



**Condensed Consolidated
Financial Statements
for 6 months ended 30 June 2021**

AmRest Holdings SE capital group
25 AUGUST 2021

AmRest



Contents

CONDENSED CONSOLIDATED INCOME STATEMENT FOR 6 MONTHS ENDED 30 JUNE 2021	4
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR 6 MONTHS ENDED 30 JUNE 2021	5
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021	6
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR 6 MONTHS ENDED 30 JUNE 2021	7
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR 6 MONTHS ENDED 30 JUNE 2021	8
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	9
1. GENERAL INFORMATION ON THE GROUP	9
2. GROUP STRUCTURE	12
3. BASIS OF PREPARATION	14
4. SEGMENT REPORTING	16
5. REVENUES	17
6. OPERATING AND OTHER INCOME/COSTS	18
7. FINANCIAL INCOME AND COSTS	20
8. TAXES	21
9. PROPERTY, PLANT AND EQUIPMENT	23
10. LEASES	23
11. INTANGIBLE ASSETS	24
12. GOODWILL	25
13. IMPAIRMENT OF NON-CURRENT ASSETS	26
14. TRADE AND OTHER RECEIVABLES	28
15. CASH AND CASH EQUIVALENTS	28
16. EQUITY	29
17. EARNINGS PER SHARE	31
18. BORROWINGS	32
19. EMPLOYEE BENEFITS AND SHARE BASED PAYMENTS	34
20. TRADE AND OTHER ACCOUNTS PAYABLES	35
21. CHANGES IN FUTURE COMMITMENTS AND CONTINGENT LIABILITIES	35
22. TRANSACTIONS WITH RELATED ENTITIES	35
23. FINANCIAL INSTRUMENTS	36
24. EVENTS AFTER THE REPORTING PERIOD	37
SIGNATURES OF THE BOARD OF DIRECTORS	38

Condensed consolidated income statement for 6 months ended 30 June 2021

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

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

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

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

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

Condensed consolidated statement of financial position as at 30 June 2021

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

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

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

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

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

(all figures in EUR millions unless stated otherwise)

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

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

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

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

Notes to the Condensed Consolidated Financial Statements

1. General information on the Group

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

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

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

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

In 2005 the shares of AmRest Holdings SE were quoted for the first time on the Warsaw Stock Exchange ("WSE") and in 2018 were quoted on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, through the Spanish Automated Quotation System (Sistema de Interconexión Bursátil - SIBE). Since 21 November 2018 AmRest's shares have been quoted simultaneously on both the above stock exchanges (dual listing).

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

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

The Group operates Kentucky Fried Chicken ("KFC"), Pizza Hut ("PH"), Burger King ("BK") and Starbucks ("SBX") restaurants through its subsidiaries in Poland, the Czech Republic (hereinafter Czechia), Hungary, Slovakia, Russia, Serbia, Croatia, Bulgaria, Romania, Germany, France, Austria, Slovenia and Spain, on the basis of franchise rights granted. Starting from October 2016 the Group as a master-franchisee has the right to grant a license to third parties to operate Pizza Hut Express and Pizza Hut Delivery restaurants (sub-franchise) in countries of Central and Eastern Europe, while ensuring a certain share of restaurants operated directly by AmRest. Pizza Hut restaurants acquired in France in May 2017, in Germany in July 2017 and in Russia in June 2018 are operated both by AmRest and its sub-franchisees based on master-franchise agreements.

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

In 2018 the Group acquired the Bacoa and Sushi Shop brands, as a result of which it operates own and franchise restaurants in Spain (Bacoa) and own and franchise Sushi Shop restaurants in France, Belgium, Spain, several Middle East countries, Switzerland, United Kingdom, Luxembourg, Italy, Portugal. Bacoa is a Spanish premium burger chain, and Sushi Shop is the operator of the leading European chain of Japanese cuisine restaurants.

