



REPORT OF THE BOARD OF DIRECTORS OF AMREST HOLDINGS, SE, REGARDING THE PROPOSAL FOR RESOLUTION TO DELEGATE TO THE BOARD THE AUTHORITY TO INCREASE THE SHARE CAPITAL INCLUDED IN THE SEVENTH ITEM OF THE AGENDA OF THE ORDINARY GENERAL SHAREHOLDERS MEETING CALLED FOR 12 AND 13 MAY 2022, IN THE FIRST AND SECOND CALL, RESPECTIVELY

1. PURPOSE OF THE REPORT

This report is prepared by the Board of Directors of AmRest Holdings, SE (“**AmRest**” or the “**Company**”), in compliance with the provisions of Articles 518 and Articles 286, 297.1(b) and 506 of Royal Legislative Decree 1/2010, of 2 July, approving the consolidated text of the Spanish Companies Act (*Ley de Sociedades de Capital*) (“**LSC**” or “**Companies Act**”), to justify the proposal for resolution to delegate to the Board of Directors authority to increase the share capital included as the seventh item on the Agenda of the next Ordinary General Shareholders Meeting to be held on 12 May 2022, at the first call or, if the necessary quorum is not reached, on 13 May 2022, at the second call.

2. JUSTIFICATION OF THE PROPOSAL

The purpose of the resolution proposed by the Board of Directors to the General Shareholders Meeting is to delegate to the Board the authority to decide, once or more times, to increase the share capital, in the terms of Article 297.1(b) LSC, including the authority to exclude the pre-emptive subscription right, in the terms of Article 506 in relation to Article 308 of the same Law.

The AmRest Board of Directors considers it appropriate to have an instrument authorised by current law and that, at all times and without the need to call and hold a new General Shareholders Meeting, makes it possible to decide on capital increases that, within the limits, terms, time frames and conditions decided by the Meeting, are considered appropriate to corporate interests.

The dynamics of any company and, especially, of large enterprises, demands that its management and governing bodies have, at all times, the most suitable instruments to respond adequately to the needs demanded at any time by the Company itself, in consideration of market circumstances. These circumstances may include providing the Company with new resources through new capital contributions.

In general, it is not possible to anticipate in advance what the Company's needs for capital contributions will be and, in addition, the usual option of resorting to the General Shareholders Meeting to increase the capital, with the consequent delay and increase in costs that this entails, can make it difficult, under certain circumstances, for the Company to provide fast and effective responses to market needs. This mechanism for delegation of authority to increase the capital makes it possible to take advantage of market opportunities that the Company can identify at any time, eliminating the uncertainty as to whether that opportunity would stay open during a hypothetical period in which the General Meeting is called. In view of this, the



delegation resource provided under Article 297.1(b) LSC, helps overcome these difficulties to a large degree, while providing the Board with the appropriate degree of flexibility to meet, depending on the circumstances, the needs of the Company.

In order to maintain the possibility of attracting resources on favourable terms, the proposal to delegate to the Board of Directors the authority to decide on increasing the Company's capital by the maximum amount equivalent to half the share capital at the time of authorisation is submitted to the General Shareholders Meeting. This includes leaving without effect, in the unused part, the authorisation granted to the Board to increase the capital in accordance with the resolution adopted under the thirteenth item of the Agenda of the Ordinary General Shareholders Meeting held on 6 June 2018.

The authorisation may also be used to cover any compensation plan or agreement, in effect at any time, by providing shares and/or stock options to members of the Board of Directors and Company management.

Under the proposed resolution, the corresponding capital increase will take effect, if appropriate, within a period not exceeding five years from the date of the resolution of the Shareholders' Meeting and without the need for a subsequent call or resolution of this Meeting, once or several times, when and as the needs of the Company so require, and up to the maximum nominal amount equivalent to half of the share capital at the time of authorisation, through the issue of new shares, both ordinary and of any other type and/or class permitted by Law, ordinary or preference shares, including redeemable shares, with or without vote, with or without a share premium, which will be payable in cash contributions, in which case, the Board of Directors may determine the terms and conditions for the capital increase, all the above in accordance with the provisions of Article 297.1(b) of the Companies Act. The proposal expressly provides for the possibility of incomplete subscription of the shares issued, in accordance with Article 311.1 of the same Law.

The Board will also be authorised to establish the terms and conditions for each capital increase and the characteristics of the shares, as well as freely offer new shares not subscribed within the term(s) of pre-emptive subscription, redraft the article of the articles of association relating to capital, carry out all the necessary procedures for the new shares, subject of the capital increase, to be admitted for negotiation on the stock exchanges in which the shares of the Company are listed, in accordance with the procedures laid down in each of these stock exchanges, and request the inclusion of the new shares in the accounting records of the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (IBERCLEAR).

It is also proposed that the Board be authorised to delegate to the Chairman or the Secretary of the Board those powers received from the Meeting which are delegable.

In addition, and as permitted by Article 506.1 LSC for listed companies, when the General Meeting delegates to the directors the authority to increase the share capital, it may also assign to them the authority to exclude the pre-emptive subscription right in relation to the issues of shares made under the delegation, with a limit of 20% of the share capital at the time of



delegation, provided that the Company's interest so requires. To this end, such proposal for exclusion will be included in the call for a General Meeting and a report from the directors justifying the proposal will be made available to the shareholders.

In this regard, it is reported that the delegation to the Board of Directors to increase the capital contained in the proposal to which this report refers, also includes, as permitted by Article 506.1 LSC, the attribution to directors of the authority to exclude, in whole or in part, the pre-emptive subscription right of shareholders and holders of bonds or other convertible securities, with a limit of 20% of the share capital at the time of delegation, provided that the Company's interest so requires, all the above, in terms of Article 506.1, in relation to Article 308 of the above Law.

