2007
		Starbucks Coffee International, Inc.	18.00%	
AmRest EOOD	Sofia, Bulgaria	AmRest Holdings SE	100.00%	April 2007
AmRest Coffee s.r.o.	Prague, Czechia	AmRest Sp. z o.o.	82.00%	August 2007
		Starbucks Coffee International, Inc.	18.00%	
AmRest Kávézó Kft	Budapest, Hungary	AmRest Sp. z o.o.	82.00%	August 2007
		Starbucks Coffee International, Inc.	18.00%	
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. <sup>1</sup>	Cologne, Germany	AmRest TAG S.L.U.	100.00%	March 2012
AmRest SAS.	Paris, France	AmRest TAG S.L.U.	100.00%	April 2012
AmRest Adria 2 d.o.o.	Ljubljana, Slovenia	AmRest Sp. z o.o.	100.00%	August 2012
Frog King Food&Beverage Management Ltd	Shanghai, China	Bigsky Hospitality Group Ltd	100.00%	December 2012
Blue Frog Food and Beverage Management (Shanghai) 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 TAG S.L.U.	77.00%	
AmRest DE Sp. z o.o. & Co. KG	Munich, Germany	AmRest Kaffee Sp. z o.o.	100.00%	December 2016
KaiFu Restaurant Management (Shanghai) Co. Ltd	Shanghai, China	Blue Frog Food and Beverage Management (Shanghai) Ltd.	100.00%	December 2016
LTP La Tagliatella Portugal, Lda	Lisbon, Portugal	AmRest TAG S.L.U.	100.00%	February 2017
LTP La Tagliatella Franchise II Portugal, Lda	Lisbon, Portugal	AmRest TAG S.L.U.	100.00%	April 2019
AmRest AT GmbH	Vienna, Austria	AmRest Sp. z o.o.	100.00%	March 2017
AmRest Topco France SAS	Paris, France	AmRest France SAS	100.00%	May 2017
AmRest Delco France SAS	Paris, France	AmRest Topco France SAS	100.00%	May 2017
AmRest Opco SAS	Paris, France	AmRest France SAS	100.00%	July 2017
AmRest Coffee SRB d.o.o.	Belgrade, Serbia	AmRest Holdings SE	100.00%	November 2017
AmRest Chamnord SAS	Paris, France	AmRest Opco SAS	100.00%	March 2018
AmRest SK s.r.o. <sup>3</sup>	Bratislava, Slovakia	AmRest s.r.o.	100.00%	April 2018
AmRest Pizza GmbH	Munich, Germany	AmRest DE Sp. z o.o. & Co. KG	100.00%	June 2018
Sushi Shop Restauration SAS	Paris, France	Sushi Shop Management SAS	100.00%	October 2018
Sushi House SA	Luxembourg	Sushi Shop Luxembourg SARL	100.00%	October 2018
Sushi Shop London Pvt LTD	London, UK	Sushi Shop Group SAS	100.00%	October 2018
Sushi Shop Belgique SA	Bruxelles, Belgium	Sushi Shop Group SAS	100.00%	October 2018
Sushi Shop Louise SA	Bruxelles, Belgium	Sushi Shop Belgique SA	100.00%	October 2018
Sushi Shop UK Pvt LTD	Charing, UK	Sushi Shop Group SAS	100.00%	October 2018
Sushi Shop Anvers SA	Bruxelles, Belgium	Sushi Shop Belgique SA	100.00%	October 2018
Sushi Shop Geneve SA	Geneva, Switzerland	Sushi Shop Switzerland SA	100.00%	October 2018
Sushi Shop Lausanne SARL	Lasanne, Switzerland	Sushi Shop Switzerland SA	100.00%	October 2018
Sushi Shop Madrid S.L.U.	Madrid, Spain	Sushi Shop Management SAS	100.00%	October 2018
Sushi Shop Milan SARL in liquidazione <sup>2</sup>	Milan, Italy	Sushi Shop Management SAS	70.00%	October 2018
		Vanray SRL	30.00%	
Sushi Shop Zurich GMBH	Zurich, Switzerland	Sushi Shop Switzerland SA	100.00%	October 2018
Sushi Shop Nyon SARL	Nyon, Switzerland	Sushi Shop Switzerland SA	100.00%	October 2018

