AmRest Group

Condensed consolidated interim report H1 2024

Report on limited review of condensed consolidated interim financial statements

To the shareholders of AmRest Holdings, SE

Introduction

We have performed a limited review of the accompanying condensed consolidated interim financial statements (hereinafter, the interim financial statements) of AmRest Holdings, SE (hereinafter, the Parent company) and its subsidiaries (hereinafter, the Group), which comprise the statement of financial position as at 30 June 2024, and the income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and related notes, all condensed and consolidated, for the period of six months then ended. The Parent company's directors are responsible for the preparation of these interim financial statements in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, for the preparation of condensed interim financial statements, as provided in Article 12 of Royal Decree 1362/2007. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of review

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

Conclusion

Based on our limited review, that cannot be considered as an audit, nothing has come to our attention that causes us to believe that the accompanying interim financial statements for the period of six months ended 30 June 2024 have not been prepared, in all material respects, in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, as provided in Article 12 of Royal Decree 1362/2007, for the preparation of condensed interim financial statements.

Emphasis of matter

We draw attention to the accompanying note 3, in which it is mentioned that these interim financial statements do not include all the information required in a complete set of consolidated financial statements prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, and therefore the accompanying interim financial statements should be read together with the consolidated annual accounts of the Group for the year ended 31 December 2023. Our conclusion is not modified in respect of this matter.

R. M. Madrid, hoja M-63.988, folio 75, tomo 9.267, libro 8.054, sección 3ª
Inscrita en el R.O.A.C. con el número S0242 - NIF: B-79031290

Other matters

Consolidated interim directors' report

The accompanying consolidated interim directors' report for the period of six months ended 30 June 2024 contains the explanations which the Parent company's directors consider appropriate regarding the principal events of this period and their impact on the interim financial statements presented, of which it does not form part, as well as the information required under the provisions of Article 15 of Royal Decree 1362/2007. We have verified that the accounting information contained in this directors' report is in agreement with that of the interim financial statements for the period of six months ended 30 June 2024. Our work as auditors is limited to checking the consolidated interim directors' report in accordance with the scope mentioned in this paragraph and does not include a review of information other than that obtained from AmRest Holdings, SE and its subsidiaries' accounting records.

Preparation of this review report

This report has been prepared at the request of Board of Directors in relation to the publication of the half-yearly financial report required by Article 100 of Law 6/2023, of March 17, on Securities Markets and Investment Services.

PricewaterhouseCoopers Auditores, S.L.

Álvaro Moral Atienza

5 September 2024

INSTITUTO DE CENSORES JURADOS DE CUENTAS DE ESPAÑA

PRICEWATERHOUSECOOPERS AUDITORES, S.L.

2024 Núm. 01/24/19540

SELLO CORPORATIVO: 30,00 EUR

Sello distintivo de otras actuaciones

Condensed Consolidated Interim Financial Statements

for the period of 6 months ended 30 June 2024

AmRest Group
4 September 2024

AmRest

AMREST GROUP Condensed Consolidated Interim Financial Statements

for the period of 6 months ended 30 June 2024

Contents

(all figures in EUR millions unless stated otherwise)

Condensed consolidated interim income statement for the period of 6 months ended 30 June 2024

	Note	6 MONTHS ENDED 30 June 2024	30 June 2023
Continuing operations			
Restaurant sales		1 155.1	1 089.9
Franchise and other sales		76.4	80.0
Total revenue	4	**1 231.5**	**1 169.9**
Restaurant expenses:			
Food and merchandise	5	(317.8)	(317.4)
Payroll and other employee benefits	5	(298.0)	(269.3)
Royalties	5	(58.0)	(53.6)
Occupancy, depreciation and other operating expenses	5	(353.1)	(335.5)
Franchise and other expenses	5	(57.3)	(62.1)
Gross Profit		**147.3**	**132.0**
General and administrative expenses	5	(85.2)	(78.5)
Net impairment losses on financial assets	20	(0.5)	(1.2)
Net impairment losses on non-financial assets	12	(43.5)	(5.1)
Other operating income/expenses		5.4	4.0
Profit/loss from operations		**23.5**	**51.2**
Finance income	6	1.5	8.0
Finance costs	6	(43.0)	(31.8)
Profit/loss before tax		**(18.0)**	**27.4**
Income tax expense	7	(7.2)	(7.1)
Profit/loss for the period from continuing operations		**(25.2)**	**20.3**
Discontinued operations			
Profit/loss for the period from discontinued operation	23	-	6.5
Profit/loss for the period		**(25.2)**	**26.8**
Attributable to:			
Shareholders of the parent		(27.4)	23.6
Non-controlling interests		2.2	3.2

	Note	6 MONTHS ENDED 30 June 2024	30 June 2023
Earnings per share for profit/loss from continuing operations attributable to the ordinary equity holders of the company			
Basic earnings per ordinary share in EUR	16	(0.13)	0.08
Diluted earnings per ordinary share in EUR	16	(0.13)	0.08
Earnings per share for profit/loss attributable to the ordinary equity holders of the company			
Basic earnings per ordinary share in EUR	16	(0.13)	0.11
Diluted earnings per ordinary share in EUR	16	(0.13)	0.11

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

(all figures in EUR millions unless stated otherwise)

Condensed consolidated interim statement of comprehensive income for the period of 6 months ended 30 June 2024

		6 MONTHS ENDED	
	Note	30 June 2024	30 June 2023
Profit/loss for the period		**(25.2)**	**26.8**
Other comprehensive income/loss	15		
Exchange differences on translation of disposed operation		-	(8.4)
Exchange differences reclassified on loss of control	23	-	28.6
Exchange differences on translation of foreign operations		(2.2)	(3.3)
Net investment hedges		0.3	7.7
Income tax related to net investment hedges		-	(1.4)
Other comprehensive income/loss for the period		**(1.9)**	**23.2**
Total comprehensive income/loss for the period		**(27.1)**	**50.0**
Attributable to:			
Shareholders of the parent		(29.3)	46.4
Non-controlling interests		2.2	3.6
Total comprehensive income/loss for the period attributable to owners arises from:			
Continuing operations		(27.1)	23.3
Discontinued operations		-	26.7

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

(all figures in EUR millions unless stated otherwise)

Condensed consolidated interim statement of financial position as of 30 June 2024

	Note	30 June 2024	31 December 2023
Assets			
Property, plant and equipment	8	601.1	580.4
Right-of-use assets	9	868.8	825.6
Goodwill	11	212.3	253.3
Intangible assets	10	235.1	236.7
Investment properties		1.2	1.2
Other non-current assets		23.8	23.0
Deferred tax assets	7	65.6	55.0
Total non-current assets		**2 007.9**	**1 975.2**
Inventories		34.8	34.9
Trade and other receivables	13, 20	91.6	102.4
Income tax receivables		2.0	1.3
Other current assets		10.3	10.4
Cash and cash equivalents	14	136.4	227.5
Total current assets		**275.1**	**376.5**
Total assets		**2 283.0**	**2 351.7**
Equity			
Share capital	15	22.0	22.0
Reserves	15	171.1	174.1
Retained earnings	15	166.3	193.7
Translation reserve	15	(6.6)	(4.4)
Equity attributable to shareholders of the parent		**352.8**	**385.4**
Non-controlling interests		13.7	15.3
Total equity	15	**366.5**	**400.7**
Liabilities			
Loans and borrowings	17, 20	563.6	571.4
Lease liabilities	9	752.3	715.9
Provisions		15.8	17.8
Deferred tax liability	7	34.8	35.2
Other non-current liabilities and employee benefits	19	6.6	6.2
Total non-current liabilities		**1 373.1**	**1 346.5**
Loans and borrowings	17, 20	45.4	52.5
Lease liabilities	9	175.1	171.1
Provisions		7.9	6.2
Trade payables and other liabilities	19	304.0	362.9
Income tax liabilities		11.0	11.8
Total current liabilities		**543.4**	**604.5**
Total liabilities		**1 916.5**	**1 951.0**
Total equity and liabilities		**2 283.0**	**2 351.7**

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

(all figures in EUR millions unless stated otherwise)

Condensed consolidated interim statement of cash flows for the period of 6 months ended 30 June 2024

	Note	6 MONTHS ENDED	
		30 June 2024	30 June 2023
Cash flows from operating activities			
Profit/loss for the period		(25.2)	26.8
Adjustments for:			
Amortisation and depreciation		126.4	123.1
Net interest expense		39.5	29.8
Foreign exchange result		1.8	(5.5)
Result on disposal of property, plant and equipment and intangibles		(0.9)	(0.1)
Result on sale of discontinued operation	23	-	(3.5)
Impairment of non-financial assets		43.5	5.1
Share-based payments		3.7	2.7
Tax expense		7.2	8.0
Other		-	(0.4)
Working capital changes:	14		
Change in trade and other receivables and other assets		9.9	4.9
Change in inventories		(0.2)	(3.0)
Change in payables and other liabilities		(27.0)	(5.0)
Change in provisions and employee benefits		(0.7)	(1.2)
Cash generated from operations		178.0	181.7
Income tax paid		(19.4)	(12.6)
Net cash from operating activities		**158.6**	**169.1**
Cash flows from investing activities			
Net cash outflows on acquisition		(0.3)	-
Net proceeds from the sale of the business	23	-	61.6
Proceeds from the sale of property, plant and equipment, and intangible assets		0.9	0.1
Purchase of property, plant and equipment		(98.7)	(69.9)
Purchase of intangible assets		(3.3)	(4.7)
Net cash from investing activities		**(101.4)**	**(12.9)**
Cash flows from financing activities			
Purchase of treasury shares		(6.9)	-
Proceeds from loans and borrowings	17	-	54.1
Repayment of loans and borrowings	17	(15.7)	(77.6)
Payments of lease liabilities including interests paid	9	(92.6)	(87.1)
Transaction costs paid	17	(8.2)	-
Interest paid	17	(23.0)	(18.5)
Interest received		1.5	2.8
Dividends paid to non-controlling interest		(3.0)	(0.8)
Net cash from financing activities		**(147.9)**	**(127.1)**
Net change in cash and cash equivalents		**(90.7)**	**29.1**
Effect of foreign exchange rate movements		(0.4)	(3.9)
Balance sheet change of cash and cash equivalents		(91.1)	25.2
Cash and cash equivalents, beginning of period		227.5	229.6
Cash and cash equivalents, end of period	**14**	**136.4**	**254.8**

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

(all figures in EUR millions unless stated otherwise)

Condensed consolidated interim statement of changes in equity for the period of 6 months ended 30 June 2024

		ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT						
	Note	Share capital	Reserves	Retained earnings	Translation reserve	**Total**	Non-controlling interest	**Total equity**
As of 1 January 2024		**22.0**	**174.1**	**193.7**	**(4.4)**	**385.4**	**15.3**	**400.7**
Profit/loss for the period		-	-	(27.4)	-	**(27.4)**	2.2	**(25.2)**
Other comprehensive income/loss		-	0.3	-	(2.2)	**(1.9)**	-	**(1.9)**
Total comprehensive income/loss		**-**	**0.3**	**(27.4)**	**(2.2)**	**(29.3)**	**2.2**	**(27.1)**
Dividends to non-controlling interests	15	-	-	-	-	**-**	(3.8)	**(3.8)**
Purchases of treasury shares	15	-	(6.9)	-	-	**(6.9)**	-	**(6.9)**
Share based payments	15	-	3.6	-	-	**3.6**	-	**3.6**
As of 30 June 2024		**22.0**	**171.1**	**166.3**	**(6.6)**	**352.8**	**13.7**	**366.5**

		ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT						
	Note	Share capital	Reserves	Retained earnings	Translation reserve	**Total**	Non-controlling interest	**Total equity**
As of 1 January 2023		**22.0**	**166.5**	**148.8**	**(17.2)**	**320.1**	**11.1**	**331.2**
Profit/loss for the period		-	-	23.6	-	**23.6**	3.2	**26.8**
Other comprehensive income/loss		-	6.3	-	16.5	**22.8**	0.4	**23.2**
Total comprehensive income/loss		**-**	**6.3**	**23.6**	**16.5**	**46.4**	**3.6**	**50.0**
Transaction with non-controlling interests	15	-	-	-	-	**-**	(0.7)	**(0.7)**
Share based payments	15	-	2.7	-	-	**2.7**	-	**2.7**
As of 30 June 2023		**22.0**	**175.5**	**172.4**	**(0.7)**	**369.2**	**14.0**	**383.2**

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

(all figures in EUR millions unless stated otherwise)

Notes to the Condensed Consolidated Interim Financial Statements

1. General information on AmRest 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.

Paseo de la Castellana 163, 28046 (Madrid), Spain is the Company's registered office as of 30 June 2024 and has not changed during the year 2024.

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

The shares of AmRest Holdings SE are listed in the Warsaw Stock Exchange ("WSE") and in all four Spanish stock exchanges through the Spanish Automated Quotation System (Sistema de Interconexión Bursátil – SIBE).

The Group is the largest independent chain restaurant operator in Central and Eastern Europe. The Group is also conducting its operations in Western Europe 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, Serbia, Croatia, Bulgaria, Romania, Germany, France, Austria, Slovenia and Spain, on the basis of franchise rights granted. Starting from 1 October 2016 the Group as a master-franchisee has the right to grant a license to third parties to operate Pizza Hut Express and Pizza Hut Delivery restaurants (sub-franchise) in countries of Central and Eastern Europe, while ensuring a certain share of restaurants operated directly by AmRest. Pizza Hut restaurants acquired in France in May 2017 are operated both by AmRest and its sub-franchisees based on master-franchise agreements ("MFA"). In 2023 AmRest sold its KFC business in Russia.

In Spain, Portugal and Andorra the Group operates its own brand La Tagliatella. In China the Group operates its own brand Blue Frog. Both businesses are based on operating equity and franchise restaurants supported by the central kitchens located in Spain (La Tagliatella) and in China (Blue Frog) that produce and deliver products to the whole network.

In 2018 the Group acquired the Bacoa and Sushi Shop brands, as a result of which it operates licensed restaurants in Spain (Bacoa) and proprietary and franchise Sushi Shop restaurants in France, Belgium, Spain, Switzerland, United Kingdom, Luxembourg, United Arab Emirates and Saudi Arabia. Bacoa is a primarily premium burger concept in Spain and Sushi Shop is the operator of the leading European chain of restaurants for sushi, sashimi and other Japanese specialities.

The table below summarizes key types of AmRest Group activities including area of that activities and a franchisor name (if applicable) as of 30 June 2024.

ACTIVITY PERFORMED THROUGH OWN BRANDS		
Brand	**Franchisor**	**Area of the activity**
La Tagliatella	Own brand	Spain, Portugal
Blue Frog	Own brand	China
Sushi Shop	Own brand	France, Spain, Switzerland, Luxembourg, UK
ACTIVITY WHERE AMREST IS A FRANCHISOR (OWN BRAND OR BASED ON MASTER-FRANCHISE AGREEMENTS)		
Brand	**Franchisor**	**Area covered by the agreement**
La Tagliatella	Own brand	Spain, Andorra
Blue Frog	Own brand	China
Sushi Shop	Own brand	France, Belgium, United Arab Emirates, Saudi Arabia, UK
Bacoa [1]	Own brand	Spain
Pizza Hut Express, Delivery	Pizza Hut Europe Limited, Pizza Hut Europe S.a.r.l	France, Hungary, Czechia, Poland, Slovakia, Slovenia
ACTIVITY WHERE AMREST IS A FRANCHISEE		
Brand	**Franchisor**	**Area covered by the agreement**
KFC	YUM! Restaurants Europe Limited and its affiliates and ISHKFC GmbH	Poland, Czechia, Hungary, Bulgaria, Serbia, Croatia, Spain, Germany, France, Austria, Slovenia
Pizza Hut Dine-In	Pizza Hut Europe Limited	Poland
Pizza Hut Express, Delivery	Pizza Hut Europe Limited	Poland, Czechia, Hungary, France [3], Slovakia
Burger King	Burger King Europe GmbH, Rex Concepts BK Poland S.A and Rex Concepts BK Czech S.R.O.	Poland, Czechia, Bulgaria, Slovakia, Romania
Starbucks [2]	Starbucks Coffee International, Inc/Starbucks EMEA Ltd., Starbucks Manufacturing EMEA B.V.	Poland, Czechia, Hungary, Romania, Bulgaria, Germany, Slovakia, Serbia

1) Bacoa restaurants are currently operated under trademark license agreements.
2) AmRest, through AmRest Sp. z o.o. owns 82% and Starbucks owns 18% of the share capital of the companies in Poland (AmRest Coffee Sp. z o.o.), Czechia (AmRest Coffee s.r.o.) and Hungary (AmRest Kavezo Kft.). Upon occurrence of an event of default, both AmRest and Starbucks (as the case may be, acting as non-defaulting shareholder) will have the option to purchase all of the shares of the other shareholder (the defaulting shareholder) in the terms and conditions foreseen in the corresponding agreements. In the event of a deadlock, Starbucks will have, in the first place, the option to purchase all the shares of AmRest and, if Starbucks does not exercise that option, AmRest will have the option to purchase all the shares of Starbucks, in the terms and conditions foreseen in the corresponding agreements. In the event of a change of control in AmRest Holdings, Starbucks will have the right to increase its participation in each of the companies up to 100%.
3) As of the date of these financial statements, AmRest and Pizza Hut Europe Limited (master franchisor for Pizza Hut France and owner of the Pizza Hut brand), are in advanced discussions regarding the early termination of the master franchise agreement for France.Upon conclusion of those discussions, it is intended that Pizza Hut Europe Limited will reassume functional oversight and sub-franchisee supervision in the French market.

Where AmRest acts as a franchisee, the agreements are signed for individual restaurants to operate under a franchised brand. The majority of the agreements are entered into for a 10-year period with the possibility of further extension. Under the agreements AmRest is required to pay an agreed initial fee when the restaurant opens, and variable royalties and marketing fees. AmRest operates Starbucks stores under license agreements entered into per each country where the brand is present.

