AmRest Holdings, S.E. and subsidiaries

Condensed Consolidated Financial Statements and Condensed Interim Consolidated directors' report

30 June 2018

(Included Limited Review Report)

KPMG Auditores, S.L.
Paseo de la Castellana, 259
28046 Madrid

Limited Review on the Condensed Consolidated Financial Statements

To the Shareholders of AmRest Holdings, S.E.

as requested by the by Company's Directors

LIMITED REVIEW ON THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Introduction

We have carried out a limited review of the accompanying condensed consolidated financial statements (the "interim financial statements") of AmRest Holdings, S.E. (the "Company") and subsidiaries (the "Group"), which comprise the income statement at 30 June 2018, the statement of comprehensive income, the statement of financial position, the statement of cash flows, the statement of changes in equity and the explanatory notes for the six-month period then ended, all condensed and consolidated. Pursuant to article 12 of Royal Decree 1362/2007 the Directors of the Company are responsible for the preparation of these interim financial statements in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting" as adopted by the European Union. 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 the 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 prevailing legislation regulating the audit of accounts 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 the accompanying interim financial statements.

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Conclusion

Based on our limited review, which can under no circumstances be considered an audit, nothing has come to our attention that causes us to believe that the accompanying interim financial statements for the six-month period ended 30 June 2018 have not been prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting", as adopted by the European Union, for the preparation of condensed interim financial statements, pursuant to article 12 of Royal Decree 1362/2007.

Emphasis of Matter

We draw your attention to the accompanying note 1, which states that these interim financial statements do not include all the information required in complete consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The accompanying interim financial statements should therefore be read in conjunction with the Group's consolidated annual accounts for the year ended 31 December 2017. This matter does not modify our conclusion.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The accompanying consolidated interim directors' report for the six-month period ended 30 June 2018 contains such explanations as the Directors of the Company consider relevant with respect to the significant events that have taken place in this period and their effect on the interim financial statements, as well as the disclosures required by article 15 of Royal Decree 1362/2007. The consolidated interim directors' report is not an integral part of the interim financial statements. We have verified that the accounting information contained therein is consistent with that disclosed in the interim financial statements for the six-month period ended 30 June 2018. Our work is limited to the verification of the consolidated interim directors' report within the scope described in this paragraph and does not include a review of information other than that obtained from the accounting records of AmRest Holdings, S.E. and subsidiaries.

Paragraph on Other Matters

This report has been prepared at the request of Company's Directors in relation to the publication of the six-monthly financial report required by article 119 of the Revised Securities Market Law, enacted by Royal Decree 1362/2007 of 19 October 2007.

KPMG Auditores, S.L.

Carlos Peregrina García

21 September 2018

INSTITUTO DE CENSORES JURADOS DE CUENTAS DE ESPAÑA

KPMG AUDITORES, S.L.

2018 Núm. 01/18/15644

30,00 EUR

SELLO CORPORATIVO:

Informe sobre trabajos distintos a la auditoría de cuentas

AmRest Holdings SE

Supplementary information to previously released periodic information

Madrid, 21 September 2018

EXPLANATION FOR THE MODIFICATIONS OF THE COMPARATIVES IN THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR 6 MONTHS ENDED 30 JUNE 2018

Change of the presentation currency and level of aggregation of data

In second half of 2017 the shareholders of AmRest decided on change of domicile from Wroclaw, Poland to Madrid, Spain. Respective legal documents were submitted to Spanish Court on 1 March 2018. On 14 March 2018 the Company received the confirmation and reported on both Warsaw and Madrid Stock Exchange that as at 12 March 2018 the Spanish Court approved the change of domicile and registered AmRest's domicile in Madrid.

The annual reporting for year 2017 (for both separate and consolidated financial statements) was prepared in accordance with IFRSs and was published on 8 March 2018 in PLN thousands.