The Board of Directors considers that this additional possibility, which greatly expands the margin for manoeuvring and responsiveness offered by the mere delegation of authority to increase the share capital, under the terms of Article 297.1(b) LSC, is justified by the flexibility and agility with which it is sometimes necessary to act in today's financial markets, thus taking advantage of the times when market conditions are more favourable. In addition, the removal of the pre-emptive subscription right normally allows for a relative reduction of the costs associated with the transaction (including, in particular, the fees of the financial institutions participating in the issue), compared with an issue with pre-emptive subscription right. At the same time, it has a less distorting effect on the trading of the Company's shares during the period of issue, which is usually shorter than an issue with rights. Similarly, exclusion may be necessary when the collection of financial resources is intended to take place on international markets or through the use of *book-building* techniques.

In any case, it is recorded that the exclusion, in whole or in part, of the pre-emptive subscription right constitutes only an authority that the General Meeting attributes to the Board and whose exercise depends on the Board of Directors itself to decide, considering the circumstances in each case and complying with the legal requirements.

If, in use of the above authority and in accordance with the terms set out in Article 506 LSC, the Board decides to abolish the pre-emptive subscription right in relation to a particular capital increase, deciding later to carry it out under the authorisation granted by the General Shareholders Meeting, it will issue, at the time of deciding the increase, a report detailing the specific reasons of corporate interest justifying such a measure, which will be made available to the shareholders and communicated to the first General Meeting held after the capital increase, in the terms of Article 506 LSC.

In these cases, the nominal value of the shares to be issued plus, where appropriate, the amount of the share premium must correspond to the fair value, which will be presumed to be the market value established by reference to the stock exchange rate, provided that it is not more than 10% below the price of that rate.

Without prejudice to the above, shares may be issued at a price lower than fair value. In this case, the directors' report must justify that the corporate interest requires not only the exclusion of the pre-emptive subscription right, but also the proposed issue rate, which will be the subject

of the correlative independent expert report provided for in Article 308 LSC, which will decide specifically on the amount of the expected economic dilution and the reasonableness of the data and considerations contained in the directors' report to justify it. This report will also be made available to shareholders and communicated to the first General Meeting held after the capital increase, in accordance with the provisions of Article 506 LSC.

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

***“Delegation to the Board of Directors, with express authorisation to replace, of the authority to increase, one or several times, the share capital, with or without share premium, in the terms, conditions and time limits provided for in Article 297.1(b) of the Companies Act (Ley de Sociedades de Capital), with delegation of the authority to exclude, where appropriate, the pre-emptive subscription right, up to a limit of 20% of the share capital, in accordance with Article 506 of the Companies Act. Revocation, in the unused part, of the authorisation granted in this same sense by the Ordinary General Shareholders Meeting of 6 June 2018 under item thirteen of the agenda.*”**

To leave without value or effect, in the unused part of the resolution approved under item thirteen of the Agenda of the Ordinary General Shareholders Meeting, held on 6 June 2018, concerning the delegation to the Board of Directors of the authority to increase the share capital in accordance with the provisions of Article 297.1(b) of the Companies Act.

Authorise the Board of Directors, in the broadest and most effective manner possible under law, and in accordance with the provisions of Article 297.1(b) of the Companies Act, so that, within the maximum period of five years from the date of adoption of this resolution and without the need for a call or subsequent resolution of the General Meeting, decide, once or more times, when and as the needs of the Company so require in the opinion of the Board, the increase of its share capital up to a maximum amount equivalent to half the share capital at the time of this authorisation (i.e., up to a maximum nominal amount of EUR 10,977,709.15, equivalent to half of the share capital at the date of this resolution, which is established in the amount of EUR 21,955,418.30), issuing and putting into circulation to this end the corresponding new shares, both ordinary and of any other type and/or class of those permitted by Law, ordinary or preference shares, including redeemable shares, with or without vote, with or without share premium, where the newly issued shares will be payable by cash contributions, providing expressly the possibility of incomplete subscription of the shares issued in accordance with the provisions of Article 311.1 of the Companies Act.

The authority attributed here to the Board include to establish the terms and conditions for each capital increase and the characteristics of the shares, as well as freely offer new non-subscribed shares within the term(s) of pre-emptive subscription, redraft the article of the articles of association relating to capital, carry out all the necessary procedures for the new shares subject of the capital increase to be admitted for negotiation on the stock exchanges in which the shares of the Company are listed, in accordance with the procedures laid down in each of these stock exchanges, and request the inclusion of the new shares in the accounting



records of the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (IBERCLEAR).

This authorisation may also be used to cover any compensation plan or agreement, which is in effect at any time, by providing shares and/or stock options to members of the Board of Directors and Company management.

In addition, under the terms of Article 506, in relation to Article 308 of the Companies Act, the Board is authorised to exclude, in whole or in part, the pre-emptive subscription right in relation to the issues of shares covered by this delegation up to a maximum of 20% of the share capital of the Company at the time of this authorisation (i.e., up to a maximum nominal amount of EUR 4,391,083.66, equivalent to half of the share capital at the date of this resolution, which is established at EUR 21,955,418.30).

The Board of Directors is expressly authorised, under the provisions of Article 249 bis(I) of the Companies Act, to sub-delegate (with the authority of replacement where appropriate) all authorities delegated to the Board by this General Shareholders Meeting in connection with this resolution, in favour of the Chairman of the Board, the Secretary of the Board or the Deputy Secretary of the Board.”

In Madrid, on 31 March 2022.