(all figures in EUR millions unless stated otherwise)

2. Group Structure

As of 30 June 2024, the Group comprised of the following subsidiaries:

Company name	Registered office	Parent/non-controlling undertaking	Owner-ship interest and total vote	Date of effective control
		Holding activity		
AmRest Acquisition Subsidiary Ltd.[4]	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 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
GM Invest SRL	Brussels, Belgium	AmRest TAG S.L.U.	100.00%	October 2018
Sushi Shop Group SAS	Paris, France	GM Invest SRL AmRest TAG S.L.U.	9.47% 90.53%	October 2018
AmRest France SAS	Paris, France	AmRest Holdings SE	100.00%	December 2018
Sushi Shop Management SAS	Paris, France	Sushi Shop Group SAS	100.00%	October 2018
Sushi Shop Luxembourg SARL	Luxembourg	Sushi Shop Group SAS	100.00%	October 2018
Sushi Shop Switzerland SA	Fribourg, Switzerland	Sushi Shop Management SAS	100.00%	October 2018
		Restaurant, franchise and master-franchise activity		
AmRest Sp. z o.o.	Wroclaw, Poland	AmRest Holdings SE	100.00%	December 2000
AmRest s.r.o.	Prague, Czechia	AmRest Holdings SE	100.00%	December 2000
AmRest Kft	Budapest, Hungary	AmRest Sp. z o.o.	100.00%	June 2006
AmRest Coffee Sp. z o.o.	Wroclaw, Poland	AmRest Sp. z o.o. Starbucks Coffee International,Inc.	82.00% 18.00%	March 2007
AmRest EOOD	Sofia, Bulgaria	AmRest Holdings SE	100.00%	April 2007
AmRest Coffee s.r.o.	Prague, Czechia	AmRest Sp. z o.o. Starbucks Coffee International,Inc.	82.00% 18.00%	August 2007
AmRest Kávézó Kft	Budapest, Hungary	AmRest Sp. z o.o. Starbucks Coffee International,Inc.	82.00% 18.00%	August 2007
AmRest d.o.o.	Belgrade, Serbia	AmRest Sp. z o.o.	100.00%	October 2007
Restauravia Food S.L.U.	Madrid, Spain	AmRest TAG S.L.U.	100.00%	April 2011
Pastificio Service S.L.U.	Madrid, Spain	AmRest TAG S.L.U.	100.00%	April 2011
AmRest Adria d.o.o.	Zagreb, Croatia	AmRest Sp. z o.o.	100.00%	October 2011
AmRest GmbH i.I. [1]	Cologne, Germany	AmRest TAG S.L.U.	100.00%	March 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 (Shanghai) 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 i.I. [3]	Cologne, Germany	AmRest TAG S.L.U.	100.00%	October 2013
AmRest Coffee EOOD	Sofia, Bulgaria	AmRest Sp. z o.o.	100.00%	June 2015
AmRest Coffee S.r.l.	Bucharest, Romania	AmRest Sp. z o.o.	100.00%	June 2015
AmRest Food Srl.	Bucharest, Romania	AmRest Sp. z o.o.	100.00%	July 2019
AmRest Coffee SK s.r.o.	Bratislava, Slovakia	AmRest s.r.o. AmRest Sp. z o.o.	99.00% 1.00%	December 2015
AmRest Coffee Deutschland Sp. z o.o. & Co. KG	Munich, Germany	AmRest Kaffee Sp. z o.o. AmRest TAG S.L.U.	23.00% 77.00%	May 2016
AmRest DE Sp. z o.o. & Co. KG	Munich, Germany	AmRest Kaffee Sp. z o.o.	100.00%	December 2016
Kai Fu Food and Beverage Management (Shanghai) Co. Ltd	Shanghai, China	Blue Frog Food&Beverage Management Co. Ltd	100.00%	December 2016
LTP La Tagliatella Portugal, Lda	Lisbon, Portugal	AmRest TAG S.L.U.	100.00%	February 2017
LTP La Tagliatella II Franchise 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
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.	100.00%	April 2018
AmRest Pizza GmbH	Munich, Germany	AmRest DE Sp. z o.o. & Co. KG	100.00%	June 2018
Sushi Shop Restauration SAS	Paris, France	Sushi Shop Management SAS	100.00%	October 2018
Sushi House SA	Luxembourg	Sushi Shop Luxembourg SARL	100.00%	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	100.00%	October 2018
Sushi Shop UK Pvt LTD	Charing, UK	Sushi Shop Group SAS	100.00%	October 2018
Sushi Shop Anvers SA	Bruxelles, Belgium	Sushi Shop Belgique SA	100.00%	October 2018
Sushi Shop Geneve SA	Geneva, Switzerland	Sushi Shop Switzerland SA	100.00%	October 2018

(all figures in EUR millions unless stated otherwise)

Company name	Registered office	Parent/non-controlling undertaking	Owner-ship interest and total vote	Date of effective control
Sushi Shop Lausanne SARL	Lasanne, Switzerland	Sushi Shop Switzerland SA	100.00%	October 2018
Sushi Shop Madrid S.L.U.	Madrid, Spain	Sushi Shop Management SAS	100.00%	October 2018
Sushi Shop Milan SARL in liquidazione [2]	Milan, Italy	Sushi Shop Management SAS	70.00%	October 2018
		Vanray SRL	30.00%	
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 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
Sushi Shop Morges SARL	Moudon, Switzerland	Sushi Shop Switzerland SA	100.00%	October 2020
AmRest Franchise Sp. z o.o.	Wrocław, Poland	AmRest Sp. z o.o.	100.00%	December 2018
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 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 Global S.L.U.	Madrid, Spain	AmRest Holdings SE	100.00%	September 2020
Supply services for restaurants operated by the Group				
SCM Czech s.r.o.	Prague, Czechia	SCM Sp. z o.o.	90.00%	March 2007
		Ondrej Razga	10.00%	
SCM Sp. z o.o.	Warsaw, Poland	AmRest Sp. z o.o.	51.00%	October 2008
		R&D Sp. z o.o.	33.80%	
		Beata Szafarczyk-Cylny	5.00%	
		Zbigniew Cylny	10.20%	

[1] *On 25 November 2016 AmRestavia, S.L.U., the sole shareholder of AmRest GmbH, decided to liquidate this company. The liquidation process has not been finished up until the date of this report.*
[2] *On 27 January 2023 Sushi Shop Management SAS and VANRAY S.r.l., shareholders of Sushi Shop Milan SARL, decided to liquidate this company. The company is officially in liquidation and the mention "in liquidazione" has been added to the company's name. The liquidation process has not been finished up until the date of this report.*
[3] *On 12 October 2023 AmRest TAG S.L.U., the sole shareholder of AmRest Skyline GmbH, decided to liquidate this company. The liquidation process has not been finished up until the date of this report.*
[4] *On 31 December 2023 AmRest Holdings SE, the sole shareholder of AmRest Acquisition Subsidiary Ltd, decided to liquidate this company. The liquidation process has not been finished up until the date of this report.*

(all figures in EUR millions unless stated otherwise)

3. Basis of preparation

These condensed consolidated financial statements for the period of 6 months ended 30 June 2024 have been prepared in accordance with the IAS 34 Interim Financial Reporting and other provisions of the financial reporting applicable in Spain and were authorized for issue by the Company's Board of Directors on 4 September 2024.

Unless disclosed otherwise, the amounts in these consolidated financial statements are presented in euro (EUR), rounded off to full millions with one decimal place.

This interim report does not include all the information and disclosures required in the annual financial report. Accordingly, this report should be read in conjunction with the consolidated financial statements for the year ended 31 December 2023. 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 2023, except for the adoption of new standards, interpretations, and amendments to standards effective as of 1 January 2024, which do not have 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.

The preparation of these condensed consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies. Estimates and judgments are continually verified and are based on professional experience and on various factors, including expectations of future events, which are deemed to be justified in given circumstances. Revisions to estimates are recognised prospectively. Actual results may differ from these estimates.

The Group has prepared these condensed consolidated financial statements on the basis that it will continue to operate as a going concern.

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 of 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 are analysed for three 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). Fourth segment includes in general non-restaurant business. Details of the operations presented in each segment are presented below:

Segment	Description
Central and Eastern Europe (CEE)	Restaurant operations and franchise activity in: • Poland – KFC, Pizza Hut, Starbucks, Burger King, • Czechia – KFC, Pizza Hut, Starbucks, Burger King, • Hungary – KFC, Pizza Hut, Starbucks, • Bulgaria – KFC, Starbucks, Burger King, • Croatia, Austria, Slovenia – KFC, • Slovakia – Starbucks, Pizza Hut, Burger King, • Romania – Starbucks, Burger King, • Serbia – KFC, Starbucks.
Western Europe	Restaurant operations together with supply chain and franchise activity in: • Spain – KFC, La Tagliatella, Sushi Shop, • France – KFC, Pizza Hut, Sushi Shop, • Germany – Starbucks, KFC, • Portugal and Andorra – La Tagliatella, • Belgium, Switzerland, Luxembourg, United Kingdom and other countries with activities of Sushi Shop.
China	• Blue Frog operations in China.
Other	Segment Other includes global support functions such as e.g. Executive Team, Controlling, Global Finance, IT, Global Human Resources, Treasury and Investors Relations. Segment Other also includes expenses related to M&A transactions not finalised during the period, whereas expenses related to finalised merger and acquisition are allocated to applicable segments. Additionally, Other includes non-restaurant businesses performed by AmRest Holdings SE, SCM Sp. z o.o. and its subsidiaries and other minor entities performing holding and/or financing services.

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

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

Segment measure and the reconciliation to profit/loss from operations for the 6 months period ended 30 June 2024 and for the comparative 6 months period ended 30 June 2023 is presented below.

(all figures in EUR millions unless stated otherwise)

6 MONTHS ENDED 30 June 2024	CEE	Western Europe	China	Other	Total
Restaurant sales	703.7	406.8	44.6	-	1 155.1
Franchise and other sales	0.4	35.8	2.1	38.1	76.4
Segment revenue	**704.1**	**442.6**	**46.7**	**38.1**	**1 231.5**
EBITDA	**132.6**	**64.4**	**10.1**	**(13.2)**	**193.9**
Depreciation and amortisation	69.0	48.0	8.9	0.5	126.4
Net impairment losses on financial assets	-	0.5	-	-	0.5
Net impairment losses on other assets	0.4	42.9	0.2	-	43.5
Profit/loss from operations	**63.2**	**(27.0)**	**1.0**	**(13.7)**	**23.5**
***Capital investment**	**55.7**	**17.7**	**2.0**	**0.8**	**76.2**

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

6 MONTHS ENDED 30 June 2023	CEE	Western Europe	China	Other	Total
Restaurant sales	638.0	403.4	48.5	-	1 089.9
Franchise and other sales	0.5	34.1	3.0	42.4	80.0
Segment revenue	**638.5**	**437.5**	**51.5**	**42.4**	**1 169.9**
EBITDA	**116.3**	**55.4**	**11.1**	**(10.8)**	**172.0**
Depreciation and amortisation	60.6	44.8	8.7	0.4	114.5
Net impairment losses on financial assets	0.1	0.9	-	0.2	1.2
Net impairment losses on other assets	0.7	4.1	0.3	-	5.1
Profit/loss from operations	**54.9**	**5.6**	**2.1**	**(11.4)**	**51.2**
***Capital investment**	**37.0**	**18.9**	**3.9**	**0.6**	**60.4**

**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. Operating costs and losses

Analysis of operating expenses by nature:

	6 MONTHS ENDED	
	30 June 2024	**30 June 2023**
Food, merchandise and other materials	376.2	380.0
Payroll	298.8	264.9
Social security and employee benefits	70.3	65.7
Royalties	59.4	54.9
Utilities	56.7	63.1
Marketing expenses	55.0	50.2
Delivery fees	46.7	43.5
Other external services	54.5	52.8
Occupancy cost	14.0	14.9
Depreciation of right-of-use assets	71.9	67.8
Depreciation of property, plant and equipment	49.3	41.8
Amortisation of intangible assets	5.2	4.9
Other	11.4	11.9
Total cost by nature	**1 169.4**	**1 116.4**

Summary of operating expenses by functions:

	6 MONTHS ENDED	
	30 June 2024	**30 June 2023**
Restaurant expenses	1 026.9	975.8
Franchise and other expenses	57.3	62.1
General and administrative expenses	85.2	78.5
Total costs	**1 169.4**	**1 116.4**

(all figures in EUR millions unless stated otherwise)

6. Finance income/costs

Finance income for the period of 6 months ended 30 June 2024 consisted of bank and other interests received in the amount of EUR 1.5 million. As for the period of 30 June 2023 finance income represented mainly bank and other interests received in the amount of EUR 1.8 million, income from net foreign exchange differences in the amount of EUR 6.1 million and other income in the amount of EUR 0.1 million.

Finance costs for the period of 6 months ended 30 June 2024 and 2023 consisted mainly of bank and lease interests.

	6 MONTHS ENDED	
	30 June 2024	**30 June 2023**
Interest expense	23.0	17.7
Interest expense on lease liability	18.0	13.9
Net cost from exchange differences	1.8	-
Other	0.2	0.2
Total finance cost	**43.0**	**31.8**

7. Income taxes

	6 MONTHS ENDED	
	30 June 2024	**30 June 2023**
Current tax	(18.2)	(11.2)
Deferred tax	11.0	4.1
Income tax	**(7.2)**	**(7.1)**
Deferred tax asset		
Opening balance	55.0	44.5
Closing balance	65.6	47.5
Deferred tax liability		
Opening balance	35.2	43.0
Closing balance	34.8	39.7
Change in deferred tax assets/liabilities	**11.0**	**6.3**
Change in deferred tax assets/liabilities from continuing operation	11.0	3.4
Change in deferred tax assets/liabilities from discontinued operation	-	2.9

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

	6 MONTHS ENDED	
	30 June 2024	**30 June 2023**
Change in deferred tax assets/liabilities	**11.0**	**6.3**
of which:		
Deferred taxes recognised in the income statement	11.0	4.1
Deferred tax of discontinued operation	-	2.9
Deferred taxes recognised in other comprehensive income - net investment hedges	-	(1.4)
Exchange differences	-	0.7

Income tax calculated according to domestic tax rates applicable to income in particular countries as of 30 June 2024 would amount to EUR (7.8) million. Main position affecting effective tax rate for the period of 6 months ended 30 June 2024 are impairment of goodwill EUR 10.3 million, tax losses for the current period for which no deferred tax asset was recognised EUR 3.2 million, local taxes reported as income taxes EUR 1.7 million, utilization of tax losses not recognised in prior period EUR (1.5) million and permanent differences and changes in estimates EUR 1.3 million.

International Tax Reform – Pillar Two

As of 30 June 2023, some of the countries in which AmRest operates have already enacted the requirements of Pillar 2. In this regard, Spain, as a country of dominant entity subject to Pillar 2, published a Draft Law for the application of the Pillar 2 Directive in Spain, under approval of the Congress of Deputies. The final Law would be applicable in Spain for tax periods starting from 1 January 2024 however, as of the date of this document, the Law has not been enacted.

Based on the status of the implementation process, AmRest Group believes that Pillar 2 would only have implications on Bulgarian entities and that the impact would not be significant.

To reach these conclusions, the Company has analysed the application of the Pillar 2 safe harbours for the non-application of the Global Minimum Tax based on the Spanish draft Law and the OECD guidelines to each of the countries in which AmRest operates. Where a given jurisdiction could not benefit from such safe harbours, the Global Minimum Tax calculations have been performed, and only Bulgaria could potentially have to pay a higher corporate income tax due to the Pillar 2 calculations (not material).

(all figures in EUR millions unless stated otherwise)

Tax risks, tax proceedings and uncertain tax positions

Tax settlements of AmRest entities are subject to several tax inspections which were widely described in the note "Tax risks and uncertain tax position" to the consolidated financial statements for 2023. Update for the period of 6 months ended 30 June 2024 is presented below.

Tax inspections and proceedings in Poland

a) On 28 September 2022, the Tax Authorities initiated a tax audit on VAT rates in AmRest Sp. z o.o. for the periods from April 2018 to September 2018. The total VAT liability assessed by the Tax Authorities amounts to EUR 2.2 million (PLN 9.8 million – secured by the bank guarantee), without interest. On 11 December 2023 the Company submitted the complaint to the Local Administrative Court. On 17 April 2024 the Court suspended the proceeding. On 2 July 2024 the Court proceeding was resumed ex officio.

b) On 17 May 2019, the Tax Authorities in Katowice initiated a customs and tax inspection on VAT rates in AmRest Sp. z o.o. for the periods from October 2018 to March 2019. The total VAT liability assessed by the Tax Authorities amounts to EUR 4.0 million (PLN 17.9 million) which includes a penalty of 30% and does not include interest. The Company appealed against the decisions to the Tax Authorities of second instance that suspended the proceeding.

c) On 12 October 2023, the Tax Authorities initiated a tax audit on VAT rates in AmRest Sp. z o.o. for the periods from April 2019 to August 2019. On 2 May 2024, the Tax Authorities stated that the Company should tax the sale at 8% VAT rate instead of 5% and the tax rulings do not apply. The Company does not agree with the conclusions and continues the dispute. On 5 July 2024 the tax audit was transformed into tax proceeding.

d) On 26 November 2018, the Tax Authorities initiated a tax audit on 2013 Corporate Income Tax (CIT) in AmRest Sp. z o.o.. The decision of the Tax Authorities was contested by the Company in the Court proceeding. On 4 April 2024, the decision of the Tax Authorities was repealed by the Court and the tax proceeding was discontinued. The Company received a refund amounting to EUR 0.6 million (PLN 2.7 million) including liability and interest.

e) On 12 March 2024, the Supreme Administrative Court confirmed that AmRest Sp. z o.o. provides services, and therefore is out of the scope of the retail sales tax. Following the judgement, on 3 July 2023, the Company corrected its retail sales tax settlements for the period from January 2021 to January 2024 and submitted an application for retail sales tax overpayment amounting to EUR 9.5 million (PLN 41.0 million), that overpayment could be subject to CIT (19%). The retail sales tax refund was received in August 2024.

Tax inspections in France

On 4 March 2024, Sushi Shop Management SAS was notified by the tax authorities of the initiation of a tax audit for the 2021 and 2022 tax years that as the date of this report have not concluded. The tax audit covers all taxes for those periods.

The Group's risk assessment regarding tax risks and uncertainties has not changed since the publication of the consolidated financial statements for 2023. Therefore, as of 30 June 2024 and as of the date of publication of this condensed consolidated financial statements, no new provisions were created.