Decision about changing the domicile caused considerations of changing the presentation currency of the Group from PLN to EUR. Taking into account among others matters listed below, the Group decided to change its presentation currency into EUR, as currency that better responds to needs to users of consolidated financial reports

- AmRest is a global restaurant operator conducting its activities in many countries and currency zones. Large number of the companies from the Group use EUR as a functional and presentation currency.
- The vast majority of acquisitions done by AmRest are conducted in EUR.
- With the change of domicile Group will be required to report its financial statements both on Warsaw Stock Exchange (where it is quoted) and on Madrid Stock Exchange (where is domiciled). EUR is a widely used currency in presentation of financial statements of entities domiciled in Spain.
- Warsaw Stock Exchange allows to publish reports in EUR.
- EUR is a widely used in financial reporting, especially by entities domiciled in European Union.
- Long term development plan includes investments in Western Europe where EUR is a functional currency.
- The Group also changed its internal reporting into EUR.

The change of presentation currency under IFRSs is being considered as a change in the accounting policy and should be applied retrospectively. Change of the presentation currency had no impact on assets, liabilities and total equity but impacts translation the particular equity positions.

For the purpose of translation comparative data the following rules were applied:

- For share capital, which is actually issued in EUR – historical values in EUR were assigned. Share capital value is not material.
- For share premium items historical movements were analysed. Material share capital increases were translated using historical exchange rate from date of transaction.
- Treasury shares transaction since year 2015 were recalculated for all movements. FIFO is used for treasury shares disposals. Consequently, treasury shares were translated into EUR using historical costs.
- For share based payments ("SBP") transactions recognised in 2015 and later on an average exchange rate for each year (years 2015- 2016) or for each quarter (year 2017) was applied.

- Non-controlling interest transactions were recognised at historical exchange rate.
- For translation of profit or loss positions and retained earnings recognised in 2015 and earlier an average exchange rate for each quarter was applied and for those recognised in 2016 and 2017 monthly exchange rate was applied for each group company. As a consequence quarterly consolidated data for each line of income statements are effectively translated with different exchange rates.
- As a consequence of the above transactions new balance of currency translation reserve was determined. Exchange differences needed to be established at new, for group operations where functional currency is other than EUR. Differences between currency translation reserve were recognised in other comprehensive income.
- For translation of all the assets and liabilities closing rate was applied.
- Cash flow positions referring to profit and loss positions were translated with monthly average exchange rate for each company. For those referring to acquisitions historical exchange rates were applied and for all other positions a quarterly average exchange rate was applied. The difference resulting from translation of cash flow was presented in effect of foreign exchange rate movements.

Subsequently, in order to present information better and more clearly, data was aggregated into EUR millions with one decimal place.

After publishing Q1 2018 interim report Group identified minor inconsistencies in some re-translation procedures made from PLN to EUR.

These Condensed Consolidated Financial Statements present slightly different balance of equity details (Reserves, Retained earnings and Translation reserve) as at 1 January 2018 than previously submitted Q1 2018 Interim reports. Adjustment made had no impact on total equity value.

Changes in Cash Flow Statement

In 2017 the Group decided to change the presentation of interests paid and received in the cash flow statement. The change was inspired by the desire to reflect better the nature of the transactions as well as the growing magnitude of cash flow. Interests are now presented in the financing activities instead of operating activities (Adjustment 2). As a result, cash flow statement presented in the published condensed consolidated report for Q1 2017 had to be restated. The following table presents details. Adjustment 1 presents the change of presentation currency mentioned above having an impact on the particular CF positions.