Sushi Shop Vevey SARL	Vevey, Switzerland	Sushi Shop Switzerland SA	100.00%	November 2019
Sushi Shop Fribourg SARL	Fribourg, Switzerland	Sushi Shop Switzerland SA	100.00%	November 2019
Sushi Shop Yverdon SARL	Yverdon, Switzerland	Sushi Shop Switzerland SA	100.00%	November 2019
Sushi Shop Morges SARL	Moudon, Switzerland	Sushi Shop Switzerland SA	100.00%	October 2020
<b>Financial services and others for the Group</b>				
AmRest LLC	Wilmington, USA	AmRest Sp. z o.o.	100.00%	July 2008
AmRest Work Sp. z o.o.	Wroclaw, Poland	AmRest Sp. z o.o.	100.00%	March 2012
La Tagliatella SAS	Paris, France	AmRest TAG S.L.U.	100.00%	March 2014
AmRest Kaffee Sp. z o.o.	Wroclaw, Poland	AmRest Sp. z o.o.	100.00%	March 2016
AmRest Estate SAS	Paris, France	AmRest Opco SAS	100.00%	September 2017
AmRest Leasing SAS	Paris, France	AmRest Opco SAS	100.00%	September 2017
AmRest Franchise Sp. z o.o.	Wroclaw, Poland	AmRest Sp. z o.o.	100.00%	December 2018
AmRest Global S.L.U.	Madrid, Spain	AmRest Holdings SE	100.00%	September 2020
<b>Supply services for restaurants operated by the Group</b>				
SCM Czech s.r.o.	Prague, Czechia	SCM Sp. z o.o.	90.00%	March 2007
		Ondrej Razga	10.00%	
		AmRest Sp. z o.o.	51.00%	
SCM Sp. z o.o.	Warsaw, Poland	R&D Sp. z o.o.	33.80%	October 2008
		Beata Szafarczyk-Cylny	5.00%	
		Zbigniew Cylny	10.20%	

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

<sup>2</sup> On 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.

<sup>3</sup> On 18 August 2023 share transfer agreement was signed resulting in the transfer of 1% AmRest SK s.r.o. shares from AmRest Sp. z o.o. to AmRest s.r.o.

- On 20 January 2023 AmRest HK Ltd. has been deregistered.
- On 23 February 2023 La Tagliatella International Kft has been deregistered.
- In December 2022 AmRest entered into a share purchase agreement for the sale of its KFC restaurant business in Russia. On 28 April 2023 after the fulfilment of the conditions precedent to which it was subject, the transaction between AmRest's subsidiaries AmRest Sp. z o.o. and AmRest Acquisition Limited and Smart Service Nord Ltd. for the sale of AmRest's KFC business in Russia has been closed. The registration took place on 15 May 2023, and this date was assessed as a date of loss of control over Russian KFC operations. Transaction is further described in note 4.
- On 27 July 2023 the dissolution and liquidation deed of Black Rice, S.L.U. and Bacoa Holding, S.L.U. was registered, which effects with termination of both companies.

### 3. Basis of preparation

Accounting figures presented in this condensed consolidated interim 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 this condensed consolidated interim report 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 interim financial report required 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 this condensed consolidated financial report on the basis that it will continue to operate as a going concern.

### 4. Loss of control

During second quarter of 2023 AmRest Group disposed its Russian KFC operations and ceased all its operations and corporate presence in Russia.

In December 2022, AmRest Group 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 from the competition authority in Russia, the consent by Yum! Brands Inc.- brand owner and 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. exercised its right of first refusal pursuant to the underlying franchise agreements for itself or for the benefit of a third party, and 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 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.

On 28 April 2023, after the fulfilment of the conditions precedent to which it was subject, the transaction between AmRest's subsidiaries AmRest Sp. z o.o. and AmRest Acquisition Limited and Smart Service Nord Ltd. for the sale of

AmRest's KFC business in Russia (the "Transaction") was closed. Final price of EUR 100 million was received by AmRest, and as required by local regulations, the Transaction was submitted to the relevant registries for registration.