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

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

(all figures in EUR millions unless stated otherwise)

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

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

(all figures in EUR millions unless stated otherwise)

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

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

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

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

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

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

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

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

2. Group Structure

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

Company name	Registered office	Parent/non-controlling undertaking	Ownership 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 Holding USA LLC ⁴	Dover Kent, USA	Sushi Shop Management SAS	100.00%	October 2018
Sushi Shop Luxembourg SARL	Luxembourg	Sushi Shop Group SAS	100.00%	October 2018
Sushi Shop Switzerland SA	Fribourg, Switzerland	Sushi Shop Management SAS	100.00%	October 2018
Restaurant, franchise and master-franchise activity				
AmRest Sp. z o.o.	Wroclaw, Poland	AmRest Holdings SE	100.00%	December 2000
AmRest s.r.o.	Prague, Czechia	AmRest Holdings SE	100.00%	December 2000
AmRest Kft	Budapest, Hungary	AmRest Sp. z o.o.	100.00%	June 2006
		AmRest Sp. z o.o.	82.00%	
AmRest Coffee Sp. z o.o.	Wroclaw, Poland	Starbucks Coffee International, Inc.	18.00%	March 2007
AmRest EOOD	Sofia, Bulgaria	AmRest Holdings SE	100.00%	April 2007
		AmRest Acquisition Subsidiary Ltd.	44.72%	
OOO AmRest	Saint Petersburg, Russia	AmRest Sp. z o.o.	55.28%	July 2007
		AmRest Sp. z o.o.	82.00%	
		Starbucks Coffee International, Inc.	18.00%	
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	Starbucks Coffee International, Inc.	18.00%	August 2007
		AmRest Sp. z o.o.	60.00%	
AmRest d.o.o.	Belgrade, Serbia	AmRest Sp. z o.o.	40.00%	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.	Paris, France	AmRest TAG S.L.U.	100.00%	April 2012
AmRest Adria 2 d.o.o.	Ljubljana, Slovenia	AmRest Sp. z o.o.	100.00%	August 2012
Frog King Food&Beverage Management Ltd	Shanghai, China	Bigsky Hospitality Group Ltd	100.00%	December 2012
Blue Frog Food&Beverage Management Ltd	Shanghai, China	New Precision Ltd	100.00%	December 2012
Shanghai Kabb Western Restaurant Ltd	Shanghai, China	Horizon Consultants Ltd.	100.00%	December 2012
AmRest Skyline GMBH	Cologne, Germany	AmRest TAG S.L.U.	100.00%	October 2013
Kai Zhen Food and Beverage Management (Shanghai) Ltd	Shanghai, China	BlueFrog Food&Beverage Management Ltd	100.00%	March 2014
AmRest Coffee EOOD	Sofia, Bulgaria	AmRest Sp. z o.o.	100.00%	June 2015
AmRest Coffee S.r.l.	Bucharest, Romania	AmRest Sp. z o.o.	100.00%	June 2015
		AmRest Sp. z o.o.	99.00%	July 2019
AmRest Food Srl.	Bucharest, Romania	AmRest Holdings SE	1.00%	July 2019
		AmRest s.r.o.	99.00%	December 2015
AmRest Coffee SK s.r.o.	Bratislava, Slovakia	AmRest Sp. z o.o.	1.00%	December 2015
		AmRest Kaffee Sp. z o.o.	23.00%	
AmRest Coffee Deutschland Sp. z o.o. & Co. KG	Munich, Germany	AmRest TAG S.L.U.	77.00%	May 2016
		AmRest Kaffee Sp. z o.o.	100.00%	
AmRest DE Sp. z o.o. & Co. KG	Munich, Germany	AmRest Kaffee Sp. z o.o.	100.00%	December 2016
The Grill Concept S.L.U.	Madrid, Spain	Pastificio Service S.L.U.	100.00%	December 2016

(all figures in EUR millions unless stated otherwise)

