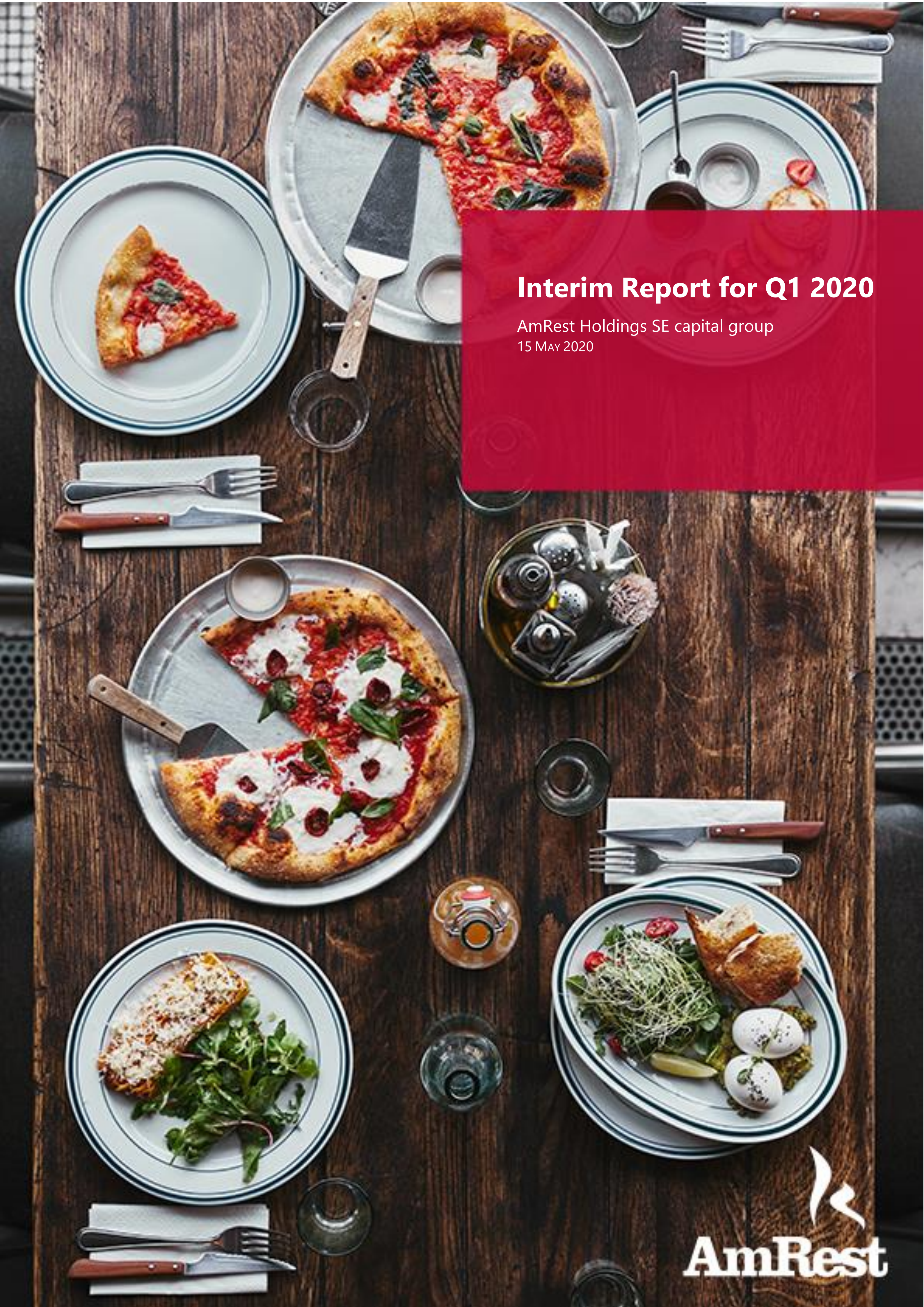


Interim Report for Q1 2020

AmRest Holdings SE capital group

15 May 2020

AmRest

AmRest

Contents

Highlights

Financial highlights (consolidated data)

	3 months ended	
	31 March 2020	**31 March 2019**
Revenue	411.9	444.9
Profit/(loss) from operations	(23.6)	17.4
Profit/(loss) before tax	(48.0)	7.1
Net profit/(loss)	(42.3)	3.8
Net profit/(loss) attributable to non-controlling interests	(0.7)	0.1
Net profit/(loss) attributable to equity holders of the parent	(41.6)	3.7
Cash flows from operating activities	36.9	56.5
Cash flows from investing activities	(14.1)	(44.8)
Cash flows from financing activities	12.4	(22.5)
Total cash flows, net	35.2	(10.8)
Weighted average number of ordinary shares for basic EPS (in thousands of shares)	219 270	221 677*
Weighted average number of ordinary shares for diluted EPS (in thousands of shares)	219 931	222 909*
Basic earnings per share (EUR)	(0.19)	0.02
Diluted earnings per share (EUR)	(0.19)	0.02
Declared or paid dividend per share	-	-

** Weighted average number of ordinary shares for basic EPS and diluted EPS was recalculated, taking into account options under share based programs within the Group. The adjustment to the weighted average number of ordinary shares does not change the basic or diluted EPS for 3 months ended 31 March 2019, that was at the level of 0.02 EUR per share.*

	As at 31 March 2020	**As at 31 December 2019**
Total assets	2 363.8	2 435.0
Total liabilities	1 953.4	1 958.3
Non-current liabilities	884.4	1 459.4
Current liabilities	1 069.0	498.9
Equity attributable to shareholders of the parent	402.3	467.2
Non-controlling interests	8.1	9.5
Total equity	410.4	476.7
Share capital	22.0	22.0
Number of restaurants	2 346	2 339
-of which equity	1 863	1 861
-of which franchise	483	478

Part A. Management Report for Q1 2020

The Group's performance in Q1 2020

Revenues

Consolidated revenues of AmRest Group in Q1 2020 amounted to EUR 411.9 million, representing a 7.4% or EUR 33.0 million decline year-on-year as a result of business- and social restrictions implemented by the majority of countries around the world in order to limit the spread of the coronavirus pandemic. First major restrictions with regards to obligatory store closures and the limitation of sales channels were introduced in China during the second half of January, while Europe implemented similar measures in the middle of March. The immediate consequence for AmRest Group has been temporary closure of shopping malls and dine-in areas, with the only permitted remaining sales channels being food delivery and in some countries take-away and drive thru. As a result only around 1 100 restaurants or about half of AmRest network were operating as of end of March in a limited scope of service of which about 760 were offering delivery. The remaining part was closed due to either legal requirements or lack of sufficient business to justify operation.

Before widely applied restrictions, the Group had seen solid top-line growth, driven by strong store roll-out in the second half of 2019 and positive comparable restaurants sales ("like-for-like", "LFL") supported by ongoing digitalization as well as best-in-class operations and product innovation. The revenue growth for the first two months of the reporting period reached 13.8% over the same period last year or 16.4% excluding China. In March revenue decreased by 45.0%.

In Central and Eastern Europe, the revenues reached EUR 181.8 million in Q1 2020 and were 2.1% lower compared to the same period last year. Wide range of restrictions implemented in reaction to the coronavirus spread resulted in around 55% of segment's restaurants being opened for delivery or take-away as of end of March, with the remaining part of stores being closed due to law restrictions or too low traffic. After the first two months of 2020 segment sales reached a very solid increase of 19.9% compared to the same period last year. In March sales decreased by 41.1%.

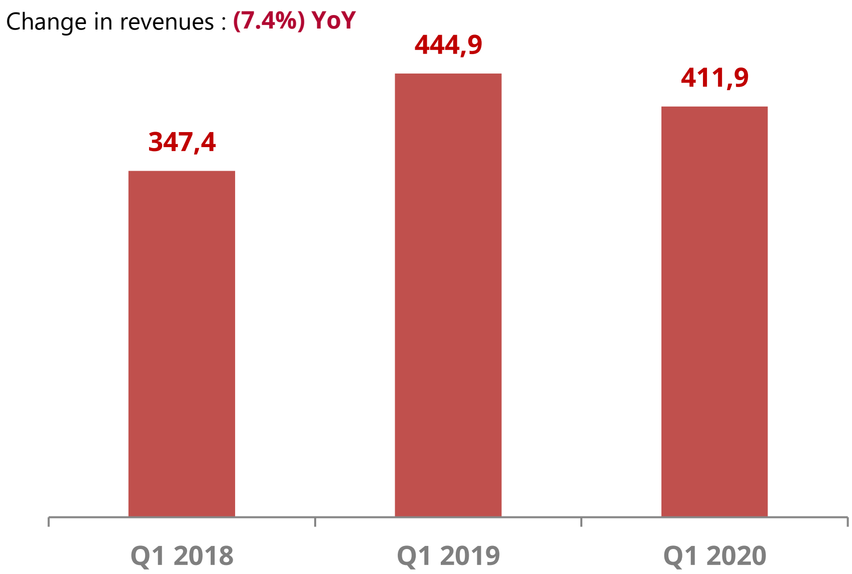
The revenues of Russian division amounted to EUR 49.1 million in Q1 2020, representing a growth of 11.8% over the year. Initial measures taken by the government in response to the coronavirus spread were less strict compared to the main countries in Western or Central Europe. That, along with strong performance of the business as well as positive FX changes and QSR oriented store-mix allowed Russia segment to post top-line growth. After the first two months of 2020 segment sales reached a very solid increase of 30.3% vs. last year. In March revenue change was at (18.6%).

Western Europe segment experienced a very strong hit in Q1 2020 as a consequence of a severe virus spread across the main countries and necessity to implement strict limitations by the governments as well as relatively higher share of casual or coffee shop type of business. Sales reached EUR 164.9 million in Q1 2020 and were 13.5% lower compared to the last year figure. Due to the implemented curbs, most of the restaurants in France had been temporary force-closed and non-operating in March while in Spain casual dining business has been closed since second half of March due to significantly lower restaurant traffic or location aspect. After the first two months of the reporting period the segment posted supportive revenue growth of 9.0% year-on-year on the back of positive comparable sales growth and net openings. In March sales drop reached 54.5%.

