



REPORT OF THE BOARD OF DIRECTORS OF AMREST HOLDINGS SE REGARDING THE PROPOSAL TO REDUCE THE FACE VALUE OF THE COMPANY SHARES BY DIVIDING THE NUMBER OF OUTSTANDING SHARES INCLUDED IN ITEM ELEVEN 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 pursuant to the provisions of article 286 of the Spanish Companies Act (the “**Spanish Companies Act**”) approved by Royal Legislative Decree 1/2010, of July 2, according to which a written report must be issued in support of the grounds for the resolution to amend the Statutes of AMREST HOLDINGS SE (“**AmRest**” or the “**Company**”), submitted for approval to the General Shareholders’ Meeting called to be held on June 6, 2018 on first call under item eleven of the Agenda.

II. Rationale for the proposal

The following resolution is proposed to the General Shareholders’ Meeting to reduce the face value of the shares in the Company, from 1 Euro, as agreed under item 10 of the Agenda to 0.1 Euros per share, by dividing each of the shares which make up the share capital in the Company according to the ratio of 10 new shares per each existing share, without any change in the share capital.

Consistently with the foregoing, it is proposed to the General Shareholders’ Meeting the amendment of article 5 of the Statutes, regarding share capital, so that it would provide that the face value of each share is €0.1 and the number of shares is 212,138,930.

Likewise, the resolution is made 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 the resolution hereunder covered.

The Board of Directors of the Company deems it convenient to reduce the face value of the shares which make up the share capital. The objective is to bring the share price to a level that is more aligned to prices of other companies trading on the Spanish Stock Exchanges and other



international markets, without such reduction of the face value having any impact on the capital structure of AmRest and fostering in turn liquidity of shares.

Further to the proposed split, face value of each share in AmRest would be reduced to €0.1, multiplying by 10 the aggregate number of shares.

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 ELEVEN ON THE AGENDA

11. Examination and approval, if appropriate, of the reduction of the face value of the Company shares from 1 Euro to 0.1 Euros by dividing the number of outstanding shares declaring 10 new shares for every 1 old share (split), without any variation in share capital.

To approve the stock split, by reducing the face value of the Company's shares from 1 Euro to 0.1 Euros by dividing the number of outstanding shares declaring 10 new shares for every 1 old share (split), without any variation in share capital.

Consistently with the foregoing, it is resolved to amend article 5 of the Company's Statutes (“Share Capital”), 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 212,138,930 shares, with a face value of 0.1 Euros 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.”

* * *

In Madrid, on May 4, 2018