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

8. Property, plant and equipment

The table below presents changes in the value of property, plant and equipment for the period of 6 months ended 30 June 2024 and 2023:

2024	Leasehold improvements, land, buildings	Restaurants equipment and vehicles	Furniture and other assets	Assets under construction	Total
PPE as of 1 January	**286.7**	**181.4**	**43.6**	**68.7**	**580.4**
Additions	1.6	3.0	0.8	67.5	72.9
Depreciation (note 5)	(21.7)	(20.4)	(7.2)	-	(49.3)
Impairment (note 12)	(1.4)	0.4	(0.3)	-	(1.3)
Disposals, liquidations	-	(0.3)	(0.2)	(0.2)	(0.7)
Transfers	36.7	24.7	8.0	(69.8)	(0.4)
Exchange differences	(0.3)	(0.1)	(0.2)	0.1	(0.5)
PPE as of 30 June	**301.6**	**188.7**	**44.5**	**66.3**	**601.1**
Gross book value	693.5	464.7	138.5	66.8	1 363.5
Accumulated depreciation and impairments	(391.9)	(276.0)	(94.0)	(0.5)	(762.4)
Net book value	**301.6**	**188.7**	**44.5**	**66.3**	**601.1**

(all figures in EUR millions unless stated otherwise)

2023	Leasehold improvements, land, buildings	Restaurants equipment and vehicles	Furniture and other assets	Assets under construction	Total
PPE as of 1 January	**263.3**	**153.4**	**36.8**	**48.0**	**501.5**
Additions	2.2	4.6	0.8	51.7	59.3
Depreciation (note 5)	(19.8)	(18.4)	(6.7)	-	(44.9)
Impairment (note 12)	(0.3)	(0.1)	(0.5)	-	(0.9)
Loss of control	(25.6)	(7.9)	(2.0)	(1.6)	(37.1)
Disposals, liquidations	0.1	(0.5)	(0.2)	(0.1)	(0.7)
Transfers	19.4	14.9	9.9	(43.3)	0.9
Exchange differences	2.9	1.7	0.3	1.8	6.7
PPE as of 30 June	**242.2**	**147.7**	**38.4**	**56.5**	**484.8**
Gross book value	605.4	405.1	123.1	57.1	1 190.7
Accumulated depreciation and impairments	(363.2)	(257.4)	(84.7)	(0.6)	(705.9)
Net book value	**242.2**	**147.7**	**38.4**	**56.5**	**484.8**

Depreciation was charged as follows:

	6 MONTHS ENDED	
	30 June 2024	30 June 2023
Costs of restaurant operations	47.7	43.2
Franchise expenses and other	0.7	0.7
General and administrative expense	0.9	1.0
Total depreciation	**49.3**	**44.9**
from continuing operation	49.3	41.8
from discontinued operation	-	3.1

9. Leases

The Group leases over 1.8 thousand properties in order to operate brand restaurants. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions, depending on local lease practice and legal framework. Additionally, in some countries, the Group leases cars, equipment, as well as properties for administration or storage purposes and company flats.

The table below presents the reconciliation of the right-of-use assets and lease liabilities for the period of 6 months ended 30 June 2024 and 2023:

	Right-of-use asset			Lease liabilities
2024	Restaurant properties	Other	Total right-of-use asset	Total liabilities
As of 1 January	**801.5**	**24.1**	**825.6**	**887.0**
Additions – new contracts	24.0	3.1	27.1	26.7
Remeasurements and modifications	91.8	0.6	92.4	90.8
Depreciation (Note 5)	(69.0)	(2.9)	(71.9)	-
Impairment (Note 12)	(1.0)	-	(1.0)	-
Interest expense (Note 6)	-	-	-	18.0
Payments	-	-	-	(92.6)
Exchange differences	(1.3)	-	(1.3)	0.1
Disposals, liquidations	(0.8)	(1.3)	(2.1)	(2.6)
As of 30 June	**845.2**	**23.6**	**868.8**	**927.4**

	Right-of-use asset			Lease liabilities
2023	Restaurant properties	Other	Total right-of-use asset	Total liabilities
As of 1 January	**793.0**	**20.3**	**813.3**	**878.7**
Additions – new contracts	22.4	0.9	23.3	23.2
Remeasurements and modifications	82.6	1.3	83.9	84.4
Depreciation (Note 5)	(70.1)	(2.9)	(73.0)	-
Impairment (Note 12)	(4.4)	-	(4.4)	-
Interest expense (Note 6)	-	-	-	14.8
Payments	-	-	-	(87.1)
Exchange differences	6.4	-	6.4	0.3
Loss of control	(63.6)	(1.6)	(65.2)	(73.1)
As of 30 June	**766.3**	**18.0**	**784.3**	**841.2**

(all figures in EUR millions unless stated otherwise)

Depreciation was charged as follows:

	6 MONTHS ENDED	
	30 June 2024	30 June 2023
Costs of restaurant operations	69.3	70.4
General and administrative expenses	2.6	2.6
Total depreciation	**71.9**	**73.0**
from continuing operation	71.9	67.8
from discontinued operation	-	5.2

The Group recognised rent expense from short-term leases of EUR 0.4 million, leases of low-value assets of EUR 2.8 million and variable lease payments of EUR 11.9 million for the period of 6 months ended 30 June 2024.

Amounts recognised in statement of cash flows amounted to EUR 92.6 million presented in financing activity as repayment of lease liability and EUR 15.1 million in operating activity as lease payments not included in the lease liabilities. Total cash outflow for leases amounts to EUR 107.7 million during the period of 6 months ended 30 June 2024.

In the comparable period, the Group recognised rent expense from short-term leases of EUR 0.4 million, leases of low-value assets of EUR 3.1 million and variable lease payments of EUR 11.1 million for the period of 6 months ended 30 June 2023.

In the comparable period, amounts recognised in statement of cash flows amounted to EUR 87.1 million presented as repayment of lease liability and EUR 14.6 million as lease payments not included in the lease liability. Total cash outflow for leases amounted to EUR 101.7 million for the period of 6 months ended 30 June 2023.

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 2024	31 December 2023
Up to 1 year	180.4	177.7
Between 1 and 3 years	299.8	275.8
Between 3 and 5 years	219.0	205.7
Between 5 and 10 years	269.7	257.7
More than 10 years	186.2	182.7
Total contractual lease payments	**1 155.1**	**1 099.6**
Future finance costs of leases	227.7	212.6
Total lease liabilities	**927.4**	**887.0**

10. Intangible assets

The table below presents changes in the value of intangible assets for the period of 6 months ended 30 June 2024 and 2023:

2024	Own brands	Licenses for franchise brands	Relations with franchisees and customers	Other intangible assets	Total
IA as of 1 January	**153.3**	**21.5**	**23.4**	**38.5**	**236.7**
Additions	-	0.2	-	3.1	**3.3**
Amortisation (Note 5)	(0.1)	(1.8)	(1.2)	(2.1)	**(5.2)**
Impairment (Note 12)	-	(0.1)	-	-	**(0.1)**
Disposals, liquidations	-	-	-	(0.1)	**(0.1)**
Transfers	-	0.7	-	(0.3)	**0.4**
Exchange differences	-	-	-	0.1	**0.1**
IA as of 30 June	**153.2**	**20.5**	**22.2**	**39.2**	**235.1**
Gross book value	**155.9**	**48.4**	**51.9**	**89.6**	**345.8**
Accumulated amortisation and impairments	**(2.7)**	**(27.9)**	**(29.7)**	**(50.4)**	**(110.7)**
Net book value	**153.2**	**20.5**	**22.2**	**39.2**	**235.1**

2023	Own brands	Licenses for franchise brands	Relations with franchisees and customers	Other intangible assets	Total
IA as of 1 January	**153.8**	**22.9**	**25.8**	**33.9**	**236.4**
Additions	-	-	-	4.7	**4.7**
Amortisation (Note 5)	(0.1)	(2.1)	(1.2)	(1.8)	**(5.2)**
Impairment (Note 12)	-	0.3	-	-	**0.3**
Loss of control	-	(2.3)	-	(0.2)	**(2.5)**
Transfers	-	1.8	-	(2.7)	**(0.9)**
Exchange differences	(0.1)	0.5	-	0.2	**0.6**
IA as of 30 June	**153.6**	**21.1**	**24.6**	**34.1**	**233.4**
Gross book value	158.4	45.5	51.9	87.0	**342.8**

(all figures in EUR millions unless stated otherwise)

2023	Own brands	Licenses for franchise brands	Relations with franchisees and customers	Other intangible assets	Total
Accumulated amortisation and impairments	(4.8)	(24.4)	(27.3)	(52.9)	**(109.4)**
Net book value	**153.6**	**21.1**	**24.6**	**34.1**	**233.4**

Amortisation was charged as follows:

	6 MONTHS ENDED	
	30 June 2024	30 June 2023
Costs of restaurant operations	2.2	2.4
Franchise expenses and other	0.9	0.9
General and administrative expense	2.1	1.9
Total amortisation	**5.2**	**5.2**
from continuing operation	5.2	4.9
from discontinued operation	-	0.3

Other intangible assets include key monies in the amount of EUR 18.0 million (EUR 18.0 million as of 30 June 2023), sales and business intelligence systems of EUR 13.6 million (EUR 8.0 million as of 30 June 2023), exclusivity rights and other.

11. 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 it is monitored by the Group. In all cases is not higher than the operating segment level:

2024	1 January	Impairment	Exchange differences	30 June
Sushi Shop (all markets)	111.8	(41.1)	-	70.7
Spain - La Tagiatella and KFC	91.4	-	-	91.4
China - Blue Frog	19.8	-	0.2	20.0
France - KFC	14.0	-	-	14.0
Germany - Starbucks	8.6	-	-	8.6
Hungary - KFC	3.2	-	(0.1)	3.1
Romania - SBX	2.5	-	-	2.5
Czechia - KFC	1.4	-	-	1.4
Poland - Other	0.6	-	-	0.6
Total	**253.3**	**(41.1)**	**0.1**	**212.3**

2023	1 January	Impairment	Exchange differences	30 June
Sushi Shop (all markets)	141.0	-	-	141.0
Spain - La Tagiatella and KFC	90.8	-	-	90.8
China - Blue Frog	21.1	-	(1.4)	19.7
France - KFC	14.0	-	-	14.0
Germany - Starbucks	8.6	-	-	8.6
Hungary - KFC	3.1	-	0.2	3.3
Romania - SBX	2.5	-	-	2.5
Czechia - KFC	1.5	-	-	1.5
Poland - Other	0.6	-	-	0.6
Total	**283.2**	**-**	**(1.2)**	**282.0**

Impairment test procedures, assumptions used and test results are disclosed in note 12.

(all figures in EUR millions unless stated otherwise)

12. Net impairment of non-financial assets

Details of net impairments recognised:

	Note	6 MONTHS ENDED 30 June 2024	30 June 2023
Net impairment of property, plant and equipment	8	1.3	0.9
Net impairment of intangible assets	10	0.1	(0.3)
Net impairment of right-of-use assets	9	1.0	4.4
Net impairment of goodwill	11	41.1	-
Net impairment of inventories and other assets		-	0.1
Net impairments of non- financial assets		**43.5**	**5.1**

Restaurant level tests

The Group periodically reviews the carrying amounts of its non-financial non-current 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 34 of Group's consolidated financial statements for the year ended 31 December 2023.

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.

For recoverable value calculations of value in use, the Group uses cash flow projections based on financial budgets that require relevant judgments and estimates. Cash flow projections are prepared for individual restaurants. As a starting point, the Group uses most recent budgets and forecasts prepared on the level of brands in certain countries. Next those assumptions are enhanced or worsen, to reflect the best estimate for expected cash projections of analysed restaurant, if needed. Individual projections for sales and costs may depend on restaurant's main streams of revenues (different for take-away business, dine-in, food courts), cost pressure in various markets, supply chain related issues and other. The restaurant tests cash flow projection periods are correlated to restaurant's rental agreements periods.

The main assumptions used to determine the value in use were:

- sales growth projections dependent on sales mix and sales channels for a given restaurant
- EBITDA margin
- projections period
- a discount rate based on the weighted average cost of capital and reflecting the current market assessment of the time value of money and the business risk of the cash generating unit.

As such, the Group does not disclose quantitative ranges for the main assumptions used for restaurant test. The amounts assigned to each of these parameters reflect the Group's experience adjusted for expected changes in the forecast period and corrected by local specifics and characteristics of a given restaurant. This reflects the specifics of Group's operations, where business is conducted through multiple, individually small, operating units.

Carrying amount of each CGU consists of carrying amount of above described assets of the restaurants. Value in use is determined through the discounted cash flows analysis.

Discounts rates applied are shown in the table below.

	Post-tax discount rate 30 June 2024	Implied pre-tax discount rate 30 June 2024	Implied pre-tax discount rate 31 December 2023	Implied pre-tax discount rate 30 June 2023
Spain	10.1%	13.4%	13.5%	13.3%
Germany	7.9%	11.4%	11.4%	10.8%
France	8.6%	11.5%	11.2%	11.0%
Poland	11.0%	13.5%	14.6%	13.8%
Czechia	9.3%	11.4%	11.4%	11.3%
Hungary	12.7%	14.0%	15.3%	14.9%
China	9.0%	12.0%	12.3%	11.8%
Romania	12.9%	15.4%	15.9%	15.8%
Serbia	13.9%	16.3%	16.9%	16.9%
Bulgaria	11.2%	12.5%	12.3%	12.0%
Croatia	11.3%	13.8%	13.9%	13.5%
Slovakia	9.7%	12.3%	12.1%	11.9%
Portugal	10.0%	12.6%	14.1%	14.0%
Austria	8.9%	11.8%	11.8%	11.0%
Slovenia	10.1%	12.4%	13.4%	13.2%
Switzerland	7.8%	9.1%	9.7%	8.5%

(all figures in EUR millions unless stated otherwise)

	Post-tax discount rate 30 June 2024	Implied pre-tax discount rate 30 June 2024	Implied pre-tax discount rate 31 December 2023	Implied pre-tax discount rate 30 June 2023
Luxembourg	8.3%	11.0%	10.9%	10.6%
United Kingdom	9.0%	11.9%	11.9%	11.3%

Implied pre-tax discount rate was determined as post-tax discount rate grossed-up by the standard tax rate applicable in each country.

Details of impairments losses recognised per category of assets (property, plant and equipment, right-of-use assets, intangible assets or goodwill) are presented in notes 8, 9, 10 and 11.

Recognised 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.

Summary of impairment tests results on the level of restaurants for the period of 6 months ended 30 June 2024 is presented in the table below:

HY 2024	Impairment loss	Impairment reversals	Net/Total
Number of units tested			214
Units with impairment/reversal recognised	40	43	
Impairment of property, plant and equipment and intangible assets	(3.9)	2.5	(1.4)
Impairment of right-of-use assets	(3.0)	2.0	(1.0)
Five highest individual impairment loss/ reversals totalled	(3.6)	1.7	
Average impairment loss/ reversal per restaurant	(0.2)	0.1	

Summary of impairment tests results on the level of restaurants for the period of 6 months ended 30 June 2023 is presented in the table below:

HY 2023	Impairment loss	Impairment reversals	Net/Total
Number of units tested			300
Units with impairment/reversal recognised	89	71	
Impairment of property, plant and equipment and intangible assets	(6.4)	5.8	(0.6)
Impairment of right-of-use assets	(6.2)	1.8	(4.4)
Five highest individual impairment loss/reversals totalled	(2.7)	2.1	
Average impairment loss/reversal per restaurant	(0.1)	0.1	

Business (goodwill) level tests

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.
For recoverable value calculations, the Group uses cash flow projections based on financial budgets that require judgment and other estimates that include, among others, the operating result on sales and the discount and growth rates at long term.

Mandatory impairment tests are performed at year ends.

Present value technique model (discounted cash flow) is used by the Group for the purpose of determining fair value. The discounted cash flow (DCF) converts future amounts (e.g. cash flows or income and expenses) to a single discounted amount. The fair value reflects current market expectations about those future amounts. The discounted cash flow approach uses unobservable inputs, as a result, the fair value measurement is generally classified as Level 3 in the fair value hierarchy.

The cash flows were derived from the most recent budgets, plans for next year and forecasts for the following four years. The 5th year normalised projections are used to extrapolate cash flows into the future if the 5th year represents a steady state in the development of the business. The adjustments may be necessary to reflect the expected development of the business (normalization of cash flows). Growth rates do not exceed the long-term average growth rate for the products, industries, or country or market in which the asset is used.

The recoverable amount is most sensitive to the discount rate used, growth rate used for extrapolation purposes, the weighted average budgeted EBITDA margins and restaurant sales growths. EBITDA margin represents EBITDA divided by total sales. The weighted average budgeted EBITDA margin is calculated as an average for the 5 years projection period i.e. without any impact of the residual value element. Budgeted revenues are used as weights. Average restaurant sales growth refers to arithmetical average growth rates for restaurant sales reflected in impairment models.

Following approach towards determination of key assumptions is used by the Group:

- Discount rate represent the current market assessment of the risks specific to business, calculated using weighted average cost of capital formula based on market inputs
- Growth rate (for residual value) is based on forecasts included in industry reports
- Budgeted EBITDA margin is based on past performance and expectations for the future
- Sales growth rate is based on past performance and expectations of market development and current industry trends in future

The Group carries out a sensitivity analysis for the impairment tests performed. The sensitivity analysis examines the impact of changes in below factors assuming other factors remain unchanged:

(all figures in EUR millions unless stated otherwise)

- discount rate applied,
- weighted average budgeted EBITDA margin,
- growth rate for residual value,
- restaurant sales growths.

The objective of such a sensitivity analysis is to determine if reasonable possible changes in the main financial assumptions would lead to an impairment loss being recognised.

For discount rate, growth rate, weighted average budgeted EBITDA margin, a reasonable possible change was determined as 10% of the input data, applicable for particular unit. Consequently, each impairment test has a different level of a reasonable change in inputs, which can be determined by multiplying the base input data used in the impairment test as presented in table below by 10%.
Additionally the Group performed sensitivity analysis on the expected changes in sales revenues recognition. In that case the Group determines reasonable change individually for each business tested. Usually this is in a range of 1-5% decrease of estimated sales revenues in each year of projection.

Test results for half-year 2024

The main input assumptions used in test performed as of 30 June 2024 are as follows:

HY 2024	Post-tax discount rate	Implied pre-tax discount rate	Growth rate for residual value	Average restaurant sales growth 2025-2029	Weighted average budgeted EBITDA margin
Sushi Shop (all markets)	8.6%	10.6%	1.8%	1.9%	15.4%

Impairment loss of EUR 41.1 million was recognised for goodwill of Sushi Shop business unit. The main factors that lead to recognition of impairment included: further increase in the discount rate applied to the future cash flows of the French business and a revision of the growth expectations of the Sushi Shop business for the coming years.

Results of sensitivity analysis for Sushi Shop Group business unit

The following table presents what change in impairment loss would be accounted for if respective input data were changed by tested percentage, assuming remaining parameters remain stable.