Company name	Registered office	Parent/non-controlling undertaking	Ownership interest and total vote	Date of effective control
Kai Fu Food and Beverage Management (Shanghai) Co. Ltd	Shanghai, China	Blue Frog Food&Beverage Management Ltd	100.00%	December 2016
LTP La Tagliatella Portugal, Lda	Lisbon, Portugal	AmRest TAG S.L.U.	100.00%	February 2017
LTP La Tagliatella Franchise II Portugal, Lda	Lisbon, Portugal	AmRest TAG S.L.U.	100.00%	April 2019
AmRest AT GmbH	Vienna, Austria	AmRest Sp. z o.o.	100.00%	March 2017
AmRest Topco France SAS	Paris, France	AmRest France SAS	100.00%	May 2017
AmRest Delco France SAS	Paris, France	AmRest Topco France SAS	100.00%	May 2017
AmRest Opco SAS	Paris, France	AmRest France SAS	100.00%	July 2017
OOO Chicken Yug	Saint Petersburg, Russia	OOO AmRest	100.00%	October 2017
OOO AmRest Pizza	Saint Petersburg, Russia	AmRest Acquisition Subsidiary Ltd.	99.999996%	November 2017
		OOO AmRest	0.000004%	
AmRest Coffee SRB d.o.o.	Belgrade, Serbia	AmRest Holdings SE	100.00%	November 2017
AmRest Chamnord SAS	Paris, France	AmRest Opco SAS	100.00%	March 2018
AmRest SK s.r.o.	Bratislava, Slovakia	AmRest s.r.o.	99.00%	April 2018
		AmRest Sp. z o.o.	1.00%	
AmRest Pizza GmbH	Munich, Germany	AmRest DE Sp. z o.o. & Co. KG	100.00%	June 2018
Black Rice S.L.U.	Madrid, Spain	AmRest TAG S.L.U.	100.00%	July 2018
Bocoa Holding S.L.U.	Madrid, Spain	AmRest TAG S.L.U.	100.00%	July 2018
Sushi Shop Restauration SAS	Paris, France	Sushi Shop Management SAS	100.00%	October 2018
Sushi House SA	Luxembourg	Midicapital	14.00%	October 2018
		Sushi Shop Luxembourg SARL	86.00%	October 2018
Sushi Shop London Pvt LTD	London, UK	Sushi Shop Group SAS	100.00%	October 2018
Sushi Shop Belgique SA	Bruxelles, Belgium	Sushi Shop Group SAS	100.00%	October 2018
Sushi Shop Louise SA	Bruxelles, Belgium	Sushi Shop Belgique SA	54.80%	October 2018
		Midicapital	45.20%	October 2018
Sushi Shop UK Pvt LTD	Charing, UK	Sushi Shop Group SAS	100.00%	October 2018
Sushi Shop Anvers SA ²	Bruxelles, Belgium	Sushi Shop Belgique SA	100.00%	October 2018
Sushi Shop Geneve SA	Geneva, Switzerland	Sushi Shop Switzerland SA	100.00%	October 2018
Sushi Shop Lausanne SARL	Lasanne, Switzerland	Sushi Shop Switzerland SA	100.00%	October 2018
Sushi Shop Madrid S.L.	Madrid, Spain	Sushi Shop Management SAS	100.00%	October 2018
Sushi Shop Milan SARL	Milan, Italy	Sushi Shop Management SAS	70.00%	October 2018
		Vanray SRL	30.00%	
Sushi Shop NE USA LLC ⁴	New York, USA	Sushi Shop Holding USA LLC	100.00%	October 2018
Sushi Shop NY1 LLC ⁴	New York, USA	Sushi Shop Holding USA LLC	64.00%	October 2018
		Sushi Shop NE USA LLC	36.00%	
Sushi Shop NY2 LLC ⁴	New York, USA	Sushi Shop Holding USA LLC	100.00%	October 2018
Sushi Shop Zurich GMBH	Zurich, Switzerland	Sushi Shop Switzerland SA	100.00%	October 2018
Sushi Shop Nyon SARL	Nyon, Switzerland	Sushi Shop Switzerland SA	100.00%	October 2018
Sushi Shop NL B.V. ³	Amsterdam, Netherlands	Sushi Shop Group SAS	100.00%	October 2018
Sushi Shop Vevey SARL	Vevey, Switzerland	Sushi Shop Switzerland SA	100.00%	November 2019
Sushi Shop Fribourg SARL	Fribourg, Switzerland	Sushi Shop Switzerland SA	100.00%	November 2019
Sushi Shop Yverdon SARL	Yverdon, Switzerland	Sushi Shop Switzerland SA	100.00%	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	Paris, France	AmRest TAG S.L.U.	100.00%	March 2014
AmRest Kaffee Sp. z o.o.	Wroclaw, Poland	AmRest Sp. z o.o.	100.00%	March 2016
AmRest Estate SAS	Paris, France	AmRest Opco SAS	100.00%	September 2017
AmRest Leasing SAS	Paris, France	AmRest Opco SAS	100.00%	September 2017
AmRest Franchise Sp. z o.o.	Wroclaw, Poland	AmRest Sp. z o.o.	100.00%	December 2018
AmRest Global S.L.U.	Madrid, Spain	AmRest Holdings SE	100.00%	September 2020
Supply services for restaurants operated by the Group				
SCM Czech s.r.o.	Prague, Czechia	SCM Sp. z o.o.	90.00%	March 2007
		Ondrej Razga	10.00%	
		AmRest Sp. z o.o.	51.00%	
SCM Sp. z o.o.	Warsaw, Poland	R&D Sp. z o.o.	33.80%	October 2008
		Beata Szafarczyk-Cylny	5.00%	
		Zbigniew Cylny	10.20%	

¹ On 25 November 2016 Amrestavia, S.L.U., the sole shareholder of AmRest GmbH, decided to liquidate this company. The liquidation process has not been finished up until the date of this Report.