China segment as the one based on casual dining posted the biggest drop in revenue percentage-wise. Sales reached EUR 9.9 million and were 49.7% lower compared to the previous year. First major restrictions in China appeared in the second half of January and more were coming day by day. In the peak of lockdown period in February nearly 50% of stores were closed due to low traffic or local law restrictions while the remaining part was offering mainly delivery or take-away only. As a result delivery sales in China in Q1 2020 increased nearly 13x compared to the same period last year.

Other segment posted 29.2% growth in Q1 2020 compared to the previous year to EUR 6.2 million due to further improvement in SCM top-line figure and despite deconsolidation of PizzaPortal business.

Chart 1 AmRest Group's sales in Q1 2020 compared to the previous years (in EUR millions)



Profitability

Profitability during the first quarter of 2020 was shaped first by a solid performance of the business in Europe and Russia in the first two months and then affected by the global pandemic and states of emergency introduced in many countries around the world. As a result social and economic activities have been frozen or limited to minimum along with lowering consumer confidence and more cautious spending.

Consequently, consolidated EBITDA amounted to EUR 42.6 million in Q1 2020, representing a 44.5% decrease over the year. EBITDA margin reached 10.3% and was down 7.0pp vs. last year. The main impact on Group's profitability came from negative effect on operational leverage from a decrease in sales with labor costs 2.5pp up compared to Q1 2019 as well as higher share of delivery and food promotions. Most of the cost saving programs have started since end of March or in April including ERTE program in Spain, temporary reduction in working hours in Poland and France or fillings for available public aid programs.

After the first two months of the reporting period, Group's consolidated EBITDA margin was 0.2pp lower than last year. Excluding China results, EBITDA margin was 0.4pp higher which indicates the overall strength of the business without the impact from the external shocks related to the pandemic.

Reported profit from operations amounted to EUR (23.6) million and was EUR 41.0 million lower than last year. Margin stood at (5.7%) and was 9.6pp down over the year. After the first two months of the reporting period EBIT margin was 0.6pp higher than last year or 1.3pp, excluding China.

Reported net profit attributable to AmRest shareholders in Q1 2020 reached EUR (41.6) million and was EUR 45.3 million lower compared to last year. Margin amounted to (10.1%) vs. 0.8% in Q1 2019 due to drop in operating profit and higher FX costs.

Net debt, excluding lease obligations under IFRS 16, at the end of Q1 2020 equaled EUR 629.8 million which resulted in comparable leverage level at 3.62. As a result the Group slightly missed one of the bank covenants as of 31 March 2020 but received waiver letter on 14 May 2020. Requirement of the bank covenant as at

31 March 2020 was waived subject to certain conditions to be satisfied no later than 30 June 2020. Consequently, the bank loan balance was reclassified as current liability as of end of the reporting period.

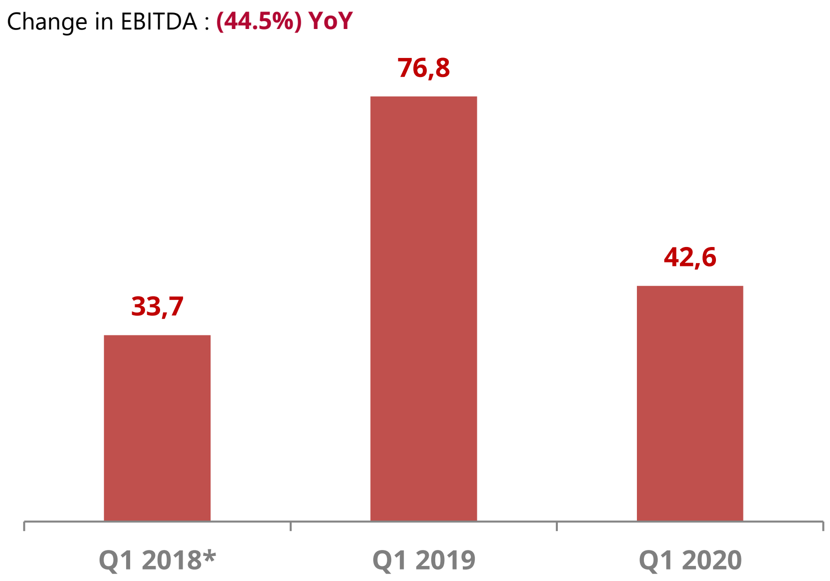
Central and Eastern Europe reported EBITDA at EUR 28.7 million and was 24.5% lower than last year. EBITDA margin stood at 15.8% which was 4.7pp lower compared to Q1 2019. Drop in revenues caused by trade restrictions impacted negatively on operational leverage with higher labor and general occupancy costs also influence by higher share of delivery while slightly offset by an increase on food margin and first G&A cost saving initiatives. After the first two months of the reporting period segment EBITDA margin was 2.1 pp higher than last year.

Reported EBITDA of Russian division amounted EUR 7.5 million and was 8.5% lower than last year. Profitability reached 15.3% and was 3.4pp lower compared to Q1 2019. Sales decrease in March along with additional cost associated with expanding delivery channel and marketing promos impacted on profitability. After the first two months segment EBITDA margin was 2.9pp lower than last year.

EBITDA reported by Western Europe division amounted to EUR 11.1 million and decreased by 18.0 million over the year. EBITDA margin was at 6.7% which was 8.5pp lower than last year. The segment experienced the biggest drop in EBITDA due to the pandemic and strict restrictions implemented by the governments as well as higher share of casual dining segment in profitability. As of end of March 211 stores (21% of segment store base) were operating with delivery or take-away only. After the first two months of 2020 segment EBITDA margin was 0.3pp lower than last year.

China reported EBITDA at EUR (0.2) million or (2.4%) margin compared to EUR 4.7 million or 23.8% margin last year. The segment operations had been affected by the trade restrictions for more than two months in the reporting period. Also, with casual dining business only, the impact was more visible on the results. However March results showed first signs of improvements vs. February as the government started to gradually ease the limitations.

Chart 2 AmRest Group's EBITDA in Q1 2020 compared to the previous years (in EUR millions)



*Q1 2018 has not been adjusted for IFRS 16 effect

(all figures in EUR millions unless stated otherwise)

Table 1 Split of revenues and margins by divisions for Q1 2020 and 2019

	3 months ended 31 March 2020		3 months ended 31 March 2019	
	Amount	% of sales	Amount	% of sales
Revenue	**411.9**		**444.9**	
Poland	100.8	24.5%	104.6	23.5%
Czechia	42.0	10.2%	43.8	9.8%
Hungary	24.8	6.0%	24.5	5.5%
Other CEE	14.2	3.4%	12.9	2.9%
Total CEE	**181.8**	**44.2%**	**185.8**	**41.8%**
Russia	**49.1**	**11.9%**	**43.9**	**9.9%**
Spain	57.3	13.9%	65.0	14.6%
Germany	34.6	8.4%	40.5	9.1%
France	64.5	15.7%	75.0	16.9%
Other Western Europe	8.5	2.1%	10.2	2.3%
Western Europe	**164.9**	**40.0%**	**190.7**	**42.9%**
China	**9.9**	**2.4%**	**19.7**	**4.4%**
Other	**6.2**	**1.5%**	**4.8**	**1.1%**
	Amount	Margin	Amount	Margin
EBITDA	**42.6**	**10.3%**	**76.8**	**17.3%**
Poland	13.9	13.8%	19.0	18.1%
Czechia	8.3	19.8%	11.4	26.0%
Hungary	4.5	18.2%	5.4	21.8%
Other CEE	2.0	13.8%	2.2	18.0%
Total CEE	**28.7**	**15.8%**	**38.0**	**20.5%**
Russia	**7.5**	**15.3%**	**8.2**	**18.7%**
Spain	9.5	16.6%	16.5	25.4%
Germany	(0.9)	(2.6%)	3.7	9.0%
France	1.4	2.2%	7.7	10.2%
Other Western Europe	1.1	12.6%	1.2	12.5%
Western Europe	**11.1**	**6.7%**	**29.1**	**15.3%**
China	**(0.2)**	**(2.4%)**	**4.7**	**23.8%**
Other	**(4.5)**	**-**	**(3.2)**	**-**
Adjusted EBITDA*	**43.6**	**10.6%**	**78.4**	**17.6%**
Poland	14.3	14.2%	19.4	18.5%
Czechia	8.4	20.0%	11.6	26.4%
Hungary	4.6	18.6%	5.6	23.0%
Other CEE	2.2	15.2%	2.4	19.0%
Total CEE	**29.5**	**16.2%**	**39.0**	**21.0%**
Russia	**7.6**	**15.4%**	**8.3**	**19.0%**
Spain	9.6	16.7%	16.7	25.6%
Germany	(0.8)	(2.3%)	3.9	9.6%
France	1.3	2.1%	7.7	10.3%
Other Western Europe	1.1	13.1%	1.3	12.5%
Western Europe	**11.2**	**6.8%**	**29.6**	**15.5%**
China	**(0.2)**	**(2.0%)**	**4.8**	**24.3%**
Other	**(4.5)**	**-**	**(3.3)**	**(66.9%)**
EBIT	**(23.6)**	**(5.7%)**	**17.4**	**3.9%**
Poland	(0.7)	(0.7%)	5.1	4.9%
Czechia	2.0	4.8%	6.1	14.0%
Hungary	0.7	2.8%	2.1	8.6%
Other CEE	(1.4)	(10.0%)	(0.3)	(2.9%)
Total CEE	**0.6**	**0.3%**	**13.0**	**7.0%**
Russia	**(0.5)**	**(1.1%)**	**1.0**	**2.4%**
Spain	0.9	1.6%	8.1	12.5%
Germany	(8.0)	(23.1%)	(3.4)	(8.4%)
France	(7.0)	(10.8%)	1.7	2.3%