The registration took place on 15 May 2023, and this date was assessed as a date of loss of control over Russian KFC operations. Accounting effect of the deconsolidation is presented in the tables below.

The transaction represented full disposal of AmRest business held in Russia and Russian market was a separate operating segment reported in consolidated financial statements.

Group assessed that disposal of Russia operation met the definition of discontinued operation under IFRS 5 "Non-current assets held for sale and discontinued operations" ("IFRS 5"). Consequently, following adjustments were applied in these condensed consolidated financial statements:

- For condensed consolidated income statement:
  - discontinued operations were presented as a single line item comprising of post-tax profit or loss of discontinued operations, and post tax gain or loss on loss of control, with further details in note 4 below
  - comparative figures were re-presented to separate continuing operations from discontinued operations
- For condensed consolidated cash flow statement:
  - Net operating, investing and financing cash flows from discontinued operations were presented in note 4 below, and there is no separate presentation of cash flows from discontinued operations on the face of the cash flow statement
- For segment reporting:
  - Segment reporting does not include Russia operations, and consequently comparative figures were re-presented to reflect only continued operations.

No adjustments were introduced for comparative figures in condensed consolidated statement of financial position and condensed consolidated statement of changes in equity.

Below table presents details of result of discontinued operation:

- For 2023 discontinued operations reflect operations for the period of 4,5 months ended 15 May 2023 and the result on deconsolidation,
- For 2022 data discounted operations reflect operations for the period of 9 months ended 30 September 2022.

	9 MONTHS ENDED	
	30 September 2023	30 September 2022 Re-presented
Restaurant and other sales	85.7	219.9
Restaurant and other expenses	(78.4)	(193.1)
General and administrative expenses	(3.0)	(6.4)
Net impairment losses on assets	-	(54.7)
Other operating income/expenses	0.3	2.9
Net finance result	(0.7)	(0.6)
Income tax expense	(0.9)	(4.4)
<b>Result from operating activities, after tax</b>	<b>3.0</b>	<b>(36.4)</b>
Gain/loss on sale after income tax	3.5	-
<b>Profit/loss from discontinued operation</b>	<b>6.5</b>	<b>(36.4)</b>
Exchange differences	20.2	41.9
Other comprehensive income from discontinued operations	26.7	5.5

Details of accounting for loss of control are presented below:

	15 May 2023
Consideration received	100.0
Carrying amount of net assets sold	(61.2)
Transaction related and other costs	(3.1)
<b>Gain on sale before income tax and reclassification of exchange differences</b>	<b>35.7</b>
Exchange differences reclassified on loss of control	(28.6)
Income tax expense on loss of control	(3.6)
<b>Gain/loss on sale after income tax</b>	<b>3.5</b>

Details of net assets deconsolidated as a result of transaction are presented below:

	15 May 2023
Property, plant and equipment	37.1
Right-of-use assets	65.1
Other non-current assets	5.1
Cash and cash equivalents	38.4
Other current assets	7.0
<b>Total assets</b>	<b>152.7</b>
Lease liabilities non current	57.2
Other non-current liabilities	12.5
Lease liabilities current	15.8
Other current liabilities	6.0
<b>Total liabilities</b>	<b>91.5</b>
<b>Carrying amount of net assets sold</b>	<b>61.2</b>

Below table presents net operating, investing and financing cash flows from discontinued operations.

	9 MONTHS ENDED	
	30 September 2023	30 September 2022 Re-presented
Net cash flows from operating activities	9.9	43.9
Net cash flows from investing activities	58.1	(6.2)
Net cash flows from financing activities	(4.6)	(13.4)
<b>Net cash flows of discontinued operation</b>	<b>63.4</b>	<b>24.3</b>

Financing cash flows reflect mainly lease payments, whereas investing activities cash outflows for purchase of property, plant and equipment and - in 2023 only- net cash inflow on disposal transaction. Group received EUR 100 million of cash proceeds and deconsolidated EUR 38.4 million of cash in Russian operations.