Condensed consolidated cash flow statement for 6 months ended 30 June 2017

	6 months ended 30 June 2017			
	Published PLN thousands	Adjustment 1 EUR millions	Adjustment 2 EUR millions	Restated EUR millions
Cash flows from different positions of operating activities	176 368	41.5	-	41.5
Interest paid	(19 266)	(4.5)	4.5	-
Interest received	1 365	0.3	(0.3)	-
Net cash provided by operating activities	**158 467**	**37.3**	**4.2**	**41.5**
Net cash used in investing activities	**(323 808)**	**(86.3)**	**-**	**(86.3)**
Cash flows from different positions of financing activities	184 168	44.1	-	44.1
Interest paid	-	-	(4.5)	(4.5)
Interest received	-	-	0.3	0.3
Net cash provided by financing activities	**184 168**	**44.1**	**(4.2)**	**39.9**
Net change in cash and cash equivalents	**18 827**	**(4.9)**	**-**	**(4.9)**

Changes in purchase price allocation process

Entrance into German restaurant market – acquisition of KFC restaurants

In the first quarter of 2018 AmRest Group finalised the process of tax settlement of the acquisition of 15 KFC restaurants operating in the German market and completed the purchase price allocation process.

The fair value of goodwill and deferred tax asset presented in the acquisition note in the annual consolidated financial statements as at 31 December 2017 was adjusted: goodwill was decreased by EUR 0.1 million and deferred tax asset was increased by EUR 0.1 million. The fair value of other net assets was not changed.

Adjustments introduced did not materially affect the comparative data presented in this Condensed Consolidated Financial Statements for the consolidated statement of comprehensive income; cash flows from operating, investing and financing activities in the consolidated cash flow statement and earnings per share, hence the data were note restated. Consolidated statements of financial position as at 31 December 2017 was adjusted to reflect final purchase price allocation figures.

Acquisition of Pizza Hut Delivery operator on French market

DESCRIPTION OF THE ACQUISITION

On 16 May 2017 AmRest completed the Share Purchase Agreement ("SPA") between AmRest and Top Brands NV and thereby acquired 100% shares of Pizza Topco France SAS (currently AmRest Topco France SAS).

Within the transaction the master franchisee agreement was also signed, under which AmRest becomes the exclusive master-franchisee and has the right to granting the license to the third parties to operate Pizza Hut Express and Pizza Hut Delivery restaurants (sub-franchise) in France and Monaco.

ALLOCATION OF THE ACQUISITION PRICE

In second quarter of 2018 Group finalised process of allocating the acquisition price to the purchased assets and acquired liabilities.

Below table presents comparison of preliminary purchase price allocation as presented in annual consolidated financial statements for the year ended 31 December 2017 and finally determined values.

Pizza TopCo France SAS (currently AmRest TopCo France SAS)	**Preliminary fair value EUR million**	**Final fair value EUR million**
Cash and cash equivalents	0.8	0.8
Property, plant and equipment	1.1	0.4
Intangible assets	6.2	6.2
Other non-current assets	0.1	0.1
Trade and other receivables	1.5	1.3
Inventories and other current assets	0.7	0.7
Deferred tax liabilities	(2.0)	(1.8)
Provisions	(0.4)	(0.4)
Trade and other payables	(3.3)	(3.3)
Net assets acquired	**4.7**	**4.0**
Purchase price	12.8	12.8
The fair value of net assets	4.7	4.0
Goodwill	**8.1**	**8.8**
Amount paid in cash	12.8	12.8
Acquired cash and cash equivalents	0.8	0.8
Cash outflows on acquisition	**12.0**	**12.0**

In final purchase price process allocation Group has in particular verified fair values of property plant and equipment and trade receivables acquired. Based on the purchase agreement, the Group did not acquire some of the receivables from sub- franchisees that arose prior to the takeover of control by AmRest. The Group is required to periodically verify the cash inflows from settling these invoices, and settle with previous owner of PH France business.

Group has recognised in purchase price process the value of intangible asset related to exclusive right of master- franchisee on French market in Delivery and Express area. Total fair value amounted to EUR 6 million. An asset is amortised over its useful life assessed as 10 years.

Estimates made and assumptions used are verified by independent entity specialising in such valuations. Deferred tax liability was as well recognised on respective temporary difference between tax and accounting values.

Group also considered potential recognition of other intangible assists such as favourable rental agreements, customer loyalty database and other, and did not identified any other material assets to be recognised.