(all figures in EUR millions unless stated otherwise)

	3 months ended 31 March 2020		3 months ended 31 March 2019	
	Amount	% of sales	Amount	% of sales
Other Western Europe	0.1	0.6%	0.6	5.2%
Western Europe	**(14.0)**	**(8.5%)**	**7.0**	**3.7%**
China	**(5.0)**	**(50.2%)**	**(0.1)**	**(0.4%)**
Other	**(4.7)**	**-**	**(3.5)**	**-**

**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 Reconciliation of net profit and adjusted EBITDA for 3 months ended 31st March 2020 and 2019

	3 months ended 31 March 2020		3 months ended 31 March 2019		Change
	Amount	% sales	Amount	% sales	Y/Y
Profit/(loss) for the period	**(42.3)**	**(10.3%)**	**3.8**	**0.9%**	**(1 213.2%)**
+ Finance costs	**24.6**	6.0%	**10.7**	2.4%	129.9%
– Finance income	**0.2**	0.0%	**0.4**	0.1%	(50.0%)
+ Income tax expense	**(5.7)**	(1.4%)	**3.3**	0.7%	(272.7%)
+ Depreciation and Amortisation	**64.5**	15.7%	**58.8**	13.2%	9.7%
+ Impairment losses	**1.7**	0.4%	**0.6**	0.1%	183.3%
EBITDA	**42.6**	**10.3%**	**76.8**	**17.3%**	**(44.5%)**
+ Start-up expenses*	**1.0**	0.2%	**1.6**	0.4%	(37.5%)
+ M&A related expenses	**-**	-	**-**	-	na
+/– Effect of SOP exercise method modification	**-**	-	**-**	-	na
– Indirect taxes adjustments	**-**	-	**-**	-	na
Adjusted EBITDA	**43.6**	**10.6%**	**78.4**	**17.6%**	**(44.4%)**

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

Alternative Performance Measures (APM) 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. 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 2.

2. 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 2.

3. 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.

Significant events and transactions in Q1 2020

(till the date of publication of this Report)

Satisfaction of all conditions envisaged by the agreement concluded with Glovoapp23 S.L.

On 13 August 2019 the Group has signed the agreement with Glovoapp23, S.L. ("Glovo") for the transfer from AmRest to Glovo of 100% shares in Restaurant Partner Polska Sp. z o.o. ("PizzaPortal") (further: the "Agreement"). At 30 September 2019, Restaurant Partner Polska Sp. z o.o. was classified as a disposal group held for sale. On 28 October, due to satisfaction of conditions precedent, AmRest transferred 100% of shares in PizzaPortal to Glovo.

On 24 January 2020 the Company announced satisfaction of all conditions envisaged by the Agreement and final settlement of the transaction. In consideration for the transfer of 100% of shares in Restaurant Partner Polska Sp. z o.o. AmRest received total transaction price in the amount of EUR 35 million, as a combination of cash payment of EUR 20 million and newly issued shares of Glovo, which constituted final settlement of the Agreement.

As a result of the abovementioned transaction AmRest held 7.5% stake in Glovo's share capital (non-diluted).

Initiation of the procedures to execute an ERTE

On 20 March, 2020 AmRest announced initiation of the procedures for the presentation of Temporary Employment Regulation Files (Expediente de Regulación Temporal de Empleo) on a force majeure basis, as per Royal Decree-Law 8/2020, of March 17, on extraordinary urgent measures to face the economic and social impact of COVID-19 (the "ERTE").

The ERTE was supposed to cover a maximum of 3 666 employees, who represented 93% of the AmRest workforce in Spain; 7.1% at group level.

Due to the government measures, AmRest proceeded to the temporary closure of 143 equity restaurants in Spain of the brands KFC, La Tagliatella, Bacoa and Blue Frog.

This initiative is part of the measures that the AmRest Group took to mitigate the impact caused by the COVID-19 crisis.

Further measures adopted regarding employment

On 14 April, 2020 AmRest announced that, in accordance with the provisions of article 47 of the Workers Statute, in relation to Royal Decree 1483/2012 and article 23 of Royal Decree-Law 8/2020, it has filed before the Spanish labor authority a Temporary Employment Regulation File ("ERTE") on productive grounds for the company AmRest Tag, S.L.U. The ERTE covered a total of 55 employees (65% of the total employees) through a combination of temporary suspension of contracts and reduction of working hours.

Earlier, the ERTE program covered also approximately 60 employees of Sushi Shop restaurants in Spain (about 93.55% of the workforce).

Likewise, AmRest informed of the following measures adopted regarding employment in the below jurisdictions in which it operates:

(all figures in EUR millions unless stated otherwise)

France

A general reduction in working hours has been established for a total of 4 669 employees, representing 93% of the total workforce of the AmRest Group in France. In France, 86% of the AmRest Group's equity restaurants of the Sushi Shop, Pizza Hut, KFC and Tagliatella brands were closed.

Portugal

Temporary suspension (cerramento temporario) of all labor contracts, affecting a total of 68 employees. The 6 AmRest restaurants in Portugal were closed.

Poland

Reduction of working hours and salaries has been established for a total of 4 050 employees, representing 44% of total number of employees of AmRest Group in mid-April in Poland 295 own restaurants (53% of the total) remained open in Poland.

Changes in the Company's Governing Bodies

There were no changes in the Company's Governing Bodies that occurred in the period covered by this Report. The composition of the Board of Directors is 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
- Mr. Mustafa Ogretici

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

Dividends paid during the period covered by this Report

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 0.3 million (PLN 1.1 million).

Shareholders of AmRest Holdings SE

Pursuant to the best AmRest's knowledge as at 31 March 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	9 912 576	4.51%
Artal International S.C.A.	10 900 000	4.96%
Aviva OFE	6 803 384	3.10%
Other Shareholders	44 734 463	20.38%

** 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 number of shares held by members of the Board of Directors

During the period since 1 January 2020 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 2019 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 31 March 2020, Mr. Carlos Fernández González still held 147 203 760 AmRest's shares with a total nominal value of EUR 14 720 376 through FCapital Dutch B.V.

In addition, in March 2020, Finaccess México, S.A. de C.V., Sociedad Operadora de Fondos de Inversión, a person closely associated to Mr. Carlos Fernández, reported a holding of 516 204 shares. The 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).

Transactions on AmRest shares concluded for the purpose of executing the management option plan

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 acquires 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 2020 and 31 March 2020, AmRest did not purchase any own shares. During the same period, the Company disposed a total of 80 287 own shares with a total nominal value of EUR 8 028.7 and representing 0.0366% 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 31 March 2020 AmRest held 644 128 own shares with a total nominal value of EUR 64 412.8 and representing 0.2934% of the share capital.

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

Forecasts of financial results

The Company has not published any forecasts of financial results.

Part B. Condensed Consolidated Interim Report for Q1 2020

(all figures in EUR millions unless stated otherwise)

Condensed consolidated income statement for 3 months ended 31 March 2020

	3 months ended	
	31 March 2020	31 March 2019 (restated*)
Continuing operations		
Restaurant sales	391.7	422.6
Franchise and other sales	20.2	22.3
Total revenue	**411.9**	**444.9**
Restaurant expenses:		
Food and merchandise	(113.6)	(120.9)
Payroll, social security and employee benefits	(113.5)	(111.6)
Royalties	(19.1)	(19.8)
Occupancy, depreciation and other operating expenses	(139.1)	(128.0)
Franchise and other expenses	(14.9)	(14.7)
General and administrative expenses	(35.6)	(33.5)
Total operating costs and losses	**(435.8)**	**(428.5)**
Net impairment losses on financial assets	(1.7)	(0.1)
Net impairment losses on other assets	-	(0.5)
Other operating income/expenses	2.0	1.6
Profit/(loss) from operations	**(23.6)**	**17.4**
Finance income	0.2	0.4
Finance costs	(24.6)	(10.7)
Profit/(loss) before tax	**(48.0)**	**7.1**
Income tax expense	5.7	(3.3)
Profit/(loss) for the period	**(42.3)**	**3.8**
Attributable to:		
Shareholders of the parent	(41.6)	3.7
Non-controlling interests	(0.7)	0.1
Profit/(loss) for the period	**(42.3)**	**3.8**
Basic earnings per ordinary share in EUR	(0.19)	0.02
Diluted earnings per ordinary share in EUR	(0.19)	0.02

The above condensed consolidated income statement should be read in conjunction with the accompanying notes.
**The comparative data were restated as a result of a reclassification adjustment for delivery fee expenses described in note 6.*

(all figures in EUR millions unless stated otherwise)

Condensed consolidated statement of comprehensive income for 3 months ended 31 March 2020

	3 months ended	
	31 March 2020	**31 March 2019**
Profit/(loss) for the period	**(42.3)**	**3.8**
Other comprehensive income/(loss)		
Exchange differences on translation of foreign operations	(17.6)	8.6
Net investment hedges	(10.4)	-
Income tax related to net investment hedges	1.7	-
Total items that may be reclassified to the income statement	(26.3)	8.6
Other comprehensive income/(loss) for the period	**(26.3)**	**8.6**
Total comprehensive income/(loss) for the period	**(68.6)**	**12.4**
Attributable to:		
Shareholders of the parent	(67.5)	12.2
Non-controlling interests	(1.1)	0.2