## 5. 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.

Owned restaurants and franchised businesses are analysed within three operating segments presenting Group's performance in geographical breakdown. Segments are identified based on the similarity of products, services, customer base and exposure to the same market risks. Fourth segment includes non-restaurant business. Details of the operations presented in each segment are presented below:

Segment	Description
Central and Eastern Europe (CEE)	Restaurant operations and franchise activity in:
	■ 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	Restaurant operations together with supply chain and franchise activity in:
	■ Spain – KFC, La Tagliatella, Sushi Shop,
	■ France – KFC, Pizza Hut, Sushi Shop,
	■ Germany – Starbucks, KFC,
	■ Portugal – La Tagliatella, ■ Belgium, Switzerland, Luxembourg, United Kingdom and other countries with activities of Sushi Shop.

Segment	Description
China	■ Blue Frog operations in China.
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.

After the disposal of Russian operations segment "Russia" is no longer reported. Comparative amounts were consequently re-presented to reflect only continuing operations.

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 the period of 9 months ended 30 September 2023 and for the comparative period of 9 months ended 30 September 2022 are presented below.

9 MONTHS ENDED					
30 September 2023	CEE	Western Europe	China	Other	Total
Restaurant sales	991.9	615.1	72.6	-	1 679.6
Franchise and other sales	0.6	53.3	4.6	64.6	123.1
<b>Segment revenue</b>	<b>992.5</b>	<b>668.4</b>	<b>77.2</b>	<b>64.6</b>	<b>1 802.7</b>
<b>EBITDA</b>	<b>195.2</b>	<b>89.6</b>	<b>16.8</b>	<b>(18.7)</b>	<b>282.9</b>
Depreciation and amortisation	91.4	67.4	13.5	0.7	173.0
Net impairment losses on financial assets	-	1.0	-	0.2	1.2
Net impairment losses on non-financial assets	0.8	3.7	0.2	-	4.7
<b>Profit/loss from operations</b>	<b>103.0</b>	<b>17.5</b>	<b>3.1</b>	<b>(19.6)</b>	<b>104.0</b>
<b>Capital investment*</b>	<b>62.5</b>	<b>34.2</b>	<b>6.0</b>	<b>1.1</b>	<b>107.4</b>

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

9 MONTHS ENDED					
30 September 2022 Restated**	CEE	Western Europe	China	Other	Total
Restaurant sales	824.1	552.7	62.3	-	1 439.1
Franchise and other sales	0.5	53.0	0.2	58.2	111.9
<b>Segment revenue</b>	<b>824.6</b>	<b>605.7</b>	<b>62.5</b>	<b>58.2</b>	<b>1 551.0</b>
<b>EBITDA</b>	<b>166.4</b>	<b>78.0</b>	<b>12.7</b>	<b>(12.9)</b>	<b>244.2</b>
Depreciation and amortisation	84.6	66.3	14.4	0.6	165.9
Net impairment losses on financial assets	(0.1)	1.6	-	-	1.5
Net impairment losses on non-financial assets	(4.0)	(0.1)	0.2	0.3	(3.6)
<b>Profit/loss from operations</b>	<b>85.9</b>	<b>10.2</b>	<b>(1.9)</b>	<b>(13.8)</b>	<b>80.4</b>
<b>Capital investment*</b>	<b>37.9</b>	<b>27.8</b>	<b>4.7</b>	<b>0.7</b>	<b>71.1</b>

\*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. Additionally, comparative data were adjusted and do not include results of Russian business because AmRest Group disposed its Russia operations in Q2 2023 and stopped monitoring and reporting Russian results.

The segment information has been prepared in accordance with the accounting policies applied in this condensed consolidated financial report.

