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Condensed Separate Financial Statements
for 6 months ended 30 June 2019

AmRest Holdings SE
28 AUGUST 2019

AmRest



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Condensed separate balance sheet as at 30 June 2019

	Notes	30 June 2019	31 December 2018
Assets			
Intangible assets		0.1	0.1
Non-current investment in group companies		625.9	591.4
Equity instruments	6	395.9	391.7
Loans to group companies	6,13	230.0	199.7
Non-current investments	6, 8	26.9	26.9
Total non-current assets		652.9	618.4
Trade and other receivables		2.6	1.5
Receivables from group companies	6,13	2.2	1.3
Other receivables	6	0.2	0.2
Current tax assets	10	0.2	-
Current investments in group companies		10.8	6.0
Loans to group companies	6,13	6.5	4.6
Other financial assets	6,10	4.3	1.4
Prepaid expenses		0.1	-
Cash and cash equivalents	7	10.0	22.9
Total current assets		23.5	30.4
TOTAL ASSETS		676.4	648.8
Capital and Reserves without valuation adjustments			
Share capital	8	22.0	22.0
Share premium	8	237.3	237.3
Reserves	8	35.1	31.0
Treasury shares	8	(10.4)	(15.2)
Profit for the period	8	(3.7)	4.1
Other equity instruments	8	(9.6)	(6.2)
Adjustments for changes in value	8	(4.9)	(4.9)
TOTAL EQUITY		265.8	268.1
Liabilities			
Non-current provisions	9	0.7	1.3
Non-current financial liabilities	6	398.3	355.3
Loans and borrowings from financial institutions	6	297.3	254.3
Other financial debt	6	101.0	101.0
Debts with group companies, non-current	6,13	2.8	17.7
Total non-current liabilities		401.8	374.3
Current financial liabilities	6	1.8	1.3
Debts with group companies, current	6,10,13	0.7	0.6
Trade and other payables		6.3	4.5
Trade and other payables to third parties	6	0.3	0.9
Trade and other payables to group companies	6,13	2.0	1.7
Personnel (salaries payable)		0.1	0.1
Income tax payable		3.1	1.5
Other payables with tax administration	10	0.8	0.3
Total current liabilities	10	8.8	6.4
TOTAL LIABILITIES		410.6	380.7
TOTAL EQUITY AND TOTAL LIABILITIES		676.4	648.8

The accompanying notes 1-15 are an integral part of these condensed financial statements for 6 months ended 30 June 2019.

Condensed separate income statement for 6 months ended 30 June 2019

	Notes	6 months ended	
		30 June 2019	30 June 2018 (*restated)
Revenues		9.0	2.1
Dividends received from subsidiaries		-	-
Net income from the stock option plan	11	6.1	1.7
Finance income from group companies	11	2.9	0.4
Personnel expenses	11	(0.4)	(0.3)
Other operating expenses	11	(1.1)	(0.7)
Intangible assets amortization		-	-
Impairments for credits and receivables with group companies		(3.7)	(0.8)
Impairments in investments in group companies		(2.9)	(0.5)
Results from operating activities		0.9	(0.2)
Finance income		-	-
Finance expenses	12	(4.8)	(2.6)
Exchange rates gains and losses		(0.8)	3.0
Net finance income (expense)		(5.6)	0.4
Profit before income tax		(4.7)	0.2
Income tax expense	10	1.0	(0.3)
Profit for the period		(3.7)	(0.1)
Profit for the period		(3.7)	(0.1)

*The restatement is described in the section modifications of the information presented for comparative purposes.

The accompanying notes 1-15 are an integral part of these condensed financial statements for 6 months ended 30 June 2019.

Condensed separated statement of recognised income and expense for 6 months ended 30 June 2019

	Notes	6 months ended	
		30 June 2019	30 June 2018
Profit for the period		(3.7)	(0.1)
Currency translation adjustment		-	0.1
Total recognised income and expenses for the period		(3.7)	-

The accompanying notes 1-15 are an integral part of these condensed financial statements for 6 months ended 30 June 2019.

Condensed separate statement of cash flows for 6 months ended 30 June 2019

	6 months ended	
	30 June 2019	30 June 2018
Cash flows from operating activities		
Profit before tax	(4.7)	0.2
Adjustments:	3.2	(1.2)
Impairment losses	13	6.6
Share based payments adjustment	11	(6.1)
Finance income	11	(2.9)
Finance expenses	12	4.8
Exchange gains/losses	12	0.8
Changes in operating assets and liabilities	1	1.2
Trade and other receivables		2.2
Trade and other payables		(1.2)
Other cash flows from operating activities	(5.8)	(3.6)
Interest paid		(4.3)
Income tax payment		(1.5)
Net cash provided by operating activities	(6.3)	(3.4)
Cash flows from investing activities		
Increase in investments loans and borrowings with group companies		(53.4)
Proceeds from investment loans and borrowings with group companies		19.7
Net cash used in investing activities	(33.7)	(9.1)
Cash flows from financing activities		
Proceeds from disposals of own shares (employees options)		0.5
Acquisition of own shares (employees option)		(0.5)
Proceeds from debt with financial institutions		42.0
Repayment of debt with group companies		(14.9)
Net cash provided by/(used in) financing activities	27.1	(0.3)
Net change in cash and cash equivalents	(12.9)	(12.8)
Balance sheet change of cash and cash equivalents"		(12.9)
Cash and cash equivalents at the beginning of the period		22.9
Cash and cash equivalents as at the end of the period	7	10.0

The accompanying notes 1-15 are an integral part of these condensed financial statements for 6 months ended 30 June 2019.

Condensed separate statement of changes in equity for 6 months ended 30 June 2019

	Share capital	Share premium	Legal Reserve	Voluntary Reserves	Treasury shares	Profit or loss for the period	Other equity instruments	Adjustment for changes in value	Total Equity
As at 1 January 2018	0.2	189.1	-	21.4	(10.6)	10.6	(8.8)	(6.8)	195.1
Total recognised income and expense	-	-	-	-	-	(0.1)	-	0.1	-
Share capital increase from share premium	21.0	(21.0)	-	-	-	-	-	-	-
Transactions on own shares and equity holdings (net)	-	-	-	-	2.7	-	0.7	-	3.4
Transfer of profit or loss to reserves	-	-	-	10.6	-	(10.6)	-	-	-
As at 30 June 2018	21.2	168.1	-	32.0	(7.9)	(0.1)	(8.1)	(6.7)	198.5
As at 1 January 2019	22.0	237.3	1.1	29.9	(15.2)	4.1	(6.2)	(4.9)	268.1
Total recognised income and expense	-	-	-	-	-	(3.7)	-	-	(3.7)
Transactions on own shares and equity holdings (net)	-	-	-	-	4.8	-	(3.4)	-	1.4
Transfer of profit or loss to reserves	-	-	0.4	3.7	-	(4.1)	-	-	-
As at 30 June 2019	22.0	237.3	1.5	33.6	(10.4)	(3.7)	(9.6)	(4.9)	265.8

The accompanying notes 1-15 are an integral part of these condensed financial statements for June 2019.

Notes to the Condense separate financial statements

1. General information

AmRest Holdings SE (“the Company”) was incorporated in the Netherlands in October 2000. On 19 September 2008 the Commercial Chamber in Amsterdam registered the change in the legal status of the Company to a European Company (Societas Europaea) and of its name to AmRest Holdings SE. Since March 2018 the Company’s registered office has been Enrique Granados 6, 28224 Pozuelo de Alarcón (Madrid), Spain. Previously, the Company had its registered office in Wroclaw, Poland.

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

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

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

In 2018 the Group acquired the Bacoa and Sushi Shop brands, as a result of which it operates own and franchise restaurants in Spain (Bacoa) and own and franchise restaurants in amongst others France, Germany, Spain, Belgium, Italy, Switzerland, Luxemburg, UK, UAE.

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

As at 30 June 2019, FCapital Dutch B.V. is the largest shareholder of AmRest and held 67,05% of its shares and voting rights. The parent entity of the Group on the top level is Grupo Finaccess.

These Condensed Separate Financial Statements have not been reviewed nor audited by independent auditor.

These condensed separated financial statements have been prepared voluntarily and approved by the Company’s Board of Directors on 28 August 2019.

2. Basis of preparation

True and fair view

These condensed separated financial statements have been prepared on the basis of the accounting records of AmRest Holdings SE by the Company's Board of Directors in accordance with the accounting principles and standards contained in the Spanish General Chart of Accounts, and other prevailing legislation, to give a true and fair view of the Company's equity and financial position as of 30 June 2019 and results of operations, changes in equity and cash flows for the 6 months ended on that date.