Input/change in input	(Increase)/Decrease in impairment loss
Discount rate - in model post-tax discount rate (8.6%)	
-10% of base value	28.4
-5% of base value	13.2
+5% of base value	(11.6)
+10% of base value	(22.0)
Growth rate for residual value - in model (1.8%)	
-10% of base value	(3.9)
-5% of base value	(2.0)
+5% of base value	2.0
+10% of base value	4.1
Weighted average budgeted EBITDA margin value - in model (15.4%)	
-10% of base value	(29.8)
-5% of base value	(14.9)
+5% of base value	13.5
+10% of base value	29.8
Restaurant Sales	
-5% in each year of projection	(16.5)
-3% in each year of projection	(9.9)
+3% in each year of projection	9.9
+5% in each year of projection	16.5

The following table shows the values to discount rate and growth rate under which recoverable amount in the model would equal to carrying amount of tested unit (assuming remaining input in model unchanged).

Input value	Post-tax discount rate	Growth rate
Applied in model	8.6 %	1.8 %
When carrying amount of CGU equals to recoverable amount	7.7 %	2.7 %

Comparative information for the goodwill impairment tests performed during half-year 2023.

Within continuing operations, the Group has tested two units, for which impairment tests did not revealed any impairment losses. The key assumptions used at HY 2023 test were as follows:

HY2023	Post-tax discount rate	Implied pre-tax discount rate	Growth rate for residual value	Average restaurant sales growth 2023-2027	Weighted average budgeted EBITDA margin
Sushi Shop (all markets)	8.3%	10.0%	1.8%	5.2%	14.1%
France – KFC	8.3%	10.0%	1.8%	4.4%	11.1%

(all figures in EUR millions unless stated otherwise)

Based on the sensitivity analysis performed for France - KFC, a reasonably possible change in any of the key assumptions used would not lead to recognition of impairment losses i.e. carrying amount would not exceed the recoverable amount.

The following table presents the results of the sensitivity analysis for Sushi Shop business. The table presents the scenarios where changes in assumptions would lead to the potential impairment. For remaining scenarios, no impairment risk was identified.

Input/change in input	Potential impairment loss
Discount rate - in model post-tax discount rate (8.3%)	
+5% of base value	(12.6)
+10% of base value	(29.0)
Growth rate for residual value - in model (1.8%)	
-10% of base value	(0.8)
Weighted average budgeted EBITDA margin value - in model (14.1%)	
-10% of base value	(35.7)
-5% of base value	(14.8)
Restaurant Sales	
-5% in each year of projection	(6.1)
-3% in each year of projection	(1.3)

13. Trade and other receivables

As of 30 June 2024 and 31 December 2023 the balances of trade and other receivables were as follows:

	30 June 2024	31 December 2023
Trade receivables	35.9	45.1
Other tax receivables	31.7	34.4
Credit cards, coupons and food aggregators receivables	36.8	33.8
Loans and borrowings	0.3	0.3
Government grants	0.2	0.4
Other	0.6	2.2
Allowances for receivables (note 20)	(13.9)	(13.8)
Total	**91.6**	**102.4**

Information about the impairment of trade receivables and the Group's exposure to credit risk, foreign currency risk and interest rate risk can be found in note 20.

14. Cash and cash equivalents

Cash and cash equivalents as of 30 June 2024 and 31 December 2023 are presented in the table below:

	30 June 2024	31 December 2023
Cash at bank	119.8	213.9
Cash in hand	11.6	13.6
Cash equivalents	5.0	-
Total cash	**136.4**	**227.5**

Reconciliation of working capital changes in the period of 6 months ended 30 June 2024 and 2023 is presented in the table below:

2024	Change in trade and other receivables	Change in inventories	Change in other assets	Change in payables and other liabilities	Change in other provisions and employee benefits
Balance sheet change	10.8	-	(0.7)	(58.5)	(0.3)
Dividends paid to non-controlling interest	-	-	-	(0.8)	-
Change in investment liabilities	-	-	-	25.8	-
Debt transaction	-	-	-	8.2	-
Exchange differences	(0.1)	(0.2)	(0.1)	(1.7)	(0.4)
Working capital changes	**10.7**	**(0.2)**	**(0.8)**	**(27.0)**	**(0.7)**

2023	Change in trade and other receivables	Change in inventories	Change in other assets	Change in payables and other liabilities	Change in other provisions and employee benefits
Balance sheet change	6.8	(1.5)	0.6	(25.9)	(0.9)
Loss of control	-	-	-	10.5	-
Change in investment receivables	3.4	-	-	-	-

(all figures in EUR millions unless stated otherwise)

2023	Change in trade and other receivables	Change in inventories	Change in other assets	Change in payables and other liabilities	Change in other provisions and employee benefits
Change in investment liabilities	(2.6)	(2.0)	(3.9)	12.3	-
Exchange differences	1.2	0.5	(0.6)	(1.9)	(0.3)
Working capital changes	**8.8**	**(3.0)**	**(3.9)**	**(5.0)**	**(1.2)**

15. Equity

Share capital

Share capital consists of ordinary shares. All shares issued are subscribed and fully paid. The par value of each share is EUR 0.1. There were no changes in share capital of the Company in the period of 6 months ended 30 June 2024.

As of 30 June 2024 and as of 31 December 2023 the Company had 219 554 183 shares issued.

(all figures in EUR millions unless stated otherwise)

Reserves

The structure of Reserves is as follows:

2024	Share premium	Share based payments unexercised	Share based payments exercised	Treasury shares	Hedges valuation	Transactions with NCI	Total Reserves
As of 1 January	**236.3**	**18.8**	**(35.4)**	**(9.9)**	**(4.1)**	**(31.6)**	**174.1**
Net investment hedges	-	-	-	-	0.3	-	0.3
Total comprehensive income	**-**	**-**	**-**	**-**	**0.3**	**-**	**0.3**
Purchases of treasury shares	-	-	-	(6.9)	-	-	(6.9)
Value of disposed treasury shares	-	-	(0.1)	0.1	-	-	-
Share based payments - reclassifications	-	(0.4)	0.4	-	-	-	-
Share based payments - remeasurements	-	3.6	-	-	-	-	3.6
Total share based payments	**-**	**3.2**	**0.3**	**0.1**	**-**	**-**	**3.6**
Total distributions and contributions	**-**	**3.2**	**0.3**	**(6.8)**	**-**	**-**	**(3.3)**
As of 30 June	**236.3**	**22.0**	**(35.1)**	**(16.7)**	**(3.8)**	**(31.6)**	**171.1**

2023	Share premium	Share based payments unexercised	Share based payments exercised	Treasury shares	Hedges valuation	Transactions with NCI	Total Reserves
As of 1 January	**236.3**	**15.5**	**(38.1)**	**(3.7)**	**(11.9)**	**(31.6)**	**166.5**
Net investment hedges	-	-	-	-	7.7	-	7.7
Income tax related to net investment hedges	-	-	-	-	(1.4)	-	(1.4)
Total comprehensive income	**-**	**-**	**-**	**-**	**6.3**	**-**	**6.3**
Share based payments - reclassifications	-	(2.1)	2.1	-	-	-	-
Share based payments - remeasurements	-	2.7	-	-	-	-	2.7
Total share based payments	**-**	**0.6**	**2.1**	**-**	**-**	**-**	**2.7**
Total distributions and contributions	**-**	**0.6**	**2.1**	**-**	**-**	**-**	**2.7**
As of 30 June	**236.3**	**16.1**	**(36.0)**	**(3.7)**	**(5.6)**	**(31.6)**	**175.5**

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 the period of 6 months ended 30 June 2024.

Treasury shares

As of 30 June 2024 the Group had 2 558 766 treasury shares for a total purchase value of EUR 16.7 million, presented as treasury shares within "Reserves" under equity.

Transactions with NCI

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

During the period of 6 months ended 30 June 2024 and 2023 the Group paid dividends to non-controlling shareholders. No other transactions were made.

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.

Before 2024, the Group had assigned part of Syndicated Bank Loan 2017 in foreign currencies as a hedging instrument for the net investments. In December 2023, when Syndicated Bank Loan 2017 debt was fully repaid, the hedging relationship ceased.

In December 2023, AmRest Group signed new financing agreement referred as Syndicated bank loan 2023. Part of the debt was taken by AmRest Holdings in PLN. The Group assigned the amount of PLN 508.0 million as a hedging instrument for the net investment in Polish subsidiary.

As of 30 June 2024, the value of net investment hedge resulting from the Syndicated bank loan 2023 amounted to PLN 508.0 million.

During 6 months ended 30 June 2024 and 2023 hedges were fully effective.

In December 2023, AmRest Sp. z o.o., a Polish subsidiary, with PLN as functional currency, signed financing referred as Syndicated bank loan 2023. Part of the debt was taken in EUR. The Group assigned the amount of EUR 156.0 million as a hedging instrument for the net investment in its Spanish subsidiaries.

As of 30 June 2024, the value of net investment hedge resulting from the Syndicated bank loan 2023 amounted to PLN 156.0 million.
During the 6 months period ended 30 June 2024 and 2023 hedges were fully effective.

For all net investment hedges, exchange gains or losses arising from the translation of liabilities that are hedging instruments are charged to other comprehensive income.

During the 6 months period ended 30 June 2024 the total hedge valuation recognised in other comprehensive income amounted to EUR 0.3 million.

During the 6 months period ended 30 June 2023 the total hedge valuation recognised in other comprehensive income amounted EUR 7.7 million, and deferred tax related to net investment hedges amounted to EUR (1.4) million.

Translation reserves

The balance of translation reserves depends on the changes in the foreign exchange rates. Total change in translation reserves allocated to shareholders of the parent for the period of 6 months ended 30 June 2024 amounted to EUR (2.2) million. The most significant changes result from a change in Hungarian forint of EUR (1.1) million, Czech crown of EUR (0.6) million, Polish zloty of EUR (0.4) million and Chinese yuan of EUR 0.2 million. Total change in translation reserves for the period of 6 months ended 30 June 2023 amounted to EUR 16.5 million. The most significant impact on that balance had a change in Russian rouble in the amount of EUR (8.4) million. Other significant changes result from change of Chinese yuan, Hungarian forint and Polish zloty to EUR.

16. Earnings per share

As of 30 June 2024 and 2023 the Company had 219 554 183 shares issued.

Table below presents calculation of basic and diluted earnings per share ("EPS") for the period of 6 months ended 30 June 2024 and 2023.

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.

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.

	6 MONTHS ENDED	
EPS calculation	**30 June 2024**	**30 June 2023**
Net profit attributable to shareholders of the parent (EUR millions)	(27.4)	23.6
Weighted average number of ordinary shares for basic EPS (in thousands of shares)	217 571	219 269
Weighted average number of ordinary shares for diluted EPS (in thousands of shares)	218 248	219 269
Basic earnings per share (EUR)	**(0.13)**	**0.11**
From continuing operations attributable to the ordinary equity holders of the company	(0.13)	0.08
From discontinued operation	-	0.03
Total basic earnings per share attributable to the ordinary equity holders of the company (EUR)	**(0.13)**	**0.11**
Diluted earnings per share (EUR)	**(0.13)**	**0.11**
From continuing operations attributable to the ordinary equity holders of the company	(0.13)	0.08
From discontinued operation	-	0.03
Total diluted earnings per share attributable to the ordinary equity holders of the company (EUR)	**(0.13)**	**0.11**

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

	6 MONTHS ENDED	
Weighted average number of ordinary shares in thousands of shares	**30 June 2024**	**30 June 2023**
Shares issued at the beginning of the period	219 554	219 554
Effect of treasury shares held	(2 107)	(340)
Effect of share based payments vested	124	55
Weighted average number of ordinary shares for basic EPS	**217 571**	**219 269**

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

	6 MONTHS ENDED	
Weighted average number of ordinary shares for diluted EPS in thousands of shares	**30 June 2024**	**30 June 2023**
Weighted average number of ordinary shares for basic EPS	217 571	219 269
Effect of share based payments unvested	677	-
Weighted average number of ordinary shares for diluted EPS	**218 248**	**219 269**

The intrinsic value of the vested SOP and MIP options is included in the determination of basic EPS, from the date on which options vested. The LTI plans are included in the determination of basic EPS if vested and if the performance conditions are met at the reporting date.

The intrinsic value of unvested SOP and MIP options is included in the determination of diluted EPS, to the extent to they are dilutive. The unvested LTI plan are included in the determination of diluted EPS if performance conditions are met at the reporting date, and to the extent to which are dilutive. Details relating to the share based programs are disclosed in note 18.

Instruments that could potentially dilute basic earnings per share in the future, but were antidilutive as of 30 June 2024, include 8 763 thousand of options for SOP and MIP plans and 2 532 thousand of shares for LTI plans (9 381 thousand of options for SOP and MIP plans and 2 629 thousand of shares for LTI plans as of 30 June 2023).

(all figures in EUR millions unless stated otherwise)

17. Loans and borrowings

The Group had the following balances of loans and borrowings:

	30 June 2024	31 December 2023
Non-current		
Syndicated bank loan	550.1	549.5
Other bank loans	13.5	21.9
Total non-current	**563.6**	**571.4**
Current		
Schuldscheinedarlehen (SSD) Bonds	30.3	35.9
Other bank loans	15.1	16.6
Total current	**45.4**	**52.5**
Total	**609.0**	**623.9**

Key characteristics of loans and borrowings:

Currency	Country	Loans/bonds	Effective interest rate	Final maturity	30 June 2024	31 December 2023
EUR	Poland, Spain	Syndicated bank loan	3M EURIBOR+margin	2028	390.8	391.1
PLN	Poland, Spain	Syndicated bank loan	3M WIBOR+margin	2028	159.3	158.4
EUR	Spain	SSD Bonds	Fixed	2024	20.7	26.4
EUR	Spain	SSD Bonds	6M EURIBOR+margin	2024	9.6	9.5
EUR	Spain	Bilateral loans	3M EURIBOR+margin	2025	2.5	2.5
EUR	France	State supported loan (SSL)	Fixed	2026	17.6	23.3
EUR	Spain	State supported loan (SSL)	Fixed	2026	8.5	11.7
EUR	Germany	Bank loans/overdrafts	EONIA+margin	2024	-	1.0
Total					**609.0**	**623.9**

The Group is required to meet certain ratios as agreed with financing institutions. Those covenants were met as of 30 June 2024.

Tables below present the reconciliation of loans and borrowings for the period of 6 months ended 30 June 2024 and 2023:

2024	Syndicated bank loan	SSD Bonds	Bilateral loans	SSL loans	Other borrowings	Total
As of 1 January	**549.5**	**35.9**	**2.5**	**35.0**	**1.0**	**623.9**
Repayments	-	(6.0)	-	(8.7)	(1.0)	(15.7)
Interest expense	21.5	1.1	-	0.4	-	23.0
Payment of interests	(21.7)	(0.7)	-	(0.6)	-	(23.0)
Exchange differences	0.8	-	-	-	-	0.8
As of 30 June	**550.1**	**30.3**	**2.5**	**26.1**	**-**	**609.0**

2023	Syndicated bank loan	SSD Bonds	Bilateral loans	SSL loans	Other borrowings	Total
As of 1 January	**565.9**	**35.9**	**-**	**50.5**	**1.4**	**653.7**
Repayments	(66.6)	-	-	(9.6)	(1.4)	(77.6)
New loans	-	-	51.5	2.0	0.6	54.1
Interest expense	15.9	0.7	-	1.1	-	17.7
Payment of interests	(17.9)	(0.2)	-	(0.4)	-	(18.5)
Exchange differences	4.9	-	-	-	-	4.9
As of 30 June	**502.2**	**36.4**	**51.5**	**43.6**	**0.6**	**634.3**

In December 2023 the Group signed Syndicated Bank Loan agreement. The Group incurred various transaction costs directly attributable to the borrowing that were deducted from the initial fair value of new debt and are included in the calculation of the amortised cost. The payment of EUR 8.2 million of those transaction costs was made during the period of 6 months ended 30 June 2024, and presented in cash flow statement as financial outflows in these condensed consolidated financial statements.

(all figures in EUR millions unless stated otherwise)

Maturity information and available credit limits

The Group had the following unused, credit limits and available tranches as of 30 June 2024 and 31 December 2023:

	30 June 2024	31 December 2023
Available Tranche B of Syndicated bank loan 2023	110.0	110.0
Syndicated bank loan 2023 credit line	130.0	130.0
Credit line Spain	2.5	2.5
Credit line Poland	4.6	4.6
Credit line Germany	6.0	5.1
Credit line Czechia	2.3	2.3
Total	**255.4**	**254.5**

Collaterals on borrowings

The group granted several guarantees to finance institutions under the previous syndicated bank loan agreement. Those guarantees were fully cancelled together with the repayment of that loan, which took place on 14 December 2023.
The new Syndicated bank loan 2023 is jointly and severally guaranteed by the Borrowers (AmRest Holdings SE and AmRest Sp. z o. o.) and other group companies, in particular, AmRest S.R.O., AmRest Coffee Deutschland Sp. z o. o. & Co.KG, AmRest DE Sp. z o. o. & Co.KG, AmRest Vendéglátó Korlátolt Felelősségű Társaság, AmRest Coffee SRL, AmRest Tag S.L.U., Restauravia Food S.L.U., Pastificio Service S.L.U.

Additionally, pledge on shares of Sushi Shop Group and AmRest France SAS has been established as security for the bank financing.

18. Share based payments and employee benefits

During the period of 6 months ended 30 June 2024, there were no new share based payments plans introduced. There were no additional options granted under existing programs.

The LTI 2021 reached the grant date on 31 May 2024, was finally evaluated and converted into shares. Grant date fair value of share for LTI 2021 was determined as EUR 6.0. At the same date the first tranche of the plan vested.

The Board of Directors approved alternative cash settlement of the first tranche of LTI 2021 for selected part of the plan. Employees will receive the cash equivalent of vested shares. As a result, the modification of part of LTI 2021 has been reclassified as employee benefits in the amount of EUR 0.1 million.

The table below presents vesting status of LTI 2021. LTI 2022 and LTI 2023 plans are fully unvested.

LTI Plan	Tranche	Grant Date	Vesting date	Granted shares	Vested shares	Unvested shares
LTI 2021	1	31 May 2024	31 May 2024	434 990	434 990	-
LTI 2021	2	31 May 2024	31 May 2025	152 044	-	152 044
LTI 2021	3	31 May 2024	31 May 2026	152 044	-	152 044

The costs recognised in connection with the share based programs amounted to EUR 3.7 million and EUR 2.7 million respectively for the period of 6 months ended 30 June 2024 and 2023.

