AmRest Holdings, S.E. and subsidiaries

Report on limited review
Condensed consolidated interim financial statements
for the six-month period ended June 30, 2021
Consolidated interim Directors report

Report on limited review of condensed consolidated interim financial statements

To the Shareholders of AmRest Holdings, S.E. at the request of Management:

Introduction

We have performed a limited review of the accompanying condensed consolidated interim financial statements (hereinafter, the interim financial statements) of AmRest Holdings, S.E. (hereinafter, “the parent company”) and its subsidiaries (hereinafter, “the Group”), which comprise the statement of financial position as at June 30, 2021, and the income statement, statement of other comprehensive income, statement of changes in equity, cash flow statement and related notes, all condensed and consolidated, for the six-month period then ended. The parent company's Directors are responsible for the preparation of these interim financial statements in accordance with the requirements of International Accounting Standard (IAS) 34, “Interim Financial Reporting”, as adopted by the European Union, for the preparation of condensed interim financial information, as provided in Article 12 of Royal Decree 1362/2007. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of review

We conducted our limited review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with legislation governing the audit practice in Spain and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these interim financial statements.

Conclusion

Based on our limited review, that cannot be considered as an audit, nothing has come to our attention that causes us to believe that the accompanying interim financial statements for the six- month period ended June 30, 2021 have not been prepared, in all material respects, in accordance with the requirements of International Accounting Standard (IAS) 34, “Interim Financial Reporting”, as adopted by the European Union, for the preparation of condensed interim financial statements, as provided in Article 12 of Royal Decree 1362/2007.

Emphasis of matter

We draw attention to note 3, in which it is mentioned that these interim financial statements do not include all the information required in a complete set of consolidated financial statements prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, and therefore the accompanying interim financial statements should be read together with the consolidated annual accounts of the Group for the year ended December 31, 2020. Our conclusion is not modified in respect of this matter.

Other matters

Consolidated interim Directors report

The accompanying consolidated interim Directors report for the six-month period ended June 30, 2021 contains the explanations which the parent company's Directors consider appropriate regarding the principal events of this period and their impact on the interim financial statements presented, of which it does not form part, as well as the information required under the provisions of Article 15 of Royal Decree 1362/2007. We have verified that the accounting information contained in this Directors report is in agreement with that of the interim financial statements for the six-month period ended June 30, 2021. Our work is limited to checking the consolidated interim Directors report in accordance with the scope mentioned in this paragraph and does not include a review of information other than that obtained from AmRest Holdings, S.E. and its subsidiaries' accounting records.

Preparation of this review report

This report has been prepared at the request of Management in relation to the publication of the half-yearly financial report required by Article 119 of Royal Legislative Decree 4/2015 of 23 October, approving the revised text of the Securities Market Law developed by Royal Decree 1362/2007, of 19 October.

PricewaterhouseCoopers Auditores, S.L.

Álvaro Moral Atienza

25 August 2021

INSTITUTO DE CENSORES JURADOS DE CUENTAS DE ESPAÑA

PRICEWATERHOUSECOOPERS AUDITORES, S.L.

2021 Núm. 01/21/18016

30,00 EUR

SELLO CORPORATIVO:

Sello distintivo de otras actuaciones

Condensed Consolidated Financial Statements for 6 months ended 30 June 2021

AmRest Holdings SE capital group

25 AUGUST 2021

AmRest

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(all figures in EUR millions unless stated otherwise)

Condensed consolidated income statement for 6 months ended 30 June 2021

	Note	6 months ended 30 June 2021	6 months ended 30 June 2020 (restated)
Continuing operations			
Restaurant sales		806.4	653.8
Franchise and other sales		37.9	30.2
Total revenue	4,5	**844.3**	**684.0**
Restaurant expenses	6		
Food and merchandise		(224.9)	(187.6)
Payroll, social security and employee benefits		(212.3)	(198.6)
Royalties		(37.0)	(30.2)
Occupancy, depreciation and other operating expenses		(275.7)	(248.2)
Franchise and other expenses	6	(27.6)	(23.8)
Gross Profit		**66.8**	**(4.4)**
General and administrative expenses	6	(66.3)	(69.7)
Net impairment losses on financial assets	4	(1.0)	(2.2)
Net impairment losses on other assets	4, 13	(7.2)	(73.1)
Other operating income/expenses	6	35.6	20.0
Profit/(loss) from operations		**27.9**	**(129.4)**
Finance income	7	2.7	0.8
Finance costs	7	(22.1)	(33.2)
Profit/(loss) before tax		**8.5**	**(161.8)**
Income tax expense	8	(6.1)	7.9
Profit/(loss) for the period		**2.4**	**(153.9)**
Attributable to:			
Shareholders of the parent		1.9	(152.3)
Non-controlling interests		0.5	(1.6)
Profit/(loss) for the period		**2.4**	**(153.9)**
Basic earnings per ordinary share in EUR	17	0.01	(0.69)
Diluted earnings per ordinary share in EUR	17	0.01	(0.69)

The above condensed consolidated income statement should be read in conjunction with the accompanying notes.

(all figures in EUR millions unless stated otherwise)

Condensed consolidated statement of comprehensive income for 6 months ended 30 June 2021

	Note	6 months ended	
		30 June 2021	**30 June 2020 (restated)**
Profit/(loss) for the period		**2.4**	**(153.9)**
Other comprehensive income/ (loss)	16		
Exchange differences on translation of foreign operations		6.4	(12.5)
Net investment hedges		1.2	(7.2)
Income tax related to net investment hedges		(0.2)	1.2
Other comprehensive income/(loss) for the period		**7.4**	**(18.5)**
Total comprehensive income/(loss) for the period		**9.8**	**(172.4)**
Attributable to:			
Shareholders of the parent		9.3	(170.5)
Non-controlling interests		0.5	(1.9)

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

(all figures in EUR millions unless stated otherwise)

Condensed consolidated statement of financial position as at 30 June 2021

	Note	30 June 2021	31 December 2020
Assets			
Property, plant and equipment	9	457.5	475.0
Right-of-use assets	10	705.7	709.6
Goodwill	12	314.9	312.1
Intangible assets	11	238.7	240.7
Investment properties		4.9	4.9
Other non-current assets		22.7	22.9
Deferred tax assets	8	43.6	37.6
Total non-current assets		**1 788.0**	**1 802.8**
Inventories		27.8	26.5
Trade and other receivables	14	70.7	60.4
Income tax receivables		5.2	7.3
Other current assets		16.8	12.6
Cash and cash equivalents	15	183.3	204.8
Total current assets		**303.8**	**311.6**
Total assets		**2 091.8**	**2 114.4**
Equity			
Share capital		22.0	22.0
Reserves	16	171.5	170.1
Retained earnings		116.5	114.6
Translation reserve	16	(42.5)	(48.9)
Equity attributable to shareholders of the parent		**267.5**	**257.8**
Non-controlling interests	16	6.9	6.9
Total equity	**16**	**274.4**	**264.7**
Liabilities			
Interest-bearing loans and borrowings	18	637.8	676.5
Lease liabilities	10	611.2	616.6
Provisions		28.4	32.0
Deferred tax liability	8	43.6	39.0
Other non-current liabilities and employee benefits	20	6.3	7.5
Total non-current liabilities		**1 327.3**	**1 371.6**
Interest-bearing loans and borrowings	18	84.6	94.3
Lease liabilities	10	150.1	144.8
Trade payables and other liabilities	20	252.0	235.4
Income tax liabilities		3.4	3.6
Total current liabilities		**490.1**	**478.1**
Total liabilities		**1 817.4**	**1 849.7**
Total equity and liabilities		**2 091.8**	**2 114.4**

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

(all figures in EUR millions unless stated otherwise)

Condensed consolidated statement of cash flows for 6 months ended 30 June 2021

	Note	6 months ended 30 June 2021	6 months ended 30 June 2020 (restated)
Cash flows from operating activities			
Profit/loss for the period		2.4	(153.9)
Adjustments for:			
Amortisation and depreciation	6	117.6	129.4
Net interest expense		20.6	22.5
Foreign exchange result	7	(2.1)	9.5
Result on disposal of property, plant and equipment and intangibles	6	(0.7)	-
Impairment of non-financial assets	3	7.2	73.1
Share-based payments		(0.4)	2.5
Tax expenses		6.1	(7.9)
Rent concessions		(7.9)	(10.7)
Loan forgiven	18	(2.7)	-
Other		(0.7)	1.0
Working capital changes:	15		
Change in trade and other receivables		(9.8)	15.0
Change in inventories		(1.0)	2.1
Change in other assets		(3.1)	4.7
Change in payables and other liabilities		14.6	17.8
Change in provisions and employee benefits		(3.8)	2.1
Cash generated from operations		136.3	107.2
Income tax paid		(5.0)	(5.8)
Net cash from operating activities		**131.3**	**101.4**
Cash flows from investing activities			
Net cash outflows on acquisition		-	-
Proceeds from the sale of the business		-	20.0
Proceeds from the sale of property, plant and equipment		0.3	-
Purchase of property, plant and equipment		(30.8)	(46.3)
Purchase of intangible assets		(3.1)	(3.3)
Net cash used in investing activities		**(33.6)**	**(29.6)**
Cash flows from financing activities			
Proceeds from share transfers (employees options)		-	-
Purchase of treasury shares		-	-
Proceeds from loans and borrowings	18	1.0	136.9
Repayment of loans and borrowings	18	(47.4)	(25.8)
Payments of lease liabilities including interests paid	10	(66.2)	(65.2)
Interest paid	18	(8.9)	(9.4)
Interest received		0.4	0.7
Dividends paid to non-controlling interest owners		(0.5)	(0.3)
Transactions with non-controlling interest	16	-	-
Net cash from financing activities		**(121.6)**	**36.9**
Net change in cash and cash equivalents		**(23.9)**	**108.7**
Effect of exchange rates movements		2.4	2.8
Balance sheet change of cash and cash equivalents		(21.5)	111.5
Cash and cash equivalents, beginning of period		204.8	106.2
Cash and cash equivalents, end of period	15	**183.3**	**217.7**

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

(all figures in EUR millions unless stated otherwise)

Condensed consolidated statement of changes in equity for 6 months ended 30 June 2021

	Note	Attributable to the shareholders of the parent						
		Share capital	Reserves	Retained earnings	Translation reserve	**Total**	Non-controlling interest	**Total equity**
As at 1 January 2021		**22.0**	**170.1**	**114.6**	**(48.9)**	**257.8**	**6.9**	**264.7**
Profit/(loss) for the period		-	-	1.9	-	1.9	0.5	2.4
Other comprehensive income		-	1.0	-	6.4	7.4	-	7.4
Total comprehensive income		-	**1.0**	**1.9**	**6.4**	**9.3**	**0.5**	**9.8**
Dividends to non-controlling interests		-	-	-	-	-	(0.5)	(0.5)
Total transactions with non-controlling interests	16	**-**	**-**	**-**	**-**	**-**	**(0.5)**	**(0.5)**
Purchases of treasury shares		-	-	-	-	-	-	-
Share based payments	16	-	0.4	-	-	0.4	-	0.4
Total distributions and contributions		**-**	**0.4**	**-**	**-**	**0.4**	**-**	**0.4**
As at 30 June 2021		**22.0**	**171.5**	**116.5**	**(42.5)**	**267.5**	**6.9**	**274.4**

	Note	Attributable to the shareholders of the parent						
		Share capital	Reserves	Retained earnings	Translation reserve	**Total**	Non-controlling interest	**Total equity**
As at 1 January 2020		**22.0**	**178.3**	**296.6**	**(29.7)**	**467.2**	**9.5**	**476.7**
Profit for the period		-	-	(152.3)	-	(152.3)	(1.6)	(153.9)
Other comprehensive income		-	(6.0)	-	(12.2)	(18.2)	(0.3)	(18.5)
Total comprehensive Income		-	**(6.0)**	**(152.3)**	**(12.2)**	**(170.5)**	**(1.9)**	**(172.4)**
Dividends to non-controlling interests		-	-	-	-	-	(0.3)	(0.3)
Total transactions with non-controlling interests	16	**-**	**-**	**-**	**-**	**-**	**(0.3)**	**(0.3)**
Purchases of treasury shares		**-**	**-**	**-**	**-**	**-**	**-**	**-**
Share based payments	**16**	**-**	**1.9**	**-**	**-**	**1.9**	**-**	**1.9**
Total distributions and contributions		**-**	**1.9**	**-**	**-**	**1.9**	**-**	**1.9**
As at 30 June 2020 (restated)		**22.0**	**174.2**	**144.3**	**(41.9)**	**298.6**	**7.3**	**305.9**

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Notes to the Condensed Consolidated Financial Statements

1. General information on the Group

AmRest Holdings SE ("The Company", "AmRest") was incorporated in the Netherlands in October 2000. Since 2008 the Company operates a European Company (Societas Europaea, SE). The company is domiciled in Spain.

There was no change in name of reporting entity during the reporting period.

Paseo de la Castellana 163, 28046 (Madrid), Spain is the Company's registered office as of 30 June 2021 and has not changed during the reporting period.

Hereinafter the Company and its subsidiaries shall be referred to as the "Group" and "AmRest Group".

In 2005 the shares of AmRest Holdings SE were quoted for the first time on the Warsaw Stock Exchange ("WSE") and in 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 the above stock exchanges (dual listing).

Grupo Finaccess S.A.P.I. de C.V. is the ultimate parent of the Group.

The Group is the largest independent chain restaurant operator in Central and Eastern Europe. The Group is also conducting its operations in Western Europe, Russia and China. The Group's principal place of business is Europe.

The Group operates Kentucky Fried Chicken ("KFC"), Pizza Hut ("PH"), Burger King ("BK") and Starbucks ("SBX") 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 franchise rights granted. Starting from 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.

In Spain, France, Germany and Portugal the Group operates its own brands La Tagliatella. This business is based on own restaurants and the franchise agreements signed with non-related companies. It is supported by the central kitchen located in Spain which produces and delivers products to the whole network of the mentioned own brands. The Group also operates its own brand Blue Frog (in China and Spain).

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 Sushi Shop restaurants in France, Belgium, Spain, several Middle East countries, Switzerland, United Kingdom, Luxembourg, Italy, Portugal. Bacoa is a Spanish premium burger chain, and Sushi Shop is the operator of the leading European chain of Japanese cuisine restaurants.

Additionally, among own brands the Group operates virtual brands Pokaï, Lepieje, 'Oi Poke, Moya Misa Ramen, Pierwsze i Drugie, Viva Salad!, Sushi Tone, Eat's Fine, Cremontano, Mr. Kebs. The offer of virtual brands in Poland is available also under Food About concept - an umbrella brand that enables ordering different virtual brand dishes within one order.

As of 30 June 2021 the Group operates 2 367 restaurants (own and franchise) in comparison to 2 337 restaurants as of 31 December 2020.

(all figures in EUR millions unless stated otherwise)

The Group operates its restaurants mainly on a franchise basis. However being master-franchisee and performing business through own brands has become more important. The table below shows the terms and conditions of cooperation with franchisors and franchisees of particular brands operated by AmRest as at 31 June 2021:

Activity where AmRest is a franchisee					
Brand	**KFC**	**Pizza Hut Dine-In**	**Pizza Hut Express, Delivery**	**Burger King**	**Starbucks** [1)]
Franchisor/ Partner	Yum! Restaurants Europe Limited	Pizza Hut Europe Limited	Pizza Hut Europe Limited	Burger King Europe GmbH	Starbucks Coffee International, Inc/Starbucks EMEA Ltd., Starbucks Manufacturing EMEA B.V.
Area covered by the agreement	Poland, Czechia, Hungary, Bulgaria, Serbia, Croatia, Russia, Spain, Germany, France, Austria, Slovenia	Poland	Poland, Czechia, Hungary, France, Russia, Germany, Slovakia.	Poland, Czechia, Bulgaria, Slovakia, Romania	Poland, Czechia, Hungary, Romania, Bulgaria, Germany, Slovakia, Serbia
Term of agreement	10 years with possibility of extension for a further 10 years	10 years with possibility of extension for a further 10 years	10 years with possibility of extension for a further 10 years and 5 years	Poland, Czechia, Bulgaria, Slovakia, Romania – 20 years or 10 years [4)] Since 20 November 2018: 10 years for restaurants opened during the agreed development period.	15 years, possibility of extension for a further 5 years; in Romania till 10 October 2023 16 years, in Bulgaria till 1 October 2027 20 years
Preliminary fee	up to USD 54.1 thousand [2)]	up to USD 54.1 thousand [2)]	USD 27.1 thousand [2)]	USD 50 thousand or USD 25 thousand, in Czechia USD 60 thousand [4)] Since 20 November 2018: USD 30 thousand for restaurants opened during the agreed development period.	USD 25 thousand
Franchise fee	6% of sales revenues [3)]	6% of sales revenues [3)]	6% of sales revenues [3)]	5% of sales revenues, in Czechia (for 5 restaurants) 3% of sales revenues for first 5 years, then 5% Since 20 November 2018 for restaurants opened during the agreed development period: 3,5% of revenues in first 2 years growing to 4%, 4,5% and 5% in next years.	6% of sales revenues [5)]
Marketing costs	5% of sales revenues	5% of sales revenues	6% or 5% of sales revenues depending on the concept [3)]	5% of sales revenues, in Czechia 3% of sales revenues for first 3 years, then 5%. Since 20 November 2018 for restaurants opened during the agreed development period 4% or 5% of sales revenues (depending on the country) and 3% for flagships.	amount agreed each year

(all figures in EUR millions unless stated otherwise)

Brand	**La Tagliatella**	**Blue Frog**	**Bacoa**	**Sushi Shop**
Area of the activity	Spain, France, Germany, Portugal	China, Spain	Spain	France, Spain, Belgium, Italy, Switzerland, Luxemburg, UK

Activity where AmRest is a franchisor (own brand or based on master-franchise agreements)						
Brand	**Pizza Hut Dine-In**	**Pizza Hut Express, Delivery**	**La Tagliatella**	**Blue Frog**	**BACOA**	**Sushi Shop**
Partner	Yum Restaurants International Holdings LLC	Pizza Hut Europe Limited, Yum Restaurants International Holdings LLC	Own brand	Own brand	Own brand	Own brand
Area covered by the agreement	Germany, Russia, Armenia and Azerbaijan	Germany, France, CEE (Hungary, Czechia, Poland, Slovakia), Russia, Armenia and Azerbaijan	Spain, France	Spain, China	Spain	France, Belgium, Spain, United Arab Emirates, Saudi Arabia, Italy, Portugal
Term of agreement	10 years with possibility of extension	10 years with possibility of extension	10 years with possibility of extension	5 years in China, 10 years in Spain with possibility of extension	10 years with possibility of extension	Franchise agreements: 5 years with a limited territorial exclusivity and EADA i.e. "master franchise": exclusivity for specific territories granted to from 2 up to 14 years.

1) AmRest Group took up 82% and Starbucks 18% of the share capital of the newly-established companies in Poland, Czechia and Hungary. In the event of default, deadlock, or disputed take-over or change of control over AmRest Holdings SE and/or its shareholders, Starbucks will be entitled to increase its share to 100% by purchasing shares from the Group. Option upon termination for event of default or deadlock are symmetric for both parties, so that AmRest will also be entitled to exercise the option to purchase all of the Shares of Starbucks. According to Group assessment as of the day of this report issuance there are no indicators making the mentioned above options realizable. The Group acquired 100% of shares in Romanian and Bulgarian entities, being the sole operators in these markets. In Germany the Group acquired 100% of shares in a key operator in this market.

2) The fee is updated at the beginning of each calendar year for inflation.

3) Preliminary franchise fees and marketing costs might be changed if certain conditions set in the agreement are met.

4) Validity period of franchisee agreement, therefore licenses for Burger King restaurants opened in Poland in the period from 1 March 2009 till 30 June 2010, and also for newly-opened restaurants in Poland was. extended from 10 to 20 years since the date of restaurant opening, however, without the option of prolongation for the next 10 years, which was provided in the original development agreement with AmRest Sp. z o.o. In relation to restaurants opened in Poland in the period from 1 March 2009 to 30 June 2010 and in relation to restaurants opened after this period (for franchise agreements for 20 years) the initial franchise payment was increased from USD 25,000 to USD 50,000. On 20 November 2018 a new Development Agreement was signed, amended on 15 September 2020

5) Due to global Starbucks decision, the franchisee fee was decreased to 0% for the period April – June 2020.

6) In case of Russia and Germany MFA term ends on 31 May 2022.

(all figures in EUR millions unless stated otherwise)

2. Group Structure

As at 30 June 2021, the Group comprised the following subsidiaries:

Company name	Registered office	Parent/non-controlling undertaking	Owner-ship interest and total vote	Date of effective control
		Holding activity		
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
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	Mriehel, Malta	AmRest China Group PTE Ltd	100.00%	December 2012
Horizon Consultants Ltd.	Mriehel, Malta	AmRest China Group PTE Ltd	100.00%	December 2012
AmRest Management Kft	Budapest, Hungary	AmRest Kft AmRest TAG S.L.U.	99.00% 1.00%	August 2018
GM Invest SRL	Brussels, Belgium	AmRest TAG S.L.U.	100.00%	October 2018
Sushi Shop Group SAS	Paris, France	GM Invest SRL AmRest TAG S.L.U.	9.47% 90.53%	October 2018
AmRest France SAS	Paris, France	AmRest Holdings SE	100.00%	December 2018
Sushi Shop Management SAS	Paris, France	Sushi Shop Group SAS	100.00%	October 2018
Sushi Shop Holding USA LLC[4]	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
		Restaurant, franchise and master-franchise activity		
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 Coffee Sp. z o.o.	Wroclaw, Poland	AmRest Sp. z o.o. Starbucks Coffee International,Inc.	82.00% 18.00%	March 2007
AmRest EOOD	Sofia, Bulgaria	AmRest Holdings SE	100.00%	April 2007
OOO AmRest	Saint Petersburg, Russia	AmRest Acquisition Subsidiary Ltd. AmRest Sp. z o.o.	44.72% 55.28%	July 2007
AmRest Coffee s.r.o.	Prague, Czechia	AmRest Sp. z o.o. Starbucks Coffee International,Inc.	82.00% 18.00%	August 2007
AmRest Kávézó Kft	Budapest, Hungary	AmRest Sp. z o.o. Starbucks Coffee International,Inc.	82.00% 18.00%	August 2007
AmRest d.o.o.	Belgrade, Serbia	AmRest Sp. z o.o. ProFood Invest GmbH	60.00% 40.00%	October 2007
Restauravia Food S.L.U.	Madrid, Spain	AmRest TAG S.L.U.	100.00%	April 2011
Pastificio Service S.L.U.	Madrid, Spain	AmRest TAG S.L.U.	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	AmRest TAG S.L.U.	100.00%	March 2012
AmRest SAS.	Paris, France	AmRest TAG 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 Consultants Ltd.	100.00%	December 2012
AmRest Skyline GMBH	Cologne, Germany	AmRest TAG 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 Food Srl.	Bucharest, Romania	AmRest Sp. z o.o. AmRest Holdings SE	99.00% 1.00%	July 2019 July 2019
AmRest Coffee SK s.r.o.	Bratislava, Slovakia	AmRest s.r.o. AmRest Sp. z o.o.	99.00% 1.00%	December 2015
AmRest Coffee Deutschland Sp. z o.o. & Co. KG	Munich, Germany	AmRest Kaffee Sp. z o.o. AmRest TAG S.L.U.	23.00% 77.00%	May 2016
AmRest DE Sp. z o.o. & Co. KG	Munich, 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

(all figures in EUR millions unless stated otherwise)

Company name	Registered office	Parent/non-controlling undertaking	Owner-ship interest and total vote	Date of effective control
Kai Fu Food and Beverage Management (Shanghai) Co. Ltd	Shanghai, China	Blue Frog Food&Beverage Management Ltd	100.00%	December 2016
LTP La Tagliatella Portugal, Lda	Lisbon, Portugal	AmRest TAG S.L.U.	100.00%	February 2017
LTP La Tagliatella Franchise II Portugal, Lda	Lisbon, Portugal	AmRest TAG S.L.U.	100.00%	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	Paris, France	AmRest France SAS	100.00%	July 2017
OOO Chicken Yug	Saint Petersburg, Russia	OOO AmRest	100.00%	October 2017
OOO AmRest Pizza	Saint Petersburg, Russia	AmRest Acquisition Subsidiary Ltd.	99.999996%	November 2017
		OOO AmRest	0.000004%	
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 SK s.r.o.	Bratislava, Slovakia	AmRest s.r.o.	99.00%	April 2018
		AmRest Sp. z o.o.	1.00%	
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
Bacoa 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 House SA	Luxembourg	Midicapital	14.00%	October 2018
		Sushi Shop Luxembourg SARL	86.00%	
Sushi Shop London Pvt LTD	London, UK	Sushi Shop Group SAS	100.00%	October 2018
Sushi Shop Belgique SA	Bruxelles, Belgium	Sushi Shop Group SAS	100.00%	October 2018
Sushi Shop Louise SA	Bruxelles, Belgium	Sushi Shop Belgique SA	54.80%	October 2018
		Midicapital	45.20%	
Sushi Shop UK Pvt LTD	Charing, UK	Sushi Shop Group SAS	100.00%	October 2018
Sushi Shop Anvers SA[2]	Bruxelles, Belgium	Sushi Shop Belgique SA	100.00%	October 2018
Sushi Shop Geneve SA	Geneva, Switzerland	Sushi Shop Switzerland SA	100.00%	October 2018
Sushi Shop Lausanne SARL	Lasanne, Switzerland	Sushi Shop Switzerland SA	100.00%	October 2018
Sushi Shop Madrid S.L.	Madrid, Spain	Sushi Shop Management SAS	100.00%	October 2018
Sushi Shop Milan SARL	Milan, Italy	Sushi Shop Management SAS	70.00%	October 2018
		Vanray SRL	30.00%	
Sushi Shop NE USA LLC[4]	New York, USA	Sushi Shop Holding USA LLC	100.00%	October 2018
Sushi Shop NY1 LLC[4]	New York, USA	Sushi Shop Holding USA LLC	64.00%	October 2018
		Sushi Shop NE USA LLC	36.00%	
Sushi Shop NY2 LLC[4]	New York, USA	Sushi Shop Holding USA LLC	100.00%	October 2018
Sushi Shop Zurich GMBH	Zurich, Switzerland	Sushi Shop Switzerland SA	100.00%	October 2018
Sushi Shop Nyon SARL	Nyon, Switzerland	Sushi Shop Switzerland SA	100.00%	October 2018
Sushi Shop NL B.V. [3]	Amsterdam, Netherlands	Sushi Shop Group SAS	100.00%	October 2018
Sushi Shop Vevey SARL	Vevey, Switzerland	Sushi Shop Switzerland SA	100.00%	November 2019
Sushi Shop Fribourg SARL	Fribourg, Switzerland	Sushi Shop Switzerland SA	100.00%	November 2019
Sushi Shop Yverdon SARL	Yverdon, Switzerland	Sushi Shop Switzerland SA	100.00%	Novemner 2019
Financial services and others for the Group				
AmRest LLC	Wilmington, USA	AmRest Sp. z o.o.	100.00%	July 2008
AmRest Work Sp. z o.o.	Wroclaw, Poland	AmRest Sp. z o.o.	100.00%	March 2012
La Tagliatella International Kft	Budapest, Hungary	AmRest TAG S.L.U.	100.00%	November 2012
La Tagliatella SAS	Paris, France	AmRest TAG S.L.U.	100.00%	March 2014
AmRest Kaffee Sp. z o.o.	Wroclaw, Poland	AmRest Sp. z o.o.	100.00%	March 2016
AmRest Estate SAS	Paris, France	AmRest Opco SAS	100.00%	September 2017
AmRest Leasing SAS	Paris, France	AmRest Opco SAS	100.00%	September 2017
AmRest Franchise Sp. z o.o.	Wrocław, Poland	AmRest Sp. z o.o.	100.00%	December 2018
AmRest Global S.L.U.	Madrid, Spain	AmRest Holdings SE	100.00%	September 2020
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%	
SCM Sp. z o.o.	Warsaw, Poland	AmRest Sp. z o.o.	51.00%	October 2008
		R&D Sp. z o.o.	33.80%	
		Beata Szafarczyk-Cylny	5.00%	
		Zbigniew Cylny	10.20%	

[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 1 October 2020 Sushi Shop Belgique SA, the sole shareholder of Sushi Shop Anvers SA, decided to liquidate this company. The liquidation process has not been finished up until the date of this Report.*

[3] *On 1 October 2020 Sushi Shop Group SAS, the sole shareholder of Sushi Shop NL B.V., decided to liquidate this company. The liquidation process has not been finished up until the date of this Report.*

[4] *On 16 December 2020 Sushi Shop Management SAS, the sole shareholder of Sushi Shop Holding USA LLC, Sushi Shop NE USA LLC, Sushi Shop NY1 LLC and Sushi Shop NY2 LLC decided to liquidate these companies. The liquidation process has not been finished up until the date of this Report.*

- *On 9 April 2021 AmRest FSVC LLC has been deregistered.*

3. Basis of preparation

These condensed consolidated financial statements for 6 months ended 30 June 2020 have been prepared in accordance the IAS 34 Interim Financial Reporting and were authorised for issue by the Company's Board of Directors on 25 August 2021.