Aggregation of items

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

Modification of the information presented for comparative purposes

The modifications of the information presented for comparative purposes are presented below:

	6 months ended 30 June 2018		
	Published EUR millions	Adjustment 1 EUR millions	Restated EUR millions
Revenues	1.7	0.4	2.1
Dividends received from subsidiaries	1.7	(1.7)	-
Net income from the stock option plan	-	1.7	1.7
Finance income from group companies	-	0.4	0.4
Personnel Expenses	(0.3)	-	(0.3)
Other Operating expenses	(0.6)	(0.1)	(0.7)
Impairments for credits and receivables with group companies	-	(0.8)	(0.8)
Impairment in investments of groups companies	-	(0.5)	(0.5)
Results from operating activities	0.8	(1.0)	(0.2)
Finance Income	0.4	(0.4)	-
Finance Expenses	(2.6)	-	(2.6)
Exchange rates gains and losses	3.0	-	3.0
Impairment and gains/(losses) on disposal of financial instruments	(1.4)	1.4	-
Net finance income (expense)	(0.6)	1.0	0.4
Profit/(loss) before income tax	0.2	-	0.2
Income tax expense	(0.3)	-	(0.3)
Profit/(loss) for the period	(0.1)	-	(0.1)

As it is explained in the BOICAC 79 Consultation n° 2 considering the closeness or similarities that might exist between the activity of a Financial Institution and a Holding company, it should be concluded that the revenues proceed from its financial activities, (as long as this activity is considered as an ordinary activity), should be classified as revenues. Taking into consideration the increase in the amount of loans granted to subsidiaries during the year 2018, the Company has decided to reclassify the financial income with group companies to the line revenues.

The company has also reclassified the impairment losses with group companies to results from operating activities.

3. Distribution of profit

On the Annual General meeting held on 14 May 2019 was approved the proposal made by the Board Directors in respect to the allocation of the individual result of the Company for the financial year ended on 31 December 2018:

Expressed in Euros	2018	2017 <i>(restated)</i>
Basis of Distribution		
Profit and loss for the period	4 076 128.9	10 568 205.6
Distribution		
Legal Reserve	407 612.9	1 056 820.6
Voluntary Reserves	3 668 516.0	9 511 385.1
	4 076 128.9	10 568 205.6

Dividends have not been distributed during the 6 months ended on 30 June 2019.

4. Recognition and measurement accounting policies

4.1. FINANCIAL INSTRUMENTS

4.1.1. CLASSIFICATION AND SEPARATION OF FINANCIAL INSTRUMENTS

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

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

4.1.2. TRADE AND OTHER NON-TRADE RECEIVABLES

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

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

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

4.1.3. INVESTMENTS IN THE EQUITY OF GROUP COMPANIES

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

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

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

If there is objective evidence that the book value is not recoverable, the appropriate valuation adjustments are made for the difference between their book value and the recoverable amount, defined as the greater amount between their fair value less costs to sell and the value in use of the investment. Unless there is better evidence of the recoverable amount, in estimating the impairment of these investments, the net equity of the investee company is taken into account, adjusted for the capital gains existing on the valuation date. The value adjustment and, if applicable, its reversal is recorded in the profit and loss account for the year in which it occurs and presented in results from operating activities (as the possession of investments activities is considered part of the ordinary activity of a Holdings company).

Value in use is calculated based on the Company's share of the present value of future cash flows expected to be derived from ordinary activities and from the disposal of the asset, or the estimated cash flows expected to be received from the distribution of dividends and the final disposal of the investment.

Nonetheless, and in certain cases, unless better evidence of the recoverable amount of the investment is available, when estimating impairment of these types of assets, the investee's equity is taken into consideration, adjusted, where appropriate, to generally accepted accounting principles and standards in Spain, corrected for any net unrealised gains existing at the measurement date.

The carrying amount of the investment includes any monetary item that is receivable or payable for which settlement is neither planned nor likely to occur in the foreseeable future, excluding trade receivables or trade payables.

4.1.4. NON-MONETARY CONTRIBUTIONS IN EXCHANGE FOR INVESTMENTS IN THE EQUITY OF OTHER GROUP COMPANIES

The equity instruments received in exchange of non-monetary contributions of investments in group companies, are valued at the book value of the assets delivered in the individual annual accounts of the contributor, on the date the transaction is carried out, or at the amount representative of the equity percentage of the business contributed, if this is greater.

4.1.5. FINANCIAL ASSETS AVAILABLE-FOR-SALE

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

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

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

4.1.6. INTEREST AND DIVIDENDS FROM FINANCIAL ASSETS

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

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

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

4.1.7. DEBT AND TRADE AND OTHER PAYABLES

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

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

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

4.1.8. OWN EQUITY INSTRUMENTS

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

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securities, taxes, advertising, commissions and other placement expenses – shall be accounted for directly in equity as a reduction in reserves.

4.1.9. OFFSETTING PRINCIPLES

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

4.1.10. DERECOGNITION OF FINANCIAL ASSETS

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

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

4.1.11. CASH AND CASH AND EQUIVALENTS

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

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

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

4.2. FOREIGN CURRENCY TRANSACTIONS

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

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

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

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

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

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

4.3. INCOME TAX

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

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

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

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

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

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

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

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

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

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

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

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

(all figures in EUR millions unless stated otherwise)

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

4.4. REVENUES RECOGNITION

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

4.5. PROVISIONS AND CONTINGENCIES

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

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

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

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

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

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

4.6. SHARE BASE PAYMENTS TRANSACTION

The fair value of work performed by the employees for a consideration payable in options increases costs. The total amount which must be taken to the income statements over the vesting period is based on the fair value of options received. As at each balance-sheet date entity verifies its estimates connected with number of options expected to vest. The impact of the potential verification of initial estimates is recognised by the Group in the income statement in correspondence with equity. The proceeds from the exercise of options (net of transaction costs directly related to the exercise) are recognised in share capital (at nominal value) and in supplementary capital, in share premium.

For share-based payment transactions in which the terms of the arrangement provide either the entity/the Company or the counterparty with the choice of whether the entity settles the transaction in cash or by issuing

(all figures in EUR millions unless stated otherwise)

equity instruments, the entity/the Company shall account for that transaction, or the components of that transaction, as a cash-settled share-based payment transaction if, and to the extent that, the entity has incurred a liability to settle in cash or as an equity-settled share-based payment transaction if, and to the extent that, no such liability has been incurred.

The subsequent settlement of the liability follows the requirements for a cash-settled share-based payment.

The Company incurred a liability measured at fair value, taking into account the period of service/vesting period and any changes in value are recognised in investments at the end of the period.

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

If cash settlement is chosen, the payment will reduce the entirely recognised liability. Any equity component previously recognised will remain within equity, but it could be reclassified to other components of equity;

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

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

When there is compensation agreement from the parent to subsidiary, the difference between the value of the recharge and the cost of the options granted to employees represents a separated corporate operation of distribution/recuperation of the investment instrumented through the share base payment plan, which is reported in the line revenues.

4.7. TRANSACTIONS BETWEEN RELATED PARTIES

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

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

5. Financial Risk Management

5.1. FINANCIAL RISK FACTORS

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

- Currency risk

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

- Risk of increased financial costs

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

- Liquidity risk

The Company is exposed to the risk of lack of financing at the moment of maturity of bank loans and bonds. The Company's approach in managing liquidity risk is to guarantee as far as possible that liquidity will always be available to pay its debts before they mature, in normal conditions and during financial difficulties, without incurring unacceptable losses or compromising the Company's reputation. As at 31 December 2018, the company had enough short-term assets, including cash and promised credit limits, to fulfil liabilities due in the next 12 months.

- Credit Risk

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

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

(all figures in EUR millions unless stated otherwise)

6. Financial instruments

6.1. GROUP EQUITY INSTRUMENTS

The value of the shares owned by the Company in its subsidiaries as at 30 June 2019 and as at 31 December 2018 is as follow:

	30 June 2019		31 December 2018 <i>(restated)</i>	
	Interest ownership	Value of Shares	Interest ownership	Value of Shares
AmRest Sp. z o.o. (Poland)	100%	215.5	100%	216.9
AmRest s.r.o. (Czech Republic)	100%	6.5	100%	6.5
AmRest Acquisition Subsidiary (Malta)	100%	60.8	100%	60.8
AmRest EOOD (Bulgaria)	100%	3.5	100%	3.5
AmRest France SAS (France)	100%	58.5	100%	58.2
Restaurant Partner Polska Sp. z.o.o.	100%	10.6	51%	5.4
AmRest China Group PTE Ltd. (China)	100%	40.4	100%	40.4
AmRest Food SRL	100%	0.1	100%	-
		395.9		391.7

During the 6 months ended on 30 June 2019 the company made the following transactions:

-The value of investment in AmRest Sp. z o.o and AmRest S.R.O varied due to adjustments, related to capitalized cost of the stock option plan and the cost of the exercise options that took place during the 6 months period ended on 30 June 2019. The balance at the beginning of the period was restated due to some reclassifications of the adjustment of the stock option plan, the total balance remains the same.

-On May 23th 2019, the company paid to the previous owners of Pizza Topco France (fully owned by AmRest France SAS) TOP Brands NV, the amount of EUR 0,3 million related to the receivable and set-off clause established in the Share Purchase Agreement dated on January 24, 2017, these amounts were deposited in the Escrow account agreed between the parties.

-On 25 February 2019 was signed the Share Purchase Agreement to acquire the remaining 49% stake of Restaurant Partner Polska Sp.z o.o. shares for a total price of EUR 5,2 million, after this transaction AmRest Holdings SE became the sole owner of PizzaPortal.pl.

-During the 6 months period ended 30 June 2019 the company passed several capital increases resolutions in the entity AmRest FSVC LLC. The total amount of these capital increases was impaired as at 30 June 2019.

As at 30 June 2019 the company have fully impaired its investments in the entities AmRest HK and AmRest FSVC LLC by EUR 5.2 million and EUR 6.6 million respectively, because of negative cash flows generated by both entities.