² On 1 October 2020 Sushi Shop Belgique SA, the sole shareholder of Sushi Shop Anvers SA, decided to liquidate this company. The liquidation process has not been finished up until the date of this Report.

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

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

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

3. Basis of preparation

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

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

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

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

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

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

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

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

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

Restatement of comparative information

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

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

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

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

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

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

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

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

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

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

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

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

4. Segment reporting

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

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

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

Segment	Description
Central and Eastern Europe (CEE)	Restaurant operations and franchise activity in: <ul style="list-style-type: none"> ■ Poland – KFC, Pizza Hut, Starbucks, Burger King, virtual brands, ■ Czechia – KFC, Pizza Hut, Starbucks, Burger King, ■ Hungary – KFC, Pizza Hut, Starbucks, ■ Bulgaria – KFC, Starbucks, Burger King, ■ Croatia, Austria, Slovenia – KFC, ■ Slovakia – Starbucks, Pizza Hut, Burger King, ■ Romania – Starbucks, Burger King, ■ Serbia – KFC, Starbucks.
Western Europe	Restaurant operations together with supply chain and franchise activity in: <ul style="list-style-type: none"> ■ Spain – KFC, La Tagliatella, Blue Frog, Bacoa, Sushi Shop, ■ France – KFC, Pizza Hut, La Tagliatella, Sushi Shop, ■ Germany – Starbucks, KFC, Pizza Hut, La Tagliatella, ■ Portugal – La Tagliatella, Sushi Shop, ■ Belgium, Italy, Switzerland, Luxemburg, United Kingdom and other countries with activities of Sushi Shop.
China	Blue Frog restaurant operations in China.
Russia	KFC and Pizza Hut restaurant operations and franchise activity in Russia, Armenia and Azerbaijan.
Other	Other support functions rendered by the subsidiaries for the Group such as e.g. Executive Team, Controlling, Treasury, Investors Relations, Mergers & Acquisitions. Other also includes expenses related to M&A transactions not finalized during the period, whereas expenses related to finalized merger and

(all figures in EUR millions unless stated otherwise)

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

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

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

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

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

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

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

5. Revenues

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

- Restaurant sales,
- Franchise and other sales.

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

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

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

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

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

6. Operating and other income/costs

Operating costs

Analysis of operating expenses by nature:

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

Summary of operating expenses by functions:

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

Other operating income/expenses

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

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

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

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

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

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

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

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

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

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

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

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

- **Czechia**
The companies have applied for the government aid under special COVID-19 regulations. There were two separate programs:
 - employees on downtime between 13 March and 31 May 2020: 80% of salary and social contribution reimbursed by the government (1 600 employees covered),
 - employees with 40% reduction of working hours between 13 March and 31 May 2020: 60% of salary and social contribution reimbursed by the government (80 employees covered).
 During the second and third wave of restrictions (Q4.2020, Q1.2021, Q2 2021) the companies again applied and received governmental aid. COVID Payroll compensations programs finished at the end of May 2021.
- **Hungary**
Under the Act on Special Provisions During COVID-19 (Regulation of 485/2020) released on 10 November 2020 the companies applied for:
 - 50% reimbursement of gross salaries, but maximum 671 EUR/employee for the period from November 2020 to May 2021,
 - suspension for employer social contributions and suspension of employer rehabilitation contribution from November 2020 to May 2021.