This interim report does not include all the information and disclosures required in the annual financial report. Accordingly, this report should be read with conjunction with the consolidated financial statements for the year ended 31 December 2020.

Unless otherwise indicated, amounts in this consolidated interim report are presented in euro (EUR), rounded off to full millions with one decimal place.

The preparation of this condensed consolidated financial statements requires to make certain assumptions and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and judgments are continually verified, and are based on professional experience and various factors, including expectations of future events, that are deemed to be justified in given circumstances. The results of the estimates and the respective assumptions are the basis for assessing the values of assets or liabilities which do not result directly from other sources. Actual results may differ from these estimates.

The accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2020, except for the adoption of new standard, interpretations, and amendments to standards effective as of 1 January 2021.

Several amendments apply for the first time in 2021, but do not have any material impact on the interim report of the Group. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

In May 2020 IASB issued COVID-19-Related Rent Concessions - amendment to IFRS 16 Leases ("the 2020 Amendment") that provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification.

The Group has applied the amendments to IFRS 16 already in 2020 for the first time. The effect of the accounting is presented under "rent concessions" lines.

One of the conditions of applying the amendment was that it related to a reduction in lease payments due originally on or before 30 June 2021. However, the pandemic has continued beyond the period envisaged when the 2020 Amendment was issued. In April 2021 IASB has extended the amendment to IFRS 16 and the entities will be allowed to apply the amendment to a reduction in lease payments originally due on or before 30 June 2022 ("the 2021 Amendment"). This amendment was not approved by European Union as at the date of publication of these condensed consolidated financial statements.

(all figures in EUR millions unless stated otherwise)

Restatement of comparative information

The 2020 Amendment for rent concessions was not endorsed by European Union when Group was preparing its condensed consolidated financial statements for 6 month period ended 30 June 2020. The Group applied the amendment retrospectively starting from its interim report for Q3 2020.

Comparative information in these condensed consolidated financial statements have been restated to reflect the impact of the 2020 Amendment for 6 months period ended 30 June 2020.

	Published	Restated	Difference
Condensed consolidated income statement for 6 months ended 30 June 2020			
Restaurant expenses/ Occupancy, depreciation and other operating expenses	(258.9)	(248.2)	10.7
Profit/(loss) before tax	(172.5)	(161.8)	10.7
Income tax expense	10.2	7.9	2.3
Profit/(loss) for the period	(162.3)	(153.9)	8.4
Condensed consolidated statement of comprehensive income for 6 months ended 30 June 2020			
Total comprehensive income/(loss)	(180.8)	(172.4)	8.4
Condensed consolidated statement of cash flows for 6 months ended 30 June 2020			
Adjustments for rent concessions	-	(10.7)	(10.7)
Net cash from operating activities	101.4	101.4	-

In late 2019 a novel strain of coronavirus, COVID-19, was first detected and in March 2020, the World Health Organization declared COVID-19 a global pandemic. Throughout 2020 and in 2021 COVID-19 has spread throughout globally, including the countries the Group operates.

Most governments have been implementing measures to reduce the spread of COVID-19. These measures include restrictions on travel outside the home countries, closing or imposing limitations on business and other activities as well as encouraging social distancing. Depending on the epidemic situation in particular countries and regions the restrictions were being lifted, reduced or re-imposed in 2020. With the approvals of first vaccines at the end of 2020, the governments deployed and started carrying out mass vaccination programs in 2021. During 2021 less restrictions and limitations are imposed and significant efforts are put by governments on vaccination programs. With the success of vaccination programs, it is expected that further waves of infections will be avoided, and restrictions and lockdowns will not be imposed in such frequency and severity as in 2020.

This situation is affecting AmRest Group, as well as the global economy. Visible results of the COVID-19 outbreak include the decrease in demand, the disruption or slowdown of supply chains and a significant increase in economic uncertainty, increase of volatility in the price of assets, exchange rates and a decrease in long term interest rates. Possible results of the COVID-19 outbreak may include changes in the market environment, peoples behaviors and ways of living.

The COVID-19 pandemic has a particularly significant negative impact on the restaurant sectors. Periodical bans or significant restrictions are imposed on the restaurant operators in various countries. That results in significant decrease in business activity. High pressure on social distancing has an impact on the customer demand and daily lives and behavior patterns. The Group is continuously adjusting restaurant operations into new reality. The Group is adapting to new local sanitary regulations, developing, and executing safety measures to protect employees and guests.

To strengthen Group's position in terms of liquidity the Group has drawn available tranche of syndicated bank loan, and applied state supported bank loans on French, Spanish and Russian markets in 2020. The Group maintains close communication with its financing banks and bondholders. Waiver covenants for the fourth quarter of 2020 and the first, second and third quarters of 2021 have been replaced by a commitment to maintain a minimum level of liquidity. This covenant was met as at 30 June 2021.

The Group continues the process of the review of its rental agreements and negotiating with landlord. Another tool that allows to support liquidity management is the reassessment of development plans and renegotiations of certain development agreements.

The Group is also closely monitoring situation on local markets and is taking the benefits of available government aid schemes which allow to enhance liquidity risk management in current situation.

On the revenues streams side, the Group keeps high number of stores operative. As at 30 June 2021 over 98 % of stores remained open. The Group is continuously analyzing the dynamic changes in the environment and adjusts its ongoing operations to minimize the risk of disruption of business continuity and to increase possible ways of providing products and services to Group's customers, ensuring staff and guests safety, as well complying with all government directives.

Group's revenues generated for the 6 months period ended 30 June 2021 are higher than budgeted, the same as the Groups cash position. Based on the available information, facts, circumstances and uncertainties about the future, which is at least, but is not limited to, twelve months from the end of the reporting period, the Board of Directors concluded that going concern assumption applies in the foreseeable future. Consequently, this interim report has been prepared under going concern principle.

4. Segment reporting

AmRest as a group of dynamic developing entities running operations in many markets and various restaurant business segments is under constant analysis by the Board of Directors. The Board is also constantly reviewing the way business is analysed and adjusts it accordingly to changes in the Group's structure as a consequence of strategic decisions.

Group produces various reports, in which its business activities are presented in a variety of ways. Operating segments are set on the basis of management reports used by the Board when making strategic decisions. The Board of Directors analyses the Group's performance by geographical breakdown in divisions described in the table below.

Own restaurant and franchise business is analyzed for four operating segments presenting Group's performance in geographic breakdown. Geographical areas are identified based on the similarity of products and services, similar characteristics of the production process and of the customer base and economic similarities (i.e. exposure to the same market risks). Fifth segment includes in general non-restaurant business. Details of the operations presented in each segment are presented below:

Segment	Description
Central and Eastern Europe (CEE)	Restaurant operations and franchise activity in: ■ Poland – KFC, Pizza Hut, Starbucks, Burger King, virtual brands, ■ Czechia – KFC, Pizza Hut, Starbucks, Burger King, ■ Hungary – KFC, Pizza Hut, Starbucks, ■ Bulgaria – KFC, Starbucks, Burger King, ■ Croatia, Austria, Slovenia – KFC, ■ Slovakia – Starbucks, Pizza Hut, Burger King, ■ Romania – Starbucks, Burger King, ■ Serbia – KFC, Starbucks.
Western Europe	Restaurant operations together with supply chain and franchise activity in: ■ Spain – KFC, La Tagliatella, Blue Frog, Bacoa, Sushi Shop, ■ France – KFC, Pizza Hut, La Tagliatella, Sushi Shop, ■ Germany – Starbucks, KFC, Pizza Hut, La Tagliatella, ■ Portugal – La Tagliatella, Sushi Shop, ■ Belgium, Italy, Switzerland, Luxemburg, United Kingdom and other countries with activities of Sushi Shop.
China	Blue Frog restaurant operations in China.
Russia	KFC and Pizza Hut restaurant operations and franchise activity in Russia, Armenia and Azerbaijan.
Other	Other support functions rendered by the subsidiaries for the Group such as e.g. Executive Team, Controlling, Treasury, Investors Relations, Mergers & Acquisitions. Other also includes expenses related to M&A transactions not finalized during the period, whereas expenses related to finalized merger and

(all figures in EUR millions unless stated otherwise)

Segment	Description
	acquisition are allocated to applicable segments. Additionally, Other includes non-restaurant businesses performed by AmRest Holdings SE, SCM Sp. z o.o. and its subsidiaries and other minor entities performing holding and/or financing services.

When analyzing the results of particular business segments the Board of Directors draws attention primarily to EBITDA reached, which is not an IFRS measure.

Segment measures and the reconciliation to profit/loss from operations for the 6 months ended 30 June 2021 and for the comparative 6 months ended 30 June 2020 is presented below.

6 months ended 30 June 2021	**CEE**	**Western Europe**	**Russia**	**China**	**Other**	**Total**
Restaurant sales	370.0	304.8	84.0	47.6	-	806.4
Franchise and other sales	0.3	21.7	0.2	0.3	15.4	37.9
Inter-segment revenue	-	-	-	-	-	-
Segment revenue	**370.3**	**326.5**	**84.2**	**47.9**	**15.4**	**844.3**
EBITDA	**76.1**	**44.8**	**21.1**	**14.3**	**(2.6)**	**153.7**
Depreciation and amortisation	54.7	41.5	12.5	8.6	0.3	117.6
Net impairment losses on financial assets	0.3	0.1	-	-	0.6	1.0
Net impairment losses on other assets	4.9	2.6	(0.3)	-	-	7.2
Profit/loss from operations	**16.2**	**0.6**	**8.9**	**5.7**	**(3.5)**	**27.9**
Finance income and costs	(4.6)	(3.6)	(0.8)	(0.4)	(10.0)	(19.4)
Profit before tax	**11.6**	**(3.0)**	**8.1**	**5.3**	**(13.5)**	**8.5**
Capital investment*	**13.6**	**14.0**	**3.4**	**1.5**	**0.1**	**32.6**

6 months ended 30 June 2020 (restated)	**CEE**	**Western Europe**	**Russia**	**China**	**Other**	**Total**
Restaurant sales	315.0	238.5	71.2	29.1	-	653.8
Franchise and other sales	0.4	18.8	0.2	-	10.8	30.2
Inter-segment revenue	-	-	-	-	-	-
Segment revenue	**315.4**	**257.3**	**71.4**	**29.1**	**10.8**	**684.0**
EBITDA	**57.6**	**8.2**	**12.1**	**6.9**	**(9.5)**	**75.3**
Depreciation and amortisation	55.3	48.5	15.8	9.4	0.4	129.4
Net impairment losses on financial assets	-	2.1	0.1	-	-	2.2
Net impairment losses on other assets	15.7	53.3	3.5	0.6	-	73.1
Profit/loss from operations	**(13.4)**	**(95.7)**	**(7.3)**	**(3.1)**	**(9.9)**	**(129.4)**
Finance income and costs	(14.4)	(4.7)	(2.7)	(0.5)	(10.1)	(32.4)
Profit/loss before tax	**(27.8)**	**(100.4)**	**(10.0)**	**(3.6)**	**(20.0)**	**(161.8)**
Capital investment*	**17.4**	**14.4**	**3.6**	**0.7**	**0.1**	**36.2**

**Capital investment comprises additions and acquisition in property, plant and equipment and intangible assets.*

The segment information has been prepared in accordance with the accounting policies applied in these condensed consolidated financial statements.

5. Revenues

The Group operates chains of own restaurants under own brands as well as under franchise license agreements. Additionally, the Group operates as franchisor (for own brands) and master-franchisee (for some franchised brand) and develops chains of franchisee businesses, organizing marketing activities for the brands and supply chain. Consequently, the Group analyses two streams of revenue:

- Restaurant sales,
- Franchise and other sales.

Restaurant revenues are the most significant source of revenues representing over 95% of total revenues during 6 months period ended 30 June 2021.

(all figures in EUR millions unless stated otherwise)

Group's customers are mainly individual guests, that are served in the restaurants, therefore the Groups' customer base is widely spread. There are no significant concentrations of revenues risks. Payments for the restaurant sales are settled generally immediately in cash or by credit, debit and other cards. There are no material credit risks related to this type of operations.

The COVID-19 pandemic has a particularly significant negative impact on the restaurants sectors. The ban or significant limitations in operation of restaurants resulted in a decrease in business activity and customer demand and consequently decrease of the revenues in the reporting period.

The Group maintains high percentage of opened and operating restaurant. During first quarter of 2021 between 92% and 95% of restaurants were opened, whereas in second quarter between 96% and 98% restaurants remain operative.

Still, even with opened restaurants some limitations and restrictions that limited number of guests were imposed by various governments. Additionally, the process of returning of the guests to restaurants is not immediate within the lifting of restrictions. Consequently, the level of sales revenues generated by the restaurants is lower than before the COVID-19 outbreak. It is not possible to reliably and objectively quantify the economic impact of pandemic situation on the Group's revenues.

6. Operating and other income/costs

Operating costs

Analysis of operating expenses by nature:

	6 months ended	
	30 June 2021	**30 June 2020 (restated)**
Food, merchandise and other materials	255.5	210.2
Payroll	212.4	201.6
Social security and employee benefits	51.2	52.6
Royalties	38.8	32.0
Utilities	36.2	33.9
External services - marketing	35.2	30.2
Delivery fee	41.7	26.1
External services – other	43.3	31.1
Rental and occupancy costs	4.4	(1.9)
Depreciation of right-of-use assets	65.9	70.9
Depreciation of property, plant and equipment	45.9	51.4
Amortisation of intangibles	5.8	7.1
Other	7.5	12.9
Total cost by nature	**843.8**	**758.1**

Summary of operating expenses by functions:

	6 months ended	
	30 June 2021	**30 June 2020 (restated)**
Restaurant expenses	749.9	664.6
Franchise and other expenses	27.6	23.8
General and administrative expenses	66.3	69.7
Total cost by function	**843.8**	**758.1**

Other operating income/expenses

Other operating income and expenses section for H1 2021 consists mainly of accounted government assistance programs that amounted to EUR 28.4 million, out of that EUR 10.3 million income was recognized for government assistance programs for payroll and employee benefits (payroll costs EUR 8.7 million and social contribution EUR 1.6 million), whereas EUR 18.1 million was recognized for government support programs for rent and other. Further details of COVID-19 pandemic governmental programs used by the Group are disclosed below.

The above government grants are in a form of cash grants out of which EUR 2.3 million as of 30 June 2021 was not received yet.

It is not possible to reliably and objectively quantify the economic impact of pandemic situation on the Group's operating costs. Some costs such as depreciation and amortization are fixed in nature, others (like payroll and social contributions) are dependent on number of operating restaurants but may not be directly corelated to sales revenues generated by the restaurants. Cost of sales and royalties, variable rent, as a rule are most directly tied to revenues level, and finally costs of marketing may relatively increase.

In order to enable Group companies to operate in a possibly smooth manner, procedures have been put in place to ensure prompt reaction of appropriate services. In addition, the Group implemented additional measures to mitigate the risk of infection among its employees, including in particular:

- Providing detailed instructions and guidelines on monitoring the health of the Group’s employees and the health of Group’s guests.
- Strengthening already stringent hygiene, cleaning and sanitation procedures and introducing contactless options that protect both employees and quests in restaurants.
- Providing the restaurant employees with additional personal protection and hygiene supplies.
- Requesting to reduce the number of meetings as well as domestic and foreign business travel, and to use teleconferencing and video-conferencing facilities to the largest extent possible, as well enabling remote work.

With the spread of pandemic many governments were applying lockdown procedures and various limitations for businesses to operate. In order to mitigate the disadvantageous effects of the lockdowns, many countries’ governments, have introduced various measures to assist entities in response to the COVID-19.

The Group was and is closely monitoring available program that are offered on various markets. The government support programs include for example direct subsidies to payroll costs, tax exemptions, social security contributions reductions. Additionally entities from the Group were able to apply for extended deadlines for payments of various taxes.

The Group has taken numerous actions aimed at utilizing government support related to cost of labor offered on all markets where the Group operates. One of the priority tasks in this respect has been to avoid a significant decrease in the level of employment, taking into account the effectiveness of the ongoing processes and to ensure financial security for employees to the extent possible in the current situation but also to optimize payroll costs in Group.

Government programs implemented with regards to COVID-19 spread allow also to defer payments taxes, social securities and other public obligations.

For the main markets of operation the Group has filled the following programs in the area of labor costs:

- Spain
  In accordance with the provisions of article 47 of the Workers Statute, in relation to Royal Decree 1483/2012 and article 22 and 23 of Royal Decree-Law 8/2020, as well as Royal Decree-Law 30/2020, AmRest companies in Spain have filed before the Spanish labor authority a Temporary Employment Regulation File (Expediente de Regulación Temporal de Empleo or “ERTE”). During the Q1 2021 there has been 1.087 employees under ERTE, during the Q2 2021 755 and at the end of this period 3 employees.
- Poland
  During H1 2021 Polish subsidiaries have not received support from government programs.
- France
  The Partial Activity technical unemployment government program started on 15 March 2020 continues in the same condition until June 2021. In 2021 restaurants still use it on rotating employee basis (except Sushi Shop in March and June 2021).
- Germany
  Reduced working hours (Kurzarbeitergeld) salary government reimbursement program has been introduced effective on 1 March 2020. After the second wave of restrictions started in Q4 2020 the companies applied for the next governmental help beginning of November 2020. From June 2021 on the Group is only eligible to get the government payment for a small number of restaurants. The

(all figures in EUR millions unless stated otherwise)

government reimburses now 60-87% of the net salary and social contribution depending on the individual situations. The reimbursement is based on not worked hours as compared to the contract hours. The company pays the difference up to 90% of the average salary before March 2020.

- Czechia
  The companies have applied for the government aid under special COVID-19 regulations. There were two separate programs:
  - employees on downtime between 13 March and 31 May 2020: 80% of salary and social contribution reimbursed by the government (1 600 employees covered),
  - employees with 40% reduction of working hours between 13 March and 31 May 2020: 60% of salary and social contribution reimbursed by the government (80 employees covered).

  During the second and third wave of restrictions (Q4.2020, Q1.2021, Q2 2021) the companies again applied and received governmental aid. COVID Payroll compensations programs finished at the end of May 2021.
- Hungary
  Under the Act on Special Provisions During COVID-19 (Regulation of 485/2020) released on 10 November 2020 the companies applied for:
  - 50% reimbursement of gross salaries, but maximum 671 EUR/employee for the period from November 2020 to May 2021,
  - suspension for employer social contributions and suspension of employer rehabilitation contribution from November 2020 to May 2021.

Similar actions are also taken on other markets. The Group has applied for support programs offered by each country's government, in the form of reimbursement of labor costs, and introducing internal actions, such as shortening of working hours or technical unemployment.

Group's policy is to present government grants related to income as other operating income.

Other grants – main programs:

Entities operating in Czechia and Slovakia applied for a government program called COVID Najem (government grants for rent costs) and Covid Gastro, entities in France applied for government program called Fond de solidarité. The Group has recognized EUR 2.4 million from above described programs in H1 2021.

In April 2021 the State supported loan in Russia in the amount EUR 2.7 million was forgiven. Bank waived it based on the particular indicators with main that was maintaining the required employment rate.

Entities operating in Germany applied for the Nov/Dez Hilfe program that was meant to support industries hit by the lockdown and compensates lost sales. The Group recognized EUR 12.8 million from that program in H1 2021. The Group is in the process of application for the new program (Ueberbrueckungshilfe) that started from January 2021 - the state shall compensate a part of carried fixed costs, the amount of compensation shall be dependent on sales decline compared to 2019.

Government grants are in some cases associated with requirements to keep the agreed level of workforce for agreed period. As of 30 June 2021 the Group does not expect that such conditions would not be met, therefore there are no material unfulfilled conditions or other contingencies attached to government assistance that has been recognised.

7. Financial income and costs

Finance income

	6 months ended	
	30 June 2021	**30 June 2020**
Income from bank interest	0.4	0.8
Net income from exchange differences	**2.1**	**-**
Net income from exchange differences on lease liabilities	2.3	-
Net income from exchange differences - other	(0.2)	-
Other	0.2	-
Total finance income	**2.7**	**0.8**

(all figures in EUR millions unless stated otherwise)

Finance costs

	6 months ended	
	30 June 2021	**30 June 2020**
Interest expense	(8.8)	(9.0)
Interest expense on lease liabilities	(11.8)	(13.4)
Financial fees recognised as interest expense	(0.4)	(0.9)
Financial fees - other	-	(0.3)
Net cost from exchange differences	**-**	**(9.5)**
Net cost from exchange differences on lease liabilities	-	(8.9)
Net cost from exchange differences - other	-	(0.6)
Other	(1.1)	(0.1)
Total finance cost	**(22.1)**	**(33.2)**

8. Taxes

Income taxes

	6 months ended	
	30 June 2021	**30 June 2020 (restated)**
Current tax	(7.7)	(2.9)
Deferred income tax	1.6	10.8
Income tax recognised in the income statement	**(6.1)**	**7.9**
Deferred tax asset		
Opening balance	37.6	22.4
Closing balance	43.6	24.5
Deferred tax liability		
Opening balance	39.0	51.4
Closing balance	43.6	43.4
Change in deferred tax assets/ liabilities	**1.4**	**10.1**

Changes in deferred tax asset and liabilities are recognized as follow:

	6 months ended	
	30 June 2021	**30 June 2020 (restated)**
Change in deferred tax assets/liabilities	**1.4**	**10.1**
of which:		
Deferred taxes recognised in the income statement	1.6	10.8
Deferred taxes recognised in other comprehensive income – net investment hedges	(0.2)	1.2
Deferred taxes recognised in equity -valuation of employee options	0.4	(2.2)
Exchange differences	(0.4)	0.3

Group's effective tax rate was affected by:

- Change of assumptions on deferred tax asset from tax losses related to previous years – total effect of EUR 1.1 million
- Tax loss for the current period for which no deferred tax asset was recognise – total effect of EUR 2.6 million
- Income tax corrections– total effect of EUR 2.1 million
- Local taxes reported as income taxes – total effect of EUR 1.5 million

Tax risks and uncertain tax positions

Tax settlements may be subject of the tax control for the period of 3-5 years from the date of their filing.

Tax settlements of AmRest entities are subject to several tax inspections which were widely described in the note 33 “Tax risks and uncertain tax position” to the consolidated financial statements for 2020.

On 30 March 2021 AmRest sp. z o.o. received the final decisions for 2013 and 2014 CIT settlements issued by the Head of the Lower Silesian Tax and Customs Office issued. The decision of the first instance for 2014 has been cancelled. For 2013 the tax office upheld the decision in respect of the CIT levied on VAT refund for this year - due to the fact that the decision was enforceable the Company paid outstanding tax liability together with the interest. The Company did not agree with the decision received in respect of 2013 CIT settlements and on 28 April 2021 filed the complaint to the Local Administrative Court.

On 22 March 2021 Pastificio Service S.L.U. (as the taxpayer), AmRest Tag S.L.U. (as head of the Tax Group during the tax audit period) and AmRest Holdings SE (as the current head of the Tax Group) received the settlement agreement from the tax office indicating the additional tax liability amounting to EUR 1.1 million, which was paid by the taxpayer on 14 June 2021. However, the Company disagree with the tax authorities and on 22 April 2021 submitted the economic-administrative claim and the allegations has been filed on 26 July 2021.

On 23 June 2021 Pastificio Service S.L.U. received notification of the start of an inspection relating to a municipal tax (business activity tax) for the fiscal years 2018-2021. The tax inspection is related to the Pastificio's activity in the Central Kitchen (Lleida).

Tax proceedings in Sushi Shop Group SAS entity relating to years 2018 and 2019, which started in December 2020, have been finished. On 10 July 2021 the Company has accepted the rectification of tax result proposed by French Tax Authority and has agreed to pay additional tax liability of EUR 0.3 million together with interest.

On 9 June 2021 AmRest Kft and on 14 June 2021 AmRest Kávézó Kft have received the notification letters in respect to planned initiation of tax proceedings. As of 30 June 2021 and as of the date of publication of this Report the exact scope of the inspection is not known and the proceedings have not started yet.

On 20 July 2021 AmRest sp. z o.o. has received the notification from the Polish tax authorities in respect to opening the suspended proceedings related to the annulment of the final decision covering VAT for 2014 (detailed background of these proceedings was described in point (a) of the note 33 “Tax risks and uncertain tax position” to the consolidated financial statements for 2020 related to the tax inspections in AmRest sp. z o.o.).

On 19 July 2021 AmRest sp. z o.o. has received the notification from the Polish tax authorities in respect to opening the suspended tax inspection covering VAT returns for the period December 2017 – March 2018 (detailed background of these proceedings was described in point (d) of the note 33 “Tax risks and uncertain tax position” to the consolidated financial statements for 2020 related to the tax inspections in AmRest sp. z o.o.).

On 28 July 2021 AmRest sp. z o.o. has received the notification from the Polish tax authorities in respect to opening the suspended tax inspection covering VAT returns for the period April – September 2018 (detailed background of these proceedings was described in point (e) of the note 33 “Tax risks and uncertain tax position” to the consolidated financial statements for 2020 related to the tax inspections in AmRest sp. z o.o.).

Since 31 December 2020 till the date of approval of these condensed consolidated financial statements the status of other reported tax related risks has not changed. The Group did not receive any other new decisions except the ones described above and no new tax inspections took place.

The Group’s risk assessment regarding tax risks and uncertainties has not changed since the publication of the consolidated financial statements for 2020, except for the revised approach regarding the tax proceedings in Spain. Therefore, as of 30 June 2021 and as at the date of publication of this Report, no provisions other than the one stated above were created.

In Group’s opinion, there are no other material contingent liabilities concerning pending audits and tax proceedings.

(all figures in EUR millions unless stated otherwise)

9. Property, plant and equipment

The table below presents changes in the value of property, plant and equipment in 6 months ended 30 June 2021 and 2020:

2021	**Leasehold improvements, land, buildings**	**Restaurants equipment and vehicles**	**Furniture and other assets**	**Assets under construction**	**Total**
PPE as at 1 January	**277.2**	**146.6**	**32.9**	**18.3**	**475.0**
Additions	3.1	4.5	0.6	21.3	29.5
Depreciation	(20.0)	(19.1)	(6.8)	-	(45.9)
Impairment losses	(4.0)	(1.7)	-	0.1	(5.6)
Disposals and deconsolidation	0.1	(0.5)	-	(1.3)	(1.7)
Transfers between categories	4.6	4.1	10.6	(19.5)	(0.2)
Exchange differences	3.8	1.9	0.3	0.4	6.4
PPE as at 30 June	**264.8**	**135.8**	**37.6**	**19.3**	**457.5**
Gross book value	598.1	372.9	101.0	20.6	1 092.6
Accumulated depreciation and impairments	(333.3)	(237.1)	(63.4)	(1.3)	(635.1)
Net book value	**264.8**	**135.8**	**37.6**	**19.3**	**457.5**

2020	**Leasehold improvements, land, buildings**	**Restaurants equipment and vehicles**	**Furniture and other assets**	**Assets under construction**	**Total**
PPE as at 1 January	**303.2**	**184.3**	**31.4**	**66.0**	**584.9**
Additions	4.1	7.9	0.1	20.7	32.8
Depreciation	(22.4)	(22.7)	(6.3)	-	(51.4)
Impairment losses	(17.6)	(9.1)	(0.1)	-	(26.8)
Disposals and deconsolidation	(2.0)	(0.4)	-	(0.1)	(2.5)
Transfers to asset held for sale	-	-	-	(4.8)	(4.8)
Transfers between categories	28.4	12.9	2.7	(44.0)	-
Exchange differences	(11.1)	(4.9)	(2.1)	(3.0)	(21.1)
PPE as at 30 June	**282.6**	**168.0**	**25.7**	**34.8**	**511.1**
Gross book value	594.1	378.7	77.9	36.4	1 087.1
Accumulated depreciation and impairments	(311.5)	(210.7)	(52.2)	(1.6)	(576.0)
Net book value	**282.6**	**168.0**	**25.7**	**34.8**	**511.1**

Depreciation was charged as follows:

	6 months ended	
	30 June 2021	**30 June 2020**
Costs of restaurant operations	44.5	49.3
Franchise expenses and other	0.6	0.7
General and administrative expenses	0.7	1.4
Total depreciation	**45.9**	**51.4**

10. Leases

The table below presents the reconciliation of the right-of-use assets and lease liabilities for 6 months ended 30 June 2021 and 2020:

	Right-of-use asset			**Lease liabilities**
	Restaurant properties	Other	**Total right-of-use asset**	**Total liabilities**
As at 1 January 2021	**693.9**	**15.7**	**709.6**	**761.4**
Additions – new contracts	23.1	1.4	24.5	24.5
Modifications and reassessments	28.5	0.1	28.6	20.7
Amortisation expense	(63.4)	(2.6)	(65.9)	-
Impairment	(1.6)		(1.6)	-
Interest expense				11.9
Payments				(66.2)

(all figures in EUR millions unless stated otherwise)

	Right-of-use asset			Lease liabilities
	Restaurant properties	Other	**Total right-of-use asset**	**Total liabilities**
Exchange differences	10.4	0.2	10.6	9.2
Disposals	-	(0.1)	(0.1)	(0.2)
As at 30 June 2021	**690.9**	**14.8**	**705.7**	**761.3**

	Right-of-use asset			Lease liabilities
	Restaurant properties	Other	**Total right-of-use asset**	**Total liabilities**
As at 1 January 2020	**835.5**	**17.2**	**852.7**	**864.1**
Additions – new contracts	25.9	1.1	27.0	27.0
Modifications and reassessments	25.0	1.2	26.2	13.4
Amortisation expense	(68.2)	(2.7)	(70.9)	-
Impairment	(15.5)	(0.2)	(15.7)	-
Interest expense	-	-	-	13.6
Payments	-	-	-	(65.2)
Exchange differences	(28.8)	(0.5)	(29.3)	(21.7)
As at 30 June 2020 (restated)	**773.9**	**16.1**	**790.0**	**831.2**

Amortisation was charged as follows:

	6 months ended	
	30 June 2021	**30 June 2020**
Costs of restaurant operations	64.0	68.6
Franchise expenses and other	-	-
General and administrative expenses	1.9	2.3
Total amortisation	**65.9**	**70.9**

The Group recognised rental and occupancy costs resulted from short-term leases of EUR 0.4 million, leases of low-value assets of EUR 2.2 million and variable lease payments of EUR 1.8 million (including negative amount of EUR 6.8 million COVID-19-related rent concessions) for the period ended 30 June 2021.