6.2. CURRENT AND NON-CURRENT FINANCIAL INVESTMENTS (EXCLUDING GROUP EQUITY INVESTMENTS)

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

(all figures in EUR millions unless stated otherwise)

Financial Assets

Classes	Non-current Financial assets		Current Financial assets	
	Other credits and derivatives		Other credits and derivatives	
	June 2019	December 2018	June 2019	December 2018
Loans to group companies	230.0	199.7	6.5	4.6
Other financial assets with group companies	-	-	4.3	1.4
Trade and other receivables	-	-	2.6	1.5
Available-for-sale financial assets at fair value	26.9	26.9	-	-
Total	256.9	226.6	13.4	7.5

The company grants loans to group companies at variable interest rates in the range of 2,3%-4,5% plus 3M Euribor/Libor margin, with maturities starting in 2021.

Available-for-sale financial assets

Available-for-sale financial assets comprise the equity investment in Glovoapp23, S.L., based in Barcelona, Spain ("Glovo"), acquired on 18 July 2018. Based on the agreements signed, AmRest acquired a tranche of newly-issued shares in Glovo and purchased a portion of existing shares from certain shareholders of Glovo. As a result of the investment, which totaled EUR 25 million, AmRest became a co-lead investor holding Glovo shares giving it a 10% stake at shareholders' meetings. As there are some dilutive instruments such as employee options and phantom shares, for the purpose of the fair valuation exercise, a diluted stake of 8.15% was used (percentage of Glovo shares on a fully-diluted basis value). As at 30 June 2019 AmRest's stake in Glovo on diluted basis is 5.6%

6.3. TRADE AND OTHER RECEIVABLES

As at 30 June 2019 and 31 December 2018 the trade and other receivables were composed as follows:

	30 June 2019	31 December 2018
Trade and other receivables with third parties	0.2	0.2
Trade and other receivables with group companies	2.2	1.3
Income tax and other credits with the tax administration	0.2	-
Total Trade and other receivables	2.6	1.5

6.4. FINANCIAL LIABILITIES

Classes	Non-current Financial liabilities			
	Bonds and other marketable securities		Other Financial Liabilities	
	June 2019	December 2018	June 2019	December 2018
Other Debts and payables	-	-	101.0	101.0
Debts with Financial Institutions	-	-	297.3	254.3
Debts with group companies	-	-	2.8	17.7
Total	-	-	401.1	373.0

(all figures in EUR millions unless stated otherwise)

Classes	Current Financial liabilities			
	Bonds and other marketable securities		Other Financial Liabilities	
Categories	June 2019	December 2018	June 2019	December 2018
Other Debts and payables	-	-	1.8	1.3
Debts with group companies	-	-	0.7	0.6
Trade and Other payables	-	-	6.3	4.5
Total	-	-	8.8	6.4

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

The table below presents all SSD issues and their maturities:

Issue date	Amount (EUR million)	Interest rate	Maturity date	Purpose
7 April 2017	17.0	Fixed	7 April 2022	Repayment, general corporate purposes
7 April 2017	9.0	Fixed	5 April 2024	
3 July 2017	45.5	Fixed	1 July 2022	
3 July 2017	20.0	Fixed	3 July 2024	
3 July 2017	9.5	Variable	3 July 2024	

As at 30 June 2019 the debt amounts to EUR 101.0 million and its corresponding interest amounting to EUR 1.7 million that are presented in the current liabilities.

As at 30 June 2019 syndicated bank financing secured in 2017, with further amendments, accounts for majority of AmRest debt. The details of bank financing are as follows:

- Signing date: 5 October 2017
- Final repayment date: September 30, 2022
- Joint Borrowers: AmRest Holdings SE, AmRest Sp. z o.o. and AmRest s.r.o (the “Borrowers”); AmRest Sp. z o.o. and AmRest s.r.o are fully owned by AmRest Holdings SE.
- Lenders: Bank Polska Kasa Opieki S.A., Powszechna Kasa Oszczędności Bank Polski S.A., ING Bank Śląski Polska S.A. and Česká spořitelna. a.s.
- Available tranches:

Tranche(*)	Maximum amount (million)	Date added	Purpose
A	EUR 250	October 2017	Repayment of bank debt, general corporate purposes
B	PLN 300	October 2017	
C (fully repaid in Q1 2019)	CZK 300	October 2017	
D	PLN 450	October 2017	Repayment of Polish bonds
E	PLN 280	June 2018	
F	EUR 190	October 2018	

* Approximate total amount: EUR 682m

- Tranches E and F were executed directly by AmRest Holdings and are presented in the financial debt with financial institutions of these condensed financial statement (amounting to EUR 297.3 millions) the rest of the tranches are excuted from AmRest Sp z.o.o and AmRest s.r.o.
- Interest rates: Approximately half of the available facility is provided at variable interest rates (3M Euribor/Wibor/Pribor increased by margin) and parts of tranches A and F are provided on fixed rate

(all figures in EUR millions unless stated otherwise)

- Securities: submissions to execution from the Borrowers, guarantees from Group companies, pledge on shares of Sushi Shop Group.
- Other information: AmRest is required to maintain certain ratios at agreed levels, in particular, net debt/EBITDA is to be held below 3.5 and EBITDA/interest charge is to stay above 3.5.

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

On 30 July 2018 a Loan Agreement was signed between AmRest Sp. z o.o. and AmRest Holdings SE with a maximum amount of EUR 15 million. Subsequently, the maximum amount was increase to EUR 25 million. 50% of the loan will be repaid on August 2022 and the other 50% on August 2023. As at 30 June 2019 the debt amounts to EUR 2,8 million (EUR 14,9 million were repaid).

During the 6 months period ended on 30 June 2019 were received EUR 42 million corresponding to tranches of facilities A EUR 30 million and D EUR 12 million which increased the value of debt with financial institutions.

Short term debt with group companies is composed mostly by current accounts originated because of the consolidation tax regime for income tax (EUR 0,7 million).

6.5. TRADE AND OTHER PAYABLES

As at 30 June 2019 and 31 December 2018 the trade and other payables were composed as follows:

	30 June 2019	31 December 2018
Trade and other payables with third parities	0.3	0.9
Trade and other payables with group companies	2.0	1.7
Remunerations of the board of Directors	0.1	0.1
Income tax payable	3.1	1.5
Other payables with tax administration	0.8	0.3
Total trade and other payables	6.3	4.5

7. Cash and cash and equivalents

Cash and cash equivalents as at 30 June 2019 and 31 December 2018 are presented in the table below:

	30 June 2019	31 December 2018
Cash at bank	10.0	22.9
	10.0	22.9

8. Equity

8.1. SHARE CAPITAL

Since 27 April 2005, the shares of AmRest Holdings SE were listed on the Warsaw Stock Exchange ("WSE"). On 6 June 2018 at the Annual General Shareholders Meeting it was agreed that AmRest Holdings SE be allowed to start a process of application for stock market listing of its shares on the Spanish Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia. The referred shares were listed and trading commenced on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges on 21 November 2018. Since that date, AmRest's shares have been quoted simultaneously on both the above stock exchanges (dual listing).

(all figures in EUR millions unless stated otherwise)

At the Annual General Shareholders Meeting held on 6 June 2018 it was approved to increase the share capital up to EUR 1.0 for each share. The total increase amounted to EUR 21 001 754.07, was exercised by offsetting the share premium reserve. The capital increase was registered on 20 September 2018 at the Commercial Registry (Registro Mercantil) in Madrid.

At the Annual General Shareholders Meeting held on 6 June 2018 it was also approved to perform a share split by reducing the nominal value of the Company's shares from EUR 1.0 to EUR 0.1 each without any impact on the total share capital. The decrease in share value was approved to be done by dividing the number of outstanding shares - for each old share 10 new were declared (split). On 20 September 2018 the reduction of the nominal value of shares from 1 EUR to 0.1 EUR with an exchange ratio of 1:10 without any change in share capital was registered at the Commercial Registry (Registro Mercantil) in Madrid.

On 27 September 2018 Krajowy Depozyt Papierów Wartościowych (KDPW) (the Central Securities Depository of Poland) passed a resolution to register at KDPW the reduction of the nominal value of the shares from 1 EUR to 0.1 EUR by dividing the total number of AmRest shares (split) in a ratio of 1:10. On 3 October 2018 the share split was executed. As result, the total number of Company shares traded increased to 212 138 930, each with a nominal value of 0.1 EUR as at that date.

On 11 October 2018 AmRest announced that the Board of Directors of the Company has resolved to carry out a share capital increase excluding pre-emption rights in an effective amount (including nominal amount and share issue premium) of EUR 70 million. The effective date of the share capital increase is 15 October 2018, when all funds were received, and the deed granted before a public notary. Under the share capital increase, the Company issued 7 415 253 new shares, of the same class and series as the Company's outstanding shares.

As at 30 June 2019 and 31 December 2018 the Company has 219 554 183 shares issued.

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

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

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

On 6 June 2018, the shareholders at the Annual General Meeting adopted resolution no 13 authorizing the Board of Directors of the Company to increase share capital in compliance with the provisions of article 297.1.b) of the Spanish Companies Act, within a period of no more than five years, with the power to exclude the pre-emption rights on subscription in the terms of article 506 of the Companies Act, up to a maximum amount of the equivalent of 20% of the share capital at the time the increase is authorized. Increases in share capital under this authorization shall be carried out through the issuance and quotation of new shares (with or without a premium), the consideration for which shall be cash contributions. In each increase, the Board of Directors shall decide whether the new shares to be issued are ordinary, preferred, redeemable, non-voting or any other kind of shares among those permitted by law. Furthermore, as for all matters not otherwise contemplated, the Board of Directors may establish the terms and conditions of the share capital increases and the characteristics of the shares and may also freely offer the new shares that are not subscribed within the period or periods for the exercise of pre-emption rights.

