



REPORT OF THE AUDIT AND RISK COMMITTEE ON THE EVALUATION OF ITS PERFORMANCE DURING 2021

1. INTRODUCTION

In accordance with the provisions in the internal regulations of AmRest Holdings, SE (“**AmRest**” or the “**Company**”) and so that the Board of Directors may supervise the correct functioning of this committee (the “**Committee**”), pursuant to Article 6.5 of the Rules of Procedure of the Board of Directors and Article 529 nonies of Legislative Royal Decree 1/2010 of 2 July, which approves the consolidated text of the Companies Act (*Ley de Sociedades de Capital*) (“**Companies Act**”), this Committee prepares this report on its performance.

This report, in reference to the activities developed by the Audit and Risk Committee during 2021, will be available to shareholders and investors via the Company's website (www.amrest.eu) as of the call to the General Shareholders Meeting.

This report has been prepared in compliance with recommendation six of the Code of Good Governance of listed companies published by the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) (“**CNMV**”) in the year 2020, and its content is consistent with the recommendations of the Technical Guide 3/2017 of the CNMV on audit committees of public interest entities.

2. REGULATIONS

The rules of organisation and operation of the Audit and Risk Committee are recorded in the Rules of Procedure of the Board of Directors and in the Rules of Procedure of the Audit and Risk Committee, all of which is available on the Company's website (www.amrest.eu).

3. COMPOSITION

Articles 19 of the Rules of Procedure of the Board of Directors and 11 of the Rules of Procedure of the Audit and Risk Committee establish that this Committee must be composed of a minimum of three and maximum of five directors, appointed by the Board itself from among its non-executive directors, the majority of which must be, at least, independent directors.

In addition, at least one of the Committee members will be appointed taking into account this person's knowledge and experience in matters of accounting, auditing, or both; and, as a group, the members of the Audit and Risk Committee must have relevant technical knowledge in relation to the sector of activity in which the Company operates.



The chair of the Audit and Risk Committee (the "**Chair**") must be an independent director and will be replaced every four years. The chair cannot be re-elected until a minimum period of one year has elapsed since leaving office.

At year-end 2021, the Audit and Risk Committee was composed as follows:

- (i) Mr Emilio Fullaondo Botella (Chairman), external independent director of AmRest since 14 May 2019.
- (ii) Mr Pablo Castilla Reparaz (member), external independent director of AmRest since 1 March 2018.
- (iii) Ms Mónica Cueva Díaz (member), external independent director of AmRest since 1 July 2020.

Mr Eduardo Rodríguez-Rovira continues holding the post of non-board member secretary of the Audit and Risk Committee, in accordance with the Rules of Procedure of the Board of Directors. In turn, since the departure of Mr Jaime Tarrero Martos, the post of deputy secretary of the Audit and Risk Committee is currently vacant, although the deputy secretary of the Board has been invited to the Committee meetings since his appointment and has performed the role of secretary at the meeting whenever the secretary has been absent.

All information concerning the members of the Audit and Risk Committee, including their professional and biographical profiles, is available on the Company's website (www.amrest.eu).

As a result, the composition of the Committee in 2021 is in line with the requirements of the Companies Act, the Rules of Procedure of the Board of Directors and the Rules of Procedure of the Audit and Risk Committee. This is due to the fact that it is composed exclusively of non-executive directors appointed by the Board, all of whom are independent, including the Chairman who is also an independent director.

Based on the professional and biographical profiles of the members of the Committee, it can be concluded that, as a group, they have the required technical knowledge related to AmRest's sector of activity.

4. MEETINGS HELD BY THE COMMITTEE AND THEIR COMPOSITION DURING 2021

The Audit and Risk Committee meets whenever it is called to meet by resolution of the Committee itself or its Chairman and, as minimum, four times per year. One of its meetings is specifically used to evaluate the efficiency and compliance with the governing rules and procedures of the Company and to draw up the financial information that the Board must approve and include within the annual public documentation.

The Audit and Risk Committee is validly quorate when the majority of its members are present,



either in person or by proxy, and adopts its resolutions by the majority in attendance, whether in person or by proxy.

During 2021, the Audit and Risk Committee met on eight occasions, with the attendance of all its members at each meeting. Therefore, it has met with the frequency necessary for the correct performance of its functions.