For the six months ended 30 June 2020 the Group recognised rental and occupancy costs from short-term leases of EUR 0.8 million, leases of low-value assets of EUR 2.3 million and negative variable lease payments of EUR 5.0 million (including negative amount of EUR 10.7 million COVID-19-related rent concessions).

The following are the remaining contractual maturities of lease payments at the reporting date. The amounts are gross and undiscounted and include contractual interest payments.

	30 June 2021	**31 December 2020**
Up to 1 year	153.6	161.0
Between 1 and 3 years	239.4	237.5
Between 3 and 5 years	162.6	164.0
Between 5 and 10 years	199.8	201.9
More than 10 years	132.8	131.2
Total contractual lease payments	**888.2**	**895.6**
Future finance costs of leases	126.9	134.2
Total lease liabilities	**761.3**	**761.4**

11. Intangible assets

The table below presents changes in the value of intangible assets in 6 months ended 30 June 2021 and 2020:

2021	**Own brands**	**Licenses for franchise brands**	**Relations with franchisees and customers**	**Other intangible assets**	**Total**

2021	Own brands	Licenses for franchise brands	Relations with franchisees and customers	Other intangible assets	Total
IA as at 1 January	**153.8**	**22.6**	**32.0**	**32.3**	**240.7**
Additions	-	2.0	-	1.1	3.1
Amortisation	(0.1)	(2.1)	(1.5)	(2.1)	(5.8)
Disposals and derecognition	-	(0.1)	-	-	(0.1)
Transfers between categories	-	-	-	0.2	0.2
Exchange differences	0.1	0.4	-	0.1	0.6
IA as at 30 June	**153.8**	**22.9**	**30.5**	**31.5**	**238.7**
Gross book value	158.6	46.8	51.9	76.2	333.5
Accumulated amortisation and impairments	(4.8)	(24.0)	(21.4)	(44.6)	(94.8)
Net book value	**153.8**	**22.8**	**30.5**	**31.6**	**238.7**

2020	Own brands	Licenses for franchise brands	Relations with franchisees and customers	Other intangible assets	Total
IA as at 1 January	**156.7**	**25.9**	**35.1**	**35.8**	**253.5**
Additions	-	1,6	-	1,8	3,4
Amortisation	(0.2)	(2.0)	(2.0)	(2.9)	(7.1)
Impairment losses	(2.4)	(0.7)	-	-	(3.1)
Disposals and derecognition	-	-	-	-	-
Exchange differences	-	(1.2)	-	(0.4)	(1.6)
IA as at 30 June	**154.1**	**23,6**	**33.1**	**34.3**	**245.1**
Gross book value	158.4	44.7	51.9	74.5	329.5
Accumulated amortisation and impairments	(4.3)	(21.1)	(18.8)	(40.2)	(84.4)
Net book value	**154.1**	**23.6**	**33.1**	**34.3**	**245.1**

Amortisation was charged as follows:

	6 months ended	
	30 June 2021	**30 June 2020**
Costs of restaurant operations	2.5	2.8
Franchise expenses and other	0.9	0.9
General and administrative expenses	2.4	3.4
Total amortisation	5.8	**7.1**

Other intangible assets cover mainly exclusivity rights including master-franchise rights in the amount of EUR 2.9 million (EUR 3.7 million as at 31 December 2020), key monies in the amount of EUR 18.6 million (EUR 18.3 million as at 31 December 2020) and computer software.

12. Goodwill

Goodwill recognised on business combinations is allocated to the group of CGUs that is expected to benefit from the synergies of the business combination.

The table below presents goodwill allocated to particular levels on which is monitored by the Group, which is not higher than the operating segment level:

2021	1 January	Impairment	Exchange differences	30 June
Sushi Shop	140.5	-	-	140.5
Spain- La Tagiatella and KFC	90.9	-	-	90.9
Russia - KFC	30.8	-	1.8	32.6
Germany - Starbucks	8.6	-	-	8.6
China- Blue Frog	19.3	-	0.9	20.2
France - KFC	14.0	-	-	14.0
Hungary-KFC	3.4	-	0.1	3.5
Romania	2.6	-	-	2.6

(all figures in EUR millions unless stated otherwise)

2021	1 January	Impairment	Exchange differences	30 June
Czechia-KFC	1.4	-	-	1.4
Poland – Other	0.6	-	-	0.6
Total	**312.1**	**-**	**2.8**	**314.9**

2020	1 January	Impairment	Exchange differences	30 June
Sushi Shop	140.5	-	-	140.5
Spain- La Tagiatella and KFC	90.9	-	-	90.9
Spain - Bacoa	1.2	(1.2)	-	-
Russia - KFC	40.4	-	(4.8)	35.6
Germany - Starbucks	35.0	(26.4)	-	8.6
China- Blue Frog	19.8	-	(0.2)	19.6
France - KFC	14.0	-	-	14.0
Hungary-KFC	3.8	-	(0.3)	3.5
Romania	2.6	-	-	2.6
Czechia-KFC	1.4	-	(0.1)	1.3
Poland – Other	0.6	-	-	0.6
Total	**350.2**	**(27.6)**	**(5.4)**	**317.2**

Group did not identify goodwill impairment indicators for 6 months period ended 30 June 2021, and consequently has not performed goodwill impairment tests.

13. Impairment of non-current assets

Restaurant level tests

The Group periodically reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated for the purpose of impairment testing. The recoverable amount of an asset is determined at the level of a single restaurant as the smallest unit (or set of assets) generating cash flows that are largely independent of the cash inflows generated by other assets /groups of assets. Restaurant assets include amongst others property, plant and equipment, intangible assets and right of use assets. Impairment indicators defined by the Group are described in note 40 of consolidated financial statements for the year 2020.

Impairment indicators are reviewed twice a year and respective impairments test for restaurants are performed twice a year.

The recoverable amount of the cash-generating unit (CGU) is determined based on value in use calculation for the remaining useful life determined by lease expiry date or restaurant closure date (if confirmed), using the discount rate for each individual country.

Carrying amount of each CGU consists of carrying amount of above-described assets decreased by balance of lease liabilities assigned to the restaurants (net assets of CGU). To determine the recoverable amount of CGU the lease liabilities balance is also deducted from total discounted cash flows (without the base rental charge). Carrying amount of CGU is compared with recoverable amount and impairment loss is accounted up to total balance of net assets of CGU.

Discounts rates applied are shown in the table below.

	Pre-tax discount rate 30 June 2021	Pre-tax discount rate 31 December 2020	Pre-tax discount rate 30 June 2020
Poland	8.4%	7.6%	6.8%
Czechia	7.7%	7.0%	6.0%
Hungary	11.0%	9.9%	7.7%
Russia	12.8%	11.6%	10.5%
Serbia	13.0%	11.4%	9.9%

(all figures in EUR millions unless stated otherwise)

	Pre-tax discount rate 30 June 2021	Pre-tax discount rate 31 December 2020	Pre-tax discount rate 30 June 2020
Bulgaria	9.8%	8.3%	7.0%
Spain	9.1%	8.1%	7.3%
Germany	6.6%	6.0%	5.4%
France	6.8%	6.1%	6.1%
Croatia	11.3%	9.8%	8.6%
China	9.0%	8.3%	7.4%
Romania	10.9%	9.7%	9.4%
Slovakia	8.2%	7.4%	6.2%
Portugal	9.4%	8.2%	7.7%
Austria	7.4%	7.0%	5.4%
Slovenia	9.0%	8.0%	6.9%
Belgium	7.4%	6.6%	5.9%
Italy	9.3%	8.1%	8.2%
Switzerland	5.0%	4.6%	4.6%
Luxemburg	6.9%	6.4%	4.8%
Netherland	6.5%	5.9%	4.9%
United Kingdom	7.4%	6.8%	5.5%

Details of impairments losses recognised:

		6 months ended	
	Note	**30 June 2021**	**30 June 2020**
Net impairment of property, plant and equipment	9	5.6	26.8
Net impairment of intangible assets	11	-	3.1
Net impairment of right of use assets	10	1.6	15.6
Net impairment of goodwill	12	-	27.6
Net impairment losses of non- current other assets		**7.2**	**73.1**

Recognized impairment losses do not relate to any individual significant items, but to numerous restaurants tested during the year. This reflects the specifics of Group's operations, where business is conducted through multiple, individually small operating units.

COVID-19 pandemic is having a significant impact on the Group's operations in almost all areas. With regards to the impairment tests, more restaurants showed impairment indicators then in prior periods, and consequently more restaurants were tested for the impairment.

Summary of impairment tests results on the level of restaurants for the 6 months period ended 30 June 2021 is presented in the table below.

	Impairment loss	Impairment reversals	Net/Total
Number of units tested			832
Units with impairment/reversal recognized	120	89	
Impairment of property, plant and equipment and intangible assets	11.8	6.2	5.6
Impairment of right of use assets	5.9	4.3	1.6
Five highest individual impairment loss/ reversals totaled	3.8	3.8	
Average impairment loss/ reversal per restaurant	0.2	0.1	

Summary of impairment tests results on the level of restaurants for the 6 months period ended 30 June 2020 is presented in the table below.

	Net/Total
Number of units tested	543
Units with impairment/reversal recognized	253/32
Net impairment of property, plant and equipment and intangible assets	27.5
Net impairment of right of use assets	15.6
Five highest individual impairment loss/ reversals totaled	6.2/0.6
Average impairment loss/ reversal per restaurant	0.2 /0.1

(all figures in EUR millions unless stated otherwise)

Additionally Group recognized impairment loss on intangible assets and goodwill as a result of goodwill impairment tests as disclosed in next section.

Goodwill and intangibles with undefined useful lives level

The Group performs impairment test for goodwill together with any intangible assets with indefinite useful lives, other intangibles, property plant and equipment, right of use assets, as well any other non-current assets that operate on the group of CGUs where goodwill is allocated.

Mandatory impairment tests are performed at year ends. The Group has not identified impairment indicators for goodwill impairment test for 6 months ended 30 June 2021.

For 6 months period ended 30 June 2020 Group recognized impairment losses for Bacoa business in Spain, and Starbucks business in Germany.

The impairment test performed for Bacoa business resulted in recognition of impairment losses in total value of EUR 3.6 million which included impairment for goodwill EUR 1.2 million and impairment of Bacoa trademark in amount of EUR 2.4 million.

The impairment test performed for Starbucks Germany business resulted in recognition of impairment loss of EUR 26.4 million for goodwill.

14. Trade and other receivables

	30 June 2021	31 December 2020
Trade receivables from non-related entities	34.9	34.0
Other tax receivables	25.2	17.2
Credit cards, coupons and food aggregators receivables	15.7	13.4
Loans and borrowings	1.7	1.3
Government grants	2.3	5.1
Other	3.1	1.6
Allowances for receivables (note 23)	(12.2)	(12.2)
	70.7	**60.4**

Information about the Group's exposure to credit risk, foreign currency risk and interest rate risk can be found in note 24.

15. Cash and cash equivalents

	30 June 2021	31 December 2020
Cash at bank	174.4	198.4
Cash in hand	8.9	6.4
Total	**183.3**	**204.8**

Reconciliation of working capital changes as at 30 June 2021 and 31 December 2020 is presented in the table below:

H1 2021	**Balance sheet change**	**Change in investment liabilities**	**Exchange differences**	**Working capital changes**
Change in trade and other receivables	(10.3)	-	0.5	(9.8)
Change in inventories	(1.3)	-	0.3	(1.0)
Change in other assets	(4.0)	-	0.9	(3.1)
Change in payables and other liabilities	15.5	(1.3)	0.4	14.6
Change in other provisions and employee benefits	(3.7)	-	(0.1)	(3.8)

H1 2020	**Balance sheet change**	**Other change – sale of the business**	**Change in investment liabilities**	**Exchange differences**	**Working capital changes**
Change in trade and other receivables	37.7	(20.0)	-	(2.7)	15.0
Change in inventories	2.9	-	-	(0.8)	2.1
Change in other assets	6.0	-	-	(1.3)	4.7
Change in payables and other liabilities	0.6	-	13.5	3.7	17.8
Change in other provisions and employee benefits	2.1	-	-	-	2.1

16. Equity

Share capital

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

As at 30 June 2021 and 31 December 2020 the Company has 219 554 183 shares issued.

(all figures in EUR millions unless stated otherwise)

Reserves

The structure of Reserves is as follows:

	Share premium	Employee options unexercised	Employee options exercised	Treasury shares	Hedges valuation	Transactions with NCI	Total Reserves
As at 1 January 2021	**236.3**	**13.9**	**(39.1)**	**(6.5)**	**(8.2)**	**(26.3)**	**170.1**
Net investment hedges	-	-	-	-	1.2	-	**1.2**
Income tax related to net investment hedges	-	-	-	-	(0.2)	-	**(0.2)**
Total comprehensive income	**-**	**-**	**-**	**-**	**1.0**	**-**	**1.0**
Share based payments							
Value of disposed treasury shares	-	-	(1.3)	1.3	-	-	**-**
Employee stock option plan – proceeds from employees for transferred shares	**-**	-	0.4	**-**	**-**	**-**	**0.4**
Employee stock option plan – reclassification of exercised options	-	(0.5)	0.5	-	-	-	**-**
Employee stock option plan – change in unexercised options	-	(0.4)	-	-	-	-	**(0.4)**
Change of deferred tax related to unexercised employee benefits	-	0.4	-	-	-	-	**0.4**
Total share based payments	-	*(0.5)*	*(0.4)*	*1.3*	-	-	***0.4***
Total distributions and contributions	**-**	**(0.5)**	**(0.4)**	**1.3**	**-**	**-**	**0.4**
As at 30 June 2021	**236.3**	**13.4**	**(39.5)**	**(5.2)**	**(7.2)**	**(26.3)**	**171.5**

	Share premium	Employee options unexercised	Employee options exercised	Treasury shares	Hedges valuation	Transactions with NCI	Total Reserves
As at 1 January 2020	**236.3**	**13.9**	**(39.0)**	**(7.5)**	**0.9**	**(26.3)**	**178.3**
Net investment hedges	-	-	-	-	(7.2)	-	**(7.2)**
Income tax related to net investment hedges	-	-	-	-	1.2	-	**1.2**
Total comprehensive income	**-**	**-**	**-**	**-**	**(6.0)**	**-**	**(6.0)**
Share based payments							
Value of disposed treasury shares	-	-	(0.9)	0.9	-	-	**-**
Employee stock option plan – value of employee benefits exercised in the period	**-**	-	0.1	**-**	**-**	**-**	**0.1**
Employee stock option plan – proceeds from employees for transferred shares	-	(0.5)	0.5	-	**-**	**-**	-
Employee stock option plan – change in unexercised options	-	4.0	-	-	-	-	**4.0**
Change of deferred tax related to unexercised employee benefits	-	(2.2)	-	-	-	-	**(2.2)**
Total share based payments	-	*1.3*	*(0.3)*	*0.9*	-	-	***1.9***
Total distributions and contributions	**-**	**1.3**	**(0.3)**	**0.9**	**-**	**-**	**1.9**
As at 30 June 2020	**236.3**	**15.2**	**(39.3)**	**(6.6)**	**(5.1)**	**(26.3)**	**174.2**

Share premium

This item reflects the surplus over the nominal value of the share capital increase and additional contributions to equity without issue of shares made by shareholders prior to becoming a public entity.

There were no transactions within share premium in 6 months period ended 30 June 2021.

Hedges valuation

The Group is exposed to foreign currency risk associated with the investment in its foreign subsidiaries, which is managed by applying net hedge investment strategies.

In 2018 AmRest Holdings assigned its PLN 280 million external borrowing as a hedging instrument in a net hedge for its Polish subsidiaries.

AmRest Sp. z o.o., a Polish subsidiary, with PLN as functional currency, is a borrower of external EUR financing. A bank loan of EUR 220 million has been hedging the net investment in its EUR subsidiaries both in 2018 and 2019. Following a change in presentation currency of the Group from PLN to EUR, AmRest Sp. z o.o. remains exposed to the foreign currency risk between the functional currency of its net investment in its EUR investments and its own functional currency (PLN). These different functional currencies create a economic exposure to changes in fair values in the consolidated financial statements of the Group.

For all net investment hedges, exchange gains or losses arising from the translation of liabilities that are hedging net investments are charged to equity in order to offset gains or losses on translation of the net investment in subsidiaries.

During the period of 6 months ended 30 June 2021 and 2020 hedges were fully effective.

As at 30 June 2021 the accumulated value of currency revaluation recognised in reserve capital (resulting from net investment hedges) amounted to EUR 1.2 million, and deferred tax concerning this revaluation EUR 0.2 million.

Transactions with NCI

This item reflects the impact of accounting for transactions with non-controlling interests (NCI). During 6 month ended 30 June 2021 and 30 June 2020 Group paid dividends to non-controlling shareholders. No other transactions were made.

Translation reserves

The balance of translation reserves depends on the changes in the exchange rates. This parameter is out of control of the Group. Total change in translation reserves allocated to shareholders of the parent for 6 month period ended 30 June 2021 amounted to EUR 6.4million. The most significant impact has a change in Russian ruble to EUR (EUR 3.9 million). Other significant changes result from change of Chinese yuan, Hungarian forint, Czech korona and Polish zloty to EUR.

17. Earnings per share

As at 30 June 2020, 31 December 2020 and 30 June 2021 the Company has 219 554 183 shares issued.

Table below presents calculation of basic and diluted earnings per ordinary share for the 6 months ended 30 June 2021 and 2020.

Basic EPS is calculated by dividing net profit attributable to shareholders of the parent by the weighted average number of ordinary shares outstanding during the year (including treasury shares, vested options under share based programs, number of shares to be transferred as a consideration for acquisition).

Diluted EPS is calculated by dividing net profit attributable to shareholders of the parent by the weighted average number of ordinary shares outstanding during the year, adjusted by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares (unvested options for open share based payments programs).

EPS calculation	30 June 2021	30 June 2020 (restated)
Net profit attributable to shareholders of the parent (EUR millions)	1.9	(152.3)
Weighted average number of ordinary shares for basic EPS (in thousands of shares)	219 340	219 251
Weighted average number of ordinary shares for diluted EPS (in thousands of shares)	220 029	219 453
Basic earnings per ordinary share (EUR)	0.01	(0.69)
Diluted earnings per ordinary share (EUR)	0.01	(0.69)

Reconciliation of weighted-average number of ordinary shares for basic EPS:

Weighted-average number of ordinary shares in thousands of shares	30 June 2021	30 June 2020
Shares issued at the beginning of the period	219 554	219 554
Effect of treasury shares held	(551)	(655)
Effect of share options vested	337	352
Weighted average number of ordinary shares for basic EPS	219 340	219 251

Reconciliation of weighted-average number of ordinary shares for diluted EPS:

Weighted-average number of ordinary shares for diluted EPS in thousands of shares	30 June 2021	30 June 2020
Weighted-average number of ordinary shares for basic EPS	219 340	219 251
Effect of share options unvested	689	202
Weighted average number of ordinary shares for diluted EPS	220 029	219 453

As at 30 June 2021, 10 476 thousand of options were excluded from the diluted weighted-average number of ordinary shares calculation because their effect would have been anti-dilutive. At 30 June 2020, there were 11 014 thousand of options with anti-dilutive effect.

18. Borrowings

Long-term	30 June 2021	31 December 2020
Syndicated bank loans	521.8	550.6
SSD	63.5	77.5
Other bank loans	52.5	48.4
Total	**637.8**	**676.5**

Short-term	30 June 2021	31 December 2020
Syndicated bank loans	57.3	58.9
SSD	23.0	24.9
Other bank loans	4.3	10.5
Total	**84.6**	**94.3**

Bank loans and bonds

Currency	Loans/Bonds	Effective interest rate	30 June 2021	31 December 2020
PLN	Syndicated bank loan	3M WIBOR+margin	115.8	116.2
EUR	Syndicated bank loan	3M EURIBOR/fixed +margin	463.2	493.3
EUR	Schuldscheinedarlehen Bonds	6M EURIBOR/fixed +margin	86.5	102.4
EUR	Bank loans France	fixed	30.0	30.0
EUR	Bank loans Spain	fixed	26.9	26.2
RUB	Bank loan – Russia	fixed	-	2.7
			722.4	**770.8**

As at 30 June 2021 syndicated bank financing entered into in 2017, with further amendments, accounts for the majority of AmRest debt. Details of bank financing are as follows:

a. Signing date: 5 October 2017,
b. Final repayment date: 30 September 2022,

c. 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),
d. 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.

The total tranches as of 30 June 2021:

Tranche(*)	Maximum amount (million)	Date added	Purpose
A	EUR 225	October 2017	Refinancing of bank debt, general corporate purposes
B	PLN 270	October 2017	
C (fully repaid in Q1 2019)	CZK 0	October 2017	
D	PLN 450	October 2017	
E	PLN 252	June 2018	Refinancing of Polish bonds
F	EUR 171	October 2018	M&A, general corporate purposes

** Approximate total amount: EUR 611m*

- Interest rates: Approximately half of the available facility is provided at variable interest rates (3M Euribor/Wibor increased by a margin) and parts of tranches A and F are provided at a fixed rate.
- 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 level, in particular, net debt/adjusted consolidated EBITDA is to be held below 3.5 and consolidated EBITDA/interest charge is to stay above 3.5. Both ratios are calculated without the effect of IFRS 16.
- Prior to 2020-year-end AmRest has obtained from its financing banks and majority of bondholders (Schuldschein) waivers to the compliance with certain covenants related to the Group's leverage and interest coverage ratios for the fourth quarter of 2020 and the first, second and third quarters of 2021. During said periods, those covenants have been replaced by a commitment to maintain a minimum level of liquidity (EUR 80 million, which is lowered to EUR 50 million for the third and fourth quarters of 2021). This covenant was met as at 30 June 2021.

In April 2017 AmRest entered the Schuldscheinedarlehen ("SSD" – debt instrument under German law) market . The table below presents all SSD issues and their maturities:

Issue date	Amount (EUR million)	Interest rate	Maturity date	Amount expected to be repaid in 2021 (EUR million)*	Purpose
7 April 2017	14.0	Fixed	7 April 2022		Refinancing, general corporate purposes
7 April 2017	6.0	Fixed	5 April 2024	5.0	
3 July 2017	35.5	Fixed	1 July 2022	2.5	
3 July 2017	20.0	Fixed	3 July 2024	-	
3 July 2017	9.5	Variable	3 July 2024	-	

As at 30 June 2021, payables concerning SSD issued amounted to EUR 86.5 million.

*AmRest is required to maintain certain pre IFRS 16 ratios at agreed levels: net debt/EBITDA is to be held below 3.5x and EBITDA/interest charge is to stay above 3.5. As these covenants were not met at 2020 YE, the company has repaid EUR 16.0 million out of EUR 101 million in the first half of the year and expects further EUR 7.5m will be repaid in 2021 to SSD holders who did not grant the covenant waivers.

State supported loans taken by the Group companies in 2020

Country	Entities	Effective interest rate	State guarantee	Total amount granted	Available at 30 June 2021	Maturity
Spain	Restauravia Food SL, Pastificio Food SL	Fixed	70%	44.5	17.8	3-5 years
France	Sushi Shop Restauration SAS, AmRest Opco SAS	Fixed	90%	30.0	-	3 years
Russia	OOO AmRest	Fixed	85%	2.7	-	Loan forgiven

(all figures in EUR millions unless stated otherwise)

Country	Entities	Effective interest rate	State guarantee	Total amount granted	Available at 30 June 2021	Maturity
Czechia	SCM s.r.o	Pribor + Margin	90%	1.2	0.9	1 year
				78.4	**18.7**	

The Group has the following unused, awarded credit limits as at 30 June 2021 and 31 December 2020:

	30 June 2021	31 December 2020
With floating interest rate		
- expiring within one year (tranche A)	-	-
- expiring beyond one year (tranche D)	33.0	1.5
- Bank loans Spain	17.8	18.8
	50.8	**20.3**

The table below presents the reconciliation of the debt:

HY 2021	Bank loans	SSD	Total
As at 1 January 2021	**668.4**	**102.4**	**770.8**
Payment	(31.4)	(16.0)	(47.4)
Loan taken/ new contracts	1.0	-	1.0
Accrued interests	7.5	1.1	8.6
Payment of interests	(7.9)	(1.0)	(8.9)
Loans forgiven	(2.7)		(2.7)
Exchange differences	1.0	-	1.0
As at 31 June 2021	**635.9**	**86.5**	**722.4**

H1 2020	Bank loans	SSD	Total
As at 1 January 2020	**617.8**	**102.3**	**720.1**
Payment	(25.8)	-	(25.8)
Loan taken/ new contracts	136.9	-	136.9
Accrued interests	8.7	1.1	9.8
Payment of interests	(8.7)	(0.7)	(9.4)
Exchange differences	(4.5)	-	(4.5)
As at 30 June 2020	**724.4**	**102.7**	**827.1**

19. Employee benefits and share based payments

During 6 months ended 30 June 2021, the Group granted additional 0.6 million options under existing program 7. There were no new employee share options plans introduced.

The fair value of the options granted during the period, as at the grant date, amounted as described below:

Plan	Average fair value of option as at grant date	Average share price at the grant date	Average exercise price	Expected volatility	Expected term to exercise of options	Expected dividend	Risk-free interest rate
2021							
Plan 7 (MIP)	EUR 1.07	EUR 5.68	EUR 7.76	30%	5 years	-	2%

For existing programs, the Group continued to recognise accruals for equity-settled options in reserve capital and accrual for cash-settled options in liabilities. The total amounts of the accrual as at 30 June 2021 and 31 December 2020 are presented in a table below:

	30 June 2021	31 December 2020
Reserve capital- gross value	14.6	16.9
Reserve capital- gross value with deferred tax effect	13.3	15.2
Liability for cash-settled options	0.1	0.2

(all figures in EUR millions unless stated otherwise)

The costs recognized in connection with the share based programs amounted to EUR 0.4 million and EUR 4.4 million respectively in 6 months ended 30 June 2021 and 30 June 2020.

20. Trade and other accounts payables

Trade and other liabilities (current and non-current) as at 30 June 2021 and 31 December 2020 cover the following items:

	30 June 2021	31 December 2020
Trade payables	71.7	93.7
Accruals and uninvoiced deliveries	68.5	35.0
Employee payables	13.2	13.5
Employee related accruals	30.8	24.4
Accrual for holiday leave	14.2	15.0
Social insurance payables	11.4	15.2
Other tax payables	21.2	9.6
Investment payables	7.4	8.6
Contract liabilities – initial fees, loyaltee programs, gift cards	8.8	8.3
Deferred income	7.3	8.1
Other payables	3.8	11.4
Total trade payables and other liabilities	**258.3**	**242.9**

21. Changes in future commitments and contingent liabilities

As in the previous reporting period, the Group's future liabilities are derived mainly from the franchise agreements and development agreements. Group restaurants are operated in accordance with franchise and development agreements with YUM! and subsidiaries of YUM!, Burger King Europe GmbH, Starbucks Coffee International, Inc. In accordance with these agreements, the Group is obliged to meet certain development commitments as well as maintain the identity, reputation and high operating standards of each brand. Details of the agreements together with other future commitments have been described in note 1 and 40d of the Group's consolidated financial statements for the year ended 31 December 2020.