On March 27, 2019 AmRest was notified by its controlling shareholder, FCapital Dutch, B.V. (Grupo Finaccess subsidiary; "FCapital", the "Purchaser"), and one of its significant shareholders, Gosha Holdings, S.à.r.l. ("Gosha", the "Seller"), that FCapital and Gosha have executed a share sale agreement pursuant to which the

(all figures in EUR millions unless stated otherwise)

Purchaser would acquire from the Seller its entire shareholding in AmRest (the "Transaction"). The Transaction was expected to be settled on 10 May 2019.

On May 9, 2019 FCapital has completed the purchase of the entire shareholding in AmRest of Gosha, consisting of 23 426 313 shares representing 10.67% of the Company's share capital, for a price per share of EUR 13.22, amounting an aggregate of EUR 309 695 857.86. After this purchase, Grupo Finaccess controls 67.05% of AmRest.

To the best of AmRest's knowledge, as at 30 June 2019 AmRest Holdings had the following shareholder structure:

Shareholder	Number of shares and votes at the Shareholders' meeting	% of shares and votes at the Shareholders' meeting
FCapital Dutch B. V.*	147 203 760	67.05%
Nationale-Nederlanden OFE	10 718 700	4.88%
Artal International S.C.A.	10 500 000	4.78%
Aviva OFE	7 013 700	3.19%
Other Shareholders	44 118 023	20.10%

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

8.2. RESERVES

The composition of reserves as at 30 June 2019 and 31 December 2018 is as follows:

	30 June 2019	31 December 2018
Voluntary Reserves	33.6	29.9
Legal reserves	1.5	1.1
	35.1	31.0

The expenses incurred in the capital increased carry out on October 2018 (EUR 1 million) were registered decreasing the company reserves.

8.3. TREASURY SHARES

The Company has acquired treasury shares for the purpose of the execution of the stock option plan of the employees. As AmRest Holdings shares are also trading in the Warsaw Stock Exchange in Poland the price of the share is denominated in PLN.

In the period between 1 January 2019 and 30 June 2019, AmRest purchased a total of 46 500 own shares with a total nominal value of EUR 4 650 and representing 0.0212% of the share capital for a total price of approx. PLN 2 million (EUR 0.5 million). During the same period, the Company disposed a total of 622 634 own shares with a total nominal value of EUR 62 263.4 and representing 0.2836% of the share capital to entitled participants of the stock options plans.

As at 30 June 2019 the Company held 1 010 604 treasury shares by a total value of EUR 10.4 million of (PLN 44.09 million) that were acquired at an average purchase price of PLN 43.30 (1 586 738 treasury shares by a total value of EUR 15.2 million (PLN 64.7 million) as at 31 December 2018 that were acquired at an average purchase price of PLN 40.89).

(all figures in EUR millions unless stated otherwise)

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

	30 June 2019	31 December 2018
Initial Balance	(15.2)	(10.6)
Acquisition of own Shares	(0.5)	(9.5)
Delivery of shares for the stock option plan	5.3	4.9
Ending Balance	(10.4)	(15.2)

8.4. OTHER EQUITY INSTRUMENTS

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

	30 June 2019	31 December 2018
Provision of the stock option plan under Equity settlement method net of cost	(9.6)	(6.2)
Other Equity instruments	(9.6)	(6.2)

The movement of the accrual for the equity instruments of the stock option plan during the 6 months ended on 30 June 2019 is as follow:

	30 June 2019
Initial Balance	(6.2)
Equity share base plans accrual	4.0
Settlement of cash-settled plans in shares (accrued costs)	0.5
Reclassification of options exercised in cash	(2.3)
Delivery of shares for the stock option plan	(5.3)
Exercise of option under gross settlement method	0.5
Settlements of WHT paid by the entity	(0.8)
Ending Balance	(9.6)

8.5. ADJUSTMENTS FOR CHANGES IN VALUE

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

	30 June 2019	31 December 2018
Currency translation reserve	(6.8)	(6.8)
Fair value adjustments of assets available-for-sale	1.9	1.9
Adjustments for changes in value	(4.9)	(4.9)

In the item currency translation reserve is registered the result of the change of the functional and presentation currency from PLN to EUR that was made during the year 2018.

In the item fair value adjustments of assets available-for-sale is registered the revenue resulting from the valuation at fair value of Glovoapp 23, S.L. investment (EUR 1.9 million).

(all figures in EUR millions unless stated otherwise)

9. Provisions

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

	30 June 2019	31 December 2018
Provision of the stock option plan under cash settlement method	0.7	1.3
Provisions	0.7	1.3

The movement of the accrual for the 6 months ended on 30 June 2019 is as follow:

	30 June 2019
Initial Balance	1.3
Revaluation	(0.2)
Reclassification of options exercise in shares	(0.4)
Reclassification of options exercised in cash	2.3
Options exercised in cash	(2.3)
Ending Balance	0.7

10. Taxation

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

	30 June 2019	31 December 2018
Assets		
Income tax receivable	0.2	-
Total	0.2	-
Liabilities		
Income tax payable	3.1	1.5
VAT payable	-	0.2
Personal income tax and other withholding taxes	0.8	0.1
Total	3.9	1.8

Income tax

As at 30 June 2019 and since 1 January 2018, the Company is under the consolidation tax regime set forth in Chapter VI of Title VII of Corporate Income Tax Law 27/2014 of 27 November 2014, being the head of the tax group composed by the Company itself and the rest of the Spanish subsidiaries:

- AmRestag, S.L.U.
- AmRestavia, S.L.U.
- Restauravia Grupo Empresarial, S.L.
- Restauravia Food, S.L.U.
- Pastificio, S.L.U.*
- Pastificio Service, S.L.U.*
- Pastificio Restaurantes, S.L.U.*
- The Grill Concept, S.L.

(all figures in EUR millions unless stated otherwise)

- Black Rice S.L.U
- Bacoa Holding S.L.U
- Shushi Shop Madrid S.L.U

* On 26 September 2018 was granted the public deed of the merger by absorption of Pastificio, S.L.U. and Pastificio Restaurantes, S.L.U with Pastificio Service, S.L.U.

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

	6 months ended	
	June 2019	June 2018
Corporate income tax	1.0	-
Changes in deferred taxes and liabilities		(0.3)
Total income tax recognised in the income statement	1.0	(0.3)

The amounts reported in change in deferred taxes and liabilities during the 6 months ended 30 June 2018 corresponded to the write down of deferred taxes recognised as of 31 December 2017 based on the provisions established in the Polish tax regime when the company was domiciled in Poland, as these temporary differences will be not utilised following the regulations of the Spanish law they have been reversed.

The reconciliation between the net result and the tax base of the individual entity for the 6 months period ended on 30 June 2019 is as follow:

	Income statement		
	Additions	Decreases	Total
Profit and loss for the period	-	-	(3.7)
Income tax expense	-	-	(1.0)
Permanent differences	-	(6.1)	(6.1)
Temporary differences	6.6	-	6.6
- With origin in the current year	6.6	-	6.6
- With origin in previous years	-	-	-
Tax base	-	-	(4.1)
Corporate income tax 25%			(1.0)

The reconciliation between the net result and the tax base of the individual entity for the 6 months period ended on 30 June 2018 is as follow:

	Income statement		
	Additions	Decreases	Total
Profit and loss for the period	-	-	(0.1)
Income tax expense	-	-	(0,3)
Permanent differences	-	(1.7)	(1.7)
Temporary differences	1.4	-	1.4
- With origin in the current year	1.4	-	1.4
- With origin in previous years	-	-	-
Tax base	-	-	(0.1)
Corporate income tax 25%			-

In permanent differences are adjusted the revenues from Dividends and the stock option plan that are considered exempt for income tax purposes.