19. Trade payables and other liabilities

Trade payables and other liabilities as of 30 June 2024 and 31 December 2023 cover the following items:

	30 June 2024	31 December 2023
Trade payables	99.7	105.8
Accruals and uninvoiced deliveries	72.7	85.3
Employee payables	20.6	21.1
Employee related accruals	23.2	35.3
Accrual for holiday leave	16.3	16.2
Social insurance payables	14.3	16.2
Other tax payables	29.1	27.7
Investment payables	15.8	41.6
Contract liabilities – initial fees, loyaltee programs, gift cards	11.9	12.1
Deferred income	5.5	6.0
Other payables	1.5	1.8
Total trade payables and other liabilities	**310.6**	**369.1**

	30 June 2024	31 December 2023
Current	**304.0**	**362.9**
Non-current	**6.6**	**6.2**
Total trade payables and other liabilities	**310.6**	**369.1**

(all figures in EUR millions unless stated otherwise)

20. 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 approximates their carrying amounts largely due to the short-term maturities of these instruments. Fair values of non-current rental deposits, 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 of 30 June 2024 and 2023 the Group did not have equity instruments measured at fair value. There were no transfers between fair value hierarchy levels in year 2024 and in year 2023.

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

30 June 2024	Note	Financial assets at amortised cost	Financial liabilities at amortised cost
Financial assets not measured at fair value			
Rental deposits		22.9	-
Trade and other receivables	13	59.6	-
Cash and cash equivalents	14	136.4	-
Financial liabilities not measured at fair value			
Loans and borrowings	17	-	578.7
SSD	17	-	30.3
Lease liabilities	9	-	927.4
Trade and other liabilities to suppliers	19	-	252.0

31 December 2023	Note	Financial assets at amortised cost	Financial liabilities at amortised cost
Financial assets not measured at fair value			
Rental deposits		22.6	-
Trade and other receivables	13	67.7	-
Cash and cash equivalents	14	227.5	-
Financial liabilities not measured at fair value			
Loans and borrowings	17	-	588.0
SSD	17	-	35.9
Lease liabilities	9	-	887.0
Trade and other liabilities to suppliers	19	-	308.8

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 HY 2024 the Group recognised an impairment of the Group's receivables exposed to credit risk in net amount of EUR 0.5 million.

The ageing break-down of receivables and receivable loss allowance as of 30 June 2024 and 31 December 2023 is presented in the table below.

	Current	Overdue in days				Total
30 June 2024		Less than 90	91 - 180	181 - 365	More than 365	
Trade and other receivables	47.0	8.9	3.0	4.3	10.3	73.5
Loss allowance (note 13)	(0.1)	(0.3)	(0.8)	(2.7)	(10.0)	(13.9)
Total	**46.9**	**8.6**	**2.2**	**1.6**	**0.3**	**59.6**

	Current	Overdue in days				Total
31 December 2023		Less than 90	91 - 180	181 - 365	More than 365	
Trade and other receivables	53.0	15.1	1.3	3.4	8.7	81.5
Loss allowance (note 13)	(0.7)	(1.0)	(1.0)	(3.0)	(8.1)	(13.8)
Total	**52.3**	**14.1**	**0.3**	**0.4**	**0.6**	**67.7**

Value of loss allowance for receivables as of 30 June 2024 and 2023 is presented in the table below:

	30 June 2024	30 June 2023
Value at the beginning of the period	(13.8)	(13.2)
Created	(0.9)	(1.4)
Released	0.4	0.2
Used	0.3	1.8
Other	0.1	0.3
Value at the end of the period	**(13.9)**	**(12.3)**

(all figures in EUR millions unless stated otherwise)

21. Future commitments and contingent liabilities

As in the previous reporting period, the Group's future liabilities are derived mainly from the franchise agreements, development agreements and master franchise agreements. Group restaurants are operated in accordance with franchise, development and master franchise agreements with YUM! and subsidiaries of YUM!, ISHKFC GmbH, Burger King Europe GmbH, Rex Concepts BK Poland S.A, Rex Concepts BK Czech S.R.O., Starbucks Coffee International, Inc. and its affiliates. In accordance with these agreements, the Group is obliged to meet certain development commitments as well as to make the renovations required to maintain the identity, reputation and high operating standards of each brand. Accounting approach was described in note 34 of the Group's consolidated financial statements for the year ended 31 December 2023.

Commitments regarding credit agreement are described in note 17.

22. Transactions with related entities

Significant shareholders

As of 30 June 2024, FCapital Dutch, S.L. was the largest shareholder of AmRest and held 67.05% of its shares and voting rights.

Grupo Finaccess S.A.P.I. de C.V. is the ultimate parent of the Group. There were no transactions with FCapital Dutch, S.L., Grupo Finaccess S.A.P.I. de C.V. during the 6 months period ended 30 June 2024 and 2023.

Transactions with group entities of significant shareholders

The balances arising from the transactions carried out with group entities of significant shareholders were as follows:

	30 June 2024	31 December 2023
Cash equivalents	5.0	-

Transactions with related parties are carried out at market conditions, were not material and are in the ordinary course of the business.

Transactions with members of the Board of Directors and Senior Management Personnel

The remuneration of the Board of Directors and Senior Management Personnel (Senior Management Personnel is understood to be those executives who report directly to the Board of Directors, the executive chairman or the chief executive officer of the Company, and also for these purposes, the person responsible for Internal Audit) paid by the Group was as follows:

	6 MONTHS ENDED	
	30 June 2024	30 June 2023
Remuneration of the members of the Board of Directors	**0.4**	**0.4**
Remuneration of Senior Management Personnel:		
- Remuneration received by the Senior Executives*	2.9	2.3
- Share-based payment plans	-	-
Remuneration of Senior Management Personnel	**2.9**	**2.3**
Total compensation paid to key management personnel	**3.3**	**2.7**

**includes the total amount of the variable remuneration in cash (Short-Term Incentive Program) that is recognised in the year it is paid.*

The current Directors Remuneration Policy was approved at the General Shareholders' Meeting held on 12 May 2022 and will remain in force until 31 December 2025 unless the General Shareholders' Meeting resolves to amend or replace it during this period.

During 6 months period ended 30 June 2024 and 2023, the members of the Board of Directors, other than Executive Chairman, who has a life and health insurance, had no insurance nor pension fund at the Company's expense. Members of the Board of Directors do not participate neither in Stock Option, Management Incentive nor LTI Plans.

The Group's Senior Management Personnel participates in the share-based payments plans that are described in note 24 of the Group's consolidated financial statements for the year ended 31 December 2023.

The Group had not granted any advance, loan or credit in favour of the Board Members or the Senior Management.

23. Discontinued operation of 2023

During the second quarter of 2023 AmRest Group disposed its Russian KFC operations and ceased all its operations and corporate presence in Russia. The transaction represented full disposal of AmRest business held in Russia. That market was a separate operating segment reported in the consolidated financial statements.

The disposal met the definition of discontinued operations under IFRS 5 "Non-current assets held for sale and discontinued operations" ("IFRS 5"). The result of discontinued operations was presented separately from continued operations.

During the period covered by this condensed consolidated interim report there were no transactions meeting the definition of discontinued operations under IFRS 5. The comparative data for the period of 6 months ended 30 June 2023 reflect separately the operations of business disposed in 2023.

24. Events after the reporting period

There were no significant subsequent events after the reporting date.

Signatures of the Board of Directors

José Parés Gutiérrez
Chairman of the Board

Luis Miguel Álvarez Pérez
Vice-Chairman of the Board

Begoña Orgambide García
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, 4 September 2024

STATEMENT OF RESPONSIBILITY OF AMREST HOLDINGS, SE

The members of the Board of Directors of AmRest Holdings, SE (“AmRest” or the “Company”) declare that, as far as they are aware, the Condensed Consolidated Interim Financial Statements for 6 months ended 30 June 2024, drawn up by the Board of Directors on the meeting of 4 September 2024, and prepared in accordance with the applicable accounting principles, offer a true and fair view of the equity, the financial situation and the results of the Company and the companies within the consolidation taken as a whole, and the Consolidated Directors' Report includes a true and fair analysis of the required information.

José Parés Gutiérrez
Chairman of the Board

Luis Miguel Álvarez Pérez
Vice-Chairman of the Board

Begoña Orgambide García
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, 4 September 2024

AmRest Holdings SE
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Consolidated Directors' Report

for the period of 6 months ended

30 June 2024

AmRest Group
4 September 2024

AmRest

AmRest

AmRest Group

Directors' Report
for 6 months ended 30 June 2024

Contents

Highlights

Financial highlights (consolidated data)

	6 MONTHS ENDED		3 MONTHS ENDED	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
Revenue	1 231.5	1 169.9	638.9	606.7
EBITDA*	193.9	172.0	112.8	101.4
EBITDA margin	15.7%	14.7%	17.7%	16.7%
Adjusted EBITDA**	196.4	174.0	114.0	102.6
Adjusted EBITDA margin	16.0%	14.9%	17.8%	16.9%
Profit from operations (EBIT)	23.5	51.2	4.9	36.8
EBIT margin	1.9%	4.4%	0.8%	6.1%
Profit before tax	(18.0)	27.4	(15.2)	24.7
Profit/loss for the period from continuing operations	(25.2)	20.3	(23.1)	18.8
Profit/loss for the period from discontinued operation	-	6.5	-	5.0

** EBITDA – Operating profit before depreciation, amortisation and impairment losses.*
***Adjusted EBITDA – EBITDA adjusted for new openings expenses (Start-up costs), M&A expenses; all material expenses connected with successful acquisition covering professional services (legal, financial, other) directly connected with a transaction or profit/loss on sale of shares/ entities and effect of SOP exercise method modification (difference in accounting cost of employee benefits accounted under cash settled versus equity settled option plan).*

	6 MONTHS ENDED		3 MONTHS ENDED	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
Net profit	(25.2)	26.8	(23.1)	23.8
Net margin	(2.0)%	2.3%	(3.6)%	3.9%
Net profit attributable to non-controlling interests	2.2	3.2	1.5	1.8
Net profit attributable to equity holders of the parent	(27.4)	23.6	(24.6)	21.9
Cash flows from operating activities	158.6	169.1	88.6	86.9
Cash flows from investing activities	(101.4)	(12.9)	(43.8)	26.9
Cash flows from financing activities	(147.9)	(127.1)	(75.8)	(107.4)
Total cash flows, net	(90.7)	29.1	(31.0)	6.4
Weighted average number of ordinary shares for basic earnings per shares (in thousands)	217 571	219 269	217 325	219 268
Weighted average number of ordinary shares for diluted earnings per shares (in thousands)	218 248	219 269	217 933	219 268
Basic earnings per share (EUR)	(0.13)	0.11	(0.11)	0.10
Diluted earnings per share (EUR)	(0.13)	0.11	(0.11)	0.10
Declared or paid dividend per share	-	-	-	-

	30 June 2024	31 December 2023
Total assets	2 283.0	2 351.7
Total liabilities	1 916.5	1 951.0
Non-current liabilities	1 373.1	1 346.5
Current liabilities	543.4	604.5
Equity attributable to shareholders of the parent	352.8	385.4
Non-controlling interests	13.7	15.3
Total equity	366.5	400.7
Share capital	22.0	22.0
Number of restaurants	2 177	2 163

Group Business Overview

Basic services provided by the Group

AmRest Holdings SE ("AmRest", "Company") with its subsidiaries (the "Group") is Europe's leading publicly listed restaurant operator with a portfolio of renowned brands in 22 countries. The Group operates 2 177 restaurants under franchised brands such as KFC, Starbucks, Pizza Hut and Burger King, as well as through its own brands such as La Tagliatella, Sushi Shop, Blue Frog and Bacoa. In addition, within the concepts of Pizza Hut Delivery and Pizza Hut Express the Company acts as a master-franchisee, having the rights to sub-license these brands to third parties.

As of 30 June 2024, AmRest managed a network of 2 177 restaurants. Given the current scale of the business, every day more than 45 thousand of AmRest employees deliver, on a daily basis, delicious taste and exceptional service at affordable prices, in accordance with the Company's unique culture.

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

- Central and Eastern Europe ("CEE"), where historically the Company was founded and opened its first restaurant under the name of Pizza Hut; today CEE division covers the region of 10 countries (Poland, Czech Republic, Hungary, Bulgaria, Serbia, Croatia, Romania, Austria, Slovenia and Slovakia) and with 1 189 restaurants, accounting for 57.2% of Group´s revenue.
- Western Europe ("WE"), is a segment which primarily consists of Spain, France and Germany, where both franchised and proprietary brands are operated, As a result of dynamic organic expansion supported by previous acquisitions, Western Europe has become a significant operating segment of the Group consisting of 11 countries, 902 restaurants and generating 35.9% of AmRest's revenues.
- China, where the 86 restaurants of Blue Frog proprietary brand are operated.

And one additional segment "Other" which covers among others corporate office expenses. It accounts for the results of SCM Sp. z o.o. along with its subsidiaries and other support costs and functions rendered for the Group or not allocated to applicable segments such as, for instance, Executive Team, Controlling, Treasury, Investor Relations, Mergers & Acquisitions. The detailed description of the segments is included in Note 4 ('Segment reporting') of the Consolidated Interim Financial Statements.

The brands of AmRest are well-diversified across four main categories of restaurant services:

1) Quick Service Restaurants ("QSR"), represented by KFC and Burger King,
2) Fast Casual Restaurants ("FCR"), represented by Pizza Hut Delivery and Express, Bacoa and Sushi Shop,
3) Casual Dining Restaurants ("CDR"), represented by Pizza Hut Dine-in, La Tagliatella and Blue Frog,
4) Coffee category, represented by Starbucks.

AmRest restaurants provide on-site catering, take-away and drive-through services at special sales points ("Drive Thru"), as well as deliveries of orders placed online or by telephone. The diversification of channels and the continuous enhancement of take away and delivery capabilities has been key to adapting quickly to new consumer habits. In addition, these channels show a high complementarity with in-store consumption which is showing the strongest growth during the last quarters.

Number of AmRest restaurants broken down by brands as of 30 June 2024

Brand	Restaurants*	Equity share	Franchise share	Share in total
Franchised	**1 674**	**92%**	**8%**	**77%**
KFC	852	100%	-	39%
PH	322	57%	43%	15%
Starbucks*	401	100%	-	18%
Burger King	99	100%	-	5%
Own	**503**	**53%**	**47%**	**23%**
La Tagliatella	230	31%	69%	11%
Sushi Shop	185	65%	35%	8%
Blue Frog	86	87%	13%	4%
Bacoa	2	-	100%	<1%

** Data doesn't include Starbucks licensed stores for which AmRest offers supply service.*

Number of AmRest restaurants broken down by countries as of 30 June 2024

Region	Restaurants*	Equity share	Franchise share	Share in total
Total	**2 177**	**83%**	**17%**	**100%**
CEE	**1 189**	**99%**	**1%**	**55%**
Poland	646	98%	2%	30%
Czech	232	100%	0%	11%
Hungary	159	99%	1%	7%
Romania	70	100%	0%	3%
Other CEE*	82	100%	0%	4%
WE	**902**	**62%**	**38%**	**41%**
Spain	359	56%	44%	16%
France	333	52%	48%	15%
Germany**	160	100%	0%	7%
Other WE*	50	44%	56%	2%
China	**86**	**87%**	**13%**	**4%**

**Other CEE includes Bulgaria, Serbia, Slovakia, Croatia, Austria and Slovenia; Other WE includes Andorra, Belgium, UAE, Switzerland, Portugal, UK, Luxembourg and Saudi Arabia.*
*** Germany franchise share doesn't include Starbucks licensed stores for which AmRest offers supply service.*

Financial situation of the Group

Slight increase in private consumption and moderation of inflationary pressures

The major European economies have shown relatively weak economic growth in the first half of the year. A common factor has been a moderate increase in private consumption driven by real wage growth and a continued improvement in the labour market. However, there have been significant divergences across countries. On the positive side, activity in Spain and especially Poland, AmRest's main market, showed strong growth driven by public investment and private consumption. In contrast, the Czech Republic, France and especially Germany, the largest economy in the European Union, showed modest growth due to the slowdown in manufacturing activity and weak foreign trade.

In addition, inflation continued to moderate across the region, leading several central banks, including the European Central Bank, to relax their monetary policies and consequently lower interest rates, which should translate into lower financing costs for AmRest in the second half of the year. In addition, lower inflationary expectations have led to improvements in household disposable income.

The geopolitical risks associated with the conflicts in Ukraine and the Middle East have continued to be the main sources of tension, although their effects have moderated, the high level of uncertainty about their evolution continues to affect consumer confidence.

In the case of China, despite showing growth, the country continues to face significant economic challenges, including adjustment in the real estate sector and deflationary pressure. This is affecting the evolution of private consumption and discretionary spending decisions.

Revenues hit a new all-time high[1]

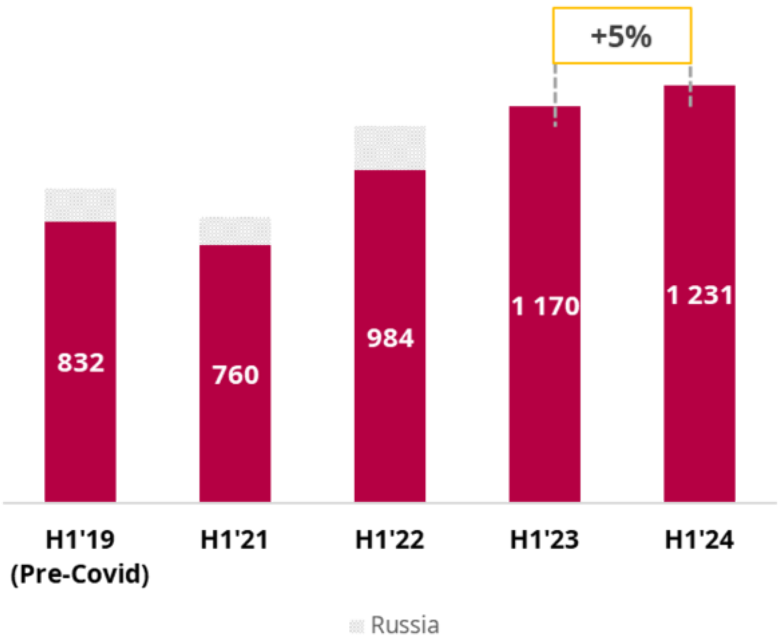
AmRest's sales in the second quarter of 2024 reached EUR 638.9 million, 5.3% higher than in 2023, which is the highest quarterly revenue level in the Group's history. The comparable same store sales index (SSS) closed the quarter at 100, affected by the calendar effect of the Easter holidays during 2024. In aggregate terms, growth in the number of transactions reached 3.4%.