## 6. Operating and other income/costs

### Operating costs

Analysis of operating expenses by nature:

	9 MONTHS ENDED	
	30 September 2023	30 September 2022 Re-presented
Food, merchandise and other materials	575.4	497.3
Payroll	408.3	357.1
Social security and employee benefits	99.7	84.6
Royalties	85.2	72.9
Utilities	93.6	77.4
Marketing expenses	73.7	60.5

	9 MONTHS ENDED	
	30 September 2023	30 September 2022
Delivery fees	64.9	60.5
Other external services	81.8	75.9
Occupancy cost	24.3	18.8
Depreciation of right-of-use assets	102.0	96.3
Depreciation of property, plant and equipment	63.5	61.3
Amortisation of intangible assets	7.5	8.3
Other	18.3	14.1
<b>Total cost by nature</b>	<b>1 698.2</b>	<b>1 485.0</b>

Summary of operating expenses by functions:

	9 MONTHS ENDED	
	30 September 2023	30 September 2022 Re-presented
Restaurant expenses	1 479.6	1 293.4
Franchise and other expenses	95.3	85.5
General and administrative expenses	123.3	106.1
<b>Total costs</b>	<b>1 698.2</b>	<b>1 485.0</b>

### Other operating income/expenses

Other income for 9 months ended 30 September 2023 consists mostly of government assistance programs, incomes related to supply chain services, landlords' contribution and sublease income. In June 2023 the Group sold a part of investment property, which historical value was PLN 22.2 million (EUR 5 million). The profit from this transaction of EUR 0.2 million was recognized and presented in other operating income.

Other income for 9 months ended 30 September 2022 consists mostly of government assistance programs, incomes related to supply chain services, insurances, reimbursements and gains on derecognition of leases and other non-current assets.

## 7. Finance costs and incomes

Finance income for the period of 9 months ended 30 September 2023 consists mainly of income from net exchange differences in an amount of EUR 2.2 million and bank and other interests received in an amount of EUR 3.0 million. As for the period of 9 months ended 30 September 2022 finance income represents mainly bank and other interests received.

Finance costs are presented in table below:

	9 MONTHS ENDED	
	30 September 2023	30 September 2022 Re-presented
Interest expense	26.9	14.9
Interest expense on lease liability	21.4	17.1
Other	0.9	0.3
<b>Total finance cost</b>	<b>49.2</b>	<b>32.3</b>

## 8. Income taxes

Income tax calculated according to domestic tax rates applicable to income in particular countries as of 30 September 2023 would amount to EUR 8 million. Main position affecting effective tax rate for the period of 9 months ended 30 September 2023 are tax losses for the current period for which no deferred tax asset was recognized (EUR 3.8 million), local taxes reported as income taxes (EUR 2.0 million), and utilization of tax losses not recognised in prior period (EUR -2.5 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:

a) *VAT periods from April to September 2018*: On 17 July 2023 the Company received the decision issued by the Tax Authorities in Wrocław, stating that the Company could not benefit from 5% VAT rate and the bidding power of the rulings held by the Company. The total VAT liability assessed by the Tax Authorities amounts to EUR 2.2 million (PLN 9.8 million). No additional sanction imposed. The Company appealed against the decision to the Tax Authorities of second instance.

b) *VAT periods from October 2018 to March 2019*: On 14 March 2023 the Company received the decisions issued by the Tax Authorities in Katowice, 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 the Tax Authorities amounts to EUR 4.0 million (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. On 21 August 2023, the Company received an information that fiscal-penal proceeding has been started and the limitation period has been suspended. In respect to tax inspection regarding CIT for 2013, the decision of the Tax Authorities has been repealed by the Court on April 6, 2022 and the case was sent to the Tax Authorities to reconsider it again. On August 7, 2023, the Company received a decision of second instance (issued again). The Tax Authorities confirmed that the limitation period has been suspended in a correct way and did not cancel the proceedings. On September 5, the Company filed a complaint to the Court. No additional liability assessed based on the decision (the liability was paid in 2021).

- **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 2014-2017 with regards to certain tax benefits related to 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 claim 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 18 April 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. In relation to this tax audit a tax assessment has been received amounting EUR 0.45 million. However, the Company will file allegations against the tax assessment.

- **Sushi Shop Group (France):** On 9 June 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) filed allegations 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 assessment and filed an appeal before tax authorities, obtaining a favourable ruling on 14 February 2023. Bank guarantee requested for filing allegations (amounting EUR 3.1 million) are refunded for an amount of EUR 2.8 million. The rest (EUR 0.3 million) will be maintained until the procedure for FY 2018 and 2019 is closed.