(all figures in EUR millions unless stated otherwise)

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

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

	6 months ended	
	30 June 2019	30 June 2018
Tax base AmRest Holdings	(4.1)	(0.1)
Tax base contributed by subsidiaries of the tax group:	16.7	15.0
AmRestag, S.L.U.	(0.5)	(0.7)
Amrestavia, S.L.U.	(1.9)	(2.4)
Restauravia Grupo Empresarial, S.L.U.	(0.1)	(0.1)
Restauravia Food, S.L.U.	2.4	1.1
Pastificio Service, S.L.U.	17.9	17.1
Pastificio, S.L.U.	-	0.1
Pastificio Restaurantes, S.L.U.	-	0.3
The Grill Concept, S.L.U.	(1.0)	(0.4)
Bocoa Holding S.L.U.	-	-
Black Rice, S.L.U.	(0.1)	-
Tax base of the consolidated tax group	12.6	14.9
Current income tax of the consolidated tax group (25%)	3.2	3.7
Withholding taxes and CIT advances	(1.5)	(1.5)
Income tax payable for the 6 months ended 30 June	1.7	2.2
Income tax accrual as at December 2018 to be liquidated in July 2019	1.5	-
Total income tax payable in the balance sheet	3.1	2.1

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

	30 June 2019	31 December 2018
Receivables:		
Restauravia Food, S.L.U.	1.1	0.6
Pastificio Service, S.L.U.	3.2	0.4
AmRestavia S.L.U.	-	0.5
Total receivables from the Consolidated tax regime	4.3	1.5
Payables		
The Grill Concept S.L.U.	(0.6)	(0.4)
AmRestag S.L.U.	(0.1)	-
Total payables from the Consolidated tax regime	(0.7)	(0.4)

11. Income and expenses

11.1. REVENUES

In the item Revenues of the separate income statement for the 6 months ended on 30 June 2019 and 2018 were recognised the result of the execution of stock option plan for employees and the interest and dividends received from subsidiaries:

	6 months ended	
	30 June 2019	30 June 2018
Stock option plan re-charged to subsidiaries	8.7	3.9
Cost of the options granted to employees	(2.6)	(2.2)
Financial income from group companies	2.9	0.4
Total Revenues	9.0	2.1

The breakdown of revenues from the stock option plan for the employees by geographical area is as follow:

	6 months ended	
	30 June 2019	30 June 2018
Domestic market	2.3	0.9
Exports:	3.8	0.8
a) European Union	1.0	-
a1) Euro Zone	-	-
a2) No Euro Zone	1.0	-
b) Other countries	2.8	0.8
Net income from the stock option plan	6.1	1.7

The breakdown of finance income from group companies by geographical area is as follow:

	6 months ended	
	30 June 2019	30 June 2018
Domestic market	1.2	-
Exports:	1.7	0.2
a) European Union	1.4	0.2
a1) Euro Zone	0.8	0.2
a2) No Euro Zone	0.6	-
b) Other countries	0.3	0.2
Finance income from group companies	2.9	0.4

11.2. PERSONNEL EXPENSES:

The detail of personnel expenses is as follow:

	6 months ended	
	30 June 2019	30 June 2018
Salaries	(0.3)	(0.3)
Social charges	(0.1)	-
Total other operating expenses	(0.4)	(0.3)

(all figures in EUR millions unless stated otherwise)

11.3. OTHER OPERATING EXPENSES

The composition of the other operating expenses is as follows:

	6 months ended	
	30 June 2019	30 June 2018
Professional Services	(0.9)	(0.7)
Business travel	(0.1)	-
Other expenses	(0.1)	-
Total other operating expenses	(1.1)	(0.7)

12. Financial result

	6 months ended	
	30 June 2019	30 June 2018
Financial Expenses		
With group companies	(0.1)	-
With third parties	(4.7)	(2.6)
Total Financial Expenses	(4.8)	(2.6)

13. Related parties balances and transactions

As at 30 June 2019 the AmRest Group comprised the following subsidiaries:

Company name	Registered office	Parent/non-controlling undertaking	Owner-ship interest and total vote	Date of effective control
<i> Holding activity </i>				
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
AmRestavia S.L.U.	Madrid, Spain	AmRest TAG S.L.U.	100.00%	April 2011
Restauravia Grupo Empresarial S.L.	Madrid, Spain	AmRestavia S.L.U.	16.52%	April 2011
		AmRest TAG S.L.U.	83.48%	
AmRest HK Ltd	Hong Kong, China	AmRest Holdings SE	100.00%	September 2011
AmRest China Group PTE Ltd	Singapore	AmRest Holdings SE	100.00%	December 2012
Bigsky Hospitality Group Ltd	Hong Kong, China	AmRest China Group PTE Ltd	100.00%	December 2012
New Precision Ltd	Apia, Samoa	AmRest China Group PTE Ltd	100.00%	December 2012
Horizon Group Consultants	Road Town, British Virgin Islands	AmRest China Group PTE Ltd	100.00%	December 2012
AmRest Management Kft	Budapest, Hungary	AmRest Kft	99.00%	August 2018
		AmRest Capital Zrt	1.00%	
GM Invest SRL	Bruxelles, Belgium	AmRest Capital Zrt	100.00%	October 2018
		GM Invest SRL	9.47%	
Sushi Shop Group SAS	Paris, France	AmRest Capital Zrt	90.53%	October 2018
		AmRest Holding SE	100.00%	
AmRest France SAS	Paris, France	AmRest Holding SE	100.00%	December 2018
Sushi Shop Management SAS	Paris, France	Sushi Shop Group SAS	100.00%	October 2018
Sushi Shop Belgique SA	Bruxelles, Belgium	Sushi Shop Group SAS	100.00%	October 2018
Sushi Shop Holding USA LLC	Dover Kent, USA	Sushi Shop Management SAS	100.00%	October 2018
Sushi Shop Luxembourg SARL	Luxembourg	Sushi Shop Group SAS	100.00%	October 2018
Sushi Shop Switzerland SA	Fribourg, Switzerland	Sushi Shop Management SAS	100.00%	October 2018
<i> Restaurant, franchise and master-franchise activity </i>				
AmRest Sp. z o.o.	Wroclaw, Poland	AmRest Holdings SE	100.00%	December 2000
AmRest s.r.o.	Prague, Czechia	AmRest Holdings SE	100.00%	December 2000
AmRest Kft	Budapest, Hungary	AmRest Sp. z o.o.	100.00%	June 2006
		AmRest Sp. z o.o.	82.00%	
AmRest Coffee Sp. z o.o.	Wroclaw, Poland	Starbucks Coffee International, Inc.	18.00%	March 2007
AmRest EOOD	Sofia, Bulgaria	AmRest Holdings SE	100.00%	April 2007
OOO AmRest	Saint Petersburg, Russia	AmRest Acquisition Subsidiary Ltd.	44.72%	July 2007

(all figures in EUR millions unless stated otherwise)

		AmRest Sp. z o.o.	55.28%	
		AmRest Sp. z o.o.	82.00%	
AmRest Coffee s.r.o.	Prague, Czechia	Starbucks Coffee International, Inc.	18.00%	August 2007
		AmRest Sp. z o.o.	82.00%	
AmRest Kávézó Kft	Budapest, Hungary	Starbucks Coffee International, Inc.	18.00%	August 2007
		AmRest Sp. z o.o.	60.00%	
AmRest d.o.o.	Belgrade, Serbia	ProFood Invest GmbH	40.00%	October 2007
Restauravia Food S.L.U.	Madrid, Spain	Restauravia Grupo Empresarial S.L.	100.00%	April 2011
Pastificio Service S.L.U.	Madrid, Spain	Restauravia Grupo Empresarial S.L.	100.00%	April 2011
AmRest Adria d.o.o.	Zagreb, Croatia	AmRest Sp. z o.o.	100.00%	October 2011
AmRest GmbH i.L. ¹	Cologne, Germany	AmRestavia S.L.U.	100.00%	March 2012
AmRest SAS	Lyon, France	AmRestavia S.L.U.	100.00%	April 2012
AmRest Adria 2 d.o.o.	Ljubljana, Slovenia	AmRest Sp. z o.o.	100.00%	August 2012
Frog King Food&Beverage Management Ltd	Shanghai, China	Bigsky Hospitality Group Ltd	100.00%	December 2012
Blue Frog Food&Beverage Management Ltd	Shanghai, China	New Precision Ltd	100.00%	December 2012
Shanghai Kabb Western Restaurant Ltd	Shanghai, China	Horizon Group Consultants	100.00%	December 2012
AmRest Skyline GMBH	Cologne, Germany	AmRestavia S.L.U.	100.00%	October 2013
Kai Zhen Food and Beverage Management (Shanghai) Ltd	Shanghai, China	BlueFrog Food&Beverage Management Ltd	100.00%	March 2014
AmRest Coffee EOOD	Sofia, Bulgaria	AmRest Sp. z o.o.	100.00%	June 2015
AmRest Coffee S.r.l.	Bucharest, Romania	AmRest Sp. z o.o.	100.00%	June 2015
		AmRest s.r.o.	99.00%	
AmRest Coffee SK s.r.o.	Bratislava, Slovakia	AmRest Sp. z o.o.	1.00%	December 2015
		AmRest Kaffee Sp. z o.o.	77.00%	
AmRest Coffee Deutschland Sp. z o.o. & Co. KG	Munich, Germany	AmRest Capital Zrt	23.00%	May 2016
AmRest DE Sp. z o.o. & Co. KG	Berlin, Germany	AmRest Kaffee Sp. z o.o.	100.00%	December 2016
The Grill Concept S.L.U.	Madrid, Spain	Pastificio Service S.L.U.	100.00%	December 2016
Kai Fu Restaurant Management (Shanghai) Co., Ltd	Shanghai, China	Blue Frog Food&Beverage Management Ltd	100.00%	December 2016
		AmRest TAG S.L.U.	74.00%	
LTP La Tagliatella Portugal, Lda	Lisbon, Portugal	AmRestavia S.L.U.	26.00%	February 2017
		AmRest TAG S.L.U.	74.00%	
LTP La Tagliatella Franchise II Portugal, Lda ⁶	Lisbon, Portugal	AmRestavia S.L.U.	26.00%	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 ³	Paris, France	AmRest France SAS	100.00%	July 2017
OOO Chicken Yug	Saint Petersburg, Russia	OOO AmRest	100.00%	October 2017
		AmRest Acquisition Subsidiary Ltd.	99,999996%	
OOO AmRest Pizza ⁵	Saint Petersburg, Russia	OOO AmRest	0,000004%	November 2017
AmRest Coffee SRB d.o.o.	Belgrade, Serbia	AmRest Holdings SE	100.00%	November 2017
AmRest Chamnord SAS	Paris, France	AmRest Opco SAS	100.00%	March 2018
		AmRest s.r.o.	99.00%	
AmRest SK s.r.o.	Bratislava, Slovakia	AmRest Sp. z o.o.	1.00%	April 2018
AmRest Pizza GmbH	Munich, Germany	AmRest DE Sp. z o.o. & Co. KG	100.00%	June 2018
Black Rice S.L.U.	Madrid, Spain	AmRest TAG S.L.U.	100.00%	July 2018
Bocoa Holding S.L.U.	Madrid, Spain	AmRest TAG S.L.U.	100.00%	July 2018
Sushi Shop Restauration SAS	Paris, France	Sushi Shop Management SAS	100.00%	October 2018
		Sushi Shop Management SAS	85.00%	
Orphus SARL ⁸	Paris, France	Eloise CAZAL	15.00%	October 2018
		Sushi Shop Management SAS	50.00%	
Sushiga SARL	Paris France	Emmanuel GARFIN	50.00%	October 2018
SSW 1 SPRL	Waterloo, Belgium	Sushi Shop Belgique SA	100.00%	October 2018