In addition, Committee meetings included at all times the presence of the members of AmRest management and, on some occasions as needed, with the presence of statutory auditors. The above persons attended the meetings when invited by the Committee and their presence was limited to discussing the items on the agenda for which they were called, in which case, persons unrelated to AmRest were not present at any time in the decision making moments.

During 2021, the Audit and Risk Committee had the services of two audit companies given that a replacement process of the auditor's group of companies to which the Company belongs (the "**Group**") was carried out. This process covered all relevant companies of the Group, except for the French subsidiaries, for the purpose of simplifying the audit process with the same auditor.

The Company's former statutory auditors, KPMG Auditores, S.L. ("**KPMG**"), attended two formal meetings of the Committee to (i) inform about the annual financial report 2020, (ii) inform about the relevant risks in relation to business continuity and amortisation of intangible assets, and (iii) inform about the audit process to be carried out during 2021.

The Company's new statutory auditors, PWC Auditores, S.L. ("**PWC**"), attended three formal meetings of the Committee to (i) inform about the accounts audit process of the first half of 2021, (ii) perform the accounting analysis of bank debt refinancing, and (iii) inform about the deficiencies and risks of the business.

In addition, on several occasions, Committee meetings included the presence of the audit and internal control manager, the risks and compliance manager, the global controller, the Group's tax manager and members of the legal team to coordinate the work and monitor the projects.

5. ACTIVITIES DEVELOPED DURING FINANCIAL YEAR 2021

This Committee, in fulfilment of its functions under Article 19 of the Rules of Procedure of the Board and Articles 5 to 10 of the Rules of Procedure of the Audit and Risk Committee, has focused its meetings during 2021 on the following main activities:

5.1. Review of annual accounts and other periodic financial information

The Audit and Risk Committee has carried out the review of the individual and consolidated annual accounts of the Company for 2021, prior to their formulation by the Board of Directors. In this regard, the Audit and Risk Committee has reported favourably to the Board of Directors prior to the formulation of the annual accounts. The Committee has also monitored the process of preparing and integrity of the quarterly financial information, which has continued to be



published on a voluntary and biannual basis, both individual and consolidated. In the case of the biannual period, the Board must submit this information to the market and refer it to the CNMV by virtue of its obligations of periodic reporting as a listed company. During the year, the Committee has frequently reviewed the level of indebtedness reached per quarter in relation to refinancing the bank debt, as well as the amortisation of intangible assets.

It is noted that the audit reports of AmRest's individual and consolidated annual accounts for the year ended 31 December 2021 did not contain any qualifications.

5.2. External audit

During 2021, the Audit and Risk Committee selected PWC as new auditors, replacing KPMG. That is why both audit firms have been part of the 2021 audit development.

In this respect, the Committee has monitored relations with these external auditors during 2021, meeting directly with them on several occasions during the financial year, establishing the appropriate relations to receive information on any issues related to the process of developing the audit of accounts. In addition, it has supervised fulfilment of the auditing contract, seeing to it that the opinion regarding the annual accounts and the main contents of the audit report are clearly and accurately drawn up.

5.3. Internal Audits

During 2021, the Audit and Risk Committee has performed the functions relating to the Company's internal audit assigned to it in the Rules of Procedure of the Board of Directors and of the Audit and Risk Committee, which are essentially the following: (i) ensure the independence and effectiveness of the internal audit function, ensure that it has sufficient resources and adequately qualified staff to perform its functions efficiently; (ii) approve the budget of the internal audit department and the annual report of its activities, ensuring that it carries out its authorities proactively and that its activity is focused mainly on the relevant risks of the Company and its Group; (iii) receive periodic information on its activities, reserving time within each meeting for the internal audit; and (iv) verify that senior management takes into account the conclusions and recommendations of its reports.

In accordance with the Committee's responsibilities, the progress of the Group's internal audit has been described and the internal audit plan for 2022 has been approved.