As the COVID-19 pandemic restrictions impacted restaurants operation, the Group has renegotiated its commitments with each franchisor. Commitments regarding credit agreement are described in note 29 and note 30 of the Group's consolidated financial statements for the year ended 31 December 2020.

Additionally, in regard with the Credit Agreement described in note 29 and 30 of the consolidated financial statement for 2020 few entities provided surety as well as shares of Sushi Group SAS had been pledged as security for the bank financing.

22. Transactions with related entities

Transactions with related parties are carried out in accordance with market regulations.

Group shareholders

As at 30 June 2020, FCapital Dutch B.V. was the largest shareholder of AmRest and held 67.05% of its shares and voting rights, and as such was its related entity. No transactions with FCapital Dutch B.V. related parties were noted.

Transactions with key management personnel

The remuneration of the Board of Directors and Senior Management Personnel (key management personnel) paid by the Group was as follows:

	6 months ended	
	30 June 2021	30 June 2020
Remuneration of the members of the Board of Directors and Senior Management Personnel paid directly by the Group	3.1	1.9
Gain on share-based renumeration systems	-	0.4
Total compensation paid to key management personnel	**3.1**	**2.3**

The Group's key management personnel participates in the employee share option plans (note 19). In the period ended 30 June 2021 the provision relating to the options decreased by EUR 2.0 million, due to a significant amount of forfeited options. In the period ended 30 June 2020 the provision increased by EUR 1.3 million.

	6 months ended	
	30 June 2021	**30 June 2020**
Number of options outstanding (pcs)	4 066 667	4 055 800
Number of available options (pcs)	966 667	390 933
Fair value of outstanding options as at grant date (EUR millions)	5.40	10.0

As at 30 June 2021 the Company had no outstanding balances with the key management personnel. As at 31 December 2020 the Company had no outstanding balances with the key management personnel, apart from accruals for annual bonuses payable in first quarter of the following year.

As at 30 June 2021 and 31 December 2020 the Company has not extended any advances to the Board of Directors or senior management personnel and had no pension fund, life insurance or other such commitments with these parties, except for the share option plans detailed above and in note 19. As at 30 June 2021 and 31 December 2020 there were no liabilities to former employees.

23. Financial instruments

The following table shows the carrying amounts of financial assets and financial liabilities. The Group assessed that the fair values of cash and cash equivalents, rental deposits, trade and other receivables, trade and other payables, as well as current loans and borrowings and finance lease liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Fair values of non-current rental deposits, loans and borrowings and financial liabilities immaterially differs from their carrying values. Trade and other receivables and liabilities presented below does not include balance relating to taxes and employee settlements.

As at 31 December 2020 and 30 June 2021 the Group does not have equity instrument measured at fair value.

Classification of key classes of financial assets and liabilities with their carrying amounts is presented in note below:

30 June 2021	Note	FVTPL	Financial assets at amortised cost	Financial liabilities at amortised cost
Financial assets measured at fair value				
Equity instruments		-	-	-
Financial assets not measured at fair value				
Rental deposits		-	21.7	-
Trade and other receivables	14	-	69.1	-
Loans granted		-	1.7	-
Cash and cash equivalents	15	-	183.3	-
Financial liabilities not measured at fair value				
Loans and borrowings	18	-	-	635.9
Other debt instruments	18	-	-	86.5
Lease liabilities	10	-	-	761.3
Trade and other liabilities	20	-	-	211.8

31 December 2020	Note	FVTPL	Financial assets at amortized cost	Financial liabilities at amortized cost
Financial assets measured at fair value				
Equity instruments		-	-	-
Financial assets not measured at fair value				
Rental deposits		-	21.7	-
Trade and other receivables	14	-	59.1	-
Loans			1.3	
Cash and cash equivalents	15	-	204.7	-
Financial liabilities not measured at fair value				
Loans and borrowings	18	-	-	644.9

(all figures in EUR millions unless stated otherwise)

31 December 2020	Note	FVTPL	Financial assets at amortized cost	Financial liabilities at amortized cost
Other debt instruments	18	-	-	125.9
Lease liabilities	10	-	-	765.5
Trade and other liabilities	20	-	-	197.1

For credit risk related to receivables the Group applied the simplified approach permitted by IFRS 9, which requires expected credit losses (ECLs) to be recognised from initial recognition of the receivables. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

During year 2021 the Group recognised an impairment of the Group's receivables exposed to credit risk in an net amount of EUR 0.9 million.

The ageing break-down of receivables and receivable loss allowance as at 30 June 2021 and 31 December 2020 is presented in the table below.

2021	**Current**	**Overdue in days**				**Total**
	current	less than 90	91 - 180	181 - 365	more than 365	
Trade and other receivables	54.8	9.6	2.8	4.0	11.7	**82.9**
Loss allowance	(0.4)	(0.5)	(0.1)	(0.8)	(10.4)	**(12.2)**
Total	**54.4**	**9.1**	**2.7**	**3.2**	**1.3**	**70.7**

2020	**Current**	**Overdue in days**				**Total**
	current	less than 90	91 - 180	181 - 365	more than 365	
Trade and other receivables	45.2	10.5	2.8	5.2	8.9	**72.6**
Loss allowance	(0.7)	(1.2)	(0.8)	(2.6)	(6.9)	**(12.2)**
Total	**44.5**	**9.3**	**2.0**	**2.6**	**2.0**	**60.4**

Value of loss allowance for receivables as at 30 June 2021 and 30 June 2020 is presented in table below:

	6 months ended	
	30 June 2021	**30 June 2020**
Value at the beginning of the period	12.2	8.1
Allowance created	0.9	2.3
Allowance released	-	(0.1)
Other	(0.9)	(0.8)
Value at the end of the period	**12.2**	**9.5**

24. Events after the reporting period

After 30 June 2021, until the date of publication of this interim report, COVID-19 pandemic continues. Significant efforts are put by governments to mass vaccination programs to succeed and allow to reduce any future infection cycles. Group's revenues and operations after 30 June 2021 were not affected by unexpected factors. Still the uncertainties exist, and the effects of the pandemic cannot be reliably estimated.

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

Mónica Cueva Díaz
Member of the Board

Emilio Fullaondo Botella
Member of the Board

Madrid, 25 August 2021

Consolidated Directors' Report for 6 months ended 30 June 2021

AmRest Holdings SE

25 AUGUST 2021

AmRest

CONTENTS

Financial highlights (consolidated data)

	6 months ended 30 June 2021		3 months ended 30 June 2020	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
Revenue	844.3	684.0	464.4	272.1
EBITDA*	153.7	75.3	104.0	32.7
EBITDA margin	18.2%	11.0%	22.4%	12.0%
Adjusted EBITDA**	156.0	76.5	104.9	32.9
Adjusted EBITDA margin	18.5%	11.2%	22.6%	12.1%
Profit from operations (EBIT)	27.9	(129.4)	37.6	(105.8)
EBIT margin	3.3%	(18.9%)	8.1%	(38.9%)
Profit before tax	8.5	(161.8)	29.8	(113.8)
Net profit	2.4	(153.9)	22.6	(111.6)
Net margin	0.3%	(22.5%)	4.9%	(41.0%)
Net profit attributable to non-controlling interests	0.5	(1.6)	0.7	(0.9)
Net profit attributable to equity holders of the parent	1.9	(152.3)	21.9	(110.7)
Cash flows from operating activities	131.3	101.4	104.8	64.5
Cash flows from investing activities	(33.6)	(29.6)	(19.9)	(15.5)
Cash flows from financing activities	(121.6)	36.9	(72.6)	24.5
Total cash flows, net	(23.9)	108.7	12.3	73.5
Average weighted number of ordinary shares for basic earnings per shares (in thousands)	219 340	219 251	219 366	219 256
Average weighted number of ordinary shares for diluted earnings per shares (in thousands)	220 029	219 453	220 000	219 399
Basic earnings per share (EUR)	0.01	(0.69)	0.1	(0.50)
Diluted earnings per share (EUR)	0.01	(0.69)	0.1	(0.50)
Declared or paid dividend per share	-	-	-	-

** EBITDA – Profit from operations before depreciation, amortization and impairment losses. Reconciliation of the Alternative Performance Measure is presented in tables 3 and 4.*

*** Adjusted EBITDA – EBITDA adjusted for new openings expenses (Start-up costs), M&A expenses (all material expenses connected with successful acquisition covering professional services (legal, financial, other) directly connected with transaction) and effect of SOP exercise method modification (difference in accounting cost of employee benefits accounted under cash settled versus equity settled option plan). Reconciliation of the Alternative Performance Measure is presented in tables 3 and 4.*

	As at 30 June 2021	As at 31 December 2020
Total assets	2,091.8	2,114.4
Total liabilities	1,817.4	1,849.7
Non-current liabilities	1,327.3	1,371.6
Current liabilities	490.1	478.1
Equity attributable to shareholders of the parent	267.5	257.8
Non-controlling interests	6.9	6.9
Total equity	274.4	264.7
Share capital	22.0	22.0
Number of restaurants	2 367	2 337

Group Business Overview

Basic services provided by the Group

AmRest Holdings SE ("AmRest", "Company") with its subsidiaries (the "Group") is one of the leading publicly listed European restaurant operators, present in 25 countries of Europe and Asia. The portfolio of the Group consists of four franchised brands (KFC, Pizza Hut, Starbucks, Burger King) and fourteen proprietary brands including ten virtual brands (La Tagliatella, Blue Frog, Bacoa, Sushi Shop, and virtual brands: Pokaï, Lepieje, 'Oi Poke, Moya Misa Ramen, Pierwsze i Drugie, Sushi Tone, Eat's Fine, Mr. Kebs, Viva Salad! and Cremontano). The offer of virtual brands in Poland is available also under Food About concept - an umbrella brand that enables ordering different virtual brand dishes within one order. Food About holds its own e-commerce that contributes to Virtual Brands sales. The Shadow Kitchen project started its operation in December 2019 in Wrocław, Poland and has been expanding ever since with its virtual brands in the biggest Polish cities – Kraków and Warsaw.

As at 30 June 2021, AmRest managed the network of 2 367 restaurants. Given the current scale of the business, every day about 46,5 thousand AmRest employees deliver delicious taste and exceptional service at affordable prices.

Currently, the Group manages the network of restaurants across four segments, which are aligned with the main geographical regions of its operations:

- Central and Eastern Europe ("CEE"), where historically the Company was founded and opened its first restaurant under the name of Pizza Hut; today CEE division covers the region of 10 countries (Poland, Czech Republic, Hungary, Bulgaria, Serbia, Croatia, Romania, Austria, Slovenia and Slovakia) and with 1 042 restaurants under umbrella it accounts for ca. 44% of revenues of the Group;
- Western Europe ("WE"), a segment which primarily consists of Spain, France and Germany, where both franchised and proprietary brands are operated; as a result of dynamic organic expansion supported by recent acquisitions, division of Western Europe has become a significant operating segment of the Group consisting of 11 countries and generating ca. 39% of AmRest's revenues;
- Russia, where AmRest manages the network of KFC and Pizza Hut restaurants. The segment includes also Pizza Hut restaurants located in Armenia and Azerbaijan;
- China, where the networks of Blue Frog proprietary brand is operated.

One additional segment which is "Other" does not include any network of owned or franchised restaurants and accounts for the results of SCM Sp. z o.o. along with its subsidiaries and other support costs and functions rendered for the Group or not allocated to applicable segments such as, for instance, Executive Team, Controlling, Treasury, Investor Relations, Mergers & Acquisitions. The detailed description of the segments is included in Note 4 of the Consolidated Financial Statements.

The operations of AmRest are well-diversified across five main categories of restaurant industry:

1) Quick Service Restaurants ("QSR"), represented by KFC and Burger King,
2) Fast Casual Restaurants ("FCR"), represented by Pizza Hut Delivery and Express, Bacoa and Sushi Shop,
3) Casual Dining Restaurants ("CDR"), represented by Pizza Hut Dine-in, La Tagliatella and Blue Frog,
4) Coffee category, represented by Starbucks,
5) Virtual brands, whose offer is available only online, represented by Pokaï, Lepieje, 'Oi Poke, Moya Misa Ramen, Pierwsze i Drugie, Sushi Tone, Eat's Fine, Mr. Kebs, Viva Salad! and Cremontano.

Within the current business model of the Group, AmRest operates its network of restaurants as a franchisee (for the brands of KFC, Pizza Hut, Starbucks and Burger King), as well as a brand owner and franchisor (for the brands of La Tagliatella, Blue Frog, Sushi Shop and Bacoa). In addition, within the concepts of Pizza Hut Delivery and Pizza Hut Express the Company acts as a master-franchisee, having the rights to sub-license these brands to third parties.

AmRest restaurants provide on-site catering, take-away, drive-in services at special sales points ("Drive Thru"), as well as deliveries of orders placed online or by telephone. The diversification of channels and the continuous enhancement of take away and delivery capabilities had been key to quickly adapting to new consumer habits. Since the outbreak of the pandemic, take away segment has been the most dynamic segment of AmRest´s operations, with increasing relevance during 2021.

(all figures in EUR millions unless stated otherwise)

Number of AmRest restaurants broken down by brands as at 30 June 2021

Brand	Restaurants*	Equity share	Franchise share	Share in total
Franchised	1851	86%	14%	78%
KFC	907	100%	0%	38%
PH	464	51%	49%	20%
Starbucks*	392	94%	6%	17%
Burger King	88	100%	0%	4%
Proprietary	516	54%	46%	22%
La Tagliatella	234	31%	69%	10%
Sushi Shop	193	68%	32%	8%
Blue Frog	79	87%	13%	3%
Bacoa	5	20%	80%	<1%
Food about	5	100%	0%	<1%

* Starbucks franchise share refers to Starbucks licensed stores for which AmRest offers supply service but does not receive any royalty.

Number of AmRest restaurants broken down by countries as at 30 June 2021

Region	Restaurants*	Equity share	Franchise share	Share in total
Total	2367	79%	21%	100%
CEE	1042	100%	0%	44%
Poland	575	100%	0%	24%
Czech	205	100%	0%	9%
Hungary	134	100%	0%	6%
Romania	62	100%	0%	3%
Other CEE*	66	100%	0%	3%
WE	981	55%	45%	41%
Spain	332	49%	51%	14%
France	337	55%	45%	14%
Germany**	264	63%	37%	11%
Other WE*	48	56%	44%	2%
Russia*	268	86%	14%	11%
China	76	88%	12%	3%

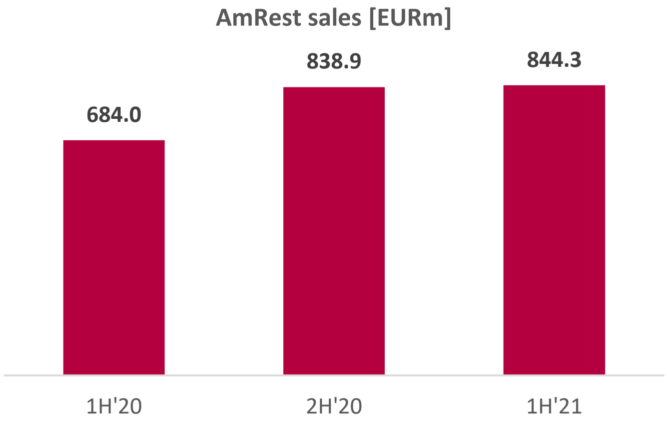
* Other CEE includes Bulgaria (24), Slovakia (16), Serbia (15), Croatia (8), Austria (2), Slovenia (1); Other WE includes Belgium (11), UAE (10), Swiss (10), Portugal (4), UK (5), Italy (2), Luxembourg (3), Saudi Arabia (3); Russia includes also Armenia (3) and Azerbaijan (3)
** Germany franchise share includes Starbucks licensed stores for which AmRest offers supply service but does not receive any royalty

Financial performance of the Group

Group Revenue and Profitability

AmRest recorded a strong sales recovery across all major regions and brands during the first half of 2021 and specifically during the second quarter of the year. Consolidated revenue reached EUR 844.3 million in 1H 2021 and was 23.4% higher than previous year. In 2Q 2021 sales reached EUR 464.4 million, 70.7% higher year-on-year, considering that during the 2Q 2020 the pandemic outbreak and other containment measures were more restrictive, such as sudden dine in closure. Nonetheless, revenues in the second quarter of 2021 posted a substantial recovery of 22.2% compared to the first quarter supported by a gradual easing of the restrictions in major European countries.

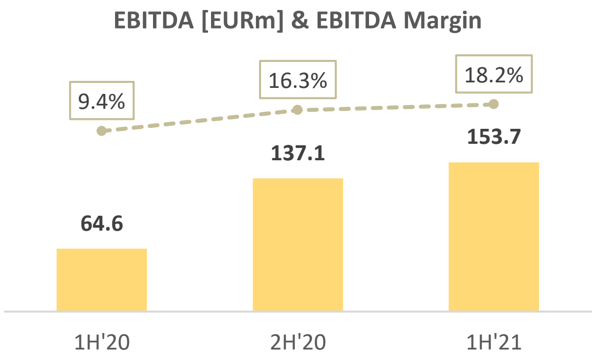
The AmRest Group revenue for 6 months ended 30 June 2020 – 2021



The positive momentum was boosted by our successful execution of digital, take-out and delivery strategies that allowed a fast reaction and adjustment to the new needs of our guests. The slight easing of mobility restriction at the end of the second quarter allowed an encouraging up-turn in dine-in activity where AmRest maintains a big potential. Finally, efficient adjustment to the different rules and regulations by country has been determined to boost the Group's revenues. Comparable restaurants sales index ("like-for-like", "LFL"), excluding temporary closures and F/X, was trending upward, and reached 135.0% in 2Q 2021 approaching quickly to the levels registered during the same period of 2019 (91.3%) and with levels around 95% in the months of May and June. Number of operating restaurants as of end of June 2021 reached 97% or about 2 300 compared to 92% at the beginning of the year.

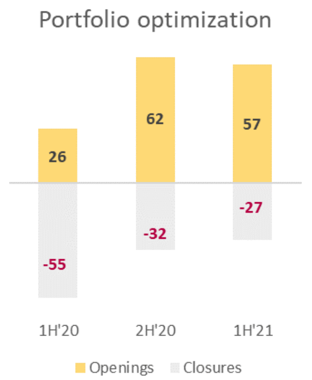
The improvement in the general conditions, strong sales recovery together with successful execution of cost control initiatives and restaurant portfolio optimization has materialized in a significant margin expansion for AmRest. EBITDA reached EUR 153.7 million with a margin of 18.2% during 1H 2021. Remarkable performance in 2Q 2021 with an EBITDA of EUR 104 million and a margin of 22.4% despite activity remained conditioned to periods of closure of non-essential activities, curfew, opening hours restrictions, limited mobility and borders closure.

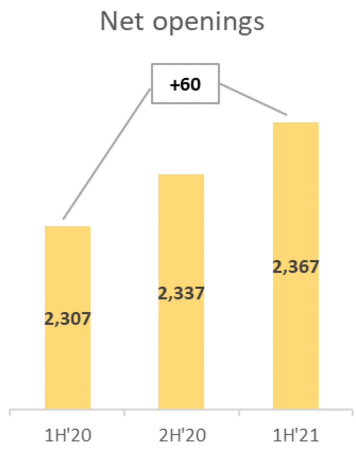
The AmRest Group EBITDA for 6 months ended 30 June 2020 - 2021



The portfolio optimization initiative continues and assumes the closure of unprofitable restaurants from a strategic or profitability perspective. However, this situation has not prevented 119 new restaurants from opening during the last year with a net growth of 60 units. During 1H 2021, 57 new restaurants have been opened with a net growth of 30 units.

Number of AmRest Group stores as of 30 June 2020 - 2021





During 1H 2021 the digital transformation and expanding portfolio of formats continues to be a key pilar in our strategy. The initiatives to reduce non-essential operational and corporate expenses continues, along with rent negotiations and reliefs. This combination of factors, as well as government aid programs, enabled to generate a solid margin improvement.

In 1H 2021 the Group accounted for government assistance programs total amount of EUR 28.4 million, out of that, EUR 10.3 million income was recognized for government assistance programs for payroll and employee benefits (payroll costs EUR 8.7 million and social contribution EUR 1.6 million), whereas EUR 18.1 million was recognized for government support programs for rent and other.

Profit from operations (EBIT) amounted EUR 27.9 million in 1H 2021 compared to EUR (140.1) million registered in 1H 2020 where the result was significantly affected by the impairment of Starbucks Germany business and right-of-use assets.

Consequently, net profit attributable to AmRest shareholders amounted EUR 1.9 million in H1 2021 compared to losses of EUR (152.3) million reported in 1H 2020.

Net debt stood at EUR 541.0 million at the end of 1H 2021, with a cash position of EUR 183.3 million, with resulted in a leverage ratio of 4.4x. The net debt was reduced in (11.5%) during the last year despite the challenging activity and environment. These figures comply comfortably with the commitment reached with the financing banks and bondholders (Schuldschein) to maintain a minimum level of liquidity (EUR 80 million, which is lowered to EUR 50 million for the third and fourth quarters of 2021).

mEUR	Q2'20	Q1'21	Q2'21	QoQ	YoY
Revenue	272.1	380.0	464.4	22.2%	70.7%
EBITDA	32.7	49.6	104.0	109.5%	217.7%
EBITDA margin	12.0%	13.1%	22.4%		
Adjusted EBITDA	32.9	51.1	104.9	105.5%	218.7%
Adjusted EBITDA margin	12.1%	13.5%	22.6%		
EBIT	(105.8)	(9.7)	37.6		
EBIT margin	(38.9%)	(2.5%)	8.1%		
Profit for the period	(111.6)	(20.2)	22.6		
Profit for the period margin	(41.0%)	(5.3%)	4.9%		
Net debt	611.6	590.3	541.0	(8.4%)	(11.5%)
Leverage ratio			4.4		

Revenues and profitability by segments

Central and Eastern Europe (CEE)

Sales reached EUR 370,3 million in 1H 2021, 17.4% higher than in the same period last year. The 2Q 2021 showed the biggest improvement, with a 54.6% increase versus last year, driven by some easing of restrictions, gradual reopening of the dine in, along with an increase in the takeout channel. As of June 100% of restaurants were operating in the segment compared to 96% as of end of March 2021. Although, the improvement was widespread among all countries, Poland showed the strongest performance and the highest number of net openings with 8 (7 equity and 1 franchising).

Central and Eastern Europe posted EBITDA at EUR 76.1 million, 32.2% better than previous year while margin increased up to 20.6%. 2Q 2021 EBITDA grew by 65.7% compared to 1Q 2020.

Western Europe (WE)

Western Europe region reported one of the biggest increases in sales 2021 due to the gradual easing and reopening of the economies, as well as great business execution. This region has a greater sensitivity to the reopening of the dine in and the reactivation of tourism. Majority of the countries in the region relaxed restrictions on dine in during the month of June. Revenues reached EUR 326.5 million with an increase of 26.9% compared with 1H 2020. Once again, the improvement was shared among all countries. France concentrated the biggest net increase of stores with 10 (3 equity and 7 franchising).

In 2Q 2021 sales increase reached 90.2% compared to the same period last year. As of end of June 97% of restaurants were operating in the segment compared to 93% as of end of the 1Q 2021.

EBITDA generated by Western Europe division amounted to EUR 44.8 million in 1H 2021 from EUR 8.2 million in the same period last year. EBITDA margin was at 13.7% showing a solid improvement. Top-line recovery along with further support from payroll schemes and dine in reopening helped to achieve this solid improvement.

Russia

Revenues amounted EUR 84.2 million in 1H 2021, representing a 18.0% improvement versus last year. Growth of both dine in and take-out channels explain the improvement. At the end of the period opening hours for restaurants have been limited due to the increase of positive cases for Covid, resulting a decrease of open restaurants in the segment from 100% as of end of March to 87% as of end of June. Nonetheless, this situation did not affect the positive quarterly trend evolution. Sales in 2Q 2021 were EUR 46.5 million, the highest figure since the beginning of the pandemic.

EBITDA for this region in 1H 2021 reached EUR 21.1 million versus EUR 12.1 million from previous year. Margin stood at 25.1%, reaching 28.9% in 2Q 2021. Business activity recovery along with rent relief and cost optimizations initiatives helped to significantly improve margins in the segment.

China

China posted the biggest improvement across regions with sales that reached Euros 47.9 million in 1H 2021, 64.7% higher than in 1H 2020. Euros 26.6 million were generated during 2Q 2021 marking the highest point ever. Proven business model and the strength of the brand underpinned the continuous expansion registered where three additional franchise restaurants were open during 1H 2021 resulting in 9 franchise restaurants in total.

EBITDA stood at Euros 14.3 million with a margin of 29.7% in 1H 2021, consolidating the levels reached during the last quarters.