(all figures in EUR millions unless stated otherwise)

SSW 2 SPRL	Wavre, Belgium	Sushi Shop Belgique SA	100.00%	October 2018
Sushi House SA	Luxembourg	Midicapital	14.00%	October 2018
Sushi Sablon SA	Bruxelles, Belgium	Sushi Shop Luxembourg SARL	86.00%	October 2018
Sushi Shop London Pvt LTD	London, UK	Sushi Shop Belgique SA	100.00%	October 2018
Sushi Shop Louise SA	Bruxelles, Belgium	Sushi Shop Group SAS	100.00%	October 2018
Sushi Shop UK Pvt LTD	Charing, UK	Sushi Shop Belgique SA	54,80%	October 2018
Sushi Uccle SA	Uccle, Belgium	Midicapital	45,20%	October 2018
Sushi Shop Anvers SA	Bruxelles, Belgium	Sushi Shop Group SAS	100.00%	October 2018
Sushi Shop Geneve SA	Geneva, Switzerland	Sushi Shop Belgique SA	100.00%	October 2018
Sushi Shop Lausanne SARL	Lasanne, Switzerland	Sushi Shop Belgique SA	100.00%	October 2018
Sushi Shop Madrid S.L. ⁷	Madrid, Spain	Sushi Shop Switzerland SA	100.00%	October 2018
Sushi Shop Milan SRL	Milan, Italy	Sushi Shop Management SAS	77.00%	October 2018
Sushi Shop NE USA LLC	New York, USA	Carlos Santin	23.00%	October 2018
Sushi Shop NY1	New York, USA	Sushi Shop Management SAS	70.00%	October 2018
Sushi Shop NY2	New York, USA	Vanray SRL	30.00%	October 2018
Sushi Shop International SA	Bruxelles, Belgium	Sushi Shop Holding USA LLC	100.00%	October 2018
Sushi Shop Zurich GMBH	Zurich, Switzerland	Sushi Shop Holding USA LLC	64.00%	October 2018
Sushi Shop Nyon SARL	Nyon, Switzerland	Sushi Shop NE USA LLC	36.00%	October 2018
Sushi Shop NL B.V.	Amsterdam, Netherlands	Sushi Shop Holding USA LLC	100.00%	October 2018
		Sushi Shop Group SAS	99.90%	October 2018
		Sushi Shop Belgique SA	0.10%	October 2018
		Sushi Shop Switzerland SA	100.00%	October 2018
		Sushi Shop Switzerland SA	100.00%	October 2018
		Sushi Shop Group SAS	100.00%	October 2018
Financial services and others for the Group				
AmRest LLC	Wilmington, USA	AmRest Sp. z o.o.	100.00%	July 2008
AmRest Capital Zrt	Budapest, Hungary	AmRest Sp. z o.o.	100.00%	November 2011
AmRest Work Sp. z o.o.	Wroclaw, Poland	AmRest Sp. z o.o.	100.00%	March 2012
La Tagliatella International Kft	Budapest, Hungary	AmRestavia S.L.U.	100.00%	November 2012
La Tagliatella Financing Kft ²	Budapest, Hungary	AmRestavia S.L.U.	100.00%	November 2012
La Tagliatella SAS	Lyon, France	AmRestavia S.L.U.	100.00%	March 2014
AmRest FSVC LLC	Wilmington, USA	AmRest Holdings SE	100.00%	November 2014
AmRest Kaffee Sp. z o.o.	Wroclaw, Poland	AmRest Sp. z o.o.	100.00%	March 2016
Restaurant Partner Polska Sp. z o.o. ⁴	Łódź, Poland	AmRest Holdings SE	100.00%	August 2017
AmRest Estate SAS	Paris, France	AmRest Opco SAS	100.00%	September 2017
AmRest Leasing SAS	Paris, France	AmRest Opco SAS	100.00%	September 2017
OOO RusCo Food	Saint Petersburg, Russia	AmRest Management Kft	100.00%	August 2018
AmRest Trademark Kft	Budapest, Hungary	AmRest Management Kft	100.00%	September 2018
AmRest Franchise Sp. z o.o.	Wroclaw, Poland	AmRest Sp. z o.o.	99,00%	December 2018
		Michał Lewandowski	1.00%	December 2018
Supply services for restaurants operated by the Group				
SCM Czech s.r.o.	Prague, Czechia	SCM Sp. z o.o.	90.00%	March 2007
		Ondrej Razga	10.00%	March 2007
		AmRest Sp. z o.o.	51.00%	March 2007
SCM Sp. z o.o.	Warsaw, Poland	R&D Sp. z o.o.	43.80%	October 2008
		Beata Szafarczyk-Cylny	5.00%	October 2008
		Zbigniew Cylny	0.20%	October 2008
SCM Due Sp. z o.o.	Warsaw, Poland	SCM Sp. z o.o.	100.00%	October 2014

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

² On 5 September 2017 Amrestavia, S.L.U., the sole shareholder of La Tagliatella Financing Kft, decided to liquidate this company. The liquidation process has not been finished up until the date of this Report.

³ On 1 January 2019 Versailles Resto SAS was merged into AmRest Opco SAS.

⁴ On 13 March 2019 AmRest Holding SE has acquired 49% of shares of Restaurant Partner Polska Sp. z o.o. On this day AmRest Holdings SE has become sole shareholder of Restaurant Partner Polska Sp. z o.o.

⁵ On 16 April 2019 OOO Pizza Company has changed the company name for OOO AmRest Pizza.

⁶ On 16 April 2019 was registered new company LTP La Tagliatella II Franchise Portugal Lda.

(all figures in EUR millions unless stated otherwise)

⁷ On 12 July 2019 Sushi Shop Management SAS has acquired 23% of shares of Sushi Shop Madrid S.L.

⁸ On 16 July 2019 Sushi Shop Management SAS has acquired 15% of shares of Orphus SARL.

* On 31 January 2019 Sushi Shop Management SAS sold 100% of shares of Sushi Shop Amiens SARL to RM RESTAURANTES SAS. Effective date of transaction is 1 February 2019.

** During first half year of 2019 Sushi Shop Group made reorganization with the purpose of simplifying the operational structure. Within the reorganization some stores within restaurant activity were sold between Sushi Shop Management SAS and Sushi Shop Restauration SAS and later on merged into Sushi Shop Restauration SAS. On 28 June 2019 registration of merger was finalized. The following entities were merged into Sushi Shop Restauration SAS and ceased operation as a separate companies: Sushi Courbevoie Developpement SARL, Sushi Shop Villers SARL, Sushi Antibes Developpement SAS, Sushi Shop Corner SAS, Bottega Romana Boetie SARL, Sushi Shop ST Dominique SARL, Sushi Shop Traiteur SARL, Sushi Shop Secretan SARL, Sushi Shop Vincennes SARL, Sushi Shop Martyrs SARL, Sushi Shop Lepic SARL, Sushi Shop Courcelles SARL, Sushi Shop Levallois SARL, Sushi Toulouse Developpement SARL, Sushi Shop Toulouse 3 SARL, Sushi Nice Developpement SAS, Sushi Nice 2 SARL, Sushi Shop Vieux Lille SAS, Sushi Shop Lille Centre SAS, SSC – Sushi Shop Cauderan SAS, SSBC – Sushi Shop Bordeaux Chartrons SAS, SSB Sushi Shop Bordeaux SAS, SSM – Sushi Shop Merignac SAS, Art Sushi Marseille SAS, ART Sushi Delibes SARL, ART Sushi ST Barnabe SARL, Sushi Marseille Developpement SARL, Altana SAS, Tomemma SAS, Gelau SAS, Sushinantes SAS, AIX Sushi House SAS, Sushi Grand Ouest SAS, Sushi Shop Tours SARL, Sushi Shop Angers SARL, Sushi Shop Caen SARL, Sushi Shop La Rochelle SARL, Sushi Shop Le Mans SARL, HP2L SAS, Sushi Corner Saint Gregoire SARL, Sushi Shop Rennes Nemours SARL, Sushi Shop Rouen SAS, Black Box SAS, Sauboget SARL, RCP SARL, Bontor SAS, Zenitude SAS, Sushi 54 SAS, Sushi 21 SAS, CR Developpement SAS, Sushi Lyon 64 SAS.

