



REPORT OF THE BOARD OF DIRECTORS OF AMREST HOLDINGS SE REGARDING THE PROPOSAL TO INCREASE THE FACE VALUE OF THE COMPANY SHARES INCLUDED IN ITEM TEN OF THE AGENDA FOR THE GENERAL SHAREHOLDERS' MEETING OF AMREST CALLED TO BE HELD ON JUNE 6, 2018, ON FIRST CALL

I. Purpose of the report

This report has been prepared by the Board of Directors of AMREST HOLDINGS SE (“AmRest” or the “Company”) pursuant to the provisions of articles 286, 296 and 303 of the Spanish Companies Act (the “Spanish Companies Act”) approved by Royal Legislative Decree 1/2010, of July 2, in order to provide a rationale for the proposed increase in share capital by means of the increase of the face value of the Company shares, which is submitted to the shareholders for approval at the General Shareholders’ Meeting under item ten on the Agenda.

Pursuant to said articles, the Board of Directors must prepare a report setting forth the rationale for the proposal being submitted to the shareholders at the General Shareholders’ Meeting, considering that the approval of the increase and its implementation necessarily entails the amendment of the article regarding share capital of the Statutes.

II. Rationale for the proposal

The share capital increase proposal by means of the increase of the face value of the Company shares is determined by the Company’s willingness to be listed in the Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia, after having transferred its registered office to Spain in 2018.

In this sense, Circular 2/2016 of April, on requirements and procedures regarding shares, equity in public investment funds and warrants to be admitted to trade on the four Spanish Stock Exchanges, set as minimum requirements for companies applying to be listed in the Spanish Stock Exchanges, among others, a minimum share capital of 1,202,025 Euros.

The current share capital of the Company is 212,138.93 Euros, being therefore necessary, in order to apply for admission to trading, to increase the share capital by means of the increase



of the face value of the Company's shares from 0.01 Euros to 1 Euro, in order to reach the minimum share capital set out by law. The new share capital shall be 21,213,893 Euros.

Furthermore, it must be noted that the resolution does not require any funding by the shareholders, as it will be charged to share premium reserve of the balance sheet for the financial year ended on December, 31 2017, approved under item one on the Agenda, and the content of which has been verified by the external auditor of the Company.

III. Proposed resolution to be submitted to the General Shareholders' Meeting

The proposed resolution submitted for approval by the shareholders at the General Shareholders' Meeting reads as follows:

"PROPOSED RESOLUTION REGARDING ITEM TEN ON THE AGENDA

10. Examination and approval, if appropriate, of the increase of the face value of the Company shares up to 1 Euro for each share with charge to share premium reserve.

Pursuant to the provisions of article 295 of the Companies Act, approve the increase in the face value of the Company's shares up to 1 Euro for each share, i.e. a total increase amounting to 21,001,754.07 Euros. The increase shall be made with charge to the share premium reserve, included in the balance sheet approved under item 1 on the Agenda.

As a result of the above, it is resolved to amend article 5 ("Share Capital") in Title I of the Statutes, which shall hereafter read as follows:

"Article 5.- Share capital

- 1. The share capital amounts to 21,213,893.00 Euros and is fully subscribed and paid up.*
- 2. The share capital consists of 21,213,893 shares, with a face value of 1 Euro each belonging to the same class and series."*

It is also resolved to authorize the Board of Directors, with express power of substitution, to do and perform all acts and things as may be required to implement this resolution."

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In Madrid, on May 4, 2018