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 30 September 2023 and as of the date of publication of this Condensed Consolidated Interim Financial Statements, no new provisions were created.

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

## 9. 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 30 September 2023 and as of 31 December 2022 the Company has 219 554 183 shares issued.

## Reserves

The structure of Reserves is as follows:

2023	Share premium	Share based payments unexercised	Share based payments exercised	Treasury shares	Hedges valuation	Transactions with NCI	Total Reserves
<b>As of 1 January</b>	<b>236.3</b>	<b>15.5</b>	<b>(38.1)</b>	<b>(3.7)</b>	<b>(11.9)</b>	<b>(31.6)</b>	<b>166.5</b>
Net investment hedges	-	-	-	-	1.6	-	1.6
Income tax related to net investment hedges	-	-	-	-	(0.3)	-	(0.3)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.3</b>	<b>-</b>	<b>1.3</b>
Purchases of treasury shares	-	-	-	(4.9)	-	-	(4.9)
Value of disposed treasury shares	-	-	(0.2)	0.2	-	-	-
Share based payments- reclassifications	-	(2.1)	2.1	-	-	-	-
Share based payments – remeasurements	-	4.1	-	-	-	-	4.1
Share based payments- deferred tax effect	-	(0.2)	-	-	-	-	(0.2)
<b>As of 30 September</b>	<b>236.3</b>	<b>17.3</b>	<b>(36.2)</b>	<b>(8.4)</b>	<b>(10.6)</b>	<b>(31.6)</b>	<b>166.8</b>

2022	Share premium	Share based payments unexercised	Share based payments exercised	Treasury shares	Hedges valuation	Transactions with NCI	Total Reserves
<b>As of 1 January</b>	<b>236.3</b>	<b>14.1</b>	<b>(40.7)</b>	<b>(4.0)</b>	<b>(9.5)</b>	<b>(30.6)</b>	<b>165.6</b>
Net investment hedges	-	-	-	-	(7.1)	-	(7.1)
Income tax related to net investment hedges	-	-	-	-	1.2	-	1.2
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5.9)</b>	<b>-</b>	<b>(5.9)</b>
Transaction with non-controlling interests	-	-	-	-	-	(1.1)	(1.1)
Value of disposed treasury shares	-	-	(0.2)	0.2	-	-	-
Share based payments- proceeds from employees	-	-	0.1	-	-	-	0.1
Share based payments – remeasurements	-	2.5	-	-	-	-	2.5
Share based payments- deferred tax effect	-	(0.7)	-	-	-	-	(0.7)
<b>As of 30 September</b>	<b>236.3</b>	<b>15.9</b>	<b>(40.8)</b>	<b>(3.8)</b>	<b>(15.4)</b>	<b>(31.7)</b>	<b>160.5</b>

**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 9 months period ended 30 September 2023.

**Treasury shares**

As of 30 September 2023 the Group had 1 131 820 treasury shares for a total purchase value of EUR 8.4 million, presented as treasury shares within "Reserves" under equity.

**Transactions with NCI**

This item reflects the impact of accounting for transactions with non-controlling interests (NCI). During the period of 9 months ended 30 September 2023 the Group paid dividend to non-controlling shareholders. During third quarter of 2022 Group has acquired 40% of shares of Amrest d.o.o. for total amount of EUR 2.3 million. After the transaction Group became the sole shareholder of Amrest d.o.o.

**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 decreased. As of 30 September 2023, the value of net investment hedge amounts to PLN 168 million (PLN 196 million as of end of 2022).

AmRest Sp. z o.o., a Polish subsidiary, with PLN as functional currency, is a borrower of external EUR financing. Since 2017, the bank loan has been hedging the net investment in its EUR subsidiaries. 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.

The net investment hedge as of 30 September 2023 is EUR 152.7 million (177 million as of end of 2022).

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 period of 9 months ended 30 September 2023 and 2022 hedges were fully effective.