This new record in terms of sales becomes more relevant in a context where consumer spending is subdued. However, the success of AmRest's strategy has been to adapt to a more price-sensitive and value-seeking customer. Furthermore, the Group's progress in digitisation continues to support activity levels, with sales through digital channels making up 57% of total sales during the quarter. From a consumption channel perspective, dine-in consumption remains stable as the preferred alternative for AmRest's customers, accounting for 45% of consumption occasions.

In cumulative terms, sales in the first half of 2024 amounted to EUR 1 231.5 million, an increase of 5.3% compared to the same period of 2023.

[1] *Excluding Russia business*

AmRest Group revenue for the 6 months ended 30 June (in EUR millions)



EBITDA margin expansion at 1 percentage point. A goodwill impairment for Sushi Shop has been recognized.

The Group's EBITDA generation in the second quarter accelerated to EUR 112.8 million, the highest nominal figure in AmRest's history[2] and up 11.2% year-on-year. Margin recovery also accelerated, driven by moderating inflationary pressures and despite intense competition in some markets. In terms of EBITDA margin, profitability increased by 1 p.p. to 17.7%.

In addition to the lower cost pressure, other factors contributing to the margin expansion have been the positive effect generated by the increase in average sales per restaurant, the continuous progress in efficiency and the achievement of clear strategic objectives aimed at promoting optimisation and savings initiatives throughout the Group.

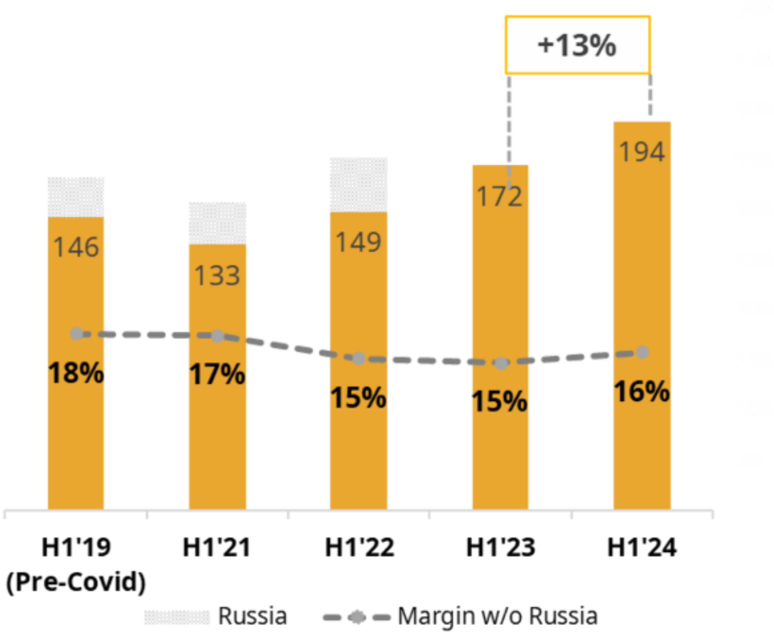
In terms of Group operating profit (EBIT), it stood at EUR 4.9 million after booking impairments for EUR 44.0 million during the quarter, of which EUR 41.1 million corresponds to a value adjustment of the goodwill associated with Sushi Shop, therefore it has no impact on the Group's liquidity or cash generation. The EBIT margin for the quarter was 0.8%. Excluding the effect of the goodwill impairment, adjusted operating profit amounted to EUR 46.0 million, representing a margin of 7.2% compared to 6.1% in the same period of 2023.

The EUR 44.0 million of impairment losses recognised are due to the following items: EUR 0.5 million from the write off of financial assets, EUR 2.4 million associated with restaurant impairments and EUR 41.1 million to the adjustment of the goodwill of Sushi Shop to EUR 70.7 million after the impairment. The Group regularly reviews the carrying amounts of its non-financial assets (other than investment property, inventories and deferred tax assets) to determine whether there is any indication of impairment. On this occasion, a further increase in the discount rate applied to the future cash flows of the French business and a revision of the growth expectations of the Sushi Shop business for the coming years have resulted in the value adjustment.

In cumulative terms, EBITDA generated during the first half of the year amounted to EUR 193.9 million, up 12.7% compared to the same period of 2023. Accumulated operating profit amounted to 23.5 million euros, representing a margin of 1.9%.

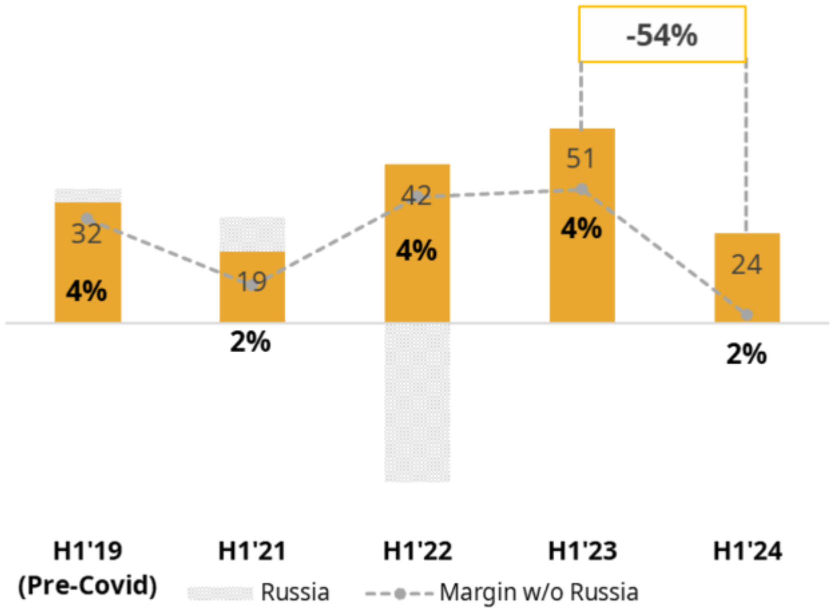
[2] *Excluding Russia business*

AmRest Group EBITDA for the 6 months ended 30 June (in EUR millions)*



** margin percentage excluding Russia business.*

AmRest Group EBIT for the 6 months ended 30 June (in EUR millions)*



** margin percentage excluding Russia business.*

During the second quarter of 2024 the net result for the period generated by AmRest was EUR -23.1 million. Despite the operating improvement, the result was negative due to impairment charges as well as higher financing costs consequence of higher interest rates.

The cumulative profit generated in the first half of 2024 from continuing operations amounted to EUR -25.2 million compared to EUR 20.3 million in 2023.

Stable financial leverage at 2.0x

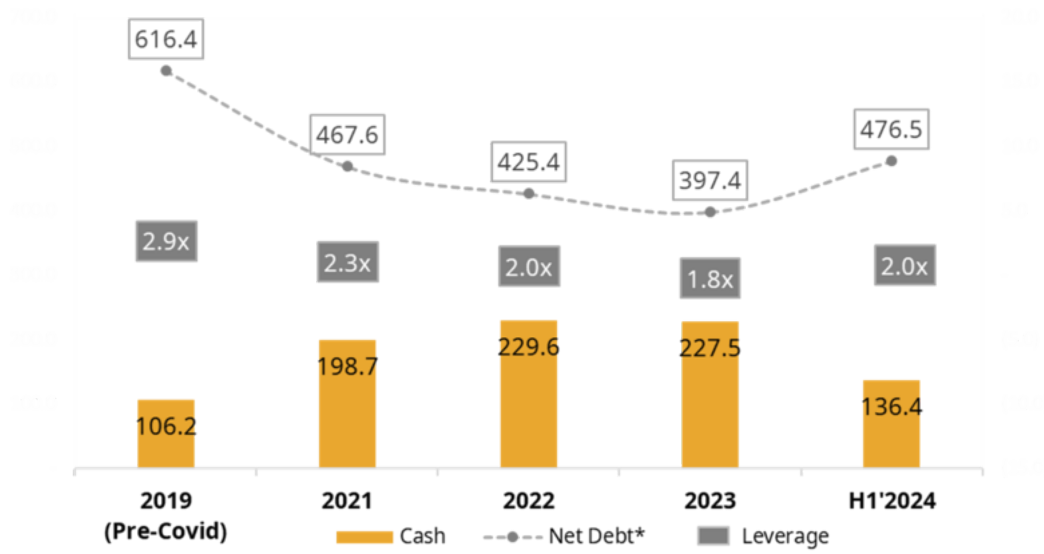
Despite the generation of a negative result during the period, the Group's risk profile remained virtually unchanged as there has been no impact from the impairment on the Group's cash generation capacity or liquidity .

The Group's gross financial debt amounted to EUR 609.0 million after net repayments of EUR 12.1 million during the the quarter. In net terms, financial debt stood at EUR 476.5 million , which allowed maintain the leverage ratio at 2.0x, the same level as the previous quarter despite a significant increase in the Group's CAPEX, which rose by 61.9% quarter on quarter to EUR 47.1 million during the second quarter of the year and by 38.5% year on year. This level of investment has been aligned with the number of openings and renovations performed during for the first half of the year.

The financial covenants set for AmRest in the financing agreement provide that the adjusted consolidated net debt/ EBITDA must remain below 3.5x and the debt service coverage ratio must be above 1.5x. Both ratios are calculated according to the definitions mentioned in the loan agreement and on a non-IFRS16 basis. In addition, the Group is obliged to maintain the equity ratio above 8%. All these conditions are adequately met by AmRest at the end of the quarter.

The Group's liquidity amounted to EUR 136.4 million at the end of the quarter, this implies a decrease of EUR 30.7 million during the period as a result of accelerated investments. This level of liquidity, together with additional liquidity lines and credit facilities for EUR 255.4 million, is considered an efficient level according with the Group´s needs.

Net financial debt evolution and cash position



Net Debt Non-IFRS16.

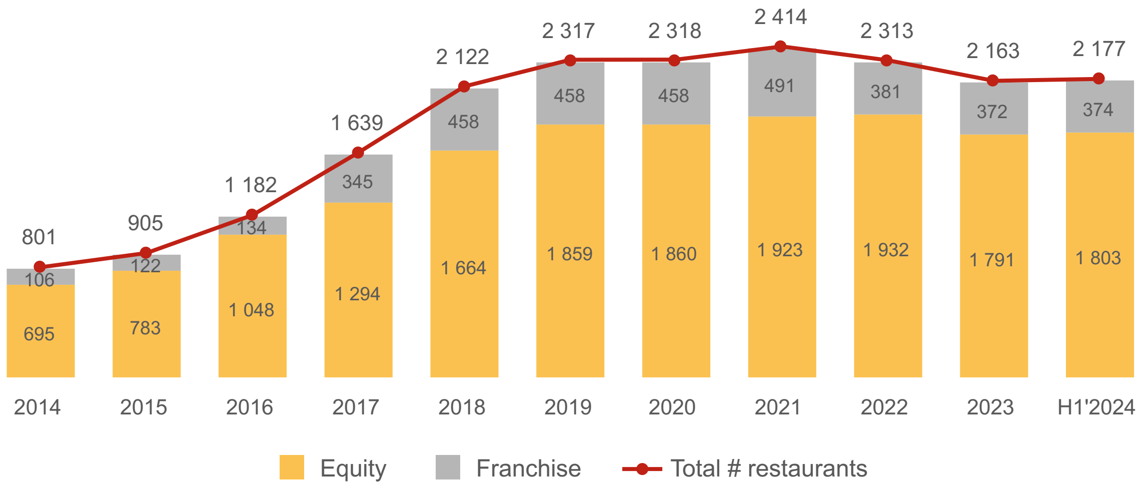
Number of openings and renovations accelerates

The number of restaurants managed by AmRest at the end of the second quarter of the year amounted to 2 177 units, following the opening of 22 new restaurants and the closure of 14. It should be noted that the 27 Starbucks Germany units operating under a licensing model have been excluded from the overall restaurant count as AmRest does not have the right to grant or revoke licences in this market. In addition, the number of restaurants renovated or upgraded accelerated to 110 units, double the number of the same period of the previous year.

As of the date of this report, AmRest and Pizza Hut Europe Limited (the master franchisor of Pizza Hut France and owner of the Pizza Hut brand), are negotiating the early termination of the master franchise agreement for France. As of 30 June 2024, AmRest oversees 123 sub-franchised Pizza Hut restaurants in France and operates one of its own restaurants (which is expected to be sub-franchised prior to the divestiture).

In cumulative terms, openings during the first 6 months of the year amounted to 40 units and closures to 26 of which 6 were franchised, mainly Pizza Hut in France.

Number of AmRest Group restaurants from 2014 to H1 2024



**Data since 2021 were supplemented by the relocation closures and openings.*
Starbucks licensed restaurants in Germany are no longer considered as part of AmRest's portfolio.

Revenues and profitability by segments

Table 1. Structure of Group's revenue

	6 MONTHS ENDED			
	30 June 2024		30 June 2023	
Revenue	Amount	Share	Amount	Share
Central and Eastern Europe	704.1	57.2%	638.5	54.6%
Western Europe	442.6	35.9%	437.5	37.4%
China	46.7	3.8%	51.5	4.4%
Other*	38.1	3.1%	42.4	3.6%
Total	**1 231.5**	**100.0%**	**1 169.9**	**100.0%**

**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.*

Central and Eastern Europe (CEE)

Revenues generated during the quarter in the region amounted to EUR 368.8 million euros, an increase of 10.3% over the previous year. This figure represents 57.7% of the Group's revenues. Of note was the excellent performance of the Polish market, where revenues increased by 15.5%.

EBITDA generated in the region during the quarter amounted to EUR 73.8 million, representing a margin of 20.0% and 7.7% year-on-year growth.

In cumulative terms, revenues amounted to EUR 704.1 million, an increase of 10.3%. EBITDA amounted to EUR 132.6 million, representing a margin of 18.8% and growth of 14.0%.

The restaurant portfolio in the region amounted to 1 189 units following the opening of 5 restaurants and the closure of 1 during the quarter. Cumulative openings for the year amounted to 17 and closures to 5.

Western Europe (WE)

Quarterly sales in the region amounted to EUR 223.8 million, virtually flat compared to 2023. This development hides significant divergences in the evolution shown by the different countries. While sales in Spain grew at a rate of 7.3%, the figures for Germany show a decline of -9.2% and for France -1.7%.

EBITDA reached 36.7 million euros, representing a margin of 16.4% and growth of 16.3%.

Accumulated revenues for the first half of the year amounted to EUR 442.6 million, a growth of 1.2%. EBITDA reached EUR 64.4 million, representing a margin of 14.6% and a growth of 16.3%.

The restaurant portfolio closed the period with 902 units after the opening of 14 restaurants and the closure of 8. In cumulative terms, 18 restaurants were opened during the first 6 months of the year and 14 units were closed, 8 of them in France.

China

Sales during the quarter declined by -6.2% in euros to EUR 25.1 million. However, the decline in sales in local currency (constant euros) was -4.3%. The macroeconomic situation and the global downturn in consumption explain this decline in business generation. However, there was a recovery in activity as the year progressed due to the commercial management carried out by Blue Frog team to adapt to this complicated environment, which resulted in a significant expansion of margins and growth in EBITDA generation at nominal level. EBITDA generated amounted to 6 million euros, representing a margin of 23.9% compared to 20.6% in the same period of the previous year.

Accumulated sales in the first half amounted to EUR 46.7 million, a decline of -9.4%; in constant euros, the decline was -6.1%. EBITDA reached EUR 10.1 million, with a margin of 21.6%.

The number of restaurants managed by Blue Frog in the region at the end of the quarter was 86 units following the opening of 3 restaurants and the closure of 5. Cumulatively, in the first half of the year, 5 restaurants were opened and 7 closed.

Table 2. Revenues and margins generated in the particular markets for the 6 months ended 30 June 2024 and 2023

	6 MONTHS ENDED			
	30 June 2024		30 June 2023	
	Amount	% of sales	Amount	% of sales
Revenue	**1 231.5**	**100.0%**	**1 169.9**	**100.0%**
Poland	364.4	29.6%	317.2	27.1%
Czechia	161.7	13.1%	157.0	13.4%
Hungary	103.6	8.4%	95.1	8.1%
Other CEE	74.4	6.0%	69.2	5.9%
Total CEE	**704.1**	**57.2%**	**638.5**	**54.6%**
Spain	176.0	14.3%	159.1	13.6%
Germany	94.1	7.6%	98.1	8.4%
France	156.3	12.7%	161.9	13.8%
Other WE	16.2	1.3%	18.4	1.6%
Western Europe (WE)	**442.6**	**35.9%**	**437.5**	**37.4%**
China	**46.7**	**3.8%**	**51.5**	**4.4%**
Other	**38.1**	**3.1%**	**42.4**	**3.6%**
EBITDA	**193.9**	**15.7%**	**172.0**	**14.7%**
Poland	64.0	17.6%	50.1	15.8%
Czechia	35.3	21.8%	35.0	22.3%
Hungary	20.2	19.5%	17.6	18.6%
Other CEE	13.1	17.6%	13.6	19.6%
Total CEE	**132.6**	**18.8%**	**116.3**	**18.2%**
Spain	35.5	20.2%	30.1	18.9%
Germany	12.6	13.5%	16.6	16.9%
France	16.0	10.2%	7.5	4.6%
Other WE	0.3	1.7%	1.2	6.4%
Western Europe (WE)	**64.4**	**14.6%**	**55.4**	**12.7%**
China	**10.1**	**21.6%**	**11.1**	**21.6%**
Other	**(13.2)**	**(34.6)%**	**(10.8)**	**(25.6)%**
Adjusted EBITDA	**196.4**	**16.0%**	**174.0**	**14.9%**
Poland	65.3	17.9%	50.6	15.9%
Czechia	35.4	21.9%	35.1	22.4%
Hungary	20.5	19.8%	18.0	18.9%
Other CEE	13.2	17.7%	13.6	19.7%
Total CEE	**134.4**	**19.1%**	**117.3**	**18.4%**
Spain	35.7	20.3%	30.8	19.4%
Germany	13.0	13.9%	16.6	17.0%
France	16.0	10.2%	7.5	4.6%
Other WE	0.3	1.8%	1.2	6.4%
Western Europe (WE)	**65.0**	**14.7%**	**56.1**	**12.8%**
China	**10.2**	**21.8%**	**11.4**	**22.2%**
Other	**(13.2)**	**(34.6)%**	**(10.8)**	**(25.6)%**
EBIT	**23.5**	**1.9%**	**51.2**	**4.4%**
Poland	28.8	7.9%	19.1	6.0%
Czechia	18.6	11.5%	20.6	13.2%
Hungary	11.1	10.7%	10.4	10.9%
Other CEE	4.7	6.3%	4.8	7.0%
Total CEE	**63.2**	**9.0%**	**54.9**	**8.6%**
Spain	14.7	8.4%	8.7	5.5%
Germany	(1.5)	(1.6)%	4.9	5.0%
France	(38.0)	(24.3)%	(7.0)	(4.3)%
Other WE	(2.2)	(13.5)%	(1.0)	(5.7)%
Western Europe (WE)	**(27.0)**	**(6.1)%**	**5.6**	**1.3%**
China	**1.0**	**2.2%**	**2.1**	**4.0%**
Other	**(13.7)**	**(36.0)%**	**(11.4)**	**(26.9)%**