(all figures in EUR millions unless stated otherwise)

Table 1 Split of revenues and margins by divisions for H1 2021 and 2020

	6 months ended 30 June 2021		6 months ended 30 June 2020	
	Amount	% of sales	Amount	% of sales
Revenue	844.3		684.0	
Poland	198.3	23.5%	174.7	25.5%
Czechia	82.1	9.7%	74.7	10.9%
Hungary	53.1	6.3%	42.8	6.3%
Other CEE	36.8	4.4%	23.2	3.4%
Total CEE	370.3	43.9%	315.4	46.1%
Russia	84.2	10.0%	71.4	10.4%
Spain	95.9	11.4%	77.4	11.3%
Germany	50.5	6.0%	55.0	8.0%
France	155.9	18.5%	110.3	16.1%
Other WE	24.2	2.9%	14.6	2.1%
Western Europe (WE)	326.5	38.7%	257.3	37.6%
China	47.9	5.7%	29.1	4.3%
Other	15.4	1.8%	10.8	1.6%
	Amount	Margin	Amount	Margin
EBITDA	153.7	18.2%	75.3	11.0%
Poland	33.6	17.0%	32.0	18.3%
Czechia	17.9	21.8%	14.6	19.6%
Hungary	16.0	30.2%	7.9	18.7%
Other CEE	8.6	23.3%	3.1	12.9%
Total CEE	76.1	20.6%	57.6	18.3%
Russia	21.1	25.1%	12.1	17.0%
Spain	13.3	14.0%	10.9	14.0%
Germany	10.0	19.8%	(3.6)	(6.5%)
France	19.1	12.2%	(2.8)	(2.5%)
Other WE	2.4	9.8%	3.7	25.3%
Western Europe (WE)	44.8	13.7%	8.2	3.2%
China	14.3	29.7%	6.9	24.0%
Other	(2.6)	(16.9%)	(9.5)	(88.3%)
	Amount	Margin	Amount	Margin
Adjusted EBITDA*	156.0	18.5%	76.5	11.2%
Poland	33.9	17.1%	32.5	18.6%
Czechia	18.4	22.4%	14.7	19.7%
Hungary	16.2	30.4%	8.1	19.0%
Other CEE	8.8	24.1%	3.3	14.3%
Total CEE	77.3	20.9%	58.6	18.6%
Russia	21.2	25.2%	12.2	17.1%
Spain	13.6	14.2%	10.9	14.1%
Germany	10.2	20.2%	(3.5)	(6.2%)
France	19.2	12.3%	(2.8)	(2.5%)
Other WE	2.6	10.7%	3.9	26.2%
Western Europe (WE)	45.6	14.0%	8.5	3.3%
China	14.4	30.1%	7.0	24.2%
Other	(2.5)	(16.9%)	(9.8)	(91.1%)
	Amount	Margin	Amount	Margin
EBIT	27.9	3.3%	(129.4)	(18.9%)
Poland	1.3	0.6%	(7.1)	(4.1%)
Czechia	4.4	5.4%	0.8	1.1%
Hungary	8.7	16.3%	(0.5)	(1.1%)
Other CEE	1.8	5.0%	(6.6)	(28.4%)
Total CEE	16.2	4.4%	(13.4)	(4.3%)

(all figures in EUR millions unless stated otherwise)

Russia	8.9	10.6%	(7.3)	(10.2%)
Spain	(1.2)	(1.3%)	(15.1)	(19.5%)
Germany	(3.0)	(5.9%)	(53.4)	(97.0%)
France	4.1	2.6%	(28.6)	(25.9%)
Other WE	0.7	2.7%	1.4	9.2%
Western Europe (WE)	0.6	0.2%	(95.7)	(37.2%)
China	5.7	12.0%	(3.1)	(10.4%)
Other	(3.5)	(22.5%)	(9.9)	(92.0%)

**Adjusted EBITDA – EBITDA adjusted for new openings expenses (Start-up costs), M&A expenses (all material expenses connected with successful acquisition covering professional services (legal, financial, other) directly connected with transaction), effect of SOP exercise method modification (difference in accounting cost of employee benefits accounted under cash settled versus equity settled option plan).*

Table 2 Split of revenues and margins by divisions for Q2 2021 and 2020

	3 months ended 30 June 2021		3 months ended 30 June 2020	
	Amount	% of sales	Amount	% of sales
Revenue	464.4		272.1	
Poland	107.7	23.2%	73.9	27.2%
Czechia	48.4	10.4%	32.7	12.0%
Hungary	29.8	6.4%	18.0	6.6%
Other CEE	20.6	4.4%	9.0	3.3%
Total CEE	206.5	44.5%	133.6	49.1%
Russia	46.5	10.0%	22.3	8.2%
Spain	55.4	11.9%	20.1	7.4%
Germany	29.0	6.3%	20.4	7.5%
France	79.0	17.0%	45.8	16.8%
Other WE	12.3	2.6%	6.1	2.3%
Western Europe (WE)	175.7	37.8%	92.4	34.0%
China	26.6	5.7%	19.2	7.1%
Other	9.1	2.0%	4.6	1.7%
	Amount	Margin	Amount	Margin
EBITDA	104.0	22.4%	32.7	12.0%
Poland	21.1	19.6%	18.1	24.4%
Czechia	12.4	25.7%	6.3	19.3%
Hungary	9.3	31.1%	3.4	19.4%
Other CEE	5.1	24.9%	1.1	11.5%
Total CEE	47.9	23.2%	28.9	21.6%
Russia	13.5	28.9%	4.6	20.7%
Spain	9.5	17.2%	1.4	6.6%
Germany	12.3	42.2%	(2.7)	(13.2%)
France	12.2	15.4%	(4.2)	(9.1%)
Other WE	0.2	1.4%	2.6	42.8%
Western Europe (WE)	34.1	19.4%	(2.9)	(3.1%)
China	8.6	32.4%	7.1	37.6%
Other	(0.1)	(0.9%)	(5.0)	(110.5%)
	Amount	Margin	Amount	Margin
Adjusted EBITDA	104.9	22.6%	32.9	12.1%
Poland	21.4	19.8%	18.2	24.5%
Czechia	12.7	26.2%	6.3	19.4%
Hungary	9.3	31.2%	3.5	19.5%
Other CEE	5.2	25.5%	1.1	13.0%
Total CEE	48.6	23.5%	29.1	21.8%
Russia	13.6	29.2%	4.6	20.8%

(all figures in EUR millions unless stated otherwise)

Spain	9.6	17.3%	1.3	6.6%
Germany	12.1	41.7%	(2.7)	(12.9%)
France	12.2	15.5%	(4.1)	(9.1%)
Other WE	0.2	1.6%	2.8	44.2%
Western Europe (WE)	34.1	19.4%	(2.7)	(2.9%)
China	8.8	33.0%	7.2	37.6%
Other	(0.2)	(0.9%)	(5.3)	(116.9%)
	Amount	Margin	Amount	Margin
EBIT	37.6	8.1%	(105.8)	(38.9%)
Poland	2.7	2.5%	(6.4)	(8.7%)
Czechia	5.1	10.4%	(1.2)	(3.7%)
Hungary	5.4	18.1%	(1.2)	(6.6%)
Other CEE	1.9	9.4%	(5.2)	(57.0%)
Total CEE	15.1	7.3%	(14.0)	(10.5%)
Russia	7.6	16.4%	(6.8)	(30.2%)
Spain	2.3	4.2%	(16.0)	(79.7%)
Germany	5.8	19.9%	(45.4)	(223.0%)
France	4.2	5.2%	(21.6)	(47.3%)
Other WE	(1.0)	(7.8%)	1.3	21.0%
Western Europe (WE)	11.3	6.4%	(81.7)	(88.5%)
China	4.4	16.4%	1.9	10.1%
Other	(0.8)	(8.6%)	(5.2)	(114.7%)

**Adjusted EBITDA – EBITDA adjusted for new openings expenses (Start-up costs), M&A expenses (all material expenses connected with successful acquisition covering professional services (legal, financial, other) directly connected with transaction), effect of SOP exercise method modification (difference in accounting cost of employee benefits accounted under cash settled versus equity settled option plan).*

Table 3 Reconciliation of the net profit and adjusted EBITDA for 6 months ended 30 June 2021 and 2020

	6 months ended 30 June 2021		6 months ended 30 June 2020		Change
	Amount	% of sales	Amount	% of sales	YoY
Profit/(loss) for the period	2.4	0.3%	(153.9)	(22.5%)	(101.6%)
+ Finance costs	22.1	2.6%	33.2	4.9%	(33.5%)
– Finance income	(2.7)	(0.3%)	(0.8)	(0.1%)	214.0%
+/– Income tax expense	6.1	0.7%	(7.9)	(1.2%)	(177.3%)
+ Depreciation and Amortisation	117.6	13.9%	129.4	18.9%	(9.2%)
+ Impairment losses	8.2	1.0%	75.3	11.0%	(89.1%)
EBITDA	153.7	18.2%	75.3	11.0%	104.2%
+ Start-up expenses*	2.3	0.3%	1.5	0.2%	57.1%
+ M&A related expenses	-	-	-	-	-
+/– Effect of SOP exercise method modification	(0.0)	(0.0%)	(0.3)	(0.0%)	(99.5%)
– Indirect taxes adjustments	-	-	-	-	-
Adjusted EBITDA	156.0	18.5%	76.5	11.2%	103.9%

** Start-up expenses – all material operating expenses incurred in connection with new restaurants opening and prior to the opening.*

(all figures in EUR millions unless stated otherwise)

Table 4 Reconciliation of the net profit and adjusted EBITDA for 3 months ended 30 June 2021 and 2020

	3 months ended 30 June 2021		3 months ended 30 June 2020		Change
	Amount	% of sales	Amount	% of sales	YoY
Profit/(loss) for the period	22.6	4.9%	(111.6)	(41.0%)	(120.3%)
+ Finance costs	10.3	2.2%	8.6	3.2%	19.0%
– Finance income	(2.5)	(0.5%)	(0.6)	(0.2%)	292.1%
+/– Income tax expense	7.2	1.5%	(2.2)	(0.8%)	(427.1%)
+ Depreciation and Amortisation	58.6	12.6%	64.9	23.9%	(9.8%)
+ Impairment losses	7.9	1.7%	73.6	27.0%	(89.3%)
EBITDA	104.0	22.4%	32.7	12.0%	217.7%
+ Start-up expenses*	1.0	0.2%	0.5	0.2%	101.9%
+ M&A related expenses	-	-	-	-	-
+/– Effect of SOP exercise method modification	(0.1)	(0.0%)	(0.3)	(0.1%)	(81.1%)
– Indirect taxes adjustments	-	-	-	-	-
Adjusted EBITDA	104.9	22.6%	32.9	12.1%	218.7%

** Start-up expenses – all material operating expenses incurred in connection with new restaurants opening and prior to the opening.*

Liquidity analysis

	30 June 2021	31 December 2020	30 June 2020
Current assets	303.8	311.6	336.1
Inventories	27.8	26.5	27.0
Current liabilities	490.1	478.1	1 106.9
Cash and cash equivalents	183.3	204.8	217.7
Trade and other receivables	70.7	60.4	66.9
Trade and other accounts payable	252.0	235.4	281.0

Leverage analysis

	30 June 2021	31 December 2020	30 June 2020
Non-current assets	1,788.0	1,802.8	1,984.4
Liabilities	1,817.4	1,849.7	2,023.0
Non-current liabilities	1,327.3	1,371.6	916.1
Debt	1,502.7	1,532.2	1,658.3
Share of inventories in current assets (%)	8.9%	8.5%	8.0%
Share of trade receivables in current assets (%)	22.7%	19.4%	19.9%
Share of cash and cash equivalents in current assets (%)	60.2%	65.8%	64.8%
Equity to non-current assets ratio	0.14	0.15	0.15
Gearing ratio	0.14	0.15	0.15
Long-term liabilities to equity ratio	5.38	5.18	3.08
Liabilities to equity ratio	7.18	6.98	6.80
Debt/equity	5.98	5.79	5.57

** Please see Definitions below*

Definitions:

- *Share of inventories, trade and other receivables, cash and cash equivalents in current assets – ratio of, respectively, inventories, trade receivables and cash and cash equivalents to current assets.*
- *Equity to non-current assets ratio – equity to non-current assets.*

- *Gearing – liabilities and provisions to total assets.*
- *Non-current liabilities to equity – non-current liabilities to equity.*
- *Liabilities to equity – liabilities and provisions to equity.*
- *Debt/equity – total non-current and current interest-bearing loans and borrowings.*

Alternative Performance Measures (APM) additional description

APM are metrics used by the company with the intention to describe operational or financial performance, taking into account some key information or constituent and adjusting them based on the purpose of such measure. AmRest identifies the following Alternative Performance Measures in Director's Report:

1. Like-for-like or Same Store Sales ("LFL" or "SSS") – represents revenue growth from comparable restaurants (restaurants that have been operating for a period of longer than 12 months). The measure shows the ability of a restaurant or a brand to increase its sales organically. It can be closest reconciled between last twelve months revenue growth minus last twelve months net equity openings growth.
2. EBITDA – one of Key Performance Indicators for the company. It is a close measure of profitability on operations and consist of profit from operations excluding amortization and depreciation costs as well as impairments. Reconciliation of the measure is provided in table 3 or 4.
3. Adjusted EBITDA – measures profitability performance without startup costs (operating costs incurred by the company to open a restaurant but before a restaurant starts generating revenue), indirect tax adjustments, M&A related expenses (all material expenses connected with successful acquisition covering professional services, legal, financial, other directly connected with a transaction) and effect of Stock Option Plan (SOP) exercise method modification (difference in accounting cost of employee benefits accounted under cash settled versus equity settled option plan). It allows to present profitability for restaurants that already generate revenue and without some unusual costs related to M&A, tax adjustments or accounting adjustments related to SOP. Reconciliation of this APM is provided in table 3 or 4.
4. Net debt – measures the level of external financing provided for the business as a sum of balance sheet positions of loans and borrowings, including financial lease liabilities pre-IFRS 16, net of available cash and cash equivalents, and guarantees.
5. Leverage ratio - measures the level of EBITDA calculated according to the financing agreements with the banks to net debt. It is a generally accepted level that shows indebtedness of a company relative to its ability to generate cash and profits from operations.

Debt ratios

Net debt at the end of 1H 2021, excluding the impact from the IFRS 16, equaled EUR 541.0 million registering a (11.5%) reduction during the last year despite the relentlessly activity and challenging environment. The leverage ratio stood at 4.4x.

With the spread of the pandemic at the beginning of 2020 many governments were applying lockdown procedures and various limitations for businesses to operate. It has had an impact on AmRest business scale and profitability which resulted in a deterioration of the results and as a consequence breach of one of the covenant ratios of net debt to EBITDA from 1Q 2020 (covenant < 3.50x vs. 5.37x in 2Q 2020 and 3.62x in 1Q 2020). Nevertheless, AmRest Holdings kept fulfilling its financial obligations and took all the necessary actions to ensure smooth operating activities. The Group received waivers in May for the first quarter 2020 and in September for the second quarter 2020 and consequently the bank debt liability was classified as non-current since the date of the waivers. Since then, the Group maintains close communication with its financing banks and has also established internal task forces in every market to monitor the situation around the employees, guests and financial standing and to implement cost saving initiatives. In addition, part of the capital expenditures were put under review. Finally, the Group has been closely monitoring available support programs that are offered on various markets. These programs include for example direct subsidies to payroll costs, tax exemptions, social security contributions reductions. Therefore, entities from the Group were able to apply for extended deadlines for payments of various taxes. In fact, in April 2020 Spanish and French subsidiaries of AmRest Holdings, SE applied for state supported bank loans, guaranteed by the governments in 70% and 90%, respectively. The Group was granted total EUR 75 million

The successful execution of several initiatives adopted by AmRest during the last quarters together with a timid, but encouraging, ease in the restrictions affecting mobility and the hospitality business are supporting a significant improvement in revenues and margins for the Group. As of June 30, it comfortably complies with the commitment reached with the financing banks and bondholders (Schuldschein) to maintain a minimum level of liquidity (EUR 80 million, which is lowered to EUR 50 million for the third and fourth quarters of 2021).

Nonetheless, some leverage measures continuous to be severely affected by the pandemic impact in AmRest results. Specially since the net losses of EUR (183.7) million during 2020 decreased the equity position of the Group that stood at EUR 264.7 million at the end of the year. This situation has started to revert in 1H 2021 as AmRest generated positive net results and a Total comprehensive income of EUR 9.8 million.

Brands operated by the Group

As at the date of publication of the Report, the portfolio of AmRest consisted of eighteen brands: KFC, Pizza Hut, Starbucks, Burger King, La Tagliatella, Blue Frog, Bacoa, Sushi Shop, Pokaï, Lepieje, 'Oi Poke, Moya Misa Ramen, Pierwsze i Drugie, Sushi Tone, Eat's Fine, Mr. Kebs, Viva Salad! and Cremontano.

AmRest is a franchisee of Yum! Brands Inc. for the KFC and Pizza Hut brands. 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.

Burger King restaurants are operated on a franchise basis following an agreement concluded with Burger King Europe GmbH.

Starbucks restaurants in Poland, the Czech Republic and Hungary are opened by the companies AmRest Coffee (owned in 82% by AmRest and in 18% by Starbucks). These companies have the rights and licenses to develop and manage Starbucks restaurants in respective countries. Starbucks restaurants in Romania, Bulgaria, Germany, Serbia and Slovakia are operated by the Group on a franchise basis.

La Tagliatella is the proprietary brand of AmRest and became a part of its portfolio in April 2011. La Tagliatella restaurants are operated directly by AmRest as well as by third party entities which operate restaurants on a franchise basis.

Blue Frog and KABB brands became the property of AmRest in December 2012 as a result of acquisition of majority stake in Blue Horizon Hospitality Group LTD. The operation of KABB brand was ceased in 2Q 2021.

Bacoa brand was acquired by AmRest on 31 July 2018, the chain represents five premium burger restaurants operated in Spain through equity and franchise model.

Sushi Shop, a leading European sushi concept, is a proprietary brand of AmRest and became a part of its portfolio through the acquisition of Sushi Shop Group SAS finalized on 31 October 2018. Sushi Shop restaurants are operated by both AmRest (equity stores) and AmRest's franchisees. Sushi Shop network is present in 10 countries and reported within the Western Europe segment.

Pokaï is a virtual brand added to the Company's portfolio together with Sushi Shop business on 31 October 2018.

Lepieje and 'Oi Poke are virtual brands invented and launched in Poland by AmRest in 2019. Moya Misa Ramen, Pierwsze i Drugie, Sushi Tone and Eat's Fine virtual brands were introduced to the Polish market by the Company in 2020. Mr. Kebs joined the portfolio of Polish virtual brands in 2021.

Cremontano and Viva Salad! brands were launched in Spain, respectively in 2019 and 2020.

Quick Service Restaurants (QSR)

Established in 1952, the KFC brand is the biggest, fastest growing and most popular chain of quick service restaurants serving chicken meals. There are currently about 25 000 KFC restaurants in over 145 countries worldwide.

As at 30 June 2021 the Group operated 907 KFC restaurants: 300 in Poland, 109 in the Czech Republic, 73 in Hungary, 210 in Russia, 89 in Spain, 24 in Germany, 71 in France, 12 in Serbia, 8 in Bulgaria, 8 in Croatia, 2 in Austria and 1 in Slovenia.

The beginnings of Burger King date back to 1954. Today, Burger King ("Home of the Whopper") operates about 17 800 restaurants, serving about 11 million customers in over 100 countries every day. Almost 100% of Burger King restaurants are run by independent franchisees and many of them have been managed for decades as family businesses. Burger King brand is owned by 3G Capital.

As at 30 June 2021 AmRest ran the total of 88 Burger King restaurants – 46 in Poland, 28 in the Czech Republic, 5 in Slovakia, 7 in Romania and 2 in Bulgaria.

Casual Dining and Fast Casual Restaurants (CDR, FCR)

La Tagliatella arose from the experience of more than two decades of specialization in the traditional cuisine of the regions of El Piemonte, La Liguria and La Reggio Emilia. Over the past year the brand has entertained more than 9 million customers, who delighted in the most authentic flavours of Italian cuisine.

As at 30 June 2021 AmRest's portfolio included 234 La Tagliatella restaurants — 230 in Spain, 1 in Germany and 3 in Portugal.

Pizza Hut is one of the largest casual dining restaurant chains in Europe. Inspired by the Mediterranean cuisine, it promotes the idea of having a good time while enjoying a meal together with family and friends. It is also the biggest brand in the Polish casual dining segment in terms of sales and the number of transactions. Pizza Hut's strong position results from consistently implemented "Pizza and much more!" strategy which assumes extending the brand's offer by adding new categories such as pastas, salads, desserts and starters while retaining the position of a leader and "pizza expert".

In addition to the well-established Casual Dining format, AmRest focuses now on creating new concepts within the Pizza Hut family. Meeting guests' expectations the Fast Casual Pizza Hut Express and Delivery restaurants have been created. Pizza Hut's exceptional taste is now being leveraged with speed, convenience and ease, creating an unique customer experience.

As at 30 June 2021 AmRest's portfolio included 464 Pizza Hut restaurants – 156 in Poland, 52 in Russia, 26 in Hungary, 17 in Czech Republic, 123 in France, 81 in Germany, 3 in Armenia, 3 in Azerbaijan and 3 in Slovakia.

Inclusion of the Blue Horizon Hospitality Group to AmRest structure in 2012 enriched the CDR segment brand portfolio with two new positions operating in the Chinese market: Blue Frog Bar & Grill and KABB. The operation of KABB was ceased in 2021.

Blue Frog restaurants are serving grilled dishes from the American cuisine and a wide selection of wines and drinks in a nice atmosphere.

As at 30 June 2021 AmRest's portfolio included 79 Blue Frog restaurants (76 in China, 3 in Spain).

Bacoa is a popular premium burger concept in Spain. Since 2010, it has been bringing high quality, freshly cooked burgers and chips to their loyal fans. Bacoa is passionate about using premium ingredients and preparing everything by hand, proving every day that fast food can also be good food with the right approach.

As 30 June 2021, AmRest's portfolio included 5 Bacoa restaurants in Spain.

Founded in 1998 Sushi Shop is the leading European chain of restaurants for sushi, sashimi and other Japanese specialties. It is positioned as a premium brand offering food prepared fresh with highest quality ingredients.

Sushi Shop has successfully established an international network of company-operated and franchises stores across 10 countries.

As at 30 June 2021, AmRest's portfolio included 193 Sushi Shop restaurants (143 in France, 5 in Spain, 1 in Portugal, 11 in Belgium, 2 in Italy, 3 in Luxemburg, 5 in UK, 10 in Switzerland, 3 in Saudi Arabia and 10 in UAE).

Coffee category

Starbucks is the world leader in the coffee sector with almost 33 000 stores in 80 countries. It offers a broad selection of coffees from different parts of the world, as well as teas, soft drinks and a wide range of fresh snacks and desserts. The store designs and their atmosphere refer to the coffee heritage and reflect the culture of the neighborhood.

As at 30 June 2021 AmRest Coffee operated 392 stores (68 in Poland, 51 in the Czech Republic, 35 in Hungary, 55 in Romania, 14 in Bulgaria, 158 in Germany, 8 in Slovakia and 3 in Serbia).

Virtual Brands

Pokaï is a virtual brand created by the group Sushi Shop in April 2018, which offers a large range of fresh, healthy and gourmet poke bowls. Its products are sold through aggregators (Deliveroo, UberEATS, etc). Pokaï is present in most of the countries where Sushi Shop restaurants operate: France, Belgium, Italy, Spain, Switzerland, UK, Germany and UEA.

Lepieje is one of the virtual brands created within the AmRest's Shadow Kitchen project, which responds to the latest trends of the global restaurant market. The brand operates since December 2019 in Wrocław, Poland and it is available on Glovo and Wolt. The brand is inspired by the dumplings from the different parts of the world.

'Oi Poke is a virtual brand which is offering exotic bowls based on meat, fish or shrimps with original and freshly prepared vegetables. The cuisine comes from Hawaii, where everything "perfect" is called "'Oi" and that's why the brand is called 'Oi Poke. The brand also contributes to the Shadow Kitchen project of AmRest. You may order our Oi bowls on aggregators such as Glovo, Wolt and UberEats and Food About e-commerce. The Brand operates in Poland since December 2019.

For many years ramen has been appealing to consumers' hearts, due to its original ingredients surprising consumers with its satiety and the way they are served in characteristic bowls. In Japan everyone has their own style of preparing Ramen. The secret to a delicious ramen is its consequent uniqueness. The Virtual Brand MOYA MISA RAMEN is tasty and fun! In the preparation process, we play with different flavors, ingredients and the way of consumption. The brand delights our Polish consumers in the delivery segment which runs on aggregators and Food About e-commerce.

The "Pierwsze i Drugie" brand is based on the rule of traditional Polish cuisine – the main meal of a day has to be delicious and satiated, but also should consist of two dishes: the soup and the main course. The brand is currently available in Poland through aggregator platforms and Food About e-commerce.

Viva Salad! is a brand developed exclusively for delivery channel that offers fresh, healthy and highly customizable dishes divided into few segments: Viva salads, protein dishes, desserts, milk shakes and fruit waters and smoothies. The concept was launched in Madrid and Barcelona in June 2020. The dishes are prepared in selected La Tagliatella locations.

Eat's Fine is a virtual brand developed in 2020 in Poland, as part of the Food About concept, committed to responding to specific dietary needs and customer expectations. The brand offers a well-balanced daily menu for those who are curious about healthy plant-based meals!

Sushi Tone is a virtual brand for Japanese cuisine lovers, developed in 2020 in Poland, as part of the Food About concept. It offers 8 sets to choose and all the most popular rolls, including Nigiri and Futomaki, as well as typical Asian side dishes like Miso soup with tofu or kimchi salad. The brand sources ingredients from AmRest's carefully chosen suppliers, offering only products of outstanding quality. Sushi Tone was created with fast and convenient delivery in mind, and this way the dishes get to the consumer within 30 minutes from placing the order. Sushi Tone is a part of the AmRest's Shadow Kitchen concept and is available through the aggregators sites, including Glovo and Wolt, as well as via the AmRest's Food About service.

Cremontano is a premium ice cream brand only available through delivery as Virtual brand. It offers a selection of dozen Italian flavors of all delicious tastes with a design where everything has been taken care of until the smallest detail, providing a fresh image to the brand and highlighting the good product what we have. The concept is present in few Spanish cities and available through Glovo aggregator.

Mr. Kebs was launched in April 2021 as part of AmRest's Shadow Kitchen project in Poland. The concept offers dishes in important CSR category – Doner Kebab. The menu consists of simple dishes such as tortilla wraps or boxes with mix of kebab meat, vegetables and sauces. Mr. Kebs is available on aggregator platforms as well as via Food About e-commerce.

Key investments

The capital expenditure incurred by AmRest relates mainly to a development of restaurant network. The Group increases the scale of the business through construction of new restaurants, acquisition of restaurant chains from third parties as well as reconstruction and replacement of assets in the existing stores. The

(all figures in EUR millions unless stated otherwise)

Group's capital expenditure depends mainly on the number and type of restaurants opened and scale of M&A activity.

Incurred CAPEX in 1H 2021 was financed from cash flows from operating activities.

The table below presents purchases of non-current assets in 6 months ended 30 June 2021 and 30 June 2020.

	6 months ended 30 June 2021	6 months ended 30 June 2020
Intangible assets:	**3,1**	**3,4**
Licenses for use of Pizza Hut, KFC, Burger King, Starbucks trademarks	2,0	1,6
Other intangible assets	1,1	1,8
Goodwill	**-**	**-**
Property, plant and equipment:	**29,5**	**32,8**
Land	-	-
Buildings and expenditure on development of restaurants	3,1	4,1
Machinery & equipment	4,4	7,8
Vehicles	0,1	0,1
Other tangible assets (including assets under construction)	21,9	20,8
Total	**32,6**	**36,2**

Capital investment* for 3 and 6 months ended 30 June 2021

	6 months ended		3 months ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
CEE	13.6	17.4	10.8	3.7
Western Europe	14.0	14.4	8.3	6.1
Russia	3.4	3.6	2.2	-0.2
China	1.5	0.7	1.2	0.5
Other	0.1	0.1	0	-
Total	32.6	36.2	22.5	10.1

**Capital investment comprises increases and acquisition in property, plant and equipment, intangible assets, without goodwill increases*

AmRest's New Restaurants

	AmRest equity restaurants	AmRest franchisee restaurants	Total
31.12.2020	1858	479	2337
New Openings	38	19	57
Acquisitions	-	-	-
Closings	17	10	27
30.06.2021	1879	488	2367

As at 30 June 2021, AmRest operated 2 367 restaurants, including 488 restaurants which are managed by franchisees (161 La Tagliatella, 228 Pizza Hut, 24 Starbucks, 10 Blue Frog, 4 Bacoa and 61 Sushi Shop). Compared with 31 December 2020, the Group runs 30 restaurants more. 57 new restaurants were opened: 17 restaurants in Central and Eastern Europe, 7 in Russia, 27 in Western Europe and 6 in China.

(all figures in EUR millions unless stated otherwise)

Planned investment activities

Since March 2020 as a result of the COVID-19 pandemic spreading across many countries AmRest's capital expenditures have been limited in order to preserve liquidity and due to lack of visibility regarding further restrictions, business trends and general situation of the global economy. Periodic updates of both, short and long term financial plans are running to account for all new information. Additionally, task forces in every market continuous to monitor the situation around our employees, guests and financial standing and to implement cost saving initiatives and communicate with the governments about the support schemes in place.

AmRest has a clear strategy; running a profitable, sustainable operation to deliver growth. The vision is to become the European leader who inspires the global restaurant industry. Our hallmark, which we will not give up, is growth.

The Company is focusing on optimizing the restaurant network. In addition, the development of the equity brands and franchising activity will be key pillars of growth in the short term. Development of lighter store formats continuous to increase availability of new locations across Europe as well as pool of potential franchisees

The Group intends to continue its strategic directions of development, increase of scale in supply chain management and leadership in digital and delivery trends.

Potential acquisitions remain an important factor of AmRest's growth. AmRest has set its footprint on markets with a lot of white space to cover and opportunities to explore. As a partner of choice and leading European restaurant operator AmRest is well-positioned for any sector consolidation or buyouts.

In the light of growing popularity of take-away and delivery segments, AmRest will continue investing in digital channels as well as developing delivery capabilities and cooperation across all markets, including intensified testing of a shadow kitchen concept (delivery-only formats).

Significant events and transactions in H1 2021

Appointment of new auditor for the years 2021, 2022 and 2023

On 30 June 2021 the Extraordinary General Shareholders 'Meeting of AmRest appointed PricewaterhouseCoopers Auditores, SL as new auditor of the Company and its Consolidated Group for the years 2021, 2022 and 2023.

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.

Shareholders of AmRest Holdings SE

To the best of AmRest's knowledge as at 30 June 2021 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%
Artal International S.C.A.	11 366 102	5.18%
Nationale-Nederlanden OFE	9 358 214	4.26%
Aviva OFE	6 843 700	3.12%

(all figures in EUR millions unless stated otherwise)

Shareholder	Number of shares and votes at the Shareholders' meeting	% of shares and votes at the Shareholders' meeting
Other Shareholders	44 782 407	20.40%

** FCapital Dutch B. V. is the sole 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.*

Changes in the Parent Company's Governing Bodies

During the period covered by this Report there were no changes in the composition of the Board of Directors of AmRest.

On 12 May 2021, following the appointment by co-option on July 1, 2020 of Mrs. Mónica Cueva Díaz by the Board of Directors, the Annual General Shareholders 'Meeting of AmRest resolved to ratify the appointment by co-option and to re-elect Mrs. Mónica Cueva Díaz as a member of the Board of Directors, with the status of independent, for the statutory term of four years, with effect from the date of adoption of the resolution.

As at 30 June 2021 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
- Ms. Mónica Cueva Díaz

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

As at the day of publication of this Report the composition of the Board of Directors has not changed.

On 13 April, 2021 AmRest informed of the appointment of new CEO. Mr. Mark Chandler, CEO of the AmRest Group since May 2019, left the Group effective 30 June 2021. The Board has appointed Mr. Luis Comas as new CEO of the AmRest Group, former President of La Tagliatella.

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

During the period since 1 January 2021 the following changes occurred with respect to AmRest shares and stock options held by the members of the Board of Directors of AmRest.

As at 31 December 2020 Mr. Carlos Fernández González (member of the Company's Board of Directors) held through its closely associated person, FCapital Dutch B.V., 147 203 760 shares of the Company with a total nominal value of EUR 14 720 376. On 30 June 2021, Mr. Carlos Fernández González still held (through FCapital Dutch B.V.) 147 203 760 AmRest's shares with a total nominal value of EUR 14 720 376.