5.4. Compliance with corporate governance regulations and the obligations of listed companies Supervision of legal and tax aspects

The Audit and Risk Committee has ensured compliance with the Internal Code of Conduct for

Matters related to the Securities Markets, the Rules of Procedure of the Board of Directors, the



Rules of Procedure of the Audit and Risk Committee and, in general, the Company's corporate governance rules during 2021, with no relevant breaches detected. The Audit and Risk Committee, in the exercise of its functions, oversees legal and tax aspects of the Group. In particular, the most relevant tax issues and changes in taxation in countries where the Company has business have been reviewed. With regard to legal aspects, the Committee oversees the dispute resolution procedures affecting the companies of the Group and their impact.

The Audit and Risk Committee has been constantly monitoring the process of contracting the firm that has carried out the external evaluation of the Board of Directors (EY).

The approval of the code of ethics and business conduct applicable to the Group, as well as the global policies related to the whistleblower channel and the Group's internal policy approval procedure. Finally, the Committee has been responsible for renewing the liability insurance policy for managers and executives.

5.5. Related party transactions

With regard to its advisory work on related party transactions, contained in Article 19.4.(g)(iii) of the Rules of Procedure of the Board, and Article 5.(g)(iii) of the Rules of Procedure of the Committee, the Audit and Risk Committee has monitored the related party transactions carried out by the Company and has informed the Board of Directors, where appropriate, regarding these transactions.

5.6. Risk control and management

In compliance with Article 19.4.(b) of the Board's Rules of Procedure and Article 5.(b) of the Committee's Rules of Procedure, the Audit and Risk Committee has monitored the effectiveness of the Company's internal control and risk management systems. To this end, the Audit and Risk Committee has identified the most important risks, their financial impact and those responsible for their management in the Company. In addition, it has overseen the preparation of policies to manage the Group's risks and make them known appropriately.

In particular, the Committee has monitored the status of the AmRisk project, in relation to the entire risk management process, including the review of the Group's risk map, and has appointed Deloitte to advise on the entire project implementation process. It has also deliberated on the implementation of the Global Risk Management Policy and Global Compliance Policy to manage the Company's risks. Finally, the risk standardisation plan for the protection of personal data has been revised.

5.7. Communications with regulators

The Audit and Risk Committee has reviewed the new financial information reporting systems (ESEF).



5.8. Information on the Company's treasury stock

The Audit and Risk Committee periodically monitors the balance of the Company's treasury stock and the transactions carried out with treasury shares on a quarterly basis.

5.9. Reporting, management and financial consolidation systems of the Company

The Audit and Risk Committee has continued its work to improve the consolidation and reporting systems, to achieve better control of information and to prepare this information more quickly and efficiently to enhance the profitability of operations. In addition, the CFO has been authorised for the treasury automation management project and progress in the new service billing model from AmRest Global to all the group's subsidiaries was constantly monitored.

6. CHANGE OF COMMITTEE NAME

The Board of Directors, at its meeting of 9 November, took notice that the responsibilities of the so-called Audit and Control Committee have been growing with the new regulatory changes and predictably with future requirements in the area of risks, especially non-financial risks. It also noted that certain matters relating to sustainability objectives and much of the non-financial information content were the subject of analysis, deliberation and study within the Sustainability, Safety and Health Committee. To avoid overlapping of contents and functions between the two committees, the Board of Directors resolved that the Sustainability, Health and Safety Committee should assume, within the sustainability area, the supervision and monitoring of the process for preparing the statement on non-financial information of the Group, entrusting to the Audit and Risk Committee this last-mentioned task. All this, without prejudice to the final proposal for the statement of non-financial information being communicated to the Audit and Risk Committee, so that the latter submits to the Board its proposal for approval simultaneously with the proposal for approval of the annual accounts. The Board of Directors also approved that, to facilitate the entire process, the Sustainability and Health Committee will invite members of the Audit and Risk Committee, who are not members of the first mentioned, to attend meetings where the preparation of the statement on non-financial information is reviewed.

7. EVALUATION OF THE OPERATION AND PERFORMANCE OF THE AUDIT AND RISK COMMITTEE CONCLUSIONS

The Board of Directors has evaluated the operation of the Audit and Risk Committee during financial year 2021, the degree of preparation and execution of the work entrusted to it by the Board, and the performance of its internal control and oversight function with respect to the development of its areas of responsibility and considers that the performance of the Audit and Risk Committee has been satisfactory.



The independent evaluation of the Audit and Risk Committee has not led to significant changes in its internal organisation and procedures.

February 2022