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 31 March 2020

	31 March 2020	31 December 2019
Assets		
Property, plant and equipment	555.0	584.9
Right-of-use assets	821.3	852.7
Goodwill	342.2	350.2
Intangible assets	249.4	253.5
Investment properties	4.9	5.2
Financial assets measured at fair value	76.2	76.2
Other non-current assets	23.5	25.1
Deferred tax assets	29.5	22.4
Total non-current assets	**2 102.0**	**2 170.2**
Inventories	27.5	29.9
Trade and other receivables	67.4	104.6
Corporate income tax receivables	3.9	4.8
Other current assets	18.3	19.3
Cash and cash equivalents	144.7	106.2
Total current assets	**261.8**	**264.8**
Total assets	**2 363.8**	**2 435.0**
Equity		
Share capital	22.0	22.0
Reserves	172.2	178.3
Retained earnings	255.0	296.6
Translation reserve	(46.9)	(29.7)
Equity attributable to shareholders of the parent	**402.3**	**467.2**
Non-controlling interests	8.1	9.5
Total equity	**410.4**	**476.7**
Liabilities		
Interest-bearing loans and borrowings	101.0	656.0
Lease liabilities	703.5	719.4
Employee benefits liability	0.6	0.6
Provisions	21.9	22.8
Deferred tax liability	48.9	51.4
Other non-current liabilities	8.5	9.2
Total non-current liabilities	**884.4**	**1 459.4**
Interest-bearing loans and borrowings	671.1	64.1
Lease liabilities	150.3	144.7
Trade and other accounts payable	237.7	279.5
Corporate income tax liabilities	9.9	10.6
Total current liabilities	**1 069.0**	**498.9**
Total liabilities	**1 953.4**	**1 958.3**
Total equity and liabilities	**2 363.8**	**2 435.0**

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 3 months ended 31 March 2020

	3 months ended	
	31 March 2020	**31 March 2019**
Cash flows from operating activities		
Profit/(loss) before tax from continued operations	(48.0)	7.1
Adjustments for:		
Amortisation/Depreciation	64.5	58.8
Net interest expense	11.0	9.7
Foreign exchange result	12.7	(0.1)
Result on disposal of property, plant and equipment and intangibles	(0.1)	0.2
Impairment of non-financial assets	-	0.5
Share-based payments	2.5	2.3
Other	(0.3)	0.2
Working capital changes:		
Change in trade and other receivables	13.4	(10.3)
Change in inventories	1.4	2.1
Change in other assets	0.6	(2.1)
Change in payables and other liabilities	(18.0)	(11.2)
Change in provisions and employee benefits	(0.8)	1.5
Income tax paid	(2.0)	(2.2)
Net cash from operating activities	**36.9**	**56.5**
Cash flows from investing activities		
Proceeds from the sale of the business	20.0	-
Purchase of property, plant and equipment	(32.8)	(37.4)
Purchase of intangible assets	(1.3)	(7.4)
Net cash used in investing activities	**(14.1)**	**(44.8)**
Cash flows from financing activities		
Proceeds from share transfers (employees options)	-	0.2
Repurchase of treasury shares	-	(0.4)
Payments on settlement of employee stock options in cash	-	(0.2)
Proceeds from loans and borrowings	81.6	34.2
Repayment of loans and borrowings	(21.8)	(12.6)
Payments of lease liabilities including interests paid	(43.4)	(35.2)
Interest paid	(4.0)	(3.3)
Interest received	0.2	0.1
Dividends paid to non-controlling interest owners	(0.3)	-
Transactions with non-controlling interest	0.1	(5.3)
Net cash from financing activities	**12.4**	**(22.5)**
Net change in cash and cash equivalents	**35.2**	**(10.8)**
Effect of foreign exchange rate movements	3.3	(0.4)
Balance sheet change of cash and cash equivalents	38.5	(11.2)
Cash and cash equivalents, beginning of period	106.2	118.4
Cash and cash equivalents, end of period	**144.7**	**107.2**

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 3 months ended 31 March 2020

	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	-	-	(41.6)	-	**(41.6)**	(0.7)	**(42.3)**
Other comprehensive income	-	(8.7)	-	(17.2)	**(25.9)**	(0.4)	**(26.3)**
Total comprehensive income	-	**(8.7)**	**(41.6)**	**(17.2)**	**(67.5)**	**(1.1)**	**(68.6)**
Transaction with non-controlling interests	-	-	-	-	**-**	(0.3)	**(0.3)**
Total transactions with non-controlling interests	**-**	**-**	**-**	**-**	**-**	**(0.3)**	**(0.3)**
Purchases of treasury shares	-	-	**-**	**-**	**-**	**-**	**-**
Share based payments	-	2.6	-	-	**2.6**	-	**2.6**
Total distributions and contributions	**-**	**2.6**	**-**	**-**	**2.6**	-	**2.6**
As at 31 March 2020	**22.0**	**172.2**	**255.0**	**(46.9)**	**402.3**	**8.1**	**410.4**

	Attributable to the shareholders of the parent						
	Share capital	Reserves	Retained earnings	Translation reserve	**Total**	Non-controlling interest	**Total equity**
As at 1 January 2019	**22.0**	**206.1**	**231.5**	**(38.9)**	**420.7**	**9.9**	**430.6**
Net profit for the period	-	-	3.7	-	**3.7**	0.1	**3.8**
Other comprehensive income	-	-	-	8.5	**8.5**	0.1	**8.6**
Total comprehensive Income	-	**-**	**3.7**	**8.5**	**12.2**	**0.2**	**12.4**
Transaction with non-controlling interests	-	(4.8)	-	-	**(4.8)**	(0.5)	**(5.3)**
Total transactions with non-controlling interests	**-**	**(4.8)**	**-**	**-**	**(4.8)**	**(0.5)**	**(5.3)**
Purchases of treasury shares	-	(0.4)	**-**	**-**	**(0.4)**	**-**	**(0.4)**
Share based payments	-	2.0	-	-	**2.0**	-	**2.0**
Total distributions and contributions	**-**	**1.6**	**-**	**-**	**1.6**	-	**1.6**
As at 31 March 2019	**22.0**	**202.9**	**235.2**	**(30.4)**	**429.7**	**9.6**	**439.3**

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes, in particular note 8.

Notes to condensed consolidated interim report

1. General information on the Group

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

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

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 the above stock exchanges (dual listing).

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 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 2017, in Germany in 2017 and in Russia in 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, Trastevere and Pastificio. 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 brands Blue Frog (in China and Spain) and KABB (in China).

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 restaurants among the others in France, Belgium, Spain, several Middle East countries Switzerland, United Kingdom, Italy, Germany. 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 and Moya Misa.

As at 31 March 2020 the Group operates 2 346 restaurants (own and franchise).

(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.

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. Possibility of opening in: Bulgaria, Serbia, Croatia, Slovenia	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 52.2 thousand [2)]	up to USD 52.2 thousand [2)]	USD 26.1 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
Marketing costs	5% of sales revenues	5% of sales revenues	6% of sales revenues to 31 December 2021; 5% of sales revenues from 1 January 2022 to 31 December 2026 [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)

Activity performed through own brands					
Brand	**La Tagliatella**	**Blue Frog**	**KABB**	**Bacoa**	**Sushi Shop**
Area of the activity	Spain, France, Germany, Portugal	China, Spain	China	Spain	France, Spain, Belgium, Italy, Switzerland, Luxemburg, UK, the Netherlands

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 (Bulgaria, Hungary, Czechia, Poland, Slovakia, Slovenia, Serbia, Croatia), Russia, Armenia and Azerbaijan	Spain, France	Spain	Spain	France, Belgium, Spain, United Arab Emirates, Saudi Arabia, Switzerland, United Kingdom, Luxembourg, Italy, Germany, Portugal, the Netherlands
Term of agreement	10 years with possibility of extension	10 years with possibility of extension	10 years with possibility of extension	10 years 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 entitle to exercise the option to purchase all of the Shares of Starbucks. According to Group assessment as at 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.

(all figures in EUR millions unless stated otherwise)

2. Group Structure

As at 31 March 2020, 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	99.00%	August 2018
		AmRest TAG S.L.U.	1.00%	
GM Invest SRL	Brussels, Belgium	AmRest TAG S.L.U.	100.00%	October 2018
Sushi Shop Group SAS	Paris, France	GM Invest SRL	9.47%	October 2018
		AmRest TAG S.L.U.	90.53%	
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 Belgique SA	Bruxelles, Belgium	Sushi Shop Group SAS	100.00%	October 2018
Sushi Shop Holding USA LLC	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.	82.00%	March 2007
		Starbucks Coffee International,Inc.	18.00%	
AmRest EOOD	Sofia, Bulgaria	AmRest Holdings SE	100.00%	April 2007
OOO AmRest	Saint Petersburg, Russia	AmRest Acquisition Subsidiary Ltd.	44.72%	July 2007
		AmRest Sp. z o.o.	55.28%	
AmRest Coffee s.r.o.	Prague, Czechia	AmRest Sp. z o.o.	82.00%	August 2007
		Starbucks Coffee International,Inc.	18.00%	
AmRest Kávézó Kft	Budapest, Hungary	AmRest Sp. z o.o.	82.00%	August 2007
		Starbucks Coffee International,Inc.	18.00%	
AmRest d.o.o.	Belgrade, Serbia	AmRest Sp. z o.o.	60.00%	October 2007
		ProFood Invest GmbH	40.00%	
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	Lyon, 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

(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 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.	99.00%	July 2019
		AmRest Holdings SE	1.00%	July 2019
AmRest Coffee SK s.r.o.	Bratislava, Slovakia	AmRest s.r.o.	99.00%	December 2015
		AmRest Sp. z o.o.	1.00%	
AmRest Coffee Deutschland Sp. z o.o. & Co. KG	Munich, Germany	AmRest Kaffee Sp. z o.o.	23.00%	May 2016
		AmRest TAG S.L.U.	77.00%	
AmRest DE Sp. z o.o. & Co. KG	Berlin, 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.	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
Orphus SARL	Paris, France	Sushi Shop Management SAS	100.00%	October 2018
CMLC Troyes	Troyes, France	Sushi Shop Management SAS	100.00%	July 2019
Sushiga SARL	Paris France	Sushi Shop Management SAS	50.00%	October 2018
		Emmanuel GARFIN	50.00%	
SSW 1 SPRL	Waterloo, Belgium	Sushi Shop Belgique SA	100.00%	October 2018
SSW 2 SPRL	Wavre, Belgium	Sushi Shop Belgique SA	100.00%	October 2018
Sushi House SA	Luxembourg	Midicapital	14.00%	October 2018
		Sushi Shop Luxembourg SARL	86.00%	
Sushi Sablon SA	Bruxelles, Belgium	Sushi Shop Belgique SA	100.00%	October 2018
Sushi Shop London Pvt LTD	London, UK	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 Uccle SA	Uccle, Belgium	Sushi Shop Belgique SA	100.00%	October 2018
Sushi Shop Anvers SA	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