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

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

Other grants – main programs:

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

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

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

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

7. Financial income and costs

Finance income

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

(all figures in EUR millions unless stated otherwise)

Finance costs

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

8. Taxes

Income taxes

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

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

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

Group's effective tax rate was affected by:

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

Tax risks and uncertain tax positions

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

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

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

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

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

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

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

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

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

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

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

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

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

(all figures in EUR millions unless stated otherwise)

9. Property, plant and equipment

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

2021	Leasehold improvements, land, buildings	Restaurants equipment and vehicles	Furniture and other assets	Assets under construction	Total
PPE as at 1 January	277.2	146.6	32.9	18.3	475.0
Additions	3.1	4.5	0.6	21.3	29.5
Depreciation	(20.0)	(19.1)	(6.8)	-	(45.9)
Impairment losses	(4.0)	(1.7)	-	0.1	(5.6)
Disposals and deconsolidation	0.1	(0.5)	-	(1.3)	(1.7)
Transfers between categories	4.6	4.1	10.6	(19.5)	(0.2)
Exchange differences	3.8	1.9	0.3	0.4	6.4
PPE as at 30 June	264.8	135.8	37.6	19.3	457.5
Gross book value	598.1	372.9	101.0	20.6	1 092.6
Accumulated depreciation and impairments	(333.3)	(237.1)	(63.4)	(1.3)	(635.1)
Net book value	264.8	135.8	37.6	19.3	457.5
2020	Leasehold improvements, land, buildings	Restaurants equipment and vehicles	Furniture and other assets	Assets under construction	Total
PPE as at 1 January	303.2	184.3	31.4	66.0	584.9
Additions	4.1	7.9	0.1	20.7	32.8
Depreciation	(22.4)	(22.7)	(6.3)	-	(51.4)
Impairment losses	(17.6)	(9.1)	(0.1)	-	(26.8)
Disposals and deconsolidation	(2.0)	(0.4)	-	(0.1)	(2.5)
Transfers to asset held for sale	-	-	-	(4.8)	(4.8)
Transfers between categories	28.4	12.9	2.7	(44.0)	-
Exchange differences	(11.1)	(4.9)	(2.1)	(3.0)	(21.1)
PPE as at 30 June	282.6	168.0	25.7	34.8	511.1
Gross book value	594.1	378.7	77.9	36.4	1 087.1
Accumulated depreciation and impairments	(311.5)	(210.7)	(52.2)	(1.6)	(576.0)
Net book value	282.6	168.0	25.7	34.8	511.1

Depreciation was charged as follows:

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

10. Leases

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

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

(all figures in EUR millions unless stated otherwise)

	Right-of-use asset			Lease liabilities
	Restaurant properties	Other	Total right-of-use asset	Total liabilities
Exchange differences	10.4	0.2	10.6	9.2
Disposals	-	(0.1)	(0.1)	(0.2)
As at 30 June 2021	690.9	14.8	705.7	761.3
	Right-of-use asset			Lease liabilities
	Restaurant properties	Other	Total right-of-use asset	Total liabilities
As at 1 January 2020	835.5	17.2	852.7	864.1
Additions – new contracts	25.9	1.1	27.0	27.0
Modifications and reassessments	25.0	1.2	26.2	13.4
Amortisation expense	(68.2)	(2.7)	(70.9)	-
Impairment	(15.5)	(0.2)	(15.7)	-
Interest expense	-	-	-	13.6
Payments	-	-	-	(65.2)
Exchange differences	(28.8)	(0.5)	(29.3)	(21.7)
As at 30 June 2020 (restated)	773.9	16.1	790.0	831.2

Amortisation was charged as follows:

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

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

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

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

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

11. Intangible assets

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

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

(all figures in EUR millions unless stated otherwise)

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

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

Amortisation was charged as follows:

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

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

12. Goodwill

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

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

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

(all figures in EUR millions unless stated otherwise)

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

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

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

13. Impairment of non-current assets

Restaurant level tests

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

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

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

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

Discounts rates applied are shown in the table below.

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

(all figures in EUR millions unless stated otherwise)

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

Details of impairments losses recognised:

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

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

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

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

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

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

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

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

Goodwill and intangibles with undefined useful lives level

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

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

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

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

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

14. Trade and other receivables

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

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

15. Cash and cash equivalents

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

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

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

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

16. Equity

Share capital

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

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

(all figures in EUR millions unless stated otherwise)

Reserves

The structure of Reserves is as follows:

	Share premium	Employee options unexercised	Employee options exercised	Treasury shares	Hedges valuation	Transactions with NCI	Total Reserves
As at 1 January 2021	236.3	13.9	(39.1)	(6.5)	(8.2)	(26.3)	170.1
Net investment hedges	-	-	-	-	1.2	-	1.2
Income tax related to net investment hedges	-	-	-	-	(0.2)	-	(0.2)
Total comprehensive income	-	-	-	-	1.0	-	1.0
<i>Share based payments</i>							
Value of disposed treasury shares	-	-	(1.3)	1.3	-	-	-
Employee stock option plan – proceeds from employees for transferred shares	-	-	0.4	-	-	-	0.4
Employee stock option plan – reclassification of exercised options	-	(0.5)	0.5	-	-	-	-
Employee stock option plan – change in unexercised options	-	(0.4)	-	-	-	-	(0.4)
Change of deferred tax related to unexercised employee benefits	-	0.4	-	-	-	-	0.4
<i>Total share based payments</i>	-	<i>(0.5)</i>	<i>(0.4)</i>	<i>1.3</i>	-	-	<i>0.4</i>
Total distributions and contributions	-	(0.5)	(0.4)	1.3	-	-	0.4
As at 30 June 2021	236.3	13.4	(39.5)	(5.2)	(7.2)	(26.3)	171.5
	Share premium	Employee options unexercised	Employee options exercised	Treasury shares	Hedges valuation	Transactions with NCI	Total Reserves
As at 1 January 2020	236.3	13.9	(39.0)	(7.5)	0.9	(26.3)	178.3
Net investment hedges	-	-	-	-	(7.2)	-	(7.2)
Income tax related to net investment hedges	-	-	-	-	1.2	-	1.2
Total comprehensive income	-	-	-	-	(6.0)	-	(6.0)
<i>Share based payments</i>							
Value of disposed treasury shares	-	-	(0.9)	0.9	-	-	-
Employee stock option plan – value of employee benefits exercised in the period	-	-	0.1	-	-	-	0.1
Employee stock option plan – proceeds from employees for transferred shares	-	(0.5)	0.5	-	-	-	-
Employee stock option plan – change in unexercised options	-	4.0	-	-	-	-	4.0
Change of deferred tax related to unexercised employee benefits	-	(2.2)	-	-	-	-	(2.2)
<i>Total share based payments</i>	-	<i>1.3</i>	<i>(0.3)</i>	<i>0.9</i>	-	-	<i>1.9</i>
Total distributions and contributions	-	1.3	(0.3)	0.9	-	-	1.9
As at 30 June 2020	236.3	15.2	(39.3)	(6.6)	(5.1)	(26.3)	174.2

Share premium

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

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

Hedges valuation

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

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

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

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

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

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

Transactions with NCI

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

Translation reserves

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

17. Earnings per share

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

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

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

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

(all figures in EUR millions unless stated otherwise)

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

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

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

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

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

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

18. Borrowings

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

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

Bank loans and bonds

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

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

- Signing date: 5 October 2017,
- Final repayment date: 30 September 2022,

(all figures in EUR millions unless stated otherwise)

- c. Joint Borrowers: AmRest Holdings SE, AmRest Sp. z o.o. and AmRest s.r.o. (the “Borrowers”; AmRest Sp. z o.o. and AmRest s.r.o. are fully owned by AmRest Holdings SE),
- d. Lenders: Bank Polska Kasa Opieki S.A., Powszechna Kasa Oszczędności Bank Polski S.A., ING Bank Śląski Polska S.A. and Česká spořitelna, a.s.

The total tranches as of 30 June 2021:

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

* Approximate total amount: EUR 611m

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

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

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

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

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

State supported loans taken by the Group companies in 2020

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

(all figures in EUR millions unless stated otherwise)

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

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

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

The table below presents the reconciliation of the debt:

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

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

19. Employee benefits and share based payments

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

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

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

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

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

(all figures in EUR millions unless stated otherwise)

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

20. Trade and other accounts payables

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

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

21. Changes in future commitments and contingent liabilities

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

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

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

22. Transactions with related entities

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

Group shareholders

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

Transactions with key management personnel

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

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

(all figures in EUR millions unless stated otherwise)

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

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

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

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

23. Financial instruments

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

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

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

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

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

(all figures in EUR millions unless stated otherwise)

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

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

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

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

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

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

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

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

24. Events after the reporting period

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

Signatures of the Board of Directors

José Parés Gutiérrez
Chairman of the Board

Luis Miguel Álvarez Pérez
Vice-Chairman of the Board

Carlos Fernández González
Member of the Board

Romana Sadurska
Member of the Board

Pablo Castilla Reparaz
Member of the Board

Mónica Cueva Díaz
Member of the Board

Emilio Fullaondo Botella
Member of the Board

Madrid, 25 August 2021