*** On 2 July 2019 Sushi Shop Management SAS finalized acquisition of 100% shares of CMLC Troyes.

**** On 17 July 2019 was registered AmRest Food Srl. Registered office is Bucharest, Romania. Company has two shareholders: AmRest Sp. z o.o. owns 99% of shares, AmRest Holdings SE owns 1% of shares.

The balances with the Group entities are as follows:

	30 June 2019	31 December 2018
Assets		
Long term loans granted to group companies	230.0	199.7
Short term loans granted to group companies	6.5	4.6
Total loans granted to group companies	236.5	204.3
AmRest TopCo	8.4	7.8
AmRest Opco SAS	30.6	25.9
AmRest China	7.0	6.8
AmRest Coffee Deutschland Sp. z o.o.	8.7	1.5
AmRest DE Sp. z o.o. & Co. KG	23.7	12.2
AmRest HK Limited	-	0.1
AmRest AT GmbH	3.5	1.7
AmRest Kaffee Sp. z o.o.	37.9	37.4
AmRest TAG S.L.U.	51.8	62.9
Blue Frog Food & Beverage Management	4.5	1.8
Pastificio Service. S.L.U.	27.0	26.6
Restauravia Food. S.L.U.	11.2	11
Restauravia Grupo Empresarial. S.L.	8.6	8.6
AmRest Adria d.o.o.	0.7	-
AmRest Capital Zrt	8.0	-
AmRest MFA Sp. z o.o.	0.9	-
AmRest SK s.r.o.	0.7	-
OOO AmRest	1.8	-
Sushi Shop SAS	1.5	-
Other financial assets with group companies	4.3	1.4
Restauravia Food. S.L.U.	1.1	0.5
Pastificio Service S.L.U.	3.2	0.4
AmRestavia S.L.U.	-	0.5
Trade and other receivables with group companies	2.2	1.3
AmRest Sp. z o.o.	0.4	0.7
Restauravia Food. S.L.U.	0.1	0.1
OOO AmRest	0.2	0.1
AmRestavia. S.L.U.	1.2	0.2
AmRest Kft	0.1	0.1
AmRest SRO	0.1	0.1
AmRest Coffee Sp. z o.o.	0.1	-

(all figures in EUR millions unless stated otherwise)

Liabilities		
Other financial liabilities with group companies	2.8	17.7
AmRest Sp. z o.o.	2.8	17.7
Short term debt and other current financial liabilities	0.7	0.6
AmRest Sp. z o.o.	-	0.2
AmRest TAG S.L.U.	0.1	
The Grill Concept S.L.U.	0.6	0.4
Trade payables with group companies	2.0	1.7
AmRestavia, S.L.U.	1.9	1.1
AmRest Sp. z o.o.	-	0.4
Other related parties	0.1	0.2

The transactions with group entities are as follows:

	30 June 2019	30 June 2018
Revenues		
Revenues from the result of the stock option plan	(6.1)	1.7
AmRest Sp. z o.o.	(0.6)	(0.5)
AmRest Coffee Sp. z o.o.	0.1	0.1
AmRest SRO	0.1	0.1
AmRest FSVC LLC	3.7	0.9
Restauravia Food S.L.U.	0.1	0.1
Pastificio Service S.L.U.	0.1	0.1
AmRestavia S.L.U.	2.1	0.5
AmRest Kft	0.1	0.1
AmRest Coffee SRO	0.1	-
OOO AmRest	0.1	0.3
SCM	0.2	-
Financial Income from group companies	2.9	0.4
AmRest China Group PTE Ltd.	0.2	0.2
AmRest Coffee Deutschland Sp Zoo	0.1	-
AmRest Topco France	0.1	-
AmRest Opco SAS	0.3	0.2
AmRest DE Sp. z o.o. & Co. KG	0.3	-
AmRest Kaffee Sp. z o.o.	0.6	-
AmRest TAG S.L.U.	0.7	-
Pastificio Service S.L.U.	0.3	-
Restauravia Food S.L.U.	0.1	-
Restauravia Grupo Empresarial	0.1	-
Blue Frog Food & Beverage Mana	0.1	-
Expenses		
Impairments for credits and receivables with group companies	(3.7)	(0.8)
AmRest FSVC LLC	(3.7)	(0.8)
AmRest HK Limited	-	-
Impairment in investments of groups companies	(2.9)	(0.5)
AmRest FSVC LLC	(2.9)	(0.5)

14. Remuneration of the board of directors and senior executives

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

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

	6 months ended	
	30 June 2019	30 June 2018
Board of Directors Remunerations		
Fixed Remuneration	(0.3)	(0.3)
Operations with shares and/or other financial instruments	(3.7)	(1.0)
Total Board of Director remunerations	(4.0)	(1.3)

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

	6 months ended	
	30 June 2019	30 June 2018
Board of Directors Remunerations		
Salaries	(0.1)	(0.2)
Variable Remuneration	(0.1)	(0.2)
Total Board of Director remunerations	(0.2)	(0.4)

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

	6 months ended	
	30 June 2019	30 June 2018
Total remuneration received by the Senior Executives	(2.3)	-
Total remuneration received by the Senior Executives	(2.3)	-

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

	6 months ended	
	30 June 2019	30 June 2018
Total remuneration received by the Senior Executives	(1.0)	(1.0)
Total remuneration received by the Senior Executives	(1.0)	(1.0)

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

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

(all figures in EUR millions unless stated otherwise)

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

In 2019 and 2018 the members of the Board of Directors of the Company or of the Audit Committee have not carried out any transactions other than ordinary business with the Company or applied terms that differ from market conditions.

15. Other information

15.1. AVERAGE NUMBER OF EMPLOYEES

The average number of employees, distributed by categories, for the 6 months ended on 30 June 2019 and 30 June 2018 are as follow:

Categories	June 2019	June 2018
Executive Managers	2	-
Other Managers	1	-
Other employees	1	-
Total	4	-

The number of employees and members of the board of directors, distributed by gender, as at 30 June 2019 and 30 June 2018 is a follow:

Categories/Gender	June 2019		June 2018
	Males	Females	Males
Board members	6	1	7
Executive Managers	2	-	-
Other Managers	1	-	-
Other employees	-	1	-
	9	2	7

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

15.2. TAX INSPECTIONS

On 16 November 2017 at AmRest Holdings SE a tax inspection began regarding CIT for 2012. On 12 February 2018 the Company received a tax inspection result regarding the tax inspection based on which the Company submitted on 22 February 2018 a corrective tax return increasing the taxable income. The corrected amount was immaterial.

On 11 January 2018 at AmRest Holdings SE a tax inspection began regarding CIT for 2013. On 21 January 2019 the Company has received the tax inspection result, based on which the Company submitted a corrective tax return. The correction increased the taxable base for 2013, but it has not resulted in obligation to pay additional tax.

15.3. Information about the environment

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

(all figures in EUR millions unless stated otherwise)

15.4. Subsequent events

On 13 August 2019 AmRest Holdings SE (“AmRest”) signed an agreement with Glovoapp23 S.L. (“Glovo”) for the transfer from AmRest to Glovo of 100% shares of Restaurant Partner Polska Sp. z o.o. Total sale price is EUR 30 million plus a EUR 5 million earn-out. In consideration AmRest will receive a combination of cash and new issued shares of Glovo. The transaction is subject to certain conditions precedent customary in M&A deals.

Signatures of the Board of Directors

José Parés Gutiérrez
Chairman of the Board

Luis Miguel Álvarez Pérez
Vice-Chairman of the Board

Carlos Fernández González
Member of the Board

Romana Sadurska
Member of the Board

Pablo Castilla Reparaz
Member of the Board

Mustafa Ogretici
Member of the Board

Emilio Fullaondo Botella
Member of the Board

Madrid, 28 August 2019



Directors's Report 30 June 2019

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1. Financial highlights

	6 months ended		3 months ended	
	30 June 2019	30 June 2018 (*restated)	30 June 2019	30 June 2018 (*restated)
Revenues	9.0	2.1	4.2	1.1
Results from operating activities	0.9	(0.2)	(1.7)	0.3
Financial Cost	(5.6)	0.4	(3.4)	1.3
Income tax expense	1.0	(0.3)	0.6	(0.4)
Profit/(loss) for the period	(3.7)	(0.1)	(4.5)	1.2

**The restatement is described in the section modifications of the information presented for comparative purposes in the Condensed Separate Financial Statements*

	30 June 2019	31 December 2018
Total Assets	676.4	648.8
Total liabilities and provisions	410.6	380.7
Non-current liabilities	401.8	374.3
Current liabilities	8.8	6.4
Share capital	22.0	22.0

2. Significant events and transactions in H1 2019

Termination of Share Purchase Agreement – TELE PIZZA, S.A.U.

On July 26, 2018 AmRest Sp. z o.o. („AmRest Poland”) and TELE PIZZA, S.A.U. (“Seller”) signed a Share Purchase Agreement (“SPA”), pursuant to which AmRest Poland would acquire 100% shares of TELEPIZZA POLAND Sp. z o.o. (“Telepizza Poland”) at an estimated price of ca. EUR 8 million.

The completion of the transaction was contingent upon a number of conditions, including obtaining antitrust approvals, conclusion of a license agreement with the Seller authorizing Telepizza Polska to continue operation of its business and lack of the material adverse change events (“MAC”).

On March 7th, 2019 AmRest informed that the SPA was automatically terminated due to failure to meet the conditions precedent specified in the SPA before the Long Stop Date (i.e. failure to obtain the consent for the concentration from the Office of Competition and Customer Protection before the Long Stop Date).