(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
		Vanray SRL	30.00%	
Sushi Shop NE USA LLC	New York, USA	Sushi Shop Holding USA LLC	100.00%	October 2018
Sushi Shop NY1	New York, USA	Sushi Shop Holding USA LLC	64.00%	October 2018
		Sushi Shop NE USA LLC	36.00%	
Sushi Shop NY2	New York, USA	Sushi Shop Holding USA LLC	100.00%	October 2018
Sushi Shop International SA	Bruxelles, Belgium	Sushi Shop Group SAS	99.90%	October 2018
		Sushi Shop Belgique SA	0.10%	
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.	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%	November 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	Lyon, France	AmRest TAG S.L.U.	100.00%	March 2014
AmRest FSVC LLC	Wilmington, USA	AmRest Holdings SE	100.00%	November 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 Trademark Kft „v.a” [2]	Budapest, Hungary	AmRest Management Kft	100.00%	September 2018
AmRest Franchise Sp. z o.o.	Wrocław, Poland	AmRest Sp. z o.o.	100.00%	December 2018
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. (AmRest Tag S.L.U. after the merger described in point 12 below), 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 21 October 2019 the voluntary liquidation process of AmRest Trademark Kft (Hungary) started. On the same date the Company changed name for AmRest Trademark Kft. „v.a”*

- *On January 2nd 2020 the company La Tagliatella Financing Kft has been deregistered.*
- *On 27 March 2020 the company OOO RusCo Food has been deregistered.*

3. Basis of preparation

Accounting figures presented in this condensed consolidated report were prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (“IFRS”).

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

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 2019. The preparation of this condensed consolidated interim report 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 interim report are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2019.

Several amendments and interpretations apply for the first time in 2020, 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.

On 11 March 2020, the World Health Organisation declared the coronavirus COVID-19 outbreak a pandemic, due to its fast spread around the World, after impacting more than 150 countries. 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 AmRest Group, as well 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 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 and after the reporting date.

The management is closely monitoring the development of situation and looks for the ways of mitigating of impact of coronavirus spread on the Group.

The Group actively manages liquidity risk understood as a possible loss or restriction of its ability to cover current expenses. Strengthening of the Group's position in terms of liquidity and mitigation of adverse impacts of COVID-19 outbreak is taken on several areas. The Group maintains close communication with its financing banks. In March 2020 Group has drawn entire facility available under revolving Tranche D of syndicated bank loan, increasing amount drawn from EUR 37.3 million in the end of 2019 to 98.9 million in the end of 1Q 2020.

As at 31 March 2020 one of bank covenants was not met and the Group was required to report its syndicated bank loan balance as current liabilities. On 14 May 2020 the Group has obtained the waiver letter. Requirement of the bank covenant as at 31 March 2020 was waived subject to certain conditions to be satisfied no later than 30 June 2020. The Group is fully committed to cooperate with the financing banks.

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. Up until publication of this interim report Group was granted total EUR 75 million. The above agreements have been described in detail in Note 13.

Group is reviewing its rental agreements and entering into negotiations with landlords as well takes the benefits of various government schemes that allow deferral or suspension of payments for rental costs during emergency period. Government program implemented with regards to COVID-19 spread allow to defer payments taxes, social securities and other public obligations. The Group is taking the benefits of available schemes which allows to enhance liquidity risk management in current situation. The Group also decided to temporarily defer the earlier planned development expenditures, that is another element that allows to fulfill short term cash needs.

Additionally 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. Through the support programs Group will be able to adjust its payroll costs level more flexible to respective decrease in revenues due to temporarily closures stores.

On the revenues streams side currently approximately 71% of Group's own and franchise stores remain operative, most of them offering delivery services. Group closely monitors the constrain measures taken and now slowly lifted by governments in various countries and adjusts on daily basis number of opened stores and possible ways of providing products and services to Group's customers, ensuring staff and customer safety, as well complying with all government directives.

The Board of Directors analyzed Group's situation in the context of COVID-19 in the area of liquidity, financing and securing the continuations of operations including the events described in Note 13. Based on the considered scenarios and analysis of 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, ■ 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, ■ 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, Sushi Shop, ■ Portugal – La Tagliatella, Sushi Shop, ■ Belgium, Italy, Switzerland, Luxemburg, United Kingdom and other countries with activities of Sushi Shop.
China	Blue Frog and KABB 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 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.

(all figures in EUR millions unless stated otherwise)

Segment measures and the reconciliation to profit/loss from operations for the 3 months ended 31 March 2020 and for the comparative 3 months ended 31 March 2019 is presented below.

3 months ended 31 March 2020	CEE	Western Europe	Russia	China	Other	Total
Restaurant sales	181.6	151.2	49.0	9.9	-	391.7
Franchise and other sales	0.2	13.7	0.1	-	6.2	20.2
Inter-segment revenue	-	-	-	-	-	-
Segment revenue	**181.8**	**164.9**	**49.1**	**9.9**	**6.2**	**411.9**
EBITDA	**28.7**	**11.1**	**7.5**	**(0.2)**	**(4.5)**	**42.6**
Depreciation and amortisation	(28.1)	(23.4)	(8.0)	(4.8)	(0.2)	(64.5)
Net impairment losses on financial assets	-	(1.7)	-	-	-	(1.7)
Profit/loss from operations	**0.6**	**(14.0)**	**(0.5)**	**(5.0)**	**(4.7)**	**(23.6)**
Finance income and costs	(12.7)	(9.6)	(1.8)	(1.1)	0.8	(24.4)
Profit before tax	**(12.1)**	**(23.6)**	**(2.3)**	**(6.1)**	**(3.9)**	**(48.0)**
Capital investment*	**13.7**	**8.3**	**3.8**	**0.2**	**0.1**	**26.1**

3 months ended 31 March 2019	CEE	Western Europe	Russia	China	Other	Total
Revenue from external customers	185.6	174.0	43.3	19.7	-	422.6
Franchise and other sales	0.2	16.7	0.6	-	4.8	22.3
Inter-segment revenue	-	-	-	-	-	-
Segment revenue	**185.8**	**190.7**	**43.9**	**19.7**	**4.8**	**444.9**
EBITDA	**38.0**	**29.1**	**8.2**	**4.7**	**(3.2)**	**76.8**
Depreciation and amortisation	(25.1)	(21.4)	(7.2)	(4.8)	(0.3)	(58.8)
Net impairment losses on financial assets	0.1	(0.2)	-	-	-	(0.1)
Net impairment losses on other assets	-	(0.5)	-	-	-	(0.5)
Profit/loss from operations	**13.0**	**7.0**	**1.0**	**(0.1)**	**(3.5)**	**17.4**
Finance income and costs	(3.1)	(2.4)	(0.4)	(0.3)	(4.1)	(10.3)
Profit before tax	**9.9**	**4.6**	**0.6**	**(0.4)**	**(7.6)**	**7.1**
Capital investment*	**15.4**	**17.8**	**2.9**	**0.6**	**0.1**	**36.8**

**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 this consolidated interim report.

5. Business combinations

There were no material business combinations in Q1 2020. In the first quarter of 2020 AmRest Group has not performed any final reconciliation of purchase price accounting for past acquisitions.

Several acquisitions including Sushi Shop, Bacoa and KFC France, have been finalised in the period of Q3-Q4 2019. Adjustments introduced during those final purchase price accounting did not materially affect the comparative data presented in this interim condensed consolidated report for the consolidated statement of comprehensive income; cash flows from operating, investing and financing activities in the consolidated cash flow statement and earnings per share, hence there was no need to restate comparative data.

6. Operating costs and losses

Analysis of operating expenses by nature:

	3 months ended	
	31 March 2020	31 March 2019 (restated)
Food, merchandise and other materials	127.8	134.4
Payroll	113.8	111.1
Social security and employee benefits	29.1	28.8
Royalties	20.1	20.9
Utilities	19.8	18.7
External services - marketing	19.2	17.7
External services – other	29.3	24.1
Rental and occupancy costs	4.7	6.4
Depreciation of right-of-use assets	35.9	32.3
Depreciation of property, plant and equipment	25.2	23.4
Amortisation of intangibles	3.4	3.1
Insurance	0.5	0.6
Business travel	2.4	2.5
Other	4.6	4.3
Total cost by nature	**435.8**	**428.3**
Result on restaurants and non-current assets disposal	-	0.2
Total operating costs and losses	**435.8**	**428.5**

Summary of operating expenses by functions:

	3 months ended	
	31 March 2020	31 March 2019
Restaurant expenses	385.3	380.3
Franchise and other expenses	14.9	14.7
Total cost of sales	**400.2**	**395.0**
General and administrative expenses	35.6	33.5
Total operating costs and losses	**435.8**	**428.5**

During 2019 the Group undertook a review of delivery fee expenses. All delivery fees and expenses were presented as payroll costs, irrespective if incurred internally or externally. During 2019 annual reporting Group made a respective reclassification in presentation of expenses by function.