During the period of 9 months ended 30 September 2023 the amount of currency revaluation recognised in reserve capital (resulting from net investment hedges) amounted to EUR 1.6 million, and deferred tax concerning this revaluation EUR 0.3 million.

**Translation reserves**

The balance of translation reserves depends on the changes in the exchange rates. Total change in translation reserves allocated to shareholders of the parent for the period of 9 months ended 30 September 2023 amounted to EUR 16.5 million (including recycling of translation reserve in Russia of EUR 28.6 million). The most significant impact has a change in Russian ruble to EUR (EUR -8.4 million). Other significant changes result from change of Chinese yuan, Hungarian forint and Polish zloty to EUR.

## 10. Earnings per share

As of 30 September 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 period of 9 months ended 30 September 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).

	9 MONTHS ENDED	
	30 September 2023	30 September 2022 Re-presented
<b>EPS calculation with the effect of share split</b>		
Net profit attributable to shareholders of the parent (EUR millions)	50.7	(1.3)
Net profit from continuing operations attributable to shareholders of the parent (EUR millions)	44.2	35.1
Weighted average number of ordinary shares for basic EPS (in thousands of shares)	219 080	219 271
Weighted average number of ordinary shares for diluted EPS (in thousands of shares)	219 111	219 271
<b>Basic earnings per share</b>		
From continuing operations attributable to the ordinary equity holders of the company	0.20	0.16
From discontinued operation	0.03	(0.17)
<b>Total basic earnings per share attributable to the ordinary equity holders of the company (EUR)</b>	<b>0.23</b>	<b>(0.01)</b>
<b>Diluted earnings per share</b>		
From continuing operations attributable to the ordinary equity holders of the company	0.20	0.16
From discontinued operation	0.03	(0.17)
<b>Total diluted earnings per share attributable to the ordinary equity holders of the company (EUR)</b>	<b>0.23</b>	<b>(0.01)</b>

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

Weighted-average number of ordinary shares in thousands of shares	30 September 2023	30 September 2022
Shares issued at the beginning of the period	219 554	219 554
Effect of treasury shares held	(546)	(359)
Effect of share options vested	72	76
<b>Weighted average number of ordinary shares for basic EPS</b>	<b>219 080</b>	<b>219 271</b>

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

Weighted-average number of ordinary shares for diluted EPS in thousands of shares	30 September 2023	30 September 2022
Weighted-average number of ordinary shares for basic EPS	219 080	219 271
Effect of share options unvested	31	-
<b>Weighted average number of ordinary shares for diluted EPS</b>	<b>219 111</b>	<b>219 271</b>

As of 30 September 2023, 7 029 thousand of options were excluded from the diluted weighted-average number of ordinary shares calculation because their effect would have been anti-dilutive. At 30 September 2022, there were 11 670 thousand of options with anti-dilutive effect.

## 11. Loans and borrowings

The Group has the following balances of loans and borrowings:

	30 September 2023	31 December 2022
<b>Non-current</b>		
Syndicated bank loan	362.9	497.3
Schuldscheindarlehen (SSD) Bonds	-	35.5
Other bank loans	76.5	18.7
<b>Total non-current</b>	<b>439.4</b>	<b>551.5</b>
<b>Current</b>		
Syndicated bank loan	69.3	68.6
Schuldscheindarlehen (SSD) Bonds	36.1	0.4
Other bank loans	15.5	33.2
<b>Total current</b>	<b>120.9</b>	<b>102.2</b>
<b>Total</b>	<b>560.3</b>	<b>653.7</b>

## Key characteristics of loans and borrowings:

Currency	Country	Loans/bonds	Effective interest rate	Final maturity	30 September 2023	31 December 2022
EUR	Poland, Spain	Syndicated bank loan	3M EURIBOR+margin	2024	354.0	478.9
PLN	Poland, Spain	Syndicated bank loan	3M WIBOR+margin	2024	78.2	87.1
EUR	Spain	SSD Bonds	Fixed	2024	26.7	26.4
EUR	Spain	SSD Bonds	6M EURIBOR+margin	2024	9.4	9.5
EUR	Spain	Bilateral loans	3M EURIBOR+margin	2025	54.1	-
EUR	France	State supported loan(SSL)	Fixed	2026	24.7	30.1
EUR	Spain	State supported loan(SSL)	Fixed	2026	13.2	20.3
EUR	Germany	Bank loans/overdrafts	EONIA+margin	2024	-	1.4
<b>Total</b>					<b>560.3</b>	<b>653.7</b>