Share sale agreement between Gosha Holdings, S.à.r.l. and FCapital Dutch, B.V.

On March 27, 2019 AmRest was notified by its controlling shareholder, FCapital Dutch, B.V. (Grupo Finaccess subsidiary; “FCapital”, the “Purchaser”), and one of its significant shareholders, Gosha Holdings, S.à.r.l. (“Gosha”, the “Seller”), that FCapital and Gosha have executed a share sale agreement pursuant to which the Purchaser would acquire from the Seller its entire shareholding in AmRest (the “Transaction”). The Transaction was expected to be settled on 10 May 2019.

On May 9, 2019 FCapital has completed the purchase of the entire shareholding in AmRest of Gosha, consisting of 23 426 313 shares representing 10.67% of the Company’s share capital, for a price per share of EUR 13.22, amounting an aggregate of EUR 309 695 857.86. After this purchase, Grupo Finaccess controls 67.05% of AmRest.

(all figures in EUR millions unless stated otherwise)

As a consequence, Mr. Henry McGovern and Mr. Steven Kent Winegar, members of the Board of Directors appointed at the request of the Seller and representing it at the Board, resigned from their positions upon execution of the Transaction, according to article 11 of AmRest's Board of Directors' Regulations, and effective as of the Annual General Shareholders' Meeting of AmRest held on May 14, 2019.

3. Shareholders of AmRest Holdings SE

To the best of AmRest's knowledge as at 30 June 2019 AmRest Holdings had the following shareholder structure:

Shareholder	Number of shares and votes at the Shareholders' meeting	% of shares and votes at the Shareholders' meeting
FCapital Dutch B. V.*	147 203 760	67.05%
Nationale-Nederlanden OFE	10 718 700	4.88%
Artal International S.C.A.	10 500 000	4.78%
Aviva OFE	7 013 700	3.19%
Other Shareholders	44 118 023	20.10%

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

4. External debt

In the reporting period covered by this report the Company did not enter in any significant agreements concerning external debt nor issue any debt instruments.

5. Information on dividends paid

Dividends have not been distributed during the 6 months ended 30 June 2019.

6. Changes in the Company's Governing Bodies

According to the resolution adopted by the Extraordinary General Meeting of AmRest Holdings SE on 5 October 2017, that came into force on 12 March 2018 (date of the registration of the Company's registered office in Pozuelo de Alarcón, Madrid, Spain), the composition of the Board of Directors was as follows:

- Mr. José Parés Gutiérrez
- Mr. Carlos Fernández González
- Mr. Luis Miguel Álvarez Pérez
- Mr. Henry McGovern
- Mr. Steven Kent Winegar Clark
- Mr. Pablo Castilla Reparaz
- Mr. Mustafa Ogretici

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

According to the share sale agreement between Gosha Holdings, S.à.r.l. and FCapital Dutch, B.V. described in "Significant events and transactions in H1 2019" section of this report, Mr. Henry McGovern and Mr. Steven Kent Winegar, members of the Board of Directors, resigned from their positions upon execution of the

(all figures in EUR millions unless stated otherwise)

respective transaction, and effective as of the Annual General Shareholders' Meeting of AmRest for the year 2019, i.e. May 14, 2019.

On May 14, 2019 the Board of Directors has resolved to accept the resignation of Directors Mr. Henry J. McGovern and Mr. Steven K. Winegar Clark to fill said vacancies co-opting Ms. Romana Sadurska and Mr. Emilio Fullaondo Botella, as independent Directors, following the proposal of the Appointments and Remuneration Committee and with the justifying report of the Board of Directors.

As per article 529 point 2.b) of the Spanish Capital Companies Act, both appointments shall be submitted for ratification to the next General Shareholders Meeting.

In addition, on this date, following the recommendation of the Compensations and Remuneration Committee, the Board has also resolved to appoint Mr. Mark Chandler as CEO of AmRest, and Mr. Eduardo Zamarripa as new Chief Financial Officer of AmRest.

As at June 30, 2019 the composition of the Board of Directors was as follows:

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

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

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

During the period since 1 January 2019 the following changes occurred with respect to AmRest shares and stock options held by the members of the Board of Directors of AmRest.

According to the best knowledge of AmRest, following members of the Board of Directors owned in this reporting period the Issuer's shares: Mr. Henry McGovern, Mr. Carlos Fernández González and Mr. Steven Kent Winegar Clark.

As at 31 December 2018 Mr. Henry McGovern held directly 172 340 AmRest's shares with a total nominal value of EUR 17 234. On 14 May 2019 (being the last day of his term of office on the Board) he held 302 340 shares of the Company with a total nominal value of EUR 30 234.

As at 31 December 2018 Gosha Holdings S.a.r.l. - the closely associated person of Mr. Henry McGovern and Mr. Steven Kent Winegar (the Company's Board of Directors members) held 23 426 313 shares of the Company with a total nominal value of EUR 2 342 631.3. On 30 June 2019, as a result of execution of the share sale agreement with FCapital Dutch, B.V. settled on 9 May 2019, Gosha Holdings S.a.r.l. didn't hold any AmRest's shares.

As at 31 December 2018 FCapital Dutch B.V. – the closely associated person of Mr. Carlos Fernández González (member of the Company's Board of Directors) held 123 777 447 shares of the Company with a total nominal

(all figures in EUR millions unless stated otherwise)

value of EUR 12 377 744.7. On 30 June 2019, as a result of execution of the share sale agreement with Gosha Holdings S.a.r.l. settled on 9 May 2019, FCapital Dutch B.V. held 147 203 760 AmRest's shares with a total nominal value of EUR 14 720 376.

8. Transactions on own shares concluded by AmRest

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

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

In the period between 1 January 2019 and 30 June, 2019, AmRest purchased a total of 46 500 own shares with a total nominal value of EUR 4 650 and representing 0.0212% of the share capital for a total price of approx. PLN 2 million (EUR 0.5 million). During the same period, the Company disposed a total of 622 634 own shares with a total nominal value of EUR 62 263.4 and representing 0.2836% 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 June 2019 AmRest held 1 010 604 own shares with a total nominal value of EUR 101 060.4 and representing 0.4603% of the share capital.

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

9. Basic risks and threats the company is exposed to

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

Risk related to keeping key personnel in the Group

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

Currency risk

The results of AmRest Holdings are exposed to currency risk related to transactions and translations into currencies other than the currency in which business transactions are measured in its subsidiaries companies.

(all figures in EUR millions unless stated otherwise)

AmRest Holdings SE adjusts its currency portfolio of debt to the geographical structure of its profile of activities. Additionally, AmRest uses forward contracts to secure transaction risks on a short-term basis.

Dependency on cooperation with minority shareholders

AmRest opens Starbucks restaurants in Poland, the Czech Republic and Hungary based on a partnership agreement with Starbucks Coffee International, Inc. The partnership assumes Starbucks Coffee International, Inc. is the minority shareholder of companies operating Starbucks stores in mentioned countries. Therefore, some decisions as part of the joint business activities are dependent on the partners' consent.

The agreements with Starbucks were concluded for a period of 15 years with a possibility of their extension for the next 5 years upon meeting the specified conditions. If AmRest fails to comply with the obligation to open and run the minimum specified number of cafés, Starbucks Coffee International, Inc. shall have the right to increase its share in these companies by acquiring shares from AmRest Sp. z o.o. at a price agreed between the parties based on the valuation of the companies.

Risk of increased financial costs

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

Liquidity risk

AmRest Holdings SE is exposed to the risk of lack of financing now of maturity of bank loans and bonds. As at 30 June 2019, AmRest Holdings SE has enough short-term assets, including cash and promised credit limits, to fulfil liabilities due in the next 12 months.

Tax risk

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

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

Cyberattack risk

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

(all figures in EUR millions unless stated otherwise)

cybersecurity risk mitigation tools, including security polices, personnel training and technical prevention countermeasures.

10. Average number of employees

The average number of employees, distributed by categories, for the 6 months ended on 30 June 2019 and 30 June 2018 are as follow:

Categories	June 2019	June 2018
Executive Managers	2	-
Other Managers	1	-
Other employees	1	-
Total	4	-

The number of employees and members of the board of directors, distributed by gender, as at 30 June 2019 and 30 June 2018 is a follow:

Gender	June 2019		June 2018
	Males	Females	Males
Board members	6	1	7
Executive Managers	2	-	-
Other Managers	1	-	-
Other employees	-	1	-
	9	2	7

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

11. Subsequent Events

On 13 August 2019 AmRest Holdings SE ("AmRest") signed an agreement with Glovoapp23 S.L. ("Glovo") for the transfer from AmRest to Glovo of 100% shares of Restaurant Partner Polska Sp. z o.o. Total sale price is EUR 30 million plus a EUR 5 million earn-out. In consideration AmRest will receive a combination of cash and new issued shares of Glovo. The transaction is subject to certain conditions precedent customary in M&A deals.

Signatures of the Board of Directors

José Parés Gutiérrez
Chairman of the Board

Luis Miguel Álvarez Pérez
Vice-Chairman of the Board

Carlos Fernández González
Member of the Board

Romana Sadurska
Member of the Board

Pablo Castilla Reparaz
Member of the Board

Mustafa Ogretici
Member of the Board

Emilio Fullaondo Botella
Member of the Board

Madrid, 28 August 2019