Due to change in presentations Group adjusted data in this interim report for comparative period as follows:

3 months ended 31 March 2019	**Published** EUR million	**Adjustment** EUR million	**Restated** EUR million
Payroll, social security and employee benefits	(118.9)	7.3	(111.6)
Occupancy and other operating expenses	(120.7)	(7.3)	(128.0)
Total operating costs and losses	**(428.5)**	**-**	**(428.5)**
Profit from operations	**17.4**	**-**	**17.4**
Profit for the period	**3.8**	**-**	**3.8**

7. Financial income and costs

Finance income

	3 months ended	
	31 March 2020	31 March 2019
Income from bank interest	0.2	0.1
Net income from foreign exchange differences	**-**	**0.3**
Net income from foreign exchange differences - other	-	0.3
Total finance income	**0.2**	**0.4**

(all figures in EUR millions unless stated otherwise)

Finance costs

	3 months ended	
	31 March 2020	**31 March 2019**
Interest expense	(4.5)	(3.8)
Interest expense on lease liability	(6.7)	(6.0)
Financial fees recognised as interest expense	(0.6)	(0.5)
Net cost from foreign exchange differences	**(12.7)**	**(0.2)**
Net cost from foreign exchange differences on lease liability	(12.7)	(0.2)
Other	(0.1)	(0.2)
Total finance cost	**(24.6)**	**(10.7)**

8. 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 31 March 2020 and 31 December 2019 the Company has 219 554 183 shares issued.

Shareholder structure of AmRest Holdings as at 31 March 2020 is presented in the management report section.

(all figures in EUR millions unless stated otherwise)

Reserves

The structure of Reserves is as follows:

	Share premium	Employee options	Treasury shares	Hedges valuation	Transactions with NCI	Total Reserves
As at 1 January 2020	**236.3**	**(25.1)**	**(7.5)**	**0.9**	**(26.3)**	**178.3**
Net investment hedges	-	-	-	(10.4)	-	**(10.4)**
Income tax related to net investment hedges	-	-	-	1.7	-	**1.7**
Total comprehensive income	**-**	**-**	**-**	**(8.7)**	**-**	**(8.7)**
Purchases of treasury shares	-	-	-	-	-	**-**
Share based payments						
Value of disposed treasury shares	-	(0.8)	0.8	-	-	**-**
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	-	0.1	-	-	-	**0.1**
Employee stock option plan – change in unexercised options	-	2.6	-	-	-	**2.6**
Total share based payments	-	*1.8*	*0.8*	-	-	***2.6***
Total distributions and contributions	**-**	**1.8**	**0.8**	**-**	**-**	**2.6**
As at 31 March 2020	**236.3**	**(23.3)**	**(6.7)**	**(7.8)**	**(26.3)**	**172.2**

(all figures in EUR millions unless stated otherwise)

	Share premium	Payments in shares	Employee options	Treasury shares	Hedges valuation	Transactions with NCI	Total Reserves
As at 1 January 2019 (restated)*	**236.3**	**13.0**	**(6.3)**	**(15.2)**	**(0.5)**	**(21.2)**	**206.1**
Net investment hedges	-	-	-	-	-	-	**-**
Income tax related to net investment hedges	-	-	-	-	-	-	**-**
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transaction with non-controlling interests	-	-	-	-	-	(4.8)	**(4.8)**
Total transactions with non-controlling interests	**-**	**-**	**-**	**-**	**-**	**(4.8)**	**(4.8)**
Purchases of treasury shares	-	-	-	(0.4)	-	-	**(0.4)**
Share based payments							
Value of disposed treasury shares	-	-	(3.3)	3.3	-	-	**-**
Employee stock option plan – value of employee benefits exercised in the period	-	-	(0.6)	-	-	-	**(0.6)**
Employee stock option plan – proceeds from employees for transferred shares	-	-	0.3	-	-	-	**0.3**
Employee stock option plan – change in unexercised options	-	-	2.3	-	-	-	**2.3**
Total share based payments	-	-	*(1.3)*	*3.3*	-	-	***2.0***
Total distributions and contributions	**-**	**-**	**(1.3)**	**2.9**	**-**	**-**	**1.6**
As at 31 March 2019 (restated)*	**236.3**	**13.0**	**(7.6)**	**(12.3)**	**(0.5)**	**(26.0)**	**202.9**

**Aggregation of reserves types was changed in annual reporting for the year ended 31 December 2019 and as disclosed in note 27 to the consolidated financial statements for the year ended 31 December 2019 the reclassification between "Put option" and "Transaction with NCI" of EUR 40.7 million as made with no impact on total reserves. The comparative data for the 3 months period ended 31 March 2019 are presented including the respective adjustment.*

(all figures in EUR millions unless stated otherwise)

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 3 months period ended 31 March 2020.

Payments in shares

This item reflects the impact of payments in a fixed number of shares related to Sushi Shop Group acquisition. The transaction was settled in HY 2019.

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 3 months ended 31 March 2020 hedges were fully effective.

As at 31 March 2020 the accumulated value of currency revaluation recognised in reserve capital (resulting from net investment hedges) amounted to EUR 10.4 million, and deferred tax concerning this revaluation EUR 1.7 million.

Transactions with NCI

This item reflects the impact of accounting for transactions with non-controlling interests (NCI).

The following key transactions were recognised in the period of Q1 2020:

	Transactions with NCI	Non-controlling interest	Total Equity
Dividends for non-controlling shareholders	-	(0.3)	(0.3)
Total transactions with non-controlling interests			

The following key transactions were recognised in the period of Q1 2019:

	Transactions with NCI	Non-controlling interest	Total Equity
Acquisition of non-controlling interests of Pizza Portal	(4.8)	(0.5)	(5.3)
Total transactions with non-controlling interests	**(4.8)**	**(0.5)**	**(5.3)**

9. Earnings per share

As at 31 December 2019 and 31 March 2020 the Company has 219 554 183 shares issued.

Table below presents calculation of basic and diluted earnings per ordinary share for the 3 months ended 31 March 2020 and 2019.

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	**31 March 2020**	**31 March 2019**
Net profit attributable to shareholders of the parent (EUR millions)	(41.6)	3.7
Weighted average number of ordinary shares for basic EPS (in thousands of shares)	219 270	221 677*
Weighted average number of ordinary shares for diluted EPS (in thousands of shares)	219 931	222 909*
Basic earnings per ordinary share (EUR)	(0.19)	0.02
Diluted earnings per ordinary share (EUR)	(0.19)	0.02

** Weighted average number of ordinary shares for basic EPS and diluted EPS was recalculated, taking into account options under share based programs within the Group. The adjustment to the weighted average number of ordinary shares does not change the basic or diluted EPS, that was at the level of 0.02 EUR per share.*

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

Weighted-average number of ordinary shares in thousands of shares	**31 March 2020**	**31 March 2019**
Shares issued at the beginning of the period	219 554	219 554
Effect of treasury shares held	(668)	(1 339)
Effect of shares subject to Sushi Shop payment	-	1 387
Effect of share options vested	384	2 075
Weighted average number of ordinary shares for basic EPS	219 270	221 677

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

Weighted-average number of ordinary shares for diluted EPS in thousands of shares	**31 March 2020**	**31 March 2019**
Weighted-average number of ordinary shares for basic EPS	219 270	221 677
Effect of share options unvested	661	1 232
Weighted average number of ordinary shares for diluted EPS	219 931	222 909

As at 31 March 2020, 2 775 thousand of options were excluded from the diluted weighted-average number of ordinary shares calculation because their effect would have been anti-dilutive. At 31 March 2019, there were 10 158 thousand of options with anti-dilutive effect.

10. Selected significant cash flows

In 2019 the Group has signed the agreement with Glovoapp23, S.L. for the transfer from AmRest to Glovo of 100% shares in Restaurant Partner Polska Sp. z o.o. On 28 October 2019, due to satisfaction of conditions precedent, AmRest transferred 100% of shares in Pizza Portal to Glovo. Sale price was a combination of cash payment of up to EUR 20 million and newly issued shares of Glovo. The share capital increase took place in Glovo in December 2019. New shares were registered as AmRest's also in January 2020. Cash consideration, in line with the agreement, has been paid to the Group in January 2020 and presented as "Proceeds from the sale of the business" in a condensed consolidated statement of cash flows.

In March 2020 the Group has drew entire facility available under revolving Tranche D of syndicated bank loan, increasing amount drawn within Tranche D from EUR 37.3 million in the end of 2019 to EUR 98.9 million as at 31 March 2020. The increase includes impact of exchange rate EUR/PLN, as the total Tranche D available is expressed in PLN (450 million), but may be drawn in PLN and EUR and EUR/PLN rate changed from 4.26 at 31 December 2019 to 4.55 at 31 March 2020.

11. Tax risks and uncertain tax positions

A tax authority may control the tax returns (if they have not already been controlled) of Group companies from 3 to 5 years as of the date of their filing.

Tax settlements of AmRest entities are subject to several tax inspections which were widely described in the note 35 "Tax risks and uncertain tax position" to the consolidated financial statements for 2019.

Since 31 December 2019 till the date of approval of this condensed consolidated interim report the status of reported tax related risks has not changed. The Group did not receive any new decisions and no new controls took place.

The Group's risk assessment regarding tax risks and uncertainties has not changed since the publication of the consolidated financial statements for 2019. Therefore, the Group maintains the judgements that as at 31 March 2020 and as at the date of publication of this Report, no new provisions were created for the aforementioned risks.

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

12. Changes in the future commitments and contingent liabilities

As in the previous reporting period, the Group's future liabilities are derived from the franchise agreements and development agreement. 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. Details of the agreements have been described in the note 37 of the Group's consolidated financial statements for 2019.

Due to impact of coronavirus pandemic restrictions on operation of Group restaurants, the Group is in the process of negotiation with franchisors regarding its commitments resulting from the agreements in order to agree appropriate deferrals and reliefs.

Additionally, in regard with the Credit Agreement described in note 31 and 32 of the consolidated financial statement for 2019 few entities provided surety. For details please refer to the note 37 of the Group's annual consolidated financial statements for 2019. Additionally, in the first quarter 2019, shares of Sushi Group SAS have been pledged as security for the bank financing.