Tables below presents the reconciliation of loans and borrowings as of 30 September 2023 and 2022:

2023	Syndicated bank loan	SSD Bonds	Bilateral loans	SSL loans	Other borrowings	Total
<b>As of 1 January</b>	<b>565.9</b>	<b>35.9</b>	-	<b>50.5</b>	<b>1.4</b>	<b>653.7</b>
Repayments	(132.4)	-	-	(12.7)	(1.4)	(146.5)
New loans	-	-	54.1	-	-	54.1
Interest expense	24.8	1.2	-	0.9	-	26.9
Payment of interests	(25.5)	(1.0)	-	(0.8)	-	(27.3)
Exchange differences	(0.6)	-	-	-	-	(0.6)
<b>As of 30 September</b>	<b>432.2</b>	<b>36.1</b>	<b>54.1</b>	<b>37.9</b>	-	<b>560.3</b>

2022	Syndicated bank loan	SSD Bonds	Bilateral loans	SSL loans	Other borrowings	Total
<b>As of 1 January</b>	<b>525.4</b>	<b>83.5</b>	-	<b>55.5</b>	<b>0.2</b>	<b>664.6</b>
Repayments	(54.8)	(47.0)	-	(3.6)	(0.2)	(105.6)
New loans	127.1	-	-	0.1	1.4	128.6
Interest expense	13.2	1.1	-	0.6	-	14.9
Payment of interests	(14.7)	(2.1)	-	(0.6)	-	(17.4)
Exchange differences	(7.6)	-	-	-	-	(7.6)
<b>As of 30 September</b>	<b>588.6</b>	<b>35.5</b>	-	<b>52.0</b>	<b>1.4</b>	<b>677.5</b>

On 25 May 2023, the Group fully repaid the outstanding amount of Tranche D of Syndicated bank loan in the amount of EUR 67.5 million. In September 2023, the Group repaid EUR 66.5 million according to the amortization schedule in the agreement. After this repayment, as of 30 September 2023 the outstanding amount was EUR 432.2 million.

In March 2023 and according to the permitted conditions in the Syndicated loan agreement, the Group signed an unsecured bilateral loan agreement for EUR 30 million.

In April 2023 and according to the permitted conditions in the Syndicated loan agreement, the Group signed an additional unsecured bilateral loan agreement for EUR 26.5 million out of which 24.1 million was taken.

In April 2023, two credit lines in Spain, which were part of the state supported loans programs, reached their expiration and were successfully repaid, so that as of 30 September 2023, no amount was available in SSL under the form of credit lines for use for the Spanish entities. Regarding the rest of the Spanish SSL debt -loans, the amount of EUR 13.2m is scheduled to be repaid according to the amortization calendar, concluding in 2026.

During the period of 9 months ended 30 September 2023 French entities repaid the EUR 5.6 million and Spanish entities repaid EUR 7.1 million as scheduled for state supported loans. Payables concerning state supported loans amounted to EUR 37.9 million as of 30 September 2023.

After the Group signed the annexes regarding the state supported loans of French subsidiaries, these loans will mature in years 2023-2026

The Group has the following unused, credit limits as of 30 September 2023 and 31 December 2022:

	30 September 2023	31 December 2022
Syndicated bank loan	100.9	28.2
Credit line Spain	2.5	17.6
Credit line Poland	4.3	4.2
Credit line Germany	6.0	4.6
Credit line Czechia	2.2	0.5
<b>Total</b>	<b>115.9</b>	<b>55.1</b>

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% for the year 2023. As of the date of this report, AmRest is in compliance with the three financial covenants.

## 12. 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 Condensed Consolidated Interim Report for Q3 2023 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.

## 13. 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, 13 November 2023

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