Goodwill recognised on this acquisition consists mostly of synergies unidentified separately, unexploited market potential and expected economies of scale from combining the current activities of the AmRest Group and the acquired business.

Adjustments introduced did not materially affect the comparative data presented in this Condensed Consolidated Financial Statements for the consolidated statement of comprehensive income; cash flows from operating, investing and financing activities in the consolidated cash flow statement and earnings per share, hence the data were note restated. Consolidated statements of financial position as at 31 December 2017 was adjusted to reflect final purchase price allocation figures.

Supplementary information to previously released periodic information

(all figures in EUR millions unless stated otherwise)

CONDENSED CONSOLIDATED INCOME STATEMENT
EFFECT OF CHANGE OF THE CURRENCY

	6 months ended	
	30 June 2017	**30 June 2017**
	Published	Restated
	PLN thousands	EUR millions
Continuing operations		
Restaurant sales	2 250 342	527.4
Franchise and other sales	140 199	32.9
Total revenue	**2 390 541**	**560.3**
Company operated restaurant expenses:		
Food and material	(659 753)	(154.6)
Payroll and employee benefits	(560 663)	(131.4)
Royalties	(113 699)	(26.7)
Occupancy and other operating expenses	(696 554)	(162.5)
Franchise and other expenses	(87 913)	(20.6)
General and administrative (G&A) expenses	(180 715)	(42.9)
Net impairment losses on financial assets	(6 748)	(0.1)
Net impairment losses on other assets	-	(1.5)
Total operating costs and losses	**(2 306 045)**	**(540.3)**
Other operating income	**17 611**	**4.1**
Profit from operations	**102 107**	**24.1**
Finance costs	(29 080)	(6.8)
Finance income	1 430	0.3
Profit before tax	**74 457**	**17.6**
Income tax	(18 916)	(4.5)
Profit for the period	**55 541**	**13.1**
Profit attributable to:		
Shareholders of the parent	53 615	12.6
Non-controlling interests	1 926	0.5

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME EFFECT OF CHANGE OF THE CURRENCY

	6 months ended	
	30 June 2017	**30 June 2017**
	Published	Restated
	PLN thousands	EUR millions
Net profit	**55 541**	**13.1**
Other comprehensive incomes:		
Exchanges differences on translation of foreign operations	(107 370)	(11.4)
Net investment hedges	35 489	8.3
Income tax concerning net investment hedges	(6 743)	(1.6)
Total items that may be reclassified subsequently to profit or loss	*(78 624)*	*(4.7)*
Other comprehensive income net of tax	**(78 624)**	**(4.7)**
Total comprehensive income	**(23 083)**	**8.4**
Attributable to:		
Shareholders of the parent	(15 520)	10.4
Non-controlling interests	(7 563)	(2.0)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
EFFECT OF CHANGE OF THE CURRENCY AND FINAL PPA RECOGNITION