13. Events after the reporting period

Coronavirus COVID-19 outbreak continues after 31 March 2020 up until the date of publication of this Report. Group is closely monitoring the situation and possible ways of mitigating its impact on the Group`s performance by implementing preventive measures and making sure Group has the best solutions in place to protect the health and safety of employees and guests.

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 customers.
- 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.

Following events have occurred after the reporting date up until the date of publication of this report:

- Group is maintaining close communication with its financing banks. On 14 May 2020 the Group has obtained the waiver letter, where the lenders of syndicated bank loan waived the requirement of bank covenant as at 31 March 2020 subject to certain conditions to be met.
- Group has taken numerous actions aimed at taking benefits of the government support schemes offered in Spain, France, Germany, Poland and in the other countries where the Group operates.
- In particular, Group took benefit of government support programs for additional financing. In April Spanish and French subsidiaries of AmRest Holdings SE applied for and received state supported bank loans, guaranteed by the governments in 70% and 90%, respectively. In particular, Restauravia Food SL and Pastificio Service S.L.U. were granted EUR 22.5 million each and Sushi Shop Restauration SAS received EUR 20 million. Additionally in May French subsidiary AmRest Opco SAS received state supported bank loan in the amount of EUR 10 million, guaranteed by the government in 90%. Loans' tenors are 3 years and 5 years with 1 year grace periods.
- Additionally 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. Through the support programs offered by various countries, in the form of reimbursement of labor costs and internal actions, such as shortening of working hours or redundancies or entering into economic downtimes, Group will adjust its payroll costs level more flexible to respective decrease in revenues due to temporarily closures stores.

For the main markets of operation the Group has filled the following programs:

- Spain
  In accordance with the provisions of article 47 of the Workers Statute, in relation to Royal Decree 1483/2012 and article 23 of Royal Decree-Law 8/2020, AmRest companies in Spain have filed before the Spanish labor authority a Temporary Employment Regulation File (Expediente de Regulación Temporal de Empleo or ERTE). The ERTE covers 3 288 employees. Under the ERTE, the employees remain employed with AmRest with suspended salary and at the same time receive unemployment benefits from social authorities of up to 70% of their normal salary.
- Poland
  Under the Act on special solutions related to the prevention and combating of COVID-19, other infectious diseases and crisis situations caused by them of 2 March 2020 (Journal of Laws of 2020, item 374), the following measures were taken with respect to 4 050 employees of AmRest Polish companies:
    - introduction of reduced working hours and salary by 20% (2 897 employees),
    - introduction of economic downtime (3 936 employees),
    - application for compensation for the protection of workplaces from the funds of the Fund of Guaranteed Employee Benefits to co-finance the remuneration of employees affected by economic downtime or reduced working hours as a result of COVID-19.
- France
  Introduced "partial activity" technical unemployment government program for 4 188 employees. The program starts from 15 March 2020 and should continue until 30 June 2020. Employees are partially or 100% unemployed by the Companies. There is suspension of the employment contract, the gross salary is however maintained at 70%. The employee social security contributions are also reduced, which allows to receive 84% of net salary. The government reimburses 100% of the salary paid to employees in partial activity.
- Germany
  Reduced working hours (Kurzarbeitergeld) salary government reimbursement program has been introduced effective on 1 March 2020 for approx. 3 000 employees. The government reimburses 60% of the employee's net salary and social contributions.
- Czechia
  The companies have applied for the government aid under special COVID-19 regulations. There are 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).

The applications were approved and the first tranche of payments has already been received.

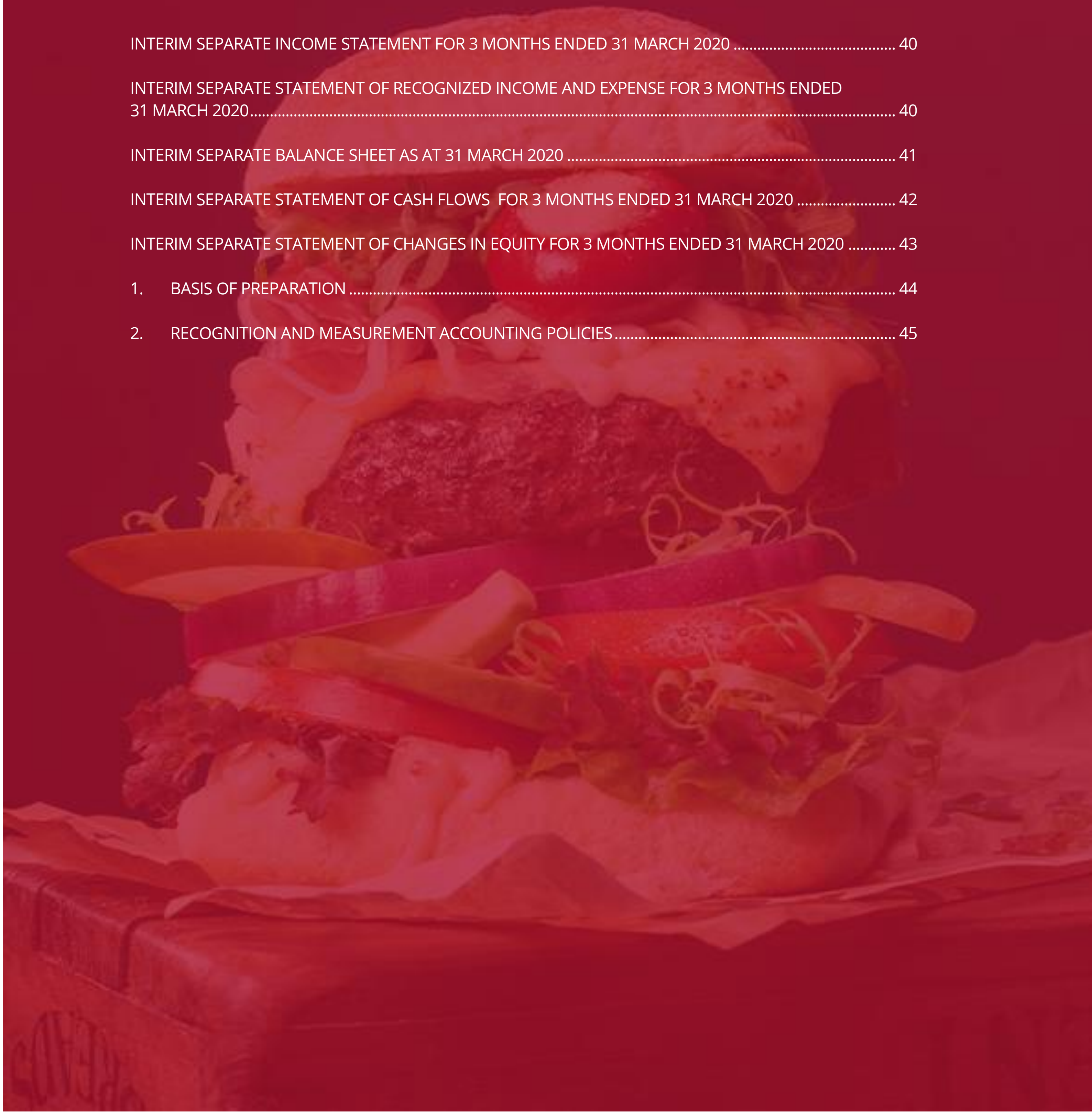
Similar actions are also taken on other markets. The Group is applying for support programs offered by each country's government, in the form of reimbursement of labor costs, and introducing internal actions, such as shortening of working hours or technical unemployment.

The Group also entered a detailed and extensive process of renegotiating rental agreements, as well takes the benefits of various government schemes that allow deferral or suspension of payments for rental costs during emergency period.

The government programs implemented with regards to COVID-19 spread allow to defer payments of taxes, social securities and other public obligations. The Group is taking the benefits of available schemes which allows to enhance liquidity risk management in current situation.

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. However, it cannot be ruled out that continued spread of the COVID-19 pandemic and its consequences may have a material adverse effect on the Group's operations. Due to the many uncertainties as at the date of authorisation of these interim report, the effects of the pandemic cannot be reliably estimated.

Part C. Separate Interim Report for Q1 2020



(all figures in EUR millions unless stated otherwise)

Interim separate income statement for 3 months ended 31 March 2020

	3 months ended	
	31 March 2020	**31 March 2019**
Revenues	**2.2**	**4.8**
Net income from the stock option plan	0.4	3.4
Finance income from group companies	1.8	1.4
Personnel expenses	(0.3)	(0.3)
Other operating expenses	(0.8)	(0.4)
Impairment for credits and receivables with group companies	-	(1.4)
Impairment in investments in group companies	(0.4)	(0.1)
Results from operating activities	**0.7**	**2.6**
Finance expenses	(2.8)	(2.3)
Exchange rates gains and losses	4.5	0.1
Net finance income (expense)	**1.7**	**(2.2)**
Profit before income tax	**2.4**	**0.4**
Income tax	(0.6)	0.4
Profit for the period	**1.8**	**0.8**

Interim separate statement of recognized income and expense for 3 months ended 31 March 2020

	3 months ended	
	31 March 2020	**31 March 2019**
Profit for the period	**1.8**	**0.8**
Total recognised income and expenses for the period	**1.8**	**0.8**

(all figures in EUR millions unless stated otherwise)