Table 3. Revenues and margins generated in the particular markets for 3 months ended 30 June 2024 and 2023

	3 MONTHS ENDED			
	30 June 2024		30 June 2023	
	Amount	% of sales	Amount	% of sales
Revenue	**638.9**	**100.0%**	**606.7**	**100.0%**
Poland	190.9	29.9%	165.2	27.2%
Czechia	84.6	13.2%	81.9	13.5%
Hungary	54.6	8.5%	51.0	8.4%
Other CEE	38.7	6.1%	36.3	6.0%
Total CEE	**368.8**	**57.7%**	**334.4**	**55.1%**
Spain	87.6	13.7%	81.6	13.5%
Germany	48.6	7.6%	53.6	8.8%
France	79.5	12.4%	80.9	13.3%
Other WE	8.1	1.3%	8.8	1.5%
Western Europe (WE)	**223.8**	**35.0%**	**224.9**	**37.1%**
China	**25.1**	**3.9%**	**26.6**	**4.4%**
Other	**21.2**	**3.3%**	**20.8**	**3.4%**
EBITDA	**112.8**	**17.7%**	**101.4**	**16.7%**
Poland	36.7	19.2%	31.4	19.0%
Czechia	18.7	22.1%	19.6	23.9%
Hungary	11.4	20.8%	10.2	20.0%
Other CEE	7.0	18.2%	7.3	20.2%
Total CEE	**73.8**	**20.0%**	**68.5**	**20.5%**
Spain	18.2	20.8%	15.8	19.4%
Germany	7.7	15.8%	11.0	20.4%
France	11.1	13.9%	3.8	4.7%
Other WE	(0.3)	(3.3)%	1.0	10.9%
Western Europe (WE)	**36.7**	**16.4%**	**31.6**	**14.0%**
China	**6.0**	**23.9%**	**5.5**	**21.0%**
Other	**(3.7)**	**(17.3)%**	**(4.2)**	**(20.4)%**
Adjusted EBITDA	**114.0**	**17.8%**	**102.6**	**16.9%**
Poland	37.3	19.5%	31.7	19.1%
Czechia	18.7	22.1%	19.6	24.0%
Hungary	11.5	21.1%	10.3	20.3%
Other CEE	7.1	18.3%	7.4	20.3%
Total CEE	**74.6**	**20.2%**	**69.0**	**20.6%**
Spain	18.3	20.9%	16.3	20.0%
Germany	7.9	16.2%	10.9	20.5%
France	11.1	13.9%	3.8	4.7%
Other WE	(0.3)	(3.3)%	1.0	10.9%
Western Europe (WE)	**37.0**	**16.5%**	**32.0**	**14.2%**
China	**6.1**	**24.1%**	**5.8**	**21.8%**
Other	**(3.7)**	**(17.3)%**	**(4.2)**	**(20.4)%**
EBIT	**4.9**	**0.8%**	**36.8**	**6.1%**
Poland	18.6	9.7%	14.4	8.7%
Czechia	9.9	11.7%	12.5	15.4%
Hungary	6.7	12.4%	6.8	13.3%
Other CEE	2.9	7.3%	2.7	7.3%
Total CEE	**38.1**	**10.3%**	**36.4**	**10.9%**
Spain	7.3	8.3%	3.2	3.9%
Germany	0.4	0.9%	5.3	9.9%
France	(36.4)	(45.8)%	(3.5)	(4.3)%
Other WE	(1.9)	(23.9)%	(0.9)	(10.3)%
Western Europe (WE)	**(30.6)**	**(13.7)%**	**4.1**	**1.8%**
China	**1.3**	**5.3%**	**0.9**	**3.4%**
Other	**(3.9)**	**(18.6)%**	**(4.6)**	**(22.1)%**

Table 4. Reconciliation of the net profit and adjusted EBITDA for 6 months ended 30 June 2024 and 2023

	6 MONTHS ENDED			
	30 June 2024		30 June 2023	
	Amount	% of sales	Amount	% of sales
Profit/(loss) for the period	**(25.2)**	**(2.0)%**	**20.3**	**1.7%**
+ Finance costs	43.0	3.5%	31.8	2.7%
– Finance income	(1.5)	(0.1)%	(8.0)	(0.7)%
+/– Income tax expense	7.2	0.6%	7.1	0.6%
+ Depreciation and Amortisation	126.4	10.3%	114.5	9.8%
+ Impairment losses	44.0	3.6%	6.3	0.5%
EBITDA	**193.9**	**15.7%**	**172.0**	**14.7%**
+ Start-up expenses*	2.5	0.2%	2.0	0.2%
Adjusted EBITDA	**196.4**	**16.0%**	**174.0**	**14.9%**

* *operating costs incurred by the company to open a restaurant but before a restaurant starts generating revenue.*

Table 5. Reconciliation of the net profit and adjusted EBITDA for 3 months ended 30 June 2024 and 2023

	3 MONTHS ENDED			
	30 June 2024		30 June 2023	
	Amount	% of sales	Amount	% of sales
Profit/(loss) for the period	**(23.1)**	**(3.6)%**	**18.8**	**3.1%**
+ Finance costs	20.7	3.2%	17.1	2.8%
– Finance income	(0.6)	(0.1)%	(4.9)	(0.8)%
+/– Income tax expense	7.9	1.2%	5.8	0.9%
+ Depreciation and Amortisation	64.3	10.1%	58.7	9.7%
+ Impairment losses	43.6	6.8%	5.9	1.0%
EBITDA	**112.8**	**17.7%**	**101.4**	**16.7%**
+ Start-up expenses*	1.2	0.2%	1.2	0.2%
Adjusted EBITDA	**114.0**	**17.8%**	**102.6**	**16.9%**

* *operating costs incurred by the company to open a restaurant but before a restaurant starts generating revenue.*

Table 6. Liquidity analysis

	6 MONTHS ENDED	
	30 June 2024	31 December 2023
Current assets	275.1	376.5
Inventory	34.8	34.9
Current liabilities	543.4	604.5
Cash and cash equivalents	136.4	227.5
Trade and other receivables	91.6	102.4
Trade and other accounts payable	304.0	362.9

Table 7. Balance sheet leverage analysis

	6 MONTHS ENDED	
	30 June 2024	31 December 2023
Non-current assets	2 007.9	1 975.2
Liabilities	1 916.5	1 951.0
Non-current liabilities	1 373.1	1 346.5
Debt	1 536.4	1 510.9
Share of inventories in current assets (%)	12.6%	9.3%
Share of trade receivables in current assets (%)	33.3%	27.2%
Share of cash and cash equivalents in current assets (%)	49.6%	60.4%
Equity to non-current assets ratio	0.18	0.20
Long-term liabilities to equity ratio	3.75	3.36
Liabilities to equity ratio	5.23	4.87
Debt/equity	4.19	3.77

Definitions:
- Share of inventories, trade and other receivables, cash and cash equivalents in current assets – ratio of, respectively, inventories, trade receivables and cash and cash equivalents to current assets;
- Equity to non-current assets ratio – equity to non-current assets;
- Non-current liabilities to equity – non-current liabilities to equity;
- Liabilities to equity – liabilities and provisions to equity;
- Debt/equity – total non-current and current interest bearing loans and borrowings.

Alternative Performance Measures (APM) description

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

1. Like-for-like or Same Store Sales ("LFL" or "SSS") – represents revenue growth from comparable restaurants (restaurants that have been operating for a period of longer than 12 months). The measure shows the ability of a restaurant or a brand to increase its sales organically, It can be totalled the most accurately by taking the last twelve months core revenue growth minus the last twelve months net equity openings growth.

2. EBITDA – One of Key Performance Indicators for the Group. It is a close indicator of the cash profitability on operations and consists of profit from operations excluding amortisation and depreciation costs as well as impairments. Reconciliation of the measure is provided in tables 4 or 5.

3. Adjusted EBITDA – Measures profitability performance without startup costs (operating costs incurred by the Group to open a restaurant but before a restaurant starts generating revenue), indirect tax adjustments, M&A related expenses (all material expenses connected with successful acquisitions, covering all professional services, legal, financial, and other directly connected with a transaction) and effect of Stock Option Plan (SOP) exercise method modification (difference in the accounting costs of employee benefits accounted for under the cash settled versus equity settled option plan). It allows to present profitability for restaurants that already generate revenue and without some unusual costs related to M&A, tax adjustments or accounting adjustments related to SOP, Reconciliation of this APM is provided in tables 4 or 5.

4. EBITDA margin – EBITDA divided by Total Revenue.

5. EBIT margin – EBIT divided by Total Revenue.

6. CAPEX – investments capitalized during the period on Property, Plant and Equipment, and on intangible assets.

7. Net financial debt: this is the main metric used by management to measure the Company's level of indebtedness. It is composed of interest-bearing loans and borrowings minus cash and cash equivalents.

8. Leverage ratio: shows a company's indebtedness in relation to its ability to generate cash and operating profits. It is calculated as the ratio of net financial debt to pre-IFRS16 EBITDA.

Brands operated by the Group

At 30 June 2024, the portfolio of AmRest comprises 2 177 restaurants under franchised brands such as KFC, Starbucks, Pizza Hut and Burger King, as well as its own brands such as La Tagliatella, Sushi Shop, Blue Frog and Bacoa.

AmRest is a franchisee of Yum! Brands Inc. for the KFC and Pizza Hut brands. Starting from 1 October 2016 the Group as a master-franchisee has the right to grant a license to third parties to operate Pizza Hut Express and Pizza Hut Delivery restaurants (sub-franchise) in countries of Central and Eastern Europe, while ensuring a certain share of restaurants operated directly by AmRest. Pizza Hut restaurants acquired in France in May 2017 are operated mainly by AmRest's sub-franchisees.

Burger King restaurants are operated on a franchise basis. With effect 1st of February 2022, Burger King Europe GMBH notified the termination of AmRest´s development agreements of the Burger King brand in Poland, the Czech Republic, Slovakia, Bulgaria and Romania. Nonetheless, AmRest continues to operate Burger King restaurants that it owns in these countries under the best standards of service and quality, in compliance with the franchise agreements that continue to be in force.

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

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

Blue Frog brand became the property of AmRest in December 2012 as a result of acquisition of majority stake in Blue Horizon Hospitality Group LTD.

Bacoa brand was acquired by AmRest on 31 July 2018. It is a primarily burger restaurants concept operated in Spain.

Sushi Shop, a leading European sushi concept, is a proprietary brand of AmRest and became a part of its portfolio through the acquisition of Sushi Shop Group SAS on 31 October 2018. Sushi Shop restaurants are operated by both AmRest (equity stores) and AmRest's franchisees. Sushi Shop network is present in 8 countries and reported within the Western Europe segment.

Quick Service Restaurants (QSR)

Established in 1952, the KFC brand is the biggest, fastest growing and most popular chain of quick service restaurants serving chicken meals. They are the original experts in fried chicken, and everything they do celebrates a passion for serving finger lickin' good food. There are currently about 30 600 KFC restaurants in over 145 countries worldwide.

On 30 June 2024 the Group operated 852 KFC restaurants: 369 in Poland, 127 in the Czech Republic, 96 in Hungary, 128 in Spain, 25 in Germany, 73 in France, 15 in Serbia, 8 in Bulgaria, 8 in Croatia, 2 in Austria and 1 in Slovenia.

The beginnings of Burger King date back to 1954. Today, Burger King ("Home of the Whopper") operates more than 19 300 restaurants, serving about 11 million customers in over 100 countries every day. Almost 100% of Burger King restaurants are run by independent franchisees and many of them have been managed for decades as family businesses. Burger King brand is owned by 3G Capital.

On 30 June 2024 AmRest ran a total of 99 Burger King restaurants – 46 in Poland, 33 in the Czech Republic, 2 in Bulgaria, 8 in Slovakia and 10 in Romania.

Casual Dining and Fast Casual Restaurants (CDR, FCR)

La Tagliatella arose from the experience of 20 years of specialization in the tradition of the Italian cuisine and the innovation in its recipes. Over all these years the brand has always focused on the Italian origin of raw materials, the quality of service and the satisfaction of its more than 12 million yearly customers in all of our restaurant types (La Tagliatella, La Tagliatella Piccola, La Tagliatella Senza Glutine and La Tagliatella Espresso).

On 30 June 2024 AmRest operated 230 La Tagliatella restaurants — 224 in Spain, 4 in Portugal and 2 in Andorra.

The activity of Pizza Hut has its beginnings in 1958. The brand's famous menu includes pizza based on iconic PAN dough – fluffy inside, crunchy on the outside. The most popular pizza flavour is pepperoni. In addition to pizza, the offer includes also pasta and numerous appetizers. AmRest has pioneered the brand's growth since 1993 - first restaurant was opened in Poland.

On 30 June 2024 AmRest ran 322 Pizza Hut restaurants – 155 in Poland, 24 in Hungary, 16 in Czech Republic, 124 in France and 3 in Slovakia. As of the date of this report, AmRest and Pizza Hut Europe Limited (the master franchisor of Pizza Hut France and owner of the Pizza Hut brand), are negotiating the early termination of the master franchise agreement for France.

Inclusion of the Blue Horizon Hospitality Group to AmRest structure in 2012 enriched the CDR segment brand portfolio with a new position operating in the Chinese market: Blue Frog Bar & Grill.

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

On 30 June 2024 AmRest operated 86 Blue Frog restaurants in China.

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

On 30 June 2024 there were 2 licensed Bacoa restaurants in Spain.

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

Sushi Shop has successfully established an international network of company-operated and franchises stores across 8 countries.

On 30 June 2024, AmRest operated 185 Sushi Shop restaurants (136 in France, 5 in Spain, 9 in Belgium, 3 in Luxembourg, 5 in UK, 11 in Switzerland, 4 in Saudi Arabia and 12 in UAE).

Coffee category

Starbucks is the world leader in the coffee sector with more than 39 450 stores in about 85 countries. It offers a broad selection of coffees from different parts of the world, as well as teas, soft drinks and a wide range of fresh snacks and desserts. The store designs and their atmosphere refer to the coffee heritage and reflect the culture of the neighbourhood.

As of 30 June 2024 AmRest operated 401 stores (76 in Poland, 56 in the Czech Republic, 39 in Hungary, 60 in Romania, 16 in Bulgaria, 12 in Slovakia, 7 in Serbia and 135 in Germany, excluding 27 licensed stores.

Key investments

In the overall strategy of AmRest, capital expenditure are mainly related to the development of the restaurant network. The Group increased the scale of the business through the construction of new restaurants, the acquisition of restaurant chains from third parties as well as reconstruction and replacement of assets in the existing stores. Each year, the Group's capital expenditure depend mainly on the number and type of restaurants opened, IT investments, as well as the scale and profile of M&A activities.In Q224 AmRest's capital expenditure stood at EUR 47.1 million with an increase of 38.5% with respect to Q223.

This investment acceleration is also visible in the accumulated figures where H124 AmRest's capital expenditure reached at EUR 76.2 million, this is an increase of 26.2%.

The table below presents purchases of property, plant and equipment and intangible assets in 6 months ended 30 June 2024 and 30 June 2023.

Acquisition of property, plant and equipment and intangible assets

	6 MONTHS ENDED	
	30 June 2024	30 June 2023
Intangible assets:	**3.3**	**4.7**
Licenses for use of Pizza Hut, KFC, Burger King, Starbucks trademarks	0.2	-
Other intangible assets	3.1	4.7
Property, plant and equipment:	**72.9**	**59.3**
Buildings and expenditure on development of restaurants	1.6	2.2
Machinery & equipment	3.0	4.6
Other tangible assets (including assets under construction)	68.3	52.5
Total	**76.2**	**64.0**

AmRest's New Restaurants

	AmRest equity restaurants	AmRest franchisee restaurants	Total
31/12/2023	**1 791**	**372**	**2 163**
New Openings	30	8	38
Acquisitions / Disinvestments	0	0	0
Closings	-15	-6	-21
Relocation closings	-5	0	-5
Relocation openings	2	0	2
Conversions	0	0	0
30/6/2024	**1 803**	**374**	**2 177**

** Starbucks licensed restaurants in Germany are no longer considered as part of AmRest's portfolio.*

On 30 June 2024, AmRest operated 2 177 restaurants, including 374 restaurants which were managed by franchisees. Compared with 31 December 2023, the Group operates 14 more restaurants. 38 new restaurants were opened and 21 closed. The openings breakdown is: 17 restaurants in Central and Eastern Europe, 18 in Western Europe and 3 in China. Additionally, there were 5 closures and 2 openings due to relocation.