In addition, as of 31 December 2020, Mr. Carlos Fernández González held through his another closely associated person - Finaccess México, S.A. de C.V., Sociedad Operadora de Fondos de Inversión, 1 172 145 AmRest shares with a total nominal value of EUR 117 214.5. The direct holder of the shares is Latin 10, SA de CV, a fund independently managed by Finaccess Mexico, S.A. de C.V. (a subsidiary of Grupo Finaccess). On 30 June 2021, Finaccess México, S.A. de C.V., Sociedad Operadora de Fondos de Inversión still held 1 172 145 AmRest shares with a total nominal value of EUR 117 214.5.

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 2021 and 30 June, 2021, AmRest didn't purchase any own shares. During the same period, the Company disposed a total of 118 451 own shares with a total nominal value of EUR 11 845.1 and representing 0.054% 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 of 30 June 2021 AmRest held 505 010 own shares with a total nominal value of EUR 50 501.0 and representing 0.23% of the share capital.

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

Dividends paid and received

In the period covered by this Report the Group has paid a dividend to non-controlling interest of SCM Sp. z o.o. in the amount of EUR 0.54 million (PLN 2,45 million).

Factors impacting the Group's development

The Board of Directors of AmRest believes that the following factors will have a significant effect on the Group's future development and results.

External factors

- competitiveness – in terms of prices, quality of service, location and quality of food,
- demographic changes,
- consumer habits and trends as to the number of people using the restaurants,
- number and location of the competitors' restaurants,
- changes in the law and regulations which have a direct effect on the functioning of the restaurants and the employees employed therein,
- change in real estate rental costs and related costs,
- changes in the prices of ingredients used to prepare meals and changes in the prices of packaging materials,
- changes in the general economic condition in all countries where the business is run,
- changes in consumer trust, the amount of disposable income and individual spending patterns,
- changes in legal and tax determinants,
- adverse changes on the financial markets.
- situation around COVID-19 pandemic, including progress and efficiency of medical treatments

Internal factors

- gaining and training the human resources necessary for the development of the existing and new restaurant networks,
- obtaining attractive locations,
- effective launching of new brands and products,
- building an integrated information system.

Basic risks and threats the Group 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 to 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 is permanently analyzing and reviewing risks to which the Group is exposed. The main current risks and threats have been summarized in this section. AmRest reviews and improves its risk management and internal control systems on an on-going basis.

Risk related to the COVID-19 and its implications for the economy and society

The COVID-19 pandemic has rapidly spread around the world. Most governments are taking constrain measures to contain the spread, which include isolation, confinement, quarantine and restrictions to free movement of people and closure of public and private facilities.

This situation is significantly affecting the global economy, including HORECA sector, as well as AmRest Group.

Visible results of the COVID-19 outbreak include the decrease in demand, the disruption or slowdown of supply chains and a significant increase in economic uncertainty, increase of volatility in the price of assets, exchange rates and a decrease in long term interest rates. Possible results of the COVID-19 outbreak may include changes in the market environment, people behavior and ways of living.

The COVID-19 pandemic has a particularly negative impact on the restaurants sectors. The ban or significant limitations in operation of restaurants resulted in a decrease in business activity and customer demand and consequently decrease of revenues.

Group management is closely monitoring the development of situation and looks for the ways of mitigating the impact of COVID-19 spread on the Group. In addition, the Group implemented additional measures to mitigate the risk of infection among its employees, including in particular:

- Providing detailed instructions and guidelines on monitoring the health of the Group's employees and the health of Group's customers.
- Strengthening already stringent hygiene, cleaning and sanitation procedures and introducing contactless options that protect both employees and guests in restaurants.
- Providing the restaurant employees with additional personal protection and hygiene supplies.
- Requesting to reduce the number of meetings as well as domestic and foreign business travel, and to use teleconferencing and video-conferencing facilities to the largest extent possible, as well enabling remote work.

Liquidity risk

The Group is exposed to the risk of lack of financing at the moment of maturity of bank loans and bonds. As at 30 June 2021, the Group has sufficient liquidity to fulfill its liabilities in the next 12 months.

The Group analyzes liquidity needs with particular focus on maturity of debt and proactively investigates various forms of financing that could be utilized as needed.

Rental agreements and continuation options

Almost all AmRest restaurants operate in rented facilities. The majority of the rental contracts are long-term and they are usually concluded for at least 10 years from the date of commencing the rental (assuming that all continuation options are exercised, on specified terms, and not including contracts which are subject to periodic renewal, unless they are terminated, and contracts concluded for an indefinite period). A number of rental contracts grant AmRest the right to prolong the contract provided that the Company complies with the terms of rental. Regardless of whether the terms are complied with or not, there is no guarantee that AmRest will be able to prolong a rental contract on terms satisfactory from the business point of view. If this is not possible a potential loss of important restaurant locations may have an unfavorable effect on AmRest's operating results and its business activities.

As a consequence of the pandemic and lack of business activity or relatively lower activity in certain locations, the Group performed review of its rental agreements and has entered into negotiations with landlords. One of the outcomes may be that some locations would need to be closed due to worsened economics and lack of mutual agreement between the parties. Terminating the relevant rental contract on cost effective terms may prove impossible. This situation may also have an adverse effect on the business activities and operating results of the Group. Additionally, closing any of the franchised restaurants is subject to the approval by the franchisor and it is not certain that such approval will be obtained.

In the case of Russian and Chinese restaurants acquired by AmRest accordingly in July 2007 and December 2012, the average term of the rental contracts is relatively shorter compared to AmRest restaurants in the remaining countries. This results from the specific nature of these markets.

Dependency on the franchisor

AmRest manages KFC, Pizza Hut, Burger King and Starbucks (in Romania, Bulgaria, Germany and Slovakia) as a franchisee, and therefore a number of factors and decisions related to the business activities conducted by AmRest depend on the limitations or specifications imposed by the franchisors or on their consent.

The duration of the franchising agreements related to the KFC, Pizza Hut and Burger King brands is 10 years. AmRest has the option of extending this period for the next 10 years provided that it meets the conditions specified in the franchising agreements and other requirements, including the payment of the related continuation fee.

Despite meeting the above-mentioned terms, there is no guarantee that after the expiry of these periods a given franchising agreement will be prolonged to the next period. In the case of KFC and Pizza Hut restaurants, the first period commenced in 2000. AmRest and Yum are constantly in touch with respect to current and further cooperation. In the case of Burger King, the first period commenced in 2007 with the opening of the first restaurant of this brand.

Franchise agreements for Starbucks stores in Romania are valid till 2023, in Bulgaria until 2027 and in Germany and Slovakia until 2031.

Dependency on cooperation with minority shareholders

AmRest opens Starbucks restaurants in Poland, the Czech Republic and Hungary based on a partnership agreements 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.

No exclusivity rights

The franchising agreements concerning running of KFC, Pizza Hut Dine-In (excluding Russia and Germany) and Burger King (excluding Czech Republic and Slovakia) brands do not contain provisions on granting AmRest any exclusivity rights on a given territory, protection or any other rights on the territory, in the area or on the market surrounding AmRest restaurants. However, in practice, due to the scale of AmRest's operations (including a well-developed distribution network), the possibility that a competitive operator (to the brands currently operated by the Group) should appear who would be able to effectively compete with the AmRest Group restaurants is relatively limited.

In the case of Starbucks restaurants, AmRest subsidiaries are the only entities authorized to develop and run Starbucks cafés in Poland, the Czech Republic and Hungary, without exclusivity rights to some institutional locations. The exclusive rights apply also to restaurants operated in Romania, Bulgaria, Germany and Slovakia.

Risk related to the consumption of food products

Consumer preferences may change in connection with doubts arising as to the healthful properties of chicken which is the main ingredient in KFC menu, or as a result of unfavorable information being circulated by the mass media concerning the quality of the products, diseases caused by them and damages to health as a result of eating in AmRest restaurants and restaurants of other franchisees of KFC, Pizza Hut, Burger King, Starbucks, La Tagliatella, Blue Frog, Bacoa and Sushi Shop, and as a result of revealing unfavorable data prepared by the government or a given market sector concerning the products served in AmRest restaurants and restaurants of other franchisees of KFC, Pizza Hut, Burger King, Starbucks, La Tagliatella, Blue Frog, Bacoa and Sushi Shop, health-related issues and issues related to the functioning patterns of one or more restaurants run both by AmRest and the competition. The above-mentioned risk is limited by using the highest quality ingredients in AmRest restaurants, which come from reliable and reputable suppliers, compliance with strict quality control and hygiene standards and the use of top modern equipment and processes which ensure the absolute safety of the meals.

Risk related to keeping key personnel in the Group

AmRest 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 Group help ensure a low rotation of the key personnel. Additionally, the career planning system supports preparing successors ready to execute tasks in key positions. AmRest 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 Group.

Risk related to labour costs of restaurant employees and employing and keeping professional staff

Running catering activities on such a large scale as AmRest does requires employing a large number of professionals. Excessive outflow of employees and too frequent changes in managerial positions may pose a significant risk to the stability and quality of the business activities. Due to the fact that salaries in the catering sector are still relatively lower than in other branches, there is a risk of outflow of qualified staff and thus a risk of the Group being able to ensure the appropriate staff necessary for providing the highest quality catering services. In order to avoid the risk of losing qualified staff it may be necessary to gradually increase the salary rates, which may have an adverse effect on the financial standing of the Group. Additional risk in employment area may be caused by fluctuations in unemployment rate.

Risk related to limited access to foodstuffs and the variability of their cost

AmRest situation is also affected by the need to ensure frequent deliveries of fresh agricultural products and foodstuffs and anticipating and responding to changes in supplies costs. The Group cannot rule out the risk related to delivery deficits or interruptions caused by factors such as unfavorable weather conditions, changes in legal regulations or withdrawing some foodstuffs from trading. Also the increased demand for certain products accompanied by limited supply may lead to difficulties in obtaining them by the Group or to price increases for those products. Both the deficits and product price increases may have an adverse effect on the Group's results, operations and financial standing. In order to mitigate this risk (among others) AmRest Sp. z o.o. concluded a contract with SCM Sp. z o.o. for the provisions of services comprising intermediation and negotiating terms of delivery to restaurants, including negotiating terms of distribution agreements.

Risk related to developing new brands

AmRest has operated Bacoa, Sushi Shop and all the virtual brands for a relatively short time. As these are new concepts for AmRest, there is a risk related to demand for the products offered and their acceptance by customers.

Risk related to opening restaurants in new countries

Opening or taking over restaurants operating in a new geographical and political area involves the risk of varying consumer preferences, a risk of insufficient knowledge of the market, the risk of legal restrictions arising from local regulations and the political risk of these countries.

Currency risk

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

Risk related to the current geopolitical situation

The Company conducts its business in countries where political situation is uncertain. Tensions around that subject may result in a negative impact on economy, including instable currency, interest rates, liquidity, supply chain disruptions and consumer confidence deterioration. All these events and uncertainty that accompanies them may have a significant impact on the Group's operations and financial position, the effect of which is difficult to predict. The future economic and regulatory situation may differ from the Management's expectations however it is being monitored in order to adjust strategic intentions and operational decisions, which will minimize business risks.

Risk of increased financial costs

AmRest and its subsidiaries are 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, AmRest 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.

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' minimization, 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.

Current fiscal supervisions are presented in Note 33 to the Consolidated Financial Statements as for the year ended 31 December 2020.

Credit risk

Exposure to credit risk include cash and cash equivalents and trade and other receivables. With the development of franchise business, AmRest is getting exposed more to credit risk. Therefore the quality of franchisees portfolio is key priority.

Risk of economic slowdowns

Economic slowdown in the countries where AmRest runs its restaurants may affect the level of consumption expenditure on these markets, which in turn may affect the results of the AmRest restaurants operating on these markets.

Risk related to seasonality of sales

The seasonality of sales and inventories of AmRest is not significant, which is typical for the restaurant industry. On the European market restaurants record lower sales in the first half of the year, mainly due to the lower number of sale days in February and the relatively less frequent visits to restaurants.

Risk of computer system breakdowns and temporary breaks in serving customers in network restaurants

A potential partial or complete loss of data in connection with computer system breakdowns or damage or loss of key tangible fixed assets of the Group might result in temporary interruptions in serving customers in restaurants, which might have an adverse effect on the Group's financial results. In order to minimize this risk, the Issuer has implemented appropriate procedures in order to ensure the stability and reliability of IT systems.

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

Factors remaining outside the Group's control

This risk is related to the effect of factors remaining outside the Group's control on AmRest's development strategy which is based on opening new restaurants. Such factors include: opportunities for finding and securing available and appropriate locations for restaurants, the ability to obtain the permits required by relevant bodies, the possibility of delays in opening new restaurants.

Activity in Research and Development area

The Group wants to serve to its customers the highest quality products that are balanced in terms of taste and nutritional composition. Following business trends and customer needs all brands operated by the Group have established departments focusing on new product development, as well as improvement of the existing products.

Activities in that area include for example: market researches, careful selection of ingredients, packaging, creation and preparation of new products, tastings followed by collection of customers feedbacks and launch of the final products.

(all figures in EUR millions unless stated otherwise)

Financial data of AmRest for 6 months ended 30 June 2021

Condensed consolidated income statement for 6 months ended 30 June 2021 and 2020

	6 months ended	
Continuing operations	30 June 2021	30 June 2020 (restated*)
Restaurant sales	806.4	653.8
Franchise and other sales	37.9	30.2
Total revenue	**844.3**	**684.0**
Restaurant expenses:		
Food and merchandise	(224.9)	(187.6)
Payroll, social security and employee benefits	(212.3)	(198.6)
Royalties	(37.0)	(30.2)
Occupancy and other operating expenses	(275.8)	(248.2)
Franchise and other expenses	(27.6)	(23.8)
Gross Profit	**66.8**	**(4.4)**
General and administrative expenses	(66.3)	(69.7)
Net impairment losses on financial assets	(1.0)	(2.2)
Net impairment losses on other assets	(7.2)	(73.1)
Other operating income/expenses	35.6	20.0
Profit from operations	**27.9**	**(129.4)**
Finance income	2.7	0.8
Finance costs	(22.1)	(33.2)
Profit before tax	**8.5**	**(161.8)**
Income tax	(6.1)	7.9
Profit for the period	**2.4**	**(153.9)**
Profit attributable to:		
Shareholders of the parent	1.9	(152.3)
Non-controlling interests	0.5	(1.6)
Profit for the period	**2.4**	**(153.9)**
Basic earnings per ordinary share in EUR	0.0	(0.7)
Diluted earnings per ordinary share in EUR	0.0	(0.7)

** The above condensed consolidated income statement should be read in conjunction with the accompanying notes included in the Consolidated Financial Statements for month ended 30 June 2021 of AmRest Holdings SE capital group.*

(all figures in EUR millions unless stated otherwise)

Number of AmRest restaurants (as at 30 June 2021)

Countries	Brands	30.06.2020	31.12.2020	31.03.2021	30.06.2021
Poland	**Total**	**550**	**567**	**568**	**575**
	KFC	282	296	296	300
	BK	43	44	45	46
	SBX	70	68	68	68
	PH equity	153	154	154	154
	PH franchised	-	1	1	2
	Shadow Kitchen	2	4	4	5
Czech Republic	**Total**	**191**	**202**	**203**	**205**
	KFC	105	109	109	109
	BK	20	25	26	28
	SBX	49	51	51	51
	PH equity	17	17	17	17
Hungary	**Total**	**130**	**133**	**133**	**134**
	KFC	70	73	73	73
	SBX	34	34	34	35
	PH equity	26	26	26	26
Russia	**Total**	**265**	**262**	**258**	**262**
	KFC	204	206	206	210
	PH equity	32	21	20	20
	PH franchised	29	35	32	32
Bulgaria	**Total**	**24**	**24**	**24**	**24**
	KFC	8	8	8	8
	BK	2	2	2	2
	SBX	14	14	14	14
Serbia	Total	**15**	**15**	**15**	**15**
	KFC	12	12	12	12
	SBX	3	3	3	3
Croatia	KFC	**8**	**8**	**8**	**8**
Romania	**Total**	**54**	**60**	**61**	**62**
	SBX	51	54	55	55
	BK	3	6	6	7
Slovakia	**Total**	**14**	**15**	**15**	**16**
	SBX	7	8	8	8
	PH equity	3	3	3	3
	BK	4	4	4	5
Armenia	**PH franchised**	**3**	**3**	**3**	**3**
Azerbaijan	**PH franchised**	**2**	**2**	**3**	**3**
Spain	**Total**	**330**	**334**	**332**	**332**
	TAG equity	72	72	70	69
	TAG franchised	159	161	161	161
	KFC	81	84	86	89
	Blue Frog equity	3	3	3	2
	Blue Frog franchised	2	1	1	1
	Bacoa equity	1	1	1	1
	Bacoa franchised	6	6	4	4
	Sushi Shop equity	4	4	4	3
	Sushi Shop franchised	2	2	2	2
France	**Total**	**325**	**327**	**329**	**337**
	TAG equity	4	3	1	-
	PH equity	12	12	11	8
	PH franchised	110	110	111	115
	KFC	70	70	70	71
	Sushi Shop equity	93	96	100	105
	Sushi Shop franchised	36	36	36	38
Germany	**Total**	**273**	**262**	**264**	**264**
	SBX	139	132	134	134

(all figures in EUR millions unless stated otherwise)

Countries	Brands	30.06.2020	31.12.2020	31.03.2021	30.06.2021
	SBX licensed	21	22	24	24
	TAG equity	2	2	2	1
	KFC	26	26	24	24
	PH equity	10	8	8	8
	PH franchised	75	72	72	73
Austria	KFC	**2**	**2**	**2**	**2**
Slovenia	KFC	**1**	**1**	**1**	**1**
Portugal	**Total**	**6**	**6**	**6**	**4**
	TAG equity	3	3	3	3
	Sushi Shop franchised	3	3	3	1
China	**Total**	**72**	**72**	**73**	**76**
	Blue Frog equity	67	65	65	67
	Blue Frog franchised	4	6	7	9
	KABB	1	1	1	-
Belgium	**Total**	**11**	**11**	**11**	**11**
	Sushi Shop equity	5	5	5	5
	Sushi Shop franchised	6	6	6	6
Italy	**Total**	**3**	**2**	**2**	**2**
	Sushi Shop equity	1	1	1	1
	Sushi Shop franchised	2	1	1	1
Switzerland	Sushi Shop equity	**7**	**9**	**10**	**10**
Luxembourg	Sushi Shop equity	**3**	**3**	**3**	**3**
Netherlands	Sushi Shop equity	**1**	**-**	**-**	**-**
UK	Sushi Shop equity	**5**	**5**	**5**	**5**
UAE	Sushi Shop franchised	**9**	**9**	**10**	**10**
Saudi Arabia	Sushi Shop franchised	**3**	**3**	**3**	**3**
Total AmRest		**2 307**	**2 337**	**2 342**	**2 367**

The statements contained in this Director’s Report may contain certain forward-looking statements relating to the Group that are based on the beliefs of the Group’s management as well as assumptions made by and information currently available to the Group’s management and are not a guarantee of future performance or developments. These forward-looking statements are, by their nature, subject to significant risks and uncertainties. The Group does not intend to update or otherwise revise such forward-looking statements, whether as a result of new information, future events or otherwise.

Reliance on any forward-looking statements involves known and unknown risks and uncertainties and, accordingly, readers are strongly cautioned to not place reliance on any forward-looking information or statements.

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

Mónica Cueva Díaz
Member of the Board

Emilio Fullaondo Botella
Member of the Board

Madrid, 25 August 2021

Liability statement of Directors

The Directors of AmRest Holdings, SE (the "**Company**") state that, to the best of their knowledge, the Condensed Consolidated Financial Statements for 6 months ended 30 June 2021 formulated at the Board meeting held on 25 August 2021, prepared in accordance with the applicable international accounting standards, offer a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole, and the interim Consolidated Directors' Report includes a fair review of the required information.

Signatures:

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

Mónica Cueva Díaz
Member of the Board

Emilio Fullaondo Botella
Member of the Board

Madrid, 25 August 2021

Condensed Separate Financial Statements for 6 months ended 30 June 2021

AmRest Holdings SE

25 AUGUST 2021

AmRest

AmRest

CONTENTS

(all figures in EUR millions unless stated otherwise)

Condensed separate balance sheet as at 30 June 2021

Assets	Notes	30 June 2021	31 December 2020
Intangible assets		0.1	0.1
Non-current investment in group companies		**654.5**	**647.7**
Equity instruments	6	435.8	390.8
Loans to group companies	6,13	218.7	256.9
Other non-current financial assets		0.1	0.1
Deferred tax assets		4.1	2.5
Total non-current assets		**658.8**	**650.5**
Trade and other receivables		**1.8**	**3.6**
Other receivables from group companies	6,13	1.0	1.2
Other trade receivables	6	0.4	1.0
Current tax assets	10	0.2	1.4
Other tax receivables		0.2	-
Investments and loans in group companies		**49.4**	**49.2**
Loans to group companies	6,13	48.3	45.8
Other financial assets	6,10	1.1	3.4
Prepaid expenses		0.3	0.1
Cash and cash equivalents	7	14.2	74.2
Total current assets		**65.7**	**127.1**
TOTAL ASSETS		**724.5**	**777.6**
Capital and Reserves without valuation adjustments			
Share capital	8	22.0	22.0
Share premium	8	237.3	237.3
Reserves	8	95.2	60.9
Treasury shares	8	(5.2)	(6.5)
Profit for the period	8	(5.0)	34.3
Other equity instruments	8	(24.8)	(23.4)
Adjustments for changes in value	8	**(6.7)**	**(6.7)**
TOTAL EQUITY		**312.8**	**317.9**
Liabilities			
Non-current provisions	9	0.1	0.1
Non-current financial liabilities	6	**356.1**	**399.8**
Loans and borrowings from financial institutions	6	292.6	322.3
Other financial debt	6	63.5	77.5
Total non-current liabilities		**356.2**	**399.9**
Current financial liabilities	6	52.0	53.6
Debts with group companies, current	6,10,13	1.5	1.7
Trade and other payables		**2.0**	**4.5**
Trade and other payables to third parties	6	0.1	1.9
Trade and other payables to group companies	6,13	1.5	1.8
Personnel (salaries payable)		0.3	0.3
Other payables with tax administration	10	0.1	0.5
Total current liabilities	10	**55.5**	**59.8**
TOTAL LIABILITIES		**411.7**	**459.8**
TOTAL EQUITY AND TOTAL LIABILITIES		**724.5**	**777.6**

The accompanying notes 1-15 are an integral part of these condensed financial statements for 6 months ended 30 June 2021.

(all figures in EUR millions unless stated otherwise)

Condensed separate income statement for 6 months ended 30 June 2021

	Notes	6 months ended 30 June 2021	30 June 2020
Revenues		3.8	3.9
Net income from the stock option plan	11	-	0.3
Finance income from group companies	11	3.8	3.6
Personnel expenses	11	(0.7)	(0.6)
Other operating expenses	11	(1.5)	(1.2)
Impairments for credits and receivables with group companies		(0.4)	-
Impairments in investments in group companies		-	(1.0)
Results from operating activities		**1.2**	**1.1**
Finance expenses	12	(7.0)	(5.8)
Exchange rates gains and losses		(0.7)	2.9
Net finance income (expense)		**(7.7)**	**(2.9)**
Profit before income tax		**(6.5)**	**(1.8)**
Income tax expense	10	1.5	0.3
Profit for the period		(5.0)	(1.5)
Profit for the period		**(5.0)**	**(1.5)**

The accompanying notes 1-15 are an integral part of these condensed financial statements for 6 months ended 30 June 2021.

Condensed separated statement of recognised income and expense for 6 months ended 30 June 2021

	Notes	6 months ended 30 June 2021	30 June 2020
Profit for the period		(5.0)	**(1.5)**
Total recognised income and expenses for the period		**(5.0)**	**(1.5)**

The accompanying notes 1-15 are an integral part of these condensed financial statements for 6 months ended 30 June 2021.

(all figures in EUR millions unless stated otherwise)

Condensed separate statement of cash flows for 6 months ended 30 June 2021

		6 months ended	
		30 June 2021	30 June 2020
Cash flows from operating activities			
Profit before tax		**(6.5)**	**(1.8)**
Adjustments:		**4.3**	**-**
Impairment losses	13	0.4	1.0
Share based payments adjustment	11	-	(0.3)
Finance income	11	(3.8)	(3.6)
Finance expenses	12	7.0	5.8
Exchange gains/losses		0.7	(2.9)
Changes in operating assets and liabilities		**(2.7)**	**(4.3)**
Trade and other receivables		0.5	0.1
Trade and other payables		(3.2)	(4.4)
Other cash flows from operating activities		**1.3**	**(3.0)**
Interest paid		(5.6)	(4.9)
Interest received		3.8	2.3
Dividends received		2.2	-
Other payments		(0.3)	-
Income tax received/paid		1.2	(0.4)
Net cash provided by operating activities		**(3.6)**	**(9.1)**
Cash flows from investing activities			
Increase in investments loans and borrowings with group companies		(72.2)	(28.3)
Other assets		0.1	-
Proceeds from investment loans and borrowings with group companies		60.9	29.8
Proceeds from Investment in other financial assets		0.7	-
Net cash used in investing activities		**(10.5)**	**1.5**
Cash flows from financing activities			
Proceeds from disposals of own shares (employee's options)		0.2	0.1
Acquisition of own shares (employee's option)		-	-
Proceeds from debt with financial institutions		-	80.0
Proceeds from debt with group companies		-	4.8
Repayment of debt with financial institutions		(30.1)	(19.3)
Repayment of other debt		(16.0)	-
Repayment of debt with group companies		-	(4.8)
Net cash provided by/(used in) financing activities		**(45.9)**	**60.8**
Net change in cash and cash equivalents		**(60.0)**	**53.2**
Balance sheet change of cash and cash equivalents"		(60.0)	53.2
Cash and cash equivalents at the beginning of the period		**74.2**	**9.5**
Cash and cash equivalents as at the end of the period	7	**14.2**	**62.7**

The accompanying notes 1-15 are an integral part of these condensed financial statements for 6 months ended 30 June 2021.

(all figures in EUR millions unless stated otherwise)

Condensed separate statement of changes in equity for 6 months ended 30 June 2021

	Share capital	Share premium	Legal Reserve	Voluntary Reserves	Treasury shares	Profit or loss for the period	Other equity instru-ments	Adjustment for changes in value	Total Equity
As at 1 January 2020	**22.0**	**237.3**	**1.5**	**33.6**	**(7.5)**	**25.8**	**(25.4)**	**18.4**	**305.7**
Total recognised income and expense	-	-	-	-	-	(1.5)	-	-	**(1.5)**
Transactions on own shares and equity holdings (net)	-	-	-	-	0.9		3.1	-	4.0
Transfer of profit or loss to reserves	-	-	2.6	23.2		(25.8)	-	-	-
As at 30 June 2020	**22.0**	**237.3**	**4.1**	**56.8**	**(6.6)**	**(1.5)**	**(22.3)**	**(18.4)**	**308.2**
As at 1 January 2021	**22**	**237.3**	**4.1**	**56.8**	**(6.5)**	**34.3**	**-23.4**	**-6.7**	**317.9**
Total recognised income and expense	-	-	-	-	-	(5.0)	-	-	**(5.0)**
Transactions on own shares and equity holdings (net)	-	-	-	-	1.3	-	(1.4)	-	(0.1)
Transfer of profit or loss to reserves	-	-	0.3	34.0	-	(34.3)	-	-	-
As at 30 June 2021	**22.0**	**237.3**	**4.4**	**90.8**	**(5.2)**	**(5.0)**	**(24.8)**	**(6.7)**	**312.8**

The accompanying notes 1-15 are an integral part of these condensed financial statements for June 2021.

Notes to the Condense separate financial statements

1. General information

AmRest Holdings SE ("The Company". "AmRest") was incorporated in the Netherlands in October 2000 and since 2008 the Company operates as European Company (Societas Europaea. SE). The Company's registered office was changed to Paseo de la Castellana, 163 28046 Madrid, Spain.

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.

In Spain, France, Germany, and Portugal the Group operates its own brand La Tagliatella. 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. In China and Spain the Group also operates its own brand Blue Frog.

The Group also operates other own and franchise restaurants in Spain with Bacoa and own and franchise restaurants with the Sushi Shop brand in France, Belgium, Spain, United Arab Emirates, Saudi Arabia, Switzerland, United Kingdom, Luxembourg, Italy, Germany, Portugal, the Netherlands and others. Bacoa is a Spanish premium burger chain, and Sushi Shop is the operator of the leading European chain of Japanese cuisine restaurants.

Additionally, among own brands the Group operates virtual brands Pokaï, Lepieje, 'Oi Poke, Moya Misa Ramen, Pierwsze i Drugie, Viva Salad!, Sushi Tone, Eat's Fine, Cremontano, Mr. Kebs. The offer of virtual brands in Poland is available also under Food About concept - an umbrella brand that enables ordering different virtual brand dishes within one order.

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 2020, 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 25 August 2021.

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 2021 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.

Comparative information

Each item of the balance sheet, the statement of profit and loss, the statement of changes in equity, the statement of recognized income and expenses, the statement of cash flow, and the notes of the condensed financial statements, present for comparative purposes, the amounts from the previous half year, which formed part of the condensed financial statements of the half year ended as of 30 June 2020.