Interim separate balance sheet as at 31 March 2020

	31 March 2020	31 December 2019
Assets		
Intangible assets	0.1	0.1
Non-current investment in group companies	**634.5**	**615.4**
Equity instruments	389.4	387.2
Loans to group companies	245.1	228.2
Non-current investments	76.2	76.2
Other non-current financial assets	0.1	0.1
Total non-current assets	**710.9**	**691.8**
Trade and other receivables	**3.0**	**22.5**
Receivables from group companies	1.5	1.1
Other receivables	0.3	20.3
Current tax assets	1.0	1.0
Other tax receivables	0.2	0.1
Current investments in group companies	**19.4**	**23.3**
Loans to group companies	17.8	20.6
Other financial assets	1.6	2.7
Prepaid expenses	0.1	-
Cash and cash equivalents	74.5	9.5
Total current assets	**97.0**	**55.3**
TOTAL ASSETS	**807.9**	**747.1**
Capital and Reserves without valuation adjustments		
Share capital	22.0	22.0
Share premium	237.3	237.3
Reserves	60.9	35.1
Own shares	(6.7)	(7.5)
Profit for the period	1.8	25.8
Other equity instruments	(23.6)	(25.4)
Adjustments for changes in value	**18.4**	**18.4**
TOTAL EQUITY	**310.1**	**305.7**
Liabilities		
Non-current provisions	0.5	0.5
Non-current financial liabilities	101.0	394.8
Loans and borrowings from financial institutions	-	293.8
Other financial debt	101.0	101.0
Debts with group companies, non-current	2.6	-
Deferred tax liabilities	8.4	8.4
Total non-current liabilities	**112.5**	**403.7**
Current financial liabilities	381.0	30.0
Debts with group companies, current	1.8	1.7
Trade and other payables	**2.5**	**6.0**
Trade and other payables to third parties	0.6	0.3
Trade and other payables to group companies	1.2	1.7
Personnel (salaries payable)	0.2	0.2
Income tax payable	0.5	-
Other payables with tax administration	-	3.8
Total current liabilities	**385.3**	**37.7**
TOTAL LIABILITIES	**497.8**	**441.4**
TOTAL EQUITY AND LIABILITIES	**807.9**	**747.1**

(all figures in EUR millions unless stated otherwise)

Interim separate statement of cash flows for 3 months ended 31 March 2020

	3 months ended	
	31 March 2020	**31 March 2019**
Cash flows from operating activities		
Profit before tax	**2.4**	**0.4**
Adjustments:	**(3.5)**	**(1.2)**
Impairment losses	0.4	1.4
Share based payments adjustment	(0.4)	(3.4)
Finance income	(1.8)	(1.4)
Finance expenses	2.8	2.3
Exchange gains/losses	(4.5)	(0.1)
Changes in operating assets and liabilities	**(4.4)**	**1.4**
Trade and other receivables	(0.2)	2.7
Other current liabilities	(3.8)	0.4
Trade and other payables	(0.4)	(1.7)
Other cash flows from operating activities	**0.8**	**(1.1)**
Interest paid	(2.1)	(1.6)
Interest received	2.4	0.5
Other	0.5	-
Net cash provided by operating activities	**(4.7)**	**(0.5)**
Cash flows from investing activities		
Increase in investments loans and borrowings with group companies	(19.4)	(17.0)
Proceeds from investment loans and borrowings with group companies	25.7	6.2
Net cash used in investing activities	**6.3**	**(10.8)**
Cash flows from financing activities		
Proceeds from disposals of own shares (employees options)	0.1	0.2
Acquisition of own shares (employees option)	-	(0.4)
Proceeds on issue debt with financial instruments	80.0	30.0
Proceeds from debt with group companies	4.8	-
Repayment of debt with financial institutions	(19.3)	-
Repayment of debt with group companies	(2.2)	(13.4)
Net cash provided by/(used in) financing activities	**63.4**	**16.4**
Net change in cash and cash equivalents	**65.0**	**5.1**
Balance sheet change of cash and cash equivalents	65.0	5.1
Cash and cash equivalents at the beginning of the period	**9.5**	**22.9**
Cash and cash equivalents as at the end of the period	**74.5**	**28.0**

(all figures in EUR millions unless stated otherwise)

Interim separate statement of changes in equity for 3 months ended 31 March 2020

	Share capital	Share premium	Legal Reserve	Voluntary Reserves	Own shares	Profit or loss for the period	Other equity instruments	Adjustments for changes in value	Total Equity
As at 1 January 2019	**22.0**	**237.3**	**1.1**	**29.9**	**(15.2)**	**4.1**	**(6.2)**	**(4.9)**	**268.1**
Total recognised income and expense	-	-	-	-	-	0.8	-	-	0.8
Share capital increase from share premium	-	-	-	-	-	-	-	-	-
Transactions on own shares and equity holdings (net)	-	-	-	-	2.9	-	(1.1)	-	1.8
Transfer of profit or loss to reserves	-	-	0.4	3.7	-	(4.1)	-	-	-
Other equity movements	-	-	-	-	-	-	-	-	-
As at 31 March 2019	**22.0**	**237.3**	**1.5**	**33.6**	**(12.3)**	**0.8**	**(7.3)**	**(4.9)**	**270.7**
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	-	-	-	-	-	1.8	-	-	1.8
Transactions on own shares and equity holdings (net)	-	-	-	-	0.8	-	1.8	-	2.6
Transfer of profit or loss to reserves	-	-	2.6	23.2	-	(25.8)	-	-	-
Other equity movements	-	-	-	-	-	-	-	-	-
As at 31 March 2020	**22.0**	**237.3**	**4.1**	**56.8**	**(6.7)**	**1.8**	**(23.6)**	**18.4**	**310.1**

1. Basis of preparation

These interim 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, in order to give a true and fair view of the Company's equity and financial position as of 31 March 2020 and results of operations, changes in equity and cash flows for the year then ended 31 March 2020.

On 11 March 2020, the World Health Organisation declared the coronavirus COVID-19 outbreak a pandemic, due to its fast spread around the World, after impacting more than 150 countries. 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 AmRest Group, as well 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 restaurants sectors. The ban or significant limitations in operation of restaurants resulted in a decrease in customer demand and consequently decrease of the revenues in the reporting period and after the reporting date.

The management is closely monitoring the development of situation and looks for the ways of mitigating of impact of coronavirus spread on the Group.

The Group actively manages liquidity risk understood as a possible loss or restriction of its ability to cover current expenses. Strengthening of the Group's position in terms of liquidity and mitigation of adverse impacts of COVID-19 outbreak is taken on several areas. The Group maintains close communication with its financing banks. In March 2020 Group has drawn entire facility available under revolving Tranche D of syndicated bank loan, increasing amount drawn from EUR 37.3 million in the end of 2019 to 98.9 million in the end of 1Q 2020.

As at 31 March 2020 one of bank covenants was not met and the Group was required to report its syndicated bank loan balance as current liabilities. On 14 May 2020 the Group has obtained the waiver letter. Requirement of the bank covenant as at 31 March 2020 was waived subject to certain conditions to be satisfied no later than 30 June 2020. The Group is fully committed to cooperate with the financing banks.

The Board of Directors analyzed Group's situation in the context of COVID-19 in the area of liquidity, financing and securing the continuations of operations including the events described in Note 13 of the Consolidated Interim Report. Based on the considered scenarios and analysis of 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.

2. Recognition and measurement accounting policies

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:

2.1. FINANCIAL INSTRUMENTS

2.1.1. CLASSIFICATION AND SEPARATION OF FINANCIAL INSTRUMENTS

Financial instruments are classified on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the economic substance of the contractual arrangement and the definitions of a financial asset, a financial liability and an equity instrument.

The Company classifies financial instruments into different categories based on the nature of the instruments and the Company's intentions on initial recognition.

Financial assets and financial liabilities are offset only when the Group has the right to offset the amounts received and it intends to settle the net amount or realise the asset and simultaneously cancel the liability.

2.1.2. TRADE AND OTHER NON-TRADE RECEIVABLES

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months from the balance sheet date that are classified as non-current assets. These financial assets are initially valued at their fair value, including transaction costs that are directly attributable to them, and subsequently at amortised cost, recognising the accrued interest based on their effective interest rate and the discount rate that equals the value in books of the instrument with all its estimated cash flows until maturity. Notwithstanding the foregoing, loans for commercial transactions with maturity not exceeding one year are valued, both at the time of initial recognition and subsequently at their nominal value, provided that the effect of not updating the flows is not significant.

At least at the end of the year the necessary adjustments are made for impairment of value if there is evidence that the amounts owed will not be collected.

The amount of the impairment loss is the difference between the book value of the asset and the present value of the estimated future cash flows discounted at the effective interest rate at the time of initial recognition. The value of adjustments as well as, where appropriate, their reversal is recognised in the profit and loss account.

2.1.3. 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 an investment no longer qualifies for classification under this category, it is reclassified as available-for-sale and is measured as such from the reclassification date.

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.

2.1.4. 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.

2.1.5. FINANCIAL ASSETS AVAILABLE-FOR-SALE

The company classify Financial Investments in equity instruments that intends to hold for an unspecified period and that do not comply with the requirements to be classified in other categories of financial assets as financial assets available-for-sale. These investments are recorded under "Non-current assets," unless it is probable and feasible that they will be sold within 12 months.

They are initially measured at fair value; which in the absence of evidence to the contrary is the transaction price plus directly attributable transaction cost.

Financial assets available-for-sale are subsequently measured at fair value, without deducting any transaction costs incurred on disposal. Changes in fair value are accounted for directly in equity until the financial asset is derecognised or impaired, and subsequently recognized in the income statement.

2.1.6. INTEREST AND DIVIDENDS 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.

2.1.7. DEBT AND TRADE AND OTHER PAYABLES

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, adjusted for 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 recognised in the income statement using the effective interest rate method.

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.

2.1.8. 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.

2.1.9. 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.

2.1.10. DERECOGNITION OF FINANCIAL ASSETS

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Debt or equity instruments that form part of portfolios of similar instruments that have the same rights are measured and derecognised at weighted average cost.

2.1.11. 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.

2.2. FOREIGN CURRENCY TRANSACTIONS

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.

2.3. 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 recognised 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.

2.4. 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.

2.5. 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.

2.6. 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

2.7. 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.

This Interim Report has been approved by resolution of the Board of Directors following the recommendation of the Audit Committee.

Madrid, 15 May 2020