	31 December 2017				
	Published PLN thousands	Adjustment 1 EUR millions	Adjustment 2 EUR millions	Adjustment 3 EUR millions	Restated EUR millions
Assets					
Property, plant and equipment	1 690 155	404.6	-	(0.7)	403.9
Goodwill	909 310	217.7	-	0.6	218.3
Other intangible assets	612 690	146.7	-	-	146.7
Investment properties	22 152	5.3	-	-	5.3
Other non-current assets	95 853	22.9	-	-	22.9
Deferred tax assets	59 302	14.2	-	0.1	14.3
Total non-current assets	***3 389 462***	***811.4***	**-**	**-**	***811.4***
Inventories	93 628	22.4	-	-	22.4
Trade and other receivables	162 004	38.8	-	(0.2)	38.6
Corporate income tax receivables	4 174	1.0	-	-	1.0
Other current assets	121 571	29.1	-	-	29.1
Cash and cash equivalents	548 248	131.2	-	-	131.2
Total current assets	***929 625***	***222.5***	**-**	**(0.2)**	***222.3***
Total assets	**4 319 087**	**1 033.9**	-	**(0.2)**	**1 033.7**
Equity					
Share capital	714	0.2	-	-	0.2
Reserves	606 366	145.2	7.1	-	152.3
Retained earnings	837 301	200.4	(9.6)	-	190.8
Translation reserve	(133 917)	(32.1)	2.5	-	(29.6)
Equity attributable to shareholders of the parent	***1 310 464***	***313.7***	-	-	313.7
Non-controlling interests	35 184	8.4	-	-	8.4
Total equity	***1 345 648***	***322.1***	-	-	***322.1***
Liabilities					
Interest-bearing loans and borrowings	1 811 975	433.8	-	-	433.8
Finance lease liabilities	7 001	1.7	-	-	1.7
Employee benefits liability	12 488	3.0	-	-	3.0
Provisions	39 543	9.4	-	-	9.4
Deferred tax liability	114 242	27.3	-	(0.2)	27.1
Other non-current liabilities	24 508	5.9	-	-	5.9
Total non-current liabilities	***2 009 757***	***481.1***	-	(0.2)	***480.9***
Interest-bearing loans and borrowings	157 880	37.8	-	-	37.8
Finance lease liabilities	1 777	0.4	-	-	0.4
Trade and other accounts payable	779 839	186.7	-	-	186.7
Corporate income tax liabilities	24 186	5.8	-	-	5.8
Total current liabilities	***963 682***	***230.7***	-	-	***230.7***
Total liabilities	***2 973 439***	***711.8***	-	(0.2)	***711.6***
Total equity and liabilities	**4 319 087**	**1033.9**	-	**(0.2)**	**1 033.7**

Adjustment 1 - translated with the exchange rate of ECB PLN/EUR 4.1770 and divided by 1000.
Adjustment 2 - effect of the retranslation from PLN as a presentation currency into EUR as a presentation currency based on the historical and average FX rates as applicable.
Adjustment 3 – final recognition of PPA for KFC business in Germany and PH business in France.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
EFFECT OF CHANGE OF THE CURRENCY

	6 months ended	
	30 June 2017	**30 June 2017**
	Published*	Restated
	PLN thousands	EUR millions
Cash flows from operating activities		
Profit before tax from continued operations	74 457	17.6
Adjustments for:		
Amortisation	19 541	4.6
Depreciation	137 617	32.1
Interest expense, net	18 486	4.3
Foreign exchange result	4 617	1.1
Loss on disposal of property, plant and equipment and intangibles	2 023	0.5
Impairment of property, plant and equipment and intangibles	6 166	1.5
Share-based payments expenses	10 344	2.4
Other	(606)	(0.1)
Working capital changes:		
Increase in trade and other receivables	(15 007)	(3.6)
Increase in inventories	(217)	(0.1)
Increase in other assets	(5 898)	(1.4)
Decrease in payables and other liabilities	(52 670)	(12.1)
Decrease in other provisions and employee benefits	(16 618)	(4.0)
Income taxes paid	(5 867)	(1.4)
Net cash provided by operating activities	**176 368**	**41.5**
Cash flows from investing activities		
Net cash outflows on acquisition	(94 662)	(22.3)
Prepayment for the acquisition of restaurants	(19 140)	(4.5)
Acquisition of property, plant and equipment	(202 159)	(47.4)
Acquisition of intangible assets	(7 847)	(1.9)
Net cash used in investing activities	**(323 808)**	**(76.1)**
Cash flows from financing activities		
Proceeds from share transfers (employees options)	3 846	0.9
Expense on acquisition of treasury shares (employees options)	(45 745)	(10.8)
Expense on settlement of employee stock option in cash	(3 323)	(0.8)
Proceeds from loans and borrowings	290 555	68.2
Interest paid	(19 266)	(4.5)
Interest received	1 365	0.3
Dividends paid to non-controlling interest owners	(100)	-
Transactions with non-controlling interest	(60 619)	(13.3)
Repayment of finance lease payables	(446)	(0.1)
Net cash provided by financing activities	**