Functional and presentation currency

The condensed financial statements are presented in euros, which is the functional and presentation currency of the Company.

Critical aspects of the valuation and estimation of relevant uncertainties and judgments used in the application of accounting principles.

In late 2019 a novel strain of coronavirus, COVID-19, was first detected and in March 2020, the World Health Organization declared COVID-19 a global pandemic. Throughout 2020, COVID-19 has spread throughout globally, in the countries the Group operates.

Most governments have been implementing measures to reduce the spread of COVID-19. These measures include restrictions on travel outside the home countries, closing or imposing limitations on business and other activities as well as encouraging social distancing. Depending on the epidemic situation in particular countries and regions the restrictions were being lifted, reduced or re-imposed in 2020 With the approvals of first vaccines at the end of 2020, the governments deployed and started carrying out mass vaccination programs in 2021. During 2021 less restrictions and limitations are imposed in 2021 and significant efforts are put by governments on vaccination programs. With the success of vaccination programs, it is expected that further waves of infections will be avoided, and restrictions and lockdowns will not be imposed in such frequency and severity as in 2020.

This situation is affecting AmRest Group, as well as the global economy. Visible results of the COVID-19 outbreak include the decrease in demand, the disruption or slowdown of supply chains and a significant increase in economic uncertainty, increase of volatility in the price of assets, exchange rates and a decrease in long term interest rates. Possible results of the COVID-19 outbreak may include changes in the market environment, peoples behaviors and ways of living.

The COVID-19 pandemic has a particularly significant negative impact on the restaurant sectors. Periodical bans or significant restrictions are imposed on the restaurant operators in various countries. That results in significant decrease in business activity. High pressure on social distancing has an impact on the customer demand and daily lives and behavior patterns. The Group is continuously adjusting restaurant operations into new reality. The Group is adapting to new local sanitary regulations, developing, and executing safety measures to protect employees and guests.

To strengthen Group's position in terms of liquidity the Group has drawn available tranche of syndicated bank loan, and applied state supported bank loans on French, Spanish and Russian markets in 2020. The Group maintains close communication with its financing banks and bondholders. Waiver covenants for the fourth quarter of 2020 and the first, second and third quarters of 2021 have been replaced by a commitment to maintain a minimum level of liquidity. This covenant was met as at 30 June 2021.

The Group continues the process of the review of its rental agreements and negotiating with landlord. Another tool that allows to support liquidity management is the reassessment of development plans and renegotiations of certain development agreements.

The Group is also closely monitoring situation on local markets and is taking the benefits of available government aid schemes which allow to enhance liquidity risk management in current situation.

On the revenues streams side, the Group keeps high number of stores operative. As at 30 June 2021 over 98 % of stores remained open. The Group is continuously analyzing the dynamic changes in the environment and adjusts its ongoing operations to minimize the risk of disruption of business continuity and to increase possible ways of providing products and services to Group's customers, ensuring staff and guests safety, as well complying with all government directives.

Group's revenues generated for the 6 months period ended 30 June 2021 are higher than budgeted, the same as the Groups cash position. Based on the available information, facts, circumstances and uncertainties about the future, which is at least, but is not limited to, twelve months from the end of the reporting period, the Board of Directors concluded that going concern assumption applies in the foreseeable future. Consequently, this interim report has been prepared under going concern principle.

The preparation of the Annual Account requires the Company to use certain estimates and judgments regarding the future that are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable, under the circumstances.

The estimates and judgments more complex or with a higher impact in the carrying amounts of the assets and liabilities are related to:

- The recoverability of the investments, and the corresponding valuation adjustments for the difference between the book value and the recoverable amount. In the determination of the impairment estimate of these investments, the future cash flows expected to be generated by the investees are taken into account through the use of hypotheses based on the existing market conditions).

- Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Company uses a finite difference method. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed.

Despite the fact that the estimates made by the Board of Directors of the Company were calculated based on the best information available at 30 June 2021, it is possible that events which may occur in the future will make it necessary to modify them in later financial years. The effect on the condensed separated financial statements deriving from the adjustments made in later financial years will be recorded prospectively.

(all figures in EUR millions unless stated otherwise)

3. Distribution of profit

On the Annual General meeting held on 18 May 2021 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 2020 was approved:

Expressed in Euros	2020	2019
Basis of Distribution		
Profit and loss for the period	34 276 638.79	25 793 482.33
Distribution		
Legal Reserve	347 301.91	2 579 348.23
Voluntary Reserves	33 929 336.88	23 214 134.10
	34 276 638.79	**25 793 482.33**

Dividends have not been distributed during the 6 months ended on 30 June 2021.

4. Recognition and measurement accounting policies

On January 30, 2021, the Government published in the Official State Gazette the Royal Decree 1/2021, of January 12, which modifies the General Accounting Plan, which modifications do not have any material impact on this standalone interim report.

The standalone interim report was prepared in accordance with the accounting principles and registration and valuation standards contained in the Spanish General Accountancy Plan. The most significant are:

4.1 FINANCIAL INSTRUMENTS

4.1.1 FINANCIAL ASSETS

A financial asset is any asset that is: cash, an equity instruments of another company, or suppose a contractual right to receive cash or another asset financial asset (a debt instrument), or to exchange financial assets or liabilities with third parties under potentially favorable conditions.

Financial assets, for the purposes of their valuation, will be included in one of the following categories:

- **Financial assets at fair value with changes in the profits and loss account:** A financial asset should be included in this category unless its classification is appropriate in any of the remaining categories. Financial assets held for trading will be compulsorily included in this category. For equity instruments that are not held for trading, nor must value at cost, the company can make the irrevocable choice at the time of its initial recognition of presenting subsequent changes in fair value directly into equity. The assets included in this category will be initially recognized at fair value.

- **Financial assets at amortized cost:** A financial asset will be included in this category, even when it is admitted to negotiation in an organized market, if the company maintains the investment with the objective to receive the cash flows derived from the execution of the contract, and the conditions contractual financial assets give rise, on specified dates, to cash flows which are only collections of principal and interest on the outstanding principal amount.

  In general, this category includes credits for commercial operations and credits for non-commercial operations:
  a) Credits for commercial operations are those financial assets that are originate in the sale of goods and the provision of services for traffic operations of the company with deferred collection, and

b) Credits for non-commercial operations are those financial assets that, not being equity instruments or derivatives, they have no commercial origin and whose collections are of a determined or determinable amount, which come from loan operations or credit granted by the company.

The assets recognized in this category are initially recognized at fair value, which will be equal to the fair value of the consideration given, plus the transaction costs that are directly attributable to them.
However, credits for commercial operations with a maturity not exceeding one year and do not have an explicit contractual interest rate, as well as loans to personnel, dividends receivable and disbursements required on instruments of Equity, whose amount is expected to be received in the short term, can be valued at its value nominal when the effect of not updating the cash flows is not significant.

Financial assets included in this category will be valued at their amortized cost. The accrued interest will be recorded in the profit and loss account, applying the effective interest rate method.
However, credits maturing no more than one year that, in accordance with the provided in the previous section, are initially valued at their nominal value, they will continue being valued for said amount, unless they have impaired.
When the contractual cash flows of a financial asset change due to financial difficulties of the issuer, the company will analyze whether it is appropriate to record an impairment loss.

- **Financial assets at fair value with changes in equity:**

A financial asset will be included in this category when the contractual conditions of the financial asset give rise, on specified dates, to cash flows that are only collections of principal and interest on the outstanding principal amount, and no hold to negotiate nor should it be classified at amortized cost. Investments in financial equity instruments will also be included in this category.
When the irrevocable option of registering the changes in fair value had been taken.

- **Financial assets at cost:**

a) Investments in the equity of group, multi-group and associated companies.
b) The remaining investments in equity instruments whose fair value does not
can be determined by reference to a price quoted in an active market for a identical instrument, or cannot be reliably estimated, and derivatives that have as underlying these investments.
c) Hybrid financial assets whose fair value cannot be estimated reliably reliable, unless the requirements for accounting at amortized cost are met.
d) Contributions made as a result of a joint venture and the like.
e) Participative loans whose interests are contingent, either because a fixed or variable interest rate is agreed upon conditional on the achievement of a milestone in the borrowing company (for example, obtaining profits), or because they are calculated exclusively by reference to the evolution of the activity of the aforementioned company.
f) Any other financial asset that should initially be classified in the portfolio of fair value with changes in the profit and loss account when the fair value cannot be reliably estimated.

Investments included in this category will be initially valued at cost, which It will be equal to the fair value of the consideration given plus the transaction costs that are directly attributable to them.

Equity instruments included in this category will be valued at cost, minus, where appropriate, the accumulated amount of the valuation corrections for impairment.
When value must be assigned to these assets due to derecognition or other reason, will apply the method of average cost weighted by homogeneous groups, (values with equals rights) In the case of sale of preferential subscription rights and the like or segregation of the same to exercise them, the amount of the cost of the rights will decrease the book value of the respective assets. Said cost will be determined by applying some valuation formula generally accepted.

Interest and dividends received 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.

4.1.2 FINANCIAL LIABILITIES

Financial liabilities, for the purposes of their valuation, will be included in one of the following categories:

- **Financial liabilities at amortized cost:** The company will classify all financial liabilities in this category except when must be valued at fair value with changes in the profit and loss account.
  In general, this category includes debits from operations commercial transactions and debits for non-commercial operations:

  a) Debits from commercial operations are those financial liabilities that are originate in the purchase of goods and services for traffic operations of the company with deferred payment, and
  b) Debits from non-commercial operations are those financial liabilities that, not being derivative instruments, they do not have commercial origin, but come from loan or credit operations received by the company.

  Participative loans that have the characteristics of an ordinary loan or Common will also be included in this category without prejudice to the operation being agreed to a zero or below market interest rate.

  Financial liabilities included in this category will be initially valued at their fair value, which, unless of evidence to the contrary, will be the price of the transaction, which will be the fair value of the consideration received adjusted for the transaction costs that are directly attributable to them.

  However, debits for commercial operations with maturity not exceeding one year and that do not have a contractual interest rate, as well as the disbursements required by third parties on shares, the amount of which is expected to be paid in the short term, may be valued at their nominal value, when the effect of not updating the cash flows is not significant.

  Financial liabilities included in this category will be valued at their amortized cost. The accrued interest will be recorded in the profit and loss account, applying the effective interest rate method.
  However, debits with a maturity of not more than one year that, in accordance with the provided in the previous section, are initially valued at their nominal value, they will continue being valued for that amount.

  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 given plus 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 recognized in the income statement using the effective interest rate method.

Nonetheless, 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.

- **Financial liabilities at fair value with changes in profit and loss account:**
  This category will include financial liabilities that meet any of the following conditions:
  a) They are liabilities that are kept for trading
  b) From the moment of initial recognition, it has been designated by the entity to carry it at fair value with changes in the profit and loss account. This designation, which will be irrevocable.
  c) Optionally and irrevocably, they may be included in their entirety in this hybrid financial liabilities category.

  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. The additional transaction cost that are directly attributed will be recognized in the Profit and Loss account.

  After the initial valuation, the Company will valuate these financial liabilities included in this category at fair value with changes 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 so as 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 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. OWN EQUITY INSTRUMENTS

In transactions carried out by the Company with its own equity instruments, the amount of these instruments shall be recognized 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 recognized 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 securities, taxes, advertising, commissions, and other placement expenses – shall be accounted for directly in equity as a reduction in reserves.

The subsequent amortization of these instruments leads to a capital reduction by the nominal amount of the shares and the positive or negative difference between the purchasing cost and the nominal cost of the shares are accounted in reserves.

4.1.6. 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.

4.1.7. 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. <u>FOREIGN CURRENCY TRANSACTIONS</u>

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 recognized 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.

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

Share-based payments and employee benefits recognition for the benefit plans of the Company’s employees

Share-based payments

The Company has both equity-settled share-based programs and cash-settled share-based programs.

Equity-settled transactions

The cost of equity-settled transactions with employees is measured by reference to awarding fair value at the grant date.

The cost of equity-settled transactions is recognized, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (“vesting date”). The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the number of awards that, in the opinion of the parent’s Management Board at that date, based on the best available estimate of the number of equity instruments, will ultimately vest.

Cash-settled transactions

Cash-settled transactions have been accounted since 2014 as a result of a modification introduced to existing share-based programs. Some programs were modified so that they may be settled in cash or in shares upon decision of a participant. As a result, the Company re-measures the liability related to cash-settled transaction.

The liability is subsequently measured at its fair value at every balance sheet date and recognized to the extent that the service vesting period has elapsed, with changes in liability valuation recognized in income statement. Cumulatively, at least at the original grant date, the fair value of the equity instruments is recognized as an expense (share-based payment expense).

At the date of settlement, the Company remeasures 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 reduces the fully recognized liability,
- If the settlement is in shares, the balance of the liability is transferred to equity, being consideration for the shares granted. Any previously recognized equity component shall remain within equity.

Recognition of the share-based plans correspondent to employees of other group companies

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.

According to consultation nº2 of the BOICAC 97/2014 when the parent company sign settlement agreements (Share transfer agreements) through which the parent company charge the intrinsic value of the cost of the agreement equivalent to the market value of the shares delivered, it is considered that there are two separated operations:

- A non-genuine corporate operation of contribution of the parent company in the subsidiary that is registered as a higher value of the investment according to consultation nº 7 of BOICAC Nº 75/2008;

- And a second corporate operation of distribution or recovery of the investment that is equivalent to difference between the re-charge described above and the cost of the options at grant.

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 Group is exposed to the risk of lack of financing at the moment of maturity of bank loans and bonds. As at 30 June 2021, the Group has sufficient liquidity to fulfill its liabilities in the next 12 months.

The Group analyzes liquidity needs with particular focus on maturity of debt and proactively investigates various forms of financing that could be utilized as needed.

-Risk related to the COVID-19 and its implications for the economy and society

The COVID-19 pandemic has rapidly spread around the world. Most governments are taking constrain measures to contain the spread, which include isolation, confinement, quarantine and restrictions to free movement of people and closure of public and private facilities.

This situation is affecting significantly the global economy, including HORECA sector, as well as AmRest Group.

Visible results of the COVID-19 outbreak include the decrease in demand, the disruption or slowdown of supply chains and a significant increase in economic uncertainty, increase of volatility in the price of assets, exchange rates and a decrease in long term interest rates. Possible results of the COVID-19 outbreak may include changes in the market environment, people's behaviors and ways of living.

The COVID-19 pandemic has a particularly negative impact on the restaurants sectors. The ban or significant limitations in operation of restaurants resulted in a decrease in business activity and customer demand and consequently decrease of revenues.

Group management is closely monitoring the development of situation and looks for the ways of mitigating the impact of COVID-19 spread on the Group.

-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.

-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' minimization, 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

The company and its subisidiaries 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 cybersecurity risk mitigation tools, including security polices, personnel training and technical prevention countermeasures.

- 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 2021 and as at 31 December 2020 is as follow:

	30 June 2021		31 December 2020	
	Interest ownership	**Value of Shares**	**Interest ownership**	**Value of Shares**
AmRest Sp. z o.o. (Poland)	100%	264.1	100%	219.6
AmRest China Group PTE Ltd. (China)	100%	40.5	100%	40.5
AmRest s.r.o. (Czech Republic)	100%	7.1	100%	6.9
AmRest France SAS (France)	100%	58.7	100%	58.7
AmRest EOOD (Bulgaria)	100%	4.2	100%	4.1
AmRest Acquisition Subsidiary (Malta)	100%	60.9	100%	60.9
AmRest Food SRL	100%	0.1	100%	0.1
AmRest HK Ltd	100%	-	100%	-
AmRest FSVC LLC	100%	-	100%	-
AmRest Global	100%	0.1	100%	-
AmRest d.o.o	100%	0.1	100%	-
		435.8		**390.8**

The movement of the equity instruments in group companies as at 30 June 2021 is as follow:

	31 December 2020	**Increase**	**Decreased**	**Share base Options**	**30 June 2021**
Cost					
AmRest Sp. zo.o. (Polonia)	219.6	46.0		(1.5)	264.1
AmRest HK Ltd	5.2	-	-	-	5.2
AmRest China Group PTE Ltd. (China)	40.5	-	-	-	40.5
Amrest SRO (Czechia)	6.9		-	0.2	7.1
AmRest France SAS	58.7	-	-	-	58.7
AmRest EOOD (Bulgaria)	4.1	-	-	0.1	4.2
AmRest Acquisition Subsidiary (Malta)	60.9	-	-	-	60.9
AmRest FSVC LLC	10.3	-	(10.3)	-	-
AmRest Food SRL	0.1	-	-	-	0.1
AmRest Global	-	-	-	0.1	0.1
AmRest d.o.o	-	-	-	0.1	0.1
	406.3	**46.0**	**(10.3)**	**(1.0)**	**441.0**
	-				
Impairment					
AmRest HK Ltd	(5.2)	-	-	-	(5.2)
AmRest FSVC LLC	(10.3)	-	10.3	-	-
	(15.5)	**-**	**10.3**	**-**	**(5.2)**
Total Equity Instruments in group companies	**390.8**	**46.1**	**-**	**(1.0)**	**435.8**

(all figures in EUR millions unless stated otherwise)

During the 6 months ended on 30 June 2021 the company made the following transactions:

- On 21 April 2021 it was subscribed a capital increase in AmRest Sp. z.o.o. (Poland) by an amount of EUR 46.0 million.

- On 9 April 2021 the company AmRest FSVC LLC has been liquidated.

- The value of investment of some subsidiaries was affected by the valuation and exercises of share-based options within SOP and MIP. The total capitalized cost of share option plans in 2021 equals EUR (2.5) million and it is presented in the column increase. The total amount that refers to exercised and forfeited options in 2021 EUR (3.5) million is presented in the column decrease. The details by subsidiaries for the half year ended as of 30 June 2021 is presented below:

	Increase	Decrease
AmRest Sp. zo.o. (Poland)	2.0	(3.5)
Amrest SRO (Czechia)	0.2	-
AmRest EOOD (Bulgaria)	0.1	-
AmRest d.o.o	0.1	-
AmRest Global S.L.U.	0.1	-
	2.5	**(3.5)**

The movement of the equity instruments in group companies as at 30 June 2020 is as follow:

	31 December 2019	Increase	Share base Options	30 June 2020
Cost				
AmRest Sp. zo.o. (Polonia)	217.3		2.2	219.5
AmRest HK Ltd	5.2		-	5.2
AmRest China Group PTE Ltd. (China)	40.4	0.1	-	40.5
Amrest SRO (Czechia)	6.7		0.1	6.8
AmRest France SAS	58.5		0.1	58.6
AmRest EOOD (Bulgaria)	3.5		-	3.5
AmRest Acquisition Subsidiary (Malta)	60.8	0.1	-	60.9
AmRest FSVC LLC	10.5	0.4	0.6	11.5
AmRest Food SRL	-		0.1	0.1
	402.9	**0.6**	**3.1**	**406.6**
	-			
Impairment				
AmRest HK Ltd	(5.2)		-	(5.2)
AmRest FSVC LLC	(10.5)	(1.0)	-	(11.5)
	(15.7)	**(1.0)**	**-**	**(16.7)**
Total Equity Instruments in group companies	**387.2**	**0.4**	**3.1**	**389.9**

(all figures in EUR millions unless stated otherwise)

During the 6 months ended on 30 June 2020 the company made the following transactions:

- On 23 June 2020 it was subscribed a capital increase in AmRest China Group PTE Ltd. (China) by an amount of EUR 0.1million.

- On 6 May 2020 and 22 June 2020, the company passed capital increases in AmRest Acquisition Subsidiary by an amount of EUR 0.05 million each.

- During the 6 months period ended 30 June 2020 the company passed several capital increases resolutions in the entity AmRest FSVC LLC by a total amount of EUR 0.4 million. The total amount of these capital increases was impaired as at 30 June 2020.

- The value of investment of some subsidiaries was affected by the valuation and exercises of share-based options within SOP and MIP. The total capitalized cost of share option plans in 2020 equals EUR 3.9 million and it is presented in the column increase. The total amount that refers to exercised options in 2020 EUR (0.8) million is presented in the column decrease. The details by subsidiaries for the half year ended as of 30 June 2020 is presented below:

	Increase	Decrease
AmRest Sp. zo.o. (Poland)	2.9	(0.7)
Amrest SRO (Czechia)	0.2	(0,1)
AmRest France SAS	0.1	-
AmRest Food SL SRL	0.1	-
AmRest FSVC LLC	0.6	
	3.9	**(0.8)**

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 as at 30 June 2021 is as follows:

Financial Assets

Classes	Non-current Financial instruments		
Categories	**Equity Instruments**	**Debt Instruments**	**Credits and other**
Financial Assets at amortized cost	-	-	218.8
Total	**-**	**-**	**218.8**

Classes	Current Financial instruments		
Categories	**Equity Instruments**	**Debt Instruments**	**Credits and other**
Financial Assets at amortized cost	-	-	51.2
Total	**-**	**-**	**51.2**

The net book value of each one of the categories of financial instruments as at 30 December 2020 is as follows:

Classes	Non-current Financial instruments		
Categories	**Equity Instruments**	**Debt Instruments**	**Credits and other**
Financial Assets at amortized cost	-	-	257.0
Total	**-**	**-**	**257.0**

Classes	Current Financial instruments		
Categories	**Equity Instruments**	**Debt Instruments**	**Credits and other**
Financial Assets at amortized cost	-		49.2
Total	**-**		**49.2**

(all figures in EUR millions unless stated otherwise)

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 2022.

6.3. TRADE AND OTHER RECEIVABLES

As at 30 June 2021 and 31 December 2020 the trade and other receivables were composed as follows:

	30 June 2021	31 December 2020
Trade and other receivables with third parties	0.4	1.0
Trade and other receivables with group companies	3.0	3.0
Income tax and other credits with the tax administration	0.2	1.4
Impairment on other accounts receivables with group companies	(1.8)	(1.8)
Total Trade and other receivables	**1.8**	**3.6**

6.4. FINANCIAL LIABILITES

The breakdown of the financial asset as at 30 June 2021 is the following:

Classes	Non-current Financial liabilities		
Categories	**Debts with Financial Institutions**	**Other Debts**	**other**
Financial liabilities at amortized cost	292.6	63.5	
Total	**296.6**	**63.5**	**-**

Classes	Current Financial liabilities		
Categories	**Debts with Financial Institutions**	**Other Debts**	**other**
Financial liabilities at amortized cost	29.0	23.0	3.5
Total	**29.0**	**23.0**	**3.5**

The breakdown of the financial asset as at 31 December 2020 is the following:

Classes	Non-current Financial liabilities		
Categories	**Debts with Financial Institutions**	**Other Debts and payables**	**other**
Financial liabilities at amortized cost	322.3	77.5	-
Total	**296.6**	**63.5**	**-**

Classes	Current Financial liabilities		
Categories	**Debts with Financial Institutions**	**Other Debts and payables**	**Derivates and other**
Financial liabilities at amortized cost	28.5	25.1	6.2
Total	**28.5**	**25,1**	**6.2**

Debt with financial institutions – Bank loans

As at 30 June 2021, syndicated bank financing security for liabilities in 2017, with further amendments, accounts for the majority of AmRest debt. AmRest Holdings SE executed partially tranches A and D and the tranches E and F which are presented in the financial debt with financial institutions of this Annual Accounts (amounting to EUR 350.8 million the rest of the tranches were executed from AmRest Sp. z o.o. and AmRest s.r.o.).

The available tranches following scheduled repayment in September 2020:

Tranche	Maximum amount (million)	Date added	Purpose
A	EUR 225	October 2017	Repayment of bank debt. general corporate purposes
B	PLN 270	October 2017	
C (fully repaid in Q1 2019)	CZK 0	October 2017	
D	PLN 450	October 2017	
E	PLN 252	June 2018	Repayment of Polish bonds
F	EUR 171	October 2018	M&A. general corporate purposes

Details of bank financing are as follows:

- Signing date: 5 October 2017,
- Final repayment date: 30 September 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.
- Interest rates: Approximately half of the available facility is provided at variable interest rates (3-month Euribor/Wibor increased by margin) and parts of tranches A and F are provided on fixed rate.
- 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 level, in particular, net debt/adjusted consolidated EBITDA is to be held below 3.5 and consolidated EBITDA/interest charge is to stay above 3.5. Both ratios are calculated without the effect of IFRS 16. Prior to 2020 year end AmRest has obtained from its financing banks and majority of bondholders (Schuldschein) waivers to the compliance the Group's leverage and interest coverage ratios for the fourth quarter of 2020 and the first, second and third quarters of 2021. During said periods, those covenants shall be replaced by a commitment to maintain a minimum level of liquidity.

Current financial debt with financial institutions principally includes short term repayments of the previously mentioned facility agreement payable on September 30, 2021.

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.

Other debts and payables – Bonds

In April 2017 AmRest Holdings SE entered the Schuldscheinedarlehen ("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	Amount expected to be repaid* in 2021 (EUR million)	Purpose
7 April 2017	14.0	Fixed	7 April 2022	-	Repayment. general corporate purposes
7 April 2017	6.0	Fixed	5 April 2024	5.0	
3 July 2017	35.5	Fixed	1 July 2022	2.5	
3 July 2017	20.0	Fixed	3 July 2024	-	
3 July 2017	9.5	Variable	3 July 2024	-	
	85.0				

(all figures in EUR millions unless stated otherwise)

As at 30 June2021 the SSD debt amounts to EUR 85.0 million and its corresponding interest amounting to EUR 1.5 million that are presented in the current liabilities.

*AmRest is required to maintain certain ratios at agreed levels, in particular, net debt/EBITDA is to be held below 3.5x and EBITDA/interest charge is to stay above 3.5. As these covenants were not met at 2020 YE, the company has repaid EUR 16m of SSD in the first half of the year and expects further EUR 7.5m will be repaid in 2021 to SSD investors who did not grant the covenant waivers.

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.

Current financial debt with financial institutions principally includes short term repayments of the previously mentioned bank facility agreement payable on September 30, 2021.

6.5. TRADE AND OTHER PAYABLES

As at 30 June 2021 and 31 December 2020 the trade and other payables were composed as follows:

	30 June 2021	**31 December 2020**
Trade and other payables with third parities	0.1	1.9
Trade and other payables with group companies	1.5	1.8
Remunerations of the board of Directors	0.3	0.3
Other payables with tax administration	0.1	0.5
Total trade and other payables	**2.0**	**4.5**

(all figures in EUR millions unless stated otherwise)

7. Cash and cash and equivalents

Cash and cash equivalents as at 30 June 2021 and 31 December 2020 are presented in the table below:

	30 June 2021	31 December 2020
Cash at bank	14.2	74.2
	14.2	**74.2**

8. Equity

8.1. SHARE CAPITAL

Since 27 April 2005, the shares of AmRest Holdings SE were listed on the Warsaw Stock Exchange ("WSE") and since 21 November 2018 on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges.

There were no changes in share capital of the Company during the half year ended on 30 June 2021.

As at 30 June 2021 and at 31 December 2020 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.

To the best of AmRest's knowledge as at 30 June 2021 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	9 358 214	4.26%
Artal International S.C.A.	11 366 102	5.18%
Aviva OFE	6 843 700	3.12%
Other Shareholders	44 782 407	20.40%

** FCapital Dutch B. V. is the sole 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 2021 and 31 December 2020 is as follows:

	30 June 2021	31 December 2020
Voluntary Reserves	90.8	56.8
Legal reserves	4.4	4.1
	95.2	**60.9**

(all figures in EUR millions unless stated otherwise)

8.3. TREASURY SHARES

The Company holds 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 2021 and 30 June 2021, there were not purchases of own shares. During the same period, the Company disposed a total of 118 451 own shares with a total nominal value of EUR 11 845 and representing 0.0540% of the share capital to entitled participants of the stock options plans.

As at 30 June 2021 the Company held 505 010 treasury shares by a total value of EUR 5.2 million of (PLN 21.66 million) that were acquired at an average purchase price of PLN 42.88 (640 277 treasury shares by a total value of EUR 6.6 million (PLN 27.86 million) as at 31 December 2020 that were acquired at an average purchase price of PLN 42.98).

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

	30 June 2020	30 June 2020
Initial Balance	(6.5)	(7.5)
Adquisition of own Shares	-	-
Delivery of shares for the stock option plan	1.3	1.0
Ending Balance	(5.2)	(6.5)

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 2020	**31 December 2019**
Provision of the stock option plan under Equity settlement method net of cost	(24.8)	(23.4)
Other Equity instruments	**(24.8)**	**(23.4)**

The movement of the accrual for the equity instruments of the stock option plan during the 6 months ended on 30 June 2021and 2020 is as follow:

	30 June 2021	**30 June 2020**
Initial Balance	**(23.4)**	**(25.4)**
Equity share base plans accrual	2.5	3.9
Delivery of shares for the stock option plan	(1.3)	(0.9)
Proceeds from shares transfers (employee's options)	0.4	0.1
Forfeited options	(3.0)	**-**
Ending Balance	**(24.8)**	**(22.3)**

(all figures in EUR millions unless stated otherwise)

8.5. ADJUSTMENTS FOR CHANGES IN VALUE

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

	30 June 2021	31 December 2020
Currency translation reserve	(6.7)	(6.7)
Adjustments for changes in value	**(6.7)**	**(6.7)**

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.