Number of AmRest restaurants (as of 30 June 2024)

Countries	Brands	30.06.2023	31.12.2023	31.03.2024	30.06.2024
Poland	**Total**	**614**	**636**	**644**	**646**
	KFC	340	360	369	369
	BK	46	46	46	46
	SBX	69	74	74	76
	PH equity	144	141	140	140
	PH franchised	15	15	15	15
Czechia	**Total**	**220**	**232**	**232**	**232**
	KFC	119	128	127	127
	BK	33	33	33	33
	SBX	52	55	56	56
	PH equity	16	16	16	16
Hungary	**Total**	**152**	**158**	**158**	**159**
	KFC	89	95	96	96
	SBX	37	38	38	39
	PH equity	26	24	23	23
	PH franchised	-	1	1	1
Bulgaria	**Total**	**26**	**26**	**26**	**26**
	KFC	8	8	8	8
	BK	2	2	2	2
	SBX	16	16	16	16
Serbia	**Total**	**20**	**22**	**22**	**22**
	KFC	15	15	15	15
	SBX	5	7	7	7
Croatia	**KFC**	**8**	**8**	**8**	**8**

Romania	**Total**	**65**	**69**	**69**	**70**
	SBX	55	59	59	60
	BK	10	10	10	10
Slovakia	**Total**	**21**	**23**	**23**	**23**
	SBX	10	12	12	12
	PH equity	3	3	3	3
	BK	8	8	8	8
Spain	**Total**	**343**	**357**	**356**	**359**
	TAG equity	70	70	70	68
	TAG franchised	156	154	154	156
	KFC	109	125	125	128
	BCA franchised	3	2	2	2
	SSG equity	5	6	5	5
France	**Total**	**340**	**338**	**336**	**333**
	PH equity	1	1	1	1
	PH franchised	126	126	126	123
	KFC	73	73	73	73
	SSG equity	101	101	99	98
	SSG franchised	39	37	37	38
Germany	**Total**	**151**	**153**	**155**	**160**
	SBX	126	128	130	135
	KFC	25	25	25	25
Austria	**KFC**	**2**	**2**	**2**	**2**
Slovenia	**KFC**	**1**	**1**	**1**	**1**
Portugal	**TAG equity**	**4**	**4**	**4**	**4**
Andorra	**TAG franchised**	**1**	**1**	**2**	**2**
China	**Total**	**87**	**88**	**88**	**86**
	BF equity	76	78	78	75
	BF franchised	11	10	10	11
Belgium	**SSG franchised**	**8**	**9**	**9**	**9**
Switzerland	**SSG equity**	**11**	**11**	**11**	**11**
Luxembourg	**SSG equity**	**3**	**3**	**3**	**3**
UK	**Total**	**7**	**7**	**5**	**5**
	SSG equity	5	5	4	4
	SSG franchised	2	2	1	1
UAE	**SSG franchised**	**10**	**11**	**11**	**12**
Saudi Arabia	**SSG franchised**	**3**	**4**	**4**	**4**
Total AmRest		**2 097**	**2 163**	**2 169**	**2 177**

** Starbucks licensed restaurants in Germany are no longer considered as part of AmRest's portfolio.*

Planned investment activities

The recovery of the business activity and cash flow generation, in addition to achieve target level of deleveraging, has resulted in over 40% CAPEX increased.

AmRest's investment priorities comprise increasing the number of restaurants in the portfolio, enhance commercial and operational capabilities, including digitalization and IT projects, and maintain restaurants and systems in optimal conditions.

From a business model perspective the development of a robust franchising activity is a key pillar of growth in the short term. In addition, the Group intends to continue to pursue its development objectives, increase scale in supply chain management and lead in digitalisation processes.

Finally, potential acquisitions remain an important factor for AmRest's growth. The Group is well positioned for any consolidation or acquisition in the sector that might be identified and would generate long term value for AmRest shareholders.

Significant events and transactions in H1 2024

During the period covered by this Report there were no significant events or transactions.

External Debt

In the reporting period covered by this Report, the Company did not enter in any significant agreements concerning external debt nor issue any debt instruments.

More information on the external debt, can be found in Note 17 (‘Loans and borrowings’) of the Consolidated Interim Financial Statement.

Shareholders of AmRest Holdings SE

During the period covered by this Report following changes occurred with respect to the Company’s shareholder structure:

On April 3, 2024 Nationale-Nederlanden Powszechne Towarzystwo Emerytalne Spółka Akcyjna, which represents and manages funds: Nationale-Nederlanden Otwarty Fundusz Emerytalny and Nationale-Nederlanden Dobrowolny Fundusz Emerytalny ("the Funds"), informed AmRest and the National Securities Market Commission (CNMV) that as a result of registration of a capital increase through a private placement in November 2018, the Funds together decreased their shares and voting rights below 5% (i.e. 4.893%) of total number of votes in AmRest Holdings SE.

To the best of AmRest’s knowledge as of 30 June 2024, in accordance with the information publicly available, AmRest Holdings had the following shareholder structure:

Shareholder	Number of shares and votes at the Shareholders’ meeting	% of shares and votes at the Shareholders’ meeting
FCapital Dutch S.L.*	147 203 760	67.05%
Artal International S.C.A.	11 366 102	5.18%
Nationale-Nederlanden OFE	10 742 600	4.89%
PTE Allianz Polska SA	9 531 792	4.34%
Other Shareholders	40 709 929	18.54%

** Mr. Carlos Fernández González indirectly controls the majority of the shareholding and voting rights in FCapital Dutch, S.L. (direct shareholder of the stake appearing in the above table).*

Changes in the Parent Company’s Governing Bodies

During the period covered by this Report there were no changes with respect to the composition of AmRest's Board of Directors.

As of 30 June 2024 the composition of the Board of Directors was as follows:

- Mr. José Parés Gutiérrez
- Mr. Luis Miguel Álvarez Pérez
- Ms. Romana Sadurska
- Mr. Pablo Castilla Reparaz
- Mr. Emilio Fullaondo Botella
- Ms. Mónica Cueva Díaz
- Ms. Begoña Orgambide García

- Carlos Fernández González (Honorary chairman, non-Board member)
- Eduardo Rodríguez-Rovira (Secretary, non-Board member)
- Mauricio Garate Meza (Vicesecretary, non-Board member)

On the day of publication of this Report the composition of the Board of Directors remains the same.

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

During the period covered by this Report there were no significant changes with respect to AmRest shares and stock options held by the members of the Board of Directors of AmRest.

Transactions on own shares concluded by AmRest

At 31 December 2023, the Company owned a total of 1 412 446 treasury shares with a total nominal value of EUR 141 244.6, representing 0.6433% of its share capital.

The Company's Board of Directors approved during 2023 two buy-back programs for the repurchase of its own shares (the "Buy-back Programs") with the purpose of covering the settlements of the remuneration plans currently in force for AmRest Group executives and employees, pursuant to the authorization granted by resolution of the AmRest General Meeting of Shareholders held on 12 May 2022 under item nine of the agenda, relating to the authorization to the Board of Directors for the derivative acquisition of AmRest shares and in accordance with Article 5 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council, of 16 April 2014, on market abuse, and Articles 2.2 and 2.3 of Commission Delegated Regulation (EU) 2016/1052, of March 8, 2016.

These Buy-back Programs of treasury shares were communicated to the Spanish National Securities Market Commission and Polish KNF by means of communication of Inside Information dated July 4, 2023 and December 1, 2023, respectively.

In the period between 1 January 2024 and 30 June 2024, AmRest purchased 1 157 295 own shares with a total nominal value of EUR 115 729.5, representing 0.5271% of the share capital of the Company. The aggregate consideration for those purchases was PLN 29.6 million (EUR 6.9 million).

Also, in the period between 1 January 2024 and 30 June 2024, 10 975 treasury shares with a total nominal value of EUR 1 097.5 and representing 0.0050% of the share capital were delivered to the beneficiaries of the stock options plans in force for the AmRest Group.

As of 30 June 2024 AmRest held 2 558 766 own shares with a total nominal value of EUR 255 876.6 and representing 1.1654% of the share capital.

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

The LTI 2021 program reached the grant date on 31 May 2024 and was evaluated and converted into shares. On the same date the first tranche of the plan vested, but no share transfers within LTI were executed in the second quarter of 2024.

The table below presents vesting status of LTI 2021. LTI 2022 and LTI 2023 plans are fully unvested.

LTI Plan	Tranche	Grant Date	Vesting date	Granted shares	Vested shares	Unvested shares
LTI 2021	1	31 May 2024	31 May 2024	434 990	434 990	-
LTI 2021	2	31 May 2024	31 May 2025	152 044	-	152 044
LTI 2021	3	31 May 2024	31 May 2026	152 044	-	152 044

Dividends paid and received

In the period covered by this report the Group has paid dividend to non-controlling interest of SCM Sp. z o.o. in the amount of EUR 0.2 million and to non-controlling interest of AmRest s.r.o. in the amount of EUR 2.8 million.

Subsequent events

There were no significant subsequent events after the reporting date.

Factors impacting the Group's development

AmRest considers that the factors listed below may have a significant effect on the Group's future development and results.

External factors

- competitors – in terms of prices and locations,
- demographic changes,
- consumer habits and trends (i.e. number of people using the restaurants), changes in consumer trust, consumers' disposable income and individual spending patterns,
- changes in laws and regulations which impact the functioning of the restaurants and the employees,
- changes in real estate rental costs and related costs,
- changes in the prices of ingredients used to prepare meals and changes in the prices of packaging materials,
- changes in the general economic and political environment in all countries where the business is run,
- changes in legal and tax determinants,
- adverse changes in the financial markets.

Internal factors

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

Basic risks and threats the Group is exposed to

The Board of Directors of AmRest is responsible for the risk management system and the internal control system as well as for reviewing these systems for operating efficiency. These systems help to identify and manage risks which may prevent the execution of the long-term objectives of AmRest. However, having these safeguards in place does not ensure completely against the risk of fraud or against breaking laws. The Board of Directors of AmRest is permanently analysing and reviewing risks to which the Group is exposed. The main current risks and threats have been summarised in this section. AmRest reviews and improves its risk management and internal control systems on an on-going basis.

AmRest has a Global Risk Inventory, considering the following 5 risk taxonomies: Operations/infrastructure, Compliance, Strategy and Planning, Governance and Reporting. Under these taxonomies, the AmRest' Global risk inventory considers different categories of the risk.

Liquidity risk

Liquidity risk is defined as the risk of incurring losses resulting from the inability to meet payment obligations in a timely manner when they become due or from being unable to do so at a sustainable cost. The Group is exposed to the risk to a lack of financing at the moment of the maturity of bank loans and bonds.

As of 30 June 2024, the Group had sufficient liquidity to fulfil its liabilities over the next 12 months.

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

Dependency on the franchisor

AmRest manages KFC, Pizza Hut, Burger King and Starbucks (in Romania, Bulgaria, Serbia, Germany and Slovakia) as a franchisee, and therefore a number of factors and decisions related to the business activities conducted by AmRest and the possibility of renewing or extending the duration of the franchise agreements, depend on the conditions (including limitations or specifications) imposed by the franchisors or are subject to their consent.

Therefore, in relation to the duration of those agreements, the renewal is not automatic and AmRest cannot guarantee that after the expiry of the initial periods of duration of the franchise agreements, which are typically ten years, a given franchise agreement will be extended.

Dependency on cooperation with minority shareholders and Starbucks' call option

AmRest operates Starbucks restaurants in Poland, the Czech Republic and Hungary based on partnership agreements with Starbucks Coffee International, Inc. The partnerships establishes that Starbucks Coffee International, Inc. is the minority shareholder of companies operating Starbucks stores in mentioned countries. Therefore, some decisions as part of the joint business activities are dependent on Starbucks' consent.

If AmRest fails to comply with the obligation to open and run the minimum specified number of cafés, Starbucks Coffee International, Inc. has the right to increase its share in these companies by acquiring shares from AmRest Sp. z o.o. at a price agreed between the parties based on the valuation of the companies.

No exclusivity rights

International Franchise Agreements per se do not typically grant exclusivity rights to the franchisee in the relevant territories. In order to secure exclusivity rights for a certain territory, franchisees aim to have either a master franchise agreement or a development agreement with the franchisor. Currently, AmRest does not have master franchise agreements or development agreements in all territories and cannot secure that it will have exclusivity on certain territories.

Risks related to the consumption of food products

Changes in consumer preferences arising from concerns over the nutritious properties of chicken, which is the main ingredient in the KFC menu, or as a result of unfavourable information being circulated by the mass media concerning the quality of the products, could pose a threat to the Group.

Furthermore, diseases caused by these (i.e. food poisoning) and damages to health as a result of eating in AmRest restaurants and restaurants of other franchisees of KFC, Pizza Hut, Burger King, Starbucks, La Tagliatella, Blue Frog and Sushi Shop, and as a result of revealing unfavourable data prepared by the government or a given market sector concerning the products served in AmRest restaurants and restaurants of other franchisees of KFC, Pizza Hut, Burger King, Starbucks, La Tagliatella, Blue Frog and Sushi Shop, health-related issues and issues related to the functioning patterns of one or more restaurants run both by AmRest and the competition could also pose a threat to the Group.

- Food risks can result from a microbiological, chemical (formed during preparation like acrylamide e.g., burned meat, dark brown fried French fries) or physical factors.
- Risks associated with new technologies - that alter the characteristics of the food, such as genetic modification or food irradiation, may change the composition of the food, replacing an existing or traditional method of food production can also lead to a change in the levels of a hazard, such as the levels of pathogenic microorganisms.
- Risks associated with allergenic foods - can range from mild to severe gastrointestinal effects, headaches, respiratory problems or skin reactions to potentially life-threatening anaphylaxis.
- Food poisoning (e.g., by incautious storage and preparation of food, contaminated food, or water).
- Hormones or antibiotics in meat.

Risks related to key personnel turnover in the Group and increasing labour costs

AmRest´s success depends, to some extent, on the individual effort of selected employees and key members of management.

Excessive turnover of employees and too frequent changes in managerial positions may pose a significant risk to the stability and quality of the business activities.

Risk related to increase in the cost of commodities, raw material and goods

Increases in the cost of commodities, raw materials and goods can have an adverse impact on Group's operating profit margins.

AmRest´s situation is also affected by the need to ensure frequent deliveries of fresh agricultural products and foodstuffs and anticipating and responding to changes in supplies costs. Also the increased demand for certain products accompanied by limited supply may lead to difficulties in obtaining these by the Group or to relevant price increases. The product price increases may have an adverse effect on the Group's results, operations and financial standing.

Disruption in the supply chain

Disruption to supply of goods, or to logistics suppliers, resulting in limited access to essential supplies

The Group cannot rule out the risk related to delivery shortage or interruptions caused by factors such as unfavourable weather conditions, changes in legal regulations, problems with delivery infrastructure, reduction in available sources withdrawing some foodstuffs from trading, third-party breach of transport obligations, key suppliers' bankruptcy or lack of alternative sources of supply.

The shortages may have an adverse effect on the Group's results, operations and financial standing.

Risks related to the incorporation of new business and failed openings of new restaurants

Opening or taking over restaurants operating in a new geographical and political area involves the risk of varying consumer preferences, a risk of insufficient knowledge of the market, the risk of legal restrictions arising from local regulations, the ability to obtain the permits required by relevant bodies, the possibility of delays in opening new restaurants,and the political risk of these countries.

Currency risk

The results of AmRest are exposed to currency risk related to transactions and exchanges into currencies other than the currency in which business transactions are measured in the individual Capital Group companies. The Group adjusts its currency portfolio of debt to the geographical structure of its profile of activities.

Risks related to the current geopolitical situation

The Company conducts its business in countries where political climates are uncertain. Tensions around that subject may result in a negative impact on economy, including unstable currency, interest rates, liquidity, supply chain disruptions and consumer confidence deterioration.

In 2023 and first half of 2024, the increased geopolitical risk, as a consequence of the war in Ukraine and the conflict in the Middle East, weighed adversely on global economic conditions including the markets where the Group operates.

The conflicts have triggered turmoil in the financial markets around the world, and drastically increased uncertainty about the recovery of the global economy, as reflected in the widespread deterioration of the consumer confidence indicators, which has impacted on financial and commodity markets. An additional consequence has been elevated levels of inflation due to the increased price of energy and non-energy commodities. The Group has been closely monitoring their potential impact on Group's current and future operations. All these events and uncertainty that accompanies them may have a significant impact on the Group's operations and financial position, of which the effect is difficult to predict.

The future economic and regulatory situation may differ from the Management's expectations.

Risk of increased financial costs

AmRest and its subsidiaries are exposed to a certain extent to adverse impact of interest rate fluctuations in connection with obtaining financing which bears floating interest rates and investing in assets bearing floating interest rates. The interest rates of bank loans and borrowings and issued bonds are based on a combination of fixed and floating reference rates which are updated over periods shorter than one year.
Additionally, AmRest and its subsidiaries may, as part of the interest rate hedging strategy, enter into derivative and other financial contracts, where the valuation of which is significantly affected by the level of reference rates

Increases in the cost of energy and utilities

Significant increase of energy pricing impacted cost side on most European markets. The Company is offsetting that impact by consumption reduction and adjusted purchasing strategies.

Tax risk

In the process of managing and executing strategic decisions, which may affect the tax settlements, AmRest could be exposed to tax risk. In the event of irregularities occurring in tax settlements it would increase the dispute risk in the case of a potential tax control.

Credit risk

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

Risks of economic slowdowns

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

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

Risk of systems failures and communication network failures, as well as the potential partial or complete loss of data in connection with system breakdowns or damage or loss of key tangible fixed assets of the Group might result in temporary interruptions in serving customers in restaurants, which might have an adverse effect on the Group's financial results.

Risk of an inadequate security protection of our data and IT systems and lack of capabilities to respond to cybersecurity threats

The Group's operations are supported by a wide variety of IT systems, including point-of-sale systems, electronic ordering platforms, supply-chain management systems and finance and controlling tools. Consequently, the Group is exposed to the risk of temporary operational disruption, data integrity risk and/or unauthorized access to confidential data, which may be a result of cyberattacks.

Global crisis and disruption

The potential occurrence of global disasters, such as health epidemics, economic crises, energy crises, extreme weather events, or other critical events creates a risk of disruption the Group's business, industry and economies where the Group operates and could impact the Group's day to day business concerns.

Likewise, a potential adverse impact on the Group's image or brands may deteriorate its perception with the different stakeholders.

Adverse regulatory change or evolution

Failure to anticipate, identify and respond to new regulation that may result in fines, litigations and/or the loss of operating licenses or other restrictions.

Noncompliance with Corporate Sustainability Reporting Directive (CSRD) regulations

Failure to comply with the CSRD and related regulations on the EU and market level may result in fines and reputational loss including lower ESG ratings used by the investor community. The risk is mitigated by defining and implementing an adequate ESG strategy and action plans including ensuring accountability for regulatory compliance across all levels of organizational structure.

Loss of market share due to a volatile customer trends or an increase in competition

Failure to anticipate or respond to competitors leads to a loss of market share for the Group and failure to anticipate or address consumer's preferences in the Group's products, services, or channels.

Activity in Research and Development area

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

Activities in this area include for example: market researches, the careful selection of ingredients and packaging, the creation and preparation of new products, tastings followed by collection of customers feedbacks and, ultimately, the launch of the final products. The successful launch of gluten-free restaurants by Tagliatella illustrates the success of these projects.

In addition, the use of data analytics is having an increasing impact on business decisions and impacts firms’ innovation processes. Automation, technology and data analytics tools to extract insights from data, enhance efficiency, visibility, and the overall customer experience are core areas of research and development for AmRest.

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

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

Signatures of the Board of Directors

José Parés Gutiérrez
Chairman of the Board

Luis Miguel Álvarez Pérez
Vice-Chairman of the Board

Begoña Orgambide García
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, 4 September 2024

AMREST GROUP Directors' Report

for the period of 6 months ended 30 June 2024

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