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 2021	31 December 2020
Provision of the stock option plan under cash settlement method	0.1	0.1
Provisions	**0.1**	**0.1**

The movement of the accrual for the 6 months ended on 30 June 2021 and 2020 is as follow:

	30 June 2021	30 de Junio de 2020
Initial Balance	0.1	0.5
Revaluation to market value of options under cash settlement method	-	(0.3)
Ending Balance	**0.1**	**0.2**

10. Taxation

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

	30 June 2021	31 December 2020
Assets		
Income tax receivable	0.2	1.4
VAT receivable	0.2	-
Total	**0.4**	**1.4**
Liabilities		
VAT payable	-	0.4
Personal income tax and other withholding taxes	0.1	0.1
Total	**0.1**	**0.5**

(all figures in EUR millions unless stated otherwise)

Income tax

With effects 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 which at 30 June 2021 are the following:

- AmRestag, S.L.U.
- Restauravia Food, S.L.U.
- Pastificio Service, S.L.U.
- The Grill Concept, S.L.
- Black Rice S.L.U
- Bacoa Holding S.L.U
- Shushi Shop Madrid S.L.U
- AmRest Global S.L.U. *

* On 2 September 2020 the company AmRest Global, S.L.U. has been created and included as a subsidiary in the consolidation tax regime.

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

	6 months ended	
	June 2021	**June 2020**
Corporate income tax	-	-
Changes in deferred taxes and liabilities	1.5	0.3
Total income tax recognised in the income statement	**1.5**	**0.3**

The amounts reported in change in deferred taxes and liabilities during the 6 months ended 30 June 2021 corresponds to the tax impact of the losses generated by the Company in the first half of the year 2021.

The reconciliation between the net result and the tax base of the individual entity for the 6 months period ended on 30 June 2021 is as follow:

	Income statement		
	Additions	Decreases	Total
Profit and loss for the period	**-**	**-**	**(5.0)**
Income tax expense	-	-	(1.5)
Permanent differences	**-**	**-**	**-**
Temporary differences	**0.5**	**-**	**0.5**
- With origin in the current year	0.5	-	0.5
- With origin in previous years	-	-	-
Tax base	**-**	**-**	**(6.0)**
Corporate income tax 25%	**-**	-	**-**

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 net result and the tax base of the individual entity for the 6 months period ended on 30 June 2020 is as follow:

(all figures in EUR millions unless stated otherwise)

	Income statement		
	Additions	Decreases	Total
Profit and loss for the period	**-**	**-**	**(1.5)**
Income tax expense	-	-	(0,3)
Permanent differences	**0.0**	**(0.3)**	**(0.3)**
Temporary differences	**1.0**	**-**	**1.0**
- With origin in the current year	1.0	-	1.0
- With origin in previous years	-	-	-
Tax base	**-**	**-**	**(1.1)**
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.

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 2021	**30 June 2020**
Tax base AmRest Holdings	**(6.0)**	**(4.1)**
Tax base contributed by subsidiaries of the tax group:	**(7.7)**	**(10.5)**
AmRestag, S.L.U.	(3.9)	(3.5)
AmRest Global S.L.U	(1)	-
Restauravia Food, S.L.U.	(1.9)	(4.4)
Pastificio Service, S.L.U.	0.5	(0.6)
The Grill Concept, S.L.U.	(0.3)	(0.9)
Bacoa Holding S.L.U.	(0.2)	(0.2)
Black Rice, S.L.U.	(0.3)	(0.4)
Sushi Shop Madrid, S.L.	(0.6)	(0.5)
Tax base of the consolidated tax group	**(13.7)**	**(11.6)**
Current income tax of the consolidated tax group (25%)	-	-

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

	30 June 2021	**31 December 2020**
Receivables:		
Restauravia Food, S.L.U.	1.0	1.0
AmRestag S.L.U.	0.1	0.1
Total receivables from the Consolidated tax regime	**1.1**	**1.1**
Payables		
The Grill Concept S.L.U.	(1.0)	(1.0)
Black Rice S.L.	-	(0.2)
Total payables from the Consolidated tax regime	**(1.0)**	**(1.2)**

(all figures in EUR millions unless stated otherwise)

11. Income and expenses

11.1. REVENUES

In the item Revenues of the separate income statement for the 6 months ended on 30 June 2021 and 2020 were recognized the result of the execution of stock option plan for employees, and the interest and dividends received from subsidiaries as well as the refacturation of cost to the Spanish subsidiaries:

	6 months ended	
	30 June 2021	30 June 2020
Revenue from Stock option plan	-	0.3
Financial income from group companies	3.8	3.6
Total Revenues	**3.8**	**3.9**

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

	6 months ended	
	30 June 2021	30 June 2020
Domestic market	**-**	**0.1**
Exports:	**-**	**0.2**
a) European Union	-	0.1
a1) Euro Zone	-	-
a2) No Euro Zone	-	0.1
b) Other countries	-	0.1
Net income from the stock option plan	**-**	**0.3**

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

	6 months ended	
	30 June 2021	30 June 2020
Domestic market	**1.3**	**1.2**
Exports:	**2.5**	**2.4**
a) European Union	2.2	2.0
a1) Euro Zone	1.5	1.4
a2) No Euro Zone	0.7	0.6
b) Other countries	0.3	0.4
Finance income from group companies	**3.8**	**3.6**

11.2. PERSONNEL EXPENSES:

The detail of personnel expenses is as follow:

	6 months ended	
	30 June 2020	30 June 2019
Salaries	(0.7)	(0.6)
Social charges	-	-
Total other operating expenses	**(0.7)**	**(0.6)**

(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 2021	30 June 2020
Profesional Services	(1.3)	(0.8)
Business travel	-	(0.1)
Other taxes	(0.2)	(0.2)
Other expenses	-	(0.1)
Total other operating expenses	**(1.5)**	**(1.2)**

12. Financial result

	6 months ended	
	30 June 2020	30 June 2019
Financial Expenses		
With group companies	(1.3)	(0.1)
With third parties	(5.7)	(5.7)
Total Financial Expenses	**(7.0)**	**(5.8)**

13. Related parties balances and transactions

As at 30 June 2021, the Group comprised the following subsidiaries:

Company name	Registered office	Parent/non-controlling undertaking	Owner-ship interest and total vote	Date of effective control
		Holding activity		
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
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	Mriehel, Malta	AmRest China Group PTE Ltd	100.00%	December 2012
Horizon Consultants Ltd.	Mriehel, Malta	AmRest China Group PTE Ltd	100.00%	December 2012
AmRest Management Kft	Budapest, Hungary	AmRest Kft AmRest TAG S.L.U.	99.00% 1.00%	August 2018
GM Invest SRL	Brussels, Belgium	AmRest TAG S.L.U.	100.00%	October 2018
Sushi Shop Group SAS	Paris, France	GM Invest SRL AmRest TAG S.L.U.	9.47% 90.53%	October 2018
AmRest France SAS	Paris, France	AmRest Holdings SE	100.00%	December 2018
Sushi Shop Management SAS	Paris, France	Sushi Shop Group SAS	100.00%	October 2018
Sushi Shop Holding USA LLC[4]	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
		Restaurant, franchise and master-franchise activity		
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 Coffee Sp. z o.o.	Wroclaw, Poland	AmRest Sp. z o.o. Starbucks Coffee International,Inc.	82.00% 18.00%	March 2007
AmRest EOOD	Sofia, Bulgaria	AmRest Holdings SE	100.00%	April 2007
OOO AmRest	Saint Petersburg, Russia	AmRest Acquisition Subsidiary Ltd. AmRest Sp. z o.o.	44.72% 55.28%	July 2007
AmRest Coffee s.r.o.	Prague, Czechia	AmRest Sp. z o.o. Starbucks Coffee International,Inc.	82.00% 18.00%	August 2007
AmRest Kávézó Kft	Budapest, Hungary	AmRest Sp. z o.o. Starbucks Coffee International,Inc.	82.00% 18.00%	August 2007

(all figures in EUR millions unless stated otherwise)

Company name	Registered office	Parent/non-controlling undertaking	Owner-ship interest and total vote	Date of effective control
AmRest d.o.o.	Belgrade, Serbia	AmRest Sp. z o.o. ProFood Invest GmbH	60.00% 40.00%	October 2007
Restauravia Food S.L.U.	Madrid, Spain	AmRest TAG S.L.U.	100.00%	April 2011
Pastificio Service S.L.U.	Madrid, Spain	AmRest TAG S.L.U.	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	AmRest TAG S.L.U.	100.00%	March 2012
AmRest SAS.	Paris, France	AmRest TAG 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 Consultants Ltd.	100.00%	December 2012
AmRest Skyline GMBH	Cologne, Germany	AmRest TAG 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 Food Srl.	Bucharest, Romania	AmRest Sp. z o.o. AmRest Holdings SE	99.00% 1.00%	July 2019 July 2019
AmRest Coffee SK s.r.o.	Bratislava, Slovakia	AmRest s.r.o. AmRest Sp. z o.o.	99.00% 1.00%	December 2015
AmRest Coffee Deutschland Sp. z o.o. & Co. KG	Munich, Germany	AmRest Kaffee Sp. z o.o. AmRest TAG S.L.U.	23.00% 77.00%	May 2016
AmRest DE Sp. z o.o. & Co. KG	Munich, 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 Food and Beverage Management (Shanghai) Co. Ltd	Shanghai, China	Blue Frog Food&Beverage Management Ltd	100.00%	December 2016
LTP La Tagliatella Portugal, Lda	Lisbon, Portugal	AmRest TAG S.L.U.	100.00%	February 2017
LTP La Tagliatella Franchise II Portugal, Lda	Lisbon, Portugal	AmRest TAG S.L.U.	100.00%	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	Paris, France	AmRest France SAS	100.00%	July 2017
OOO Chicken Yug	Saint Petersburg, Russia	OOO AmRest	100.00%	October 2017
OOO AmRest Pizza	Saint Petersburg, Russia	AmRest Acquisition Subsidiary Ltd. OOO AmRest	99.999996% 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 SK s.r.o.	Bratislava, Slovakia	AmRest s.r.o. AmRest Sp. z o.o.	99.00% 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
Bacoa 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 House SA	Luxembourg	Midicapital Sushi Shop Luxembourg SARL	14.00% 86.00%	October 2018
Sushi Shop London Pvt LTD	London, UK	Sushi Shop Group SAS	100.00%	October 2018
Sushi Shop Belgique SA	Bruxelles, Belgium	Sushi Shop Group SAS	100.00%	October 2018
Sushi Shop Louise SA	Bruxelles, Belgium	Sushi Shop Belgique SA Midicapital	54.80% 45.20%	October 2018
Sushi Shop UK Pvt LTD	Charing, UK	Sushi Shop Group SAS	100.00%	October 2018
Sushi Shop Anvers SA[2]	Bruxelles, Belgium	Sushi Shop Belgique SA	100.00%	October 2018
Sushi Shop Geneve SA	Geneva, Switzerland	Sushi Shop Switzerland SA	100.00%	October 2018
Sushi Shop Lausanne SARL	Lasanne, Switzerland	Sushi Shop Switzerland SA	100.00%	October 2018
Sushi Shop Madrid S.L.	Madrid, Spain	Sushi Shop Management SAS	100.00%	October 2018
Sushi Shop Milan SARL	Milan, Italy	Sushi Shop Management SAS Vanray SRL	70.00% 30.00%	October 2018
Sushi Shop NE USA LLC[4]	New York, USA	Sushi Shop Holding USA LLC	100.00%	October 2018
Sushi Shop NY1 LLC[4]	New York, USA	Sushi Shop Holding USA LLC	64.00%	October 2018

(all figures in EUR millions unless stated otherwise)

Company name	Registered office	Parent/non-controlling undertaking	Owner-ship interest and total vote	Date of effective control
		Sushi Shop NE USA LLC	36.00%	
Sushi Shop NY2 LLC[4]	New York, USA	Sushi Shop Holding USA LLC	100.00%	October 2018
Sushi Shop Zurich GMBH	Zurich, Switzerland	Sushi Shop Switzerland SA	100.00%	October 2018
Sushi Shop Nyon SARL	Nyon, Switzerland	Sushi Shop Switzerland SA	100.00%	October 2018
Sushi Shop NL B.V. [3]	Amsterdam, Netherlands	Sushi Shop Group SAS	100.00%	October 2018
Sushi Shop Vevey SARL	Vevey, Switzerland	Sushi Shop Switzerland SA	100.00%	November 2019
Sushi Shop Fribourg SARL	Fribourg, Switzerland	Sushi Shop Switzerland SA	100.00%	November 2019
Sushi Shop Yverdon SARL	Yverdon, Switzerland	Sushi Shop Switzerland SA	100.00%	Novemner 2019
Financial services and others for the Group				
AmRest LLC	Wilmington, USA	AmRest Sp. z o.o.	100.00%	July 2008
AmRest Work Sp. z o.o.	Wroclaw, Poland	AmRest Sp. z o.o.	100.00%	March 2012
La Tagliatella International Kft	Budapest, Hungary	AmRest TAG S.L.U.	100.00%	November 2012
La Tagliatella SAS	Paris, France	AmRest TAG S.L.U.	100.00%	March 2014
AmRest Kaffee Sp. z o.o.	Wroclaw, Poland	AmRest Sp. z o.o.	100.00%	March 2016
AmRest Estate SAS	Paris, France	AmRest Opco SAS	100.00%	September 2017
AmRest Leasing SAS	Paris, France	AmRest Opco SAS	100.00%	September 2017
AmRest Franchise Sp. z o.o.	Wrocław, Poland	AmRest Sp. z o.o.	100.00%	December 2018
AmRest Global S.L.U.	Madrid, Spain	AmRest Holdings SE	100.00%	September 2020
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%	
SCM Sp. z o.o.	Warsaw, Poland	AmRest Sp. z o.o.	51.00%	October 2008
		R&D Sp. z o.o.	33.80%	
		Beata Szafarczyk-Cylny	5.00%	
		Zbigniew Cylny	10.20%	

[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 1 October 2020 Sushi Shop Belgique SA, the sole shareholder of Sushi Shop Anvers SA, decided to liquidate this company. The liquidation process has not been finished up until the date of this Report.*

[3] *On 1 October 2020 Sushi Shop Group SAS, the sole shareholder of Sushi Shop NL B.V., decided to liquidate this company. The liquidation process has not been finished up until the date of this Report.*

[4] *On 16 December 2020 Sushi Shop Management SAS, the sole shareholder of Sushi Shop Holding USA LLC, Sushi Shop NE USA LLC, Sushi Shop NY1 LLC and Sushi Shop NY2 LLC decided to liquidate these companies. The liquidation process has not been finished up until the date of this Report.*

- *On 9 April 2021 AmRest FSVC LLC has been deregistered.*

(all figures in EUR millions unless stated otherwise)

The balances with the Group entities are as follows:

	30 June 2021	31 December 2020
Assets		
Long term loans granted to group companies	218.7	256.9
Short term loans granted to group companies	48.3	45.8
Total loans granted to group companies	**267.0**	**302.7**
AmRest TopCo	8.2	8.2
AmRest Opco SAS	36.4	35.9
AmRest China	7.4	7.0
AmRest Coffee Deutschland Sp. z o.o.	3.1	37.2
AmRest DE Sp. z o.o. & Co. KG	-	42.8
AmRest AT GmbH	3.6	3.9
AmRest Kaffee Sp. z o.o.	44.6	35.1
AmRest TAG S.L.U.	100.3	70.2
Blue Frog Food & Beverage Management	-	6.9
Pastificio Service. S.L.U.	26.7	27.1
Restauravia Food. S.L.U.	11.4	11.2
AmRest Adria d.o.o.	1.0	1.2
AmRest Pizza Sp. z o.o.&Co. KG	2.7	1.9
AmRest SK s.r.o.	1.9	1.7
OOO AmRest	-	0.7
Sushi Shop SAS	2.5	2.5
AmRest Coffee Sk sro	0.6	0.6
AmRest sp.zoo	13.1	7.1
AmRest Food SRL	1.5	1.5
AmRest Global, S.L.U.	2.0	-
Other financial assets with group companies	**1.1**	**3.4**
Restauravia Food. S.L.U.	1.0	1.0
AmRest TAG S.L.U.	0.1	0.2
AmRest S.R.O.	-	2.2
Trade and other receivables with group companies	**1.0**	**1.2**
AmRest Sp. z o.o.	0.1	0.8
AmRest SRO	0.1	0.1
Pastificio Service S.L.U.	-	0.1
AmRest TAG S.L.U.	0.5	0.2
Other related parties	0.3	-
Liabilities		
Short term debt and other current financial liabilities	**1.5**	**1.8**
The Grill Concept S.L.U.	1.0	1.0
Bacoa Black Rice S.L.	-	0.2
Sushi Shop SAS	0.1	0.1
Pastificio Service S.L.U.	0.4	0.5
Trade payables with group companies	**1.5**	**1.8**
AmRest Sp. z o.o.	0.1	0.3
AmRest TAG S.L.U.	1.1	1.2
Other related parties	0.3	0.3

(all figures in EUR millions unless stated otherwise)

The transactions with group entities are as follows:

	30 June 2021	30 June 2020
Revenues		
Revenues from the result of the stock option plan	**-**	**0.3**
AmRest SRO	-	0.1
OOO AmRest	-	0.1
Other related parties	-	0.1
Financial Income from group companies	**3.8**	**3.6**
AmRest China Group PTE Ltd.	0.2	0.2
AmRest Coffee Deutschland Sp Zoo	0.3	0.2
AmRest Topco France	0.1	0.1
AmRest Opco SAS	0.5	0.5
AmRest DE Sp. z o.o. & Co. KG	0.4	0.5
AmRest Kaffee Sp. z o.o.	0.6	0.5
AmRest TAG S.L.U.	0.9	0.8
Pastificio Service S.L.U.	0.3	0.3
Restauravia Food S.L.U.	0.1	0.1
Blue Frog Food & Beverage Mana	0.1	0.2
AmRest AT GmbH	0.1	0.1
Other related parties	0.2	0.1
Expenses		
Financial expenses with group companies	**(1.7)**	**(0.1)**
Pastificio Service S.L.U.	-	(0.1)
AmRest Tag S.L.U.	(0.1)	-
AmRest Coffee Deutschland Sp. Z.o.o.	(1.6)	-
Impairment in investments of groups companies	**-**	**(0.1)**
AmRest FSVC LLC	-	(0.1)

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 2021	**30 June 2020**
Board of Directors Remunerations		
Fixed Remuneration	(0.3)	(0.1)
Operations with shares and/or other financial instruments	-	-
Total Board of Director remunerations	**(0.3)**	**(0.1)**

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 2021	**30 June 2020**
Board of Directors Remunerations		
Salaries	-	-
Variable Remuneration	-	-
Total Board of Director remunerations	**-**	**-**

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

	6 months ended	
	30 June 2021	**30 June 2020**
Total remuneration received by the Senior Executives	(0.5)	(0.9)
Total remuneration received by the Senior Executives	**(0.5)**	**(0.9)**

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

	6 months ended	
	30 June 2021	**30 June 2020**
Total remuneration received by the Senior Executives	(2.2)	(1.4)
Total remuneration received by the Senior Executives	**(2.2)**	**(1.4)**

(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.

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

During the 6 months ended in June 2021 and 2020 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.

(all figures in EUR millions unless stated otherwise)

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 2021 and 30 June 2020 are as follow:

Categories	June 2021	June 2020
Executive Managers	2	2
Other Managers	-	1
Other employees	1	2
Total	**3**	**5**

The number of employees and members of the board of directors, distributed by gender, as at 30 June 2021 and 30 June 2020 is a follow:

Categories/Gender	June 2021		June 2020	
	Males	Females	Males	Females
Board members	5	2	5	2
Executive Managers	2	-	2	-
Other Managers	-	-	1	-
Other employees	1	-	-	2
	8	**2**	**8**	**4**

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

15.2. TAX INSPECTIONS

On 22 July 2019, Pastificio Service Service S.L. (as the taxpayer), Amrest Tag SL (as head of the Tax Group 539/11 during the tax audit period) and AmRest Holdings, SE (as the current head of the Tax Group 539/11) were notified of the initiation of a tax audit, regarding to corporate income tax, for the fiscal years 2014 to 2017. This is a partial tax audit, only referred to tax relief applied by Pastificio Service, SL in corporate income tax bases of 2014 to 2017, regarding the deductions related to certain intangible assets (i.e., patent box regimen).

On 17 August 2020, the mentioned companies received the settlement proposal from the tax auditors, including the regularization of the total amount of the tax relief applied during 2014 to 2017. This settlement proposal amounted to 1 million Euros.

On 14 September 2020, the companies submitted allegations before the Tax Auditors, being dismissed.

On 10 December 2020 the Companies have signed the Non-Conformity Tax Audit Settlement with regards to the settlement proposal and, afterwards, on January 2021 the companies submitted the corresponding allegations before the Technical Office against the final settlement proposal.

On 22 March 2021 Pastificio Service S.L.U. (as the taxpayer), AmRest Tag S.L.U. (as head of the Tax Group during the tax audit period) and AmRest Holdings SE (as the current head of the Tax Group) received the settlement agreement from the tax office indicating the additional tax liability amounting to EUR 1.1 million, which was paid by the taxpayer on 14 June 2021. However, the Company disagree with the tax authorities and on 22 April 2021 submitted the economic-administrative claim and the allegations has been filed on 26 July 2021.

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.

15.4. Subsequent events

After 30 June 2021, until the date of publication of this interim report, COVID-19 pandemic continues. Significant efforts are put by governments to mass vaccination programs to succeed and allow to reduce any future infection cycles. Group's revenues and operations after 30 June 2021 were not affected by unexpected factors. Still the uncertainties exist, and the effects of the pandemic cannot be reliably estimated.

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

Mónica Cueva Díaz
Member of the Board

Emilio Fullaondo Botella
Member of the Board

Madrid, 25 August 2021

Directors' Report 30 June 2021

CONTENTS

(all figures in EUR millions unless stated otherwise)

1. Financial highlights

	6 months ended		3 months ended	
	30 June 2021	**30 June 2020**	**30 June 2021**	**30 June 2020**
Revenues	**3.8**	3.9	**1.6**	1.7
Results from operating activities	**1.2**	1.1	**0.6**	0.4
Financial Cost	**(7.7)**	(2.9)	**(6.9)**	(4.6)
Income tax expense	**1.5**	0.3	**1.3**	0.9
Profit/(loss) for the period	**(5.0)**	(1.5)	**(5.0)**	(3.3)

	30 June 2021	**31 December 2020**
Total Assets	**724.5**	**777.6**
Total liabilities and provisions	**411.7**	**459.8**
Non-current liabilities	**356.2**	**399.9**
Current liabilities	**55.5**	**59.8**
Share capital	**22.0**	**22.0**

2. Significant events and transactions in H1 2020

Appointment of new auditor for the years 2021, 2022 and 2023

On 30 June 2021 the Extraordinary General Shareholders 'Meeting of AmRest appointed PricewaterhouseCoopers Auditores, SL as new auditor of the Company and its Consolidated Group for the years 2021, 2022 and 2023.

3. Shareholders of AmRest Holdings SE

To the best of AmRest's knowledge as at 30 June 2020 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	9 358 214	4.26%
Artal International S.C.A.	11 366 102	5.18%
Aviva OFE	6 843 700	3.12%
Other Shareholders	44 782 407	20.40%

** FCapital Dutch B. V. is the sole 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.*

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 2021.

6. Changes in the Company's Governing Bodies

As at 30 June 2021 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
- Ms. Mónica Cueva Díaz

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

As at the day of publication of this Report the composition of the Board of Directors has not changed.

On 13 April, 2021 AmRest informed of the appointment of new CEO. Mr. Mark Chandler, CEO of the AmRest Group since May 2019, left AmRest Group effective 30 June 2021. The Board has appointed Mr. Luis Comas as new CEO of the AmRest Group, to date President of La Tagliatella.

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

During the period since 1 January 2021 the following changes occurred with respect to AmRest shares and stock options held by the members of the Board of Directors of AmRest.

As at 31 December 2020 Mr. Carlos Fernández González (member of the Company's Board of Directors) held through its closely associated person, FCapital Dutch B.V., 147 203 760 shares of the Company with a total nominal value of EUR 14 720 376. On 30 June 2021, Mr. Carlos Fernández González still held (through FCapital Dutch B.V.) 147 203 760 AmRest's shares with a total nominal value of EUR 14 720 376.

In addition, as at 31 December 2020, Mr. Carlos Fernández González held through his another closely associated person - Finaccess México, S.A. de C.V., Sociedad Operadora de Fondos de Inversión, 1 172 145 AmRest shares with a total nominal value of EUR 117 214.5. The direct holder of the shares is Latin 10, SA de CV, a fund independently managed by Finaccess Mexico, S.A. de C.V. (a subsidiary of Grupo Finaccess). On 30 June 2021, Finaccess México, S.A. de C.V., Sociedad Operadora de Fondos de Inversión still held 1 172 145 AmRest shares with a total nominal value of EUR 117 214.5.

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 2021 and 30 June, 2021, AmRest didn't purchase any own shares. During the same period, the Company disposed a total of 118 451 own shares with a total nominal value of EUR 11 845.1 and representing 0.054% 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 2021 AmRest held 505 010 own shares with a total nominal value of EUR 50 501.0 and representing 0.23% 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 to 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 is permanently analyzing and reviewing risks to which the Group is exposed. The main current risks and threats have been summarized in this section. AmRest reviews and improves its risk management and internal control systems on an on-going basis.

Liquidity risk

The Group is exposed to the risk of lack of financing at the moment of maturity of bank loans and bonds. As at 30 June 2021, the Group has sufficient liquidity to fulfill its liabilities in the next 12 months.

The Group analyzes liquidity needs with particular focus on maturity of debt and proactively investigates various forms of financing that could be utilized as needed.

Risk related to the COVID-19 and its implications for the economy and society

The COVID-19 pandemic has rapidly spread around the world. Most governments are taking constrain measures to contain the spread, which include isolation, confinement, quarantine and restrictions to free movement of people and closure of public and private facilities.

This situation is affecting significantly the global economy, including HORECA sector, as well as AmRest Group.

Visible results of the COVID-19 outbreak include the decrease in demand, the disruption or slowdown of supply chains and a significant increase in economic uncertainty, increase of volatility in the price of assets, exchange rates and a decrease in long term interest rates. Possible results of the COVID-19 outbreak may include changes in the market environment, people's behaviors and ways of living.

The COVID-19 pandemic has a particularly negative impact on the restaurants sectors. The ban or significant limitations in operation of restaurants resulted in a decrease in business activity and customer demand and consequently decrease of revenues.

Group management is closely monitoring the development of situation and looks for the ways of mitigating the impact of COVID-19 spread on the Group.

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 are exposed to currency risk related to transactions and translations into currencies other than the currency in which business transactions are measured in the individual Capital Group companies. The Group 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.

Risk of increased financial costs

The Issuer and its subsidiaries are 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 Issuer 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.

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' minimization, 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.

(all figures in EUR millions unless stated otherwise)

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 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 2021 and 30 June 2020 are as follow:

Categories	June 2021	June 2020
Executive Managers	2	2
Other Managers	-	1
Other employees	1	2
Total	**3**	**5**

The number of employees and members of the board of directors, distributed by gender, as at 30 June 2021 and 30 June 2020 is a follow:

Categories/Gender	June 2021		June 2020	
	Males	**Females**	**Males**	**Females**
Board members	5	2	5	2
Executive Managers	2	-	2	-
Other Managers	-	-	1	-
Other employees	1	-	-	2
	8	**2**	**8**	**4**

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

11. Subsequent Events

After 30 June 2021, until the date of publication of this interim report, COVID-19 pandemic continues. Significant efforts are put by governments to mass vaccination programs to succeed and allow to reduce any future infection cycles. Group's revenues and operations after 30 June 2021 were not affected by unexpected factors. Still the uncertainties exist, and the effects of the pandemic cannot be reliably estimated.

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Pablo Castilla Reparaz
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Mónica Cueva Díaz
Member of the Board

Emilio Fullaondo Botella
Member of the Board

Madrid, 25 August 2021

Liability statement of Directors

The Directors of AmRest Holdings, SE (the "**Company**") state that, to the best of their knowledge, the Condensed Separate Financial Statements for 6 months ended 30 June 2021 formulated at the Board meeting held on 25 August 2021, prepared in accordance with the applicable Spanish accounting standards, offer a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole, and the interim separate Directors' Report includes a fair review of the required information.

Signatures:

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Chairman of the Board

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Vice-Chairman of the Board

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Madrid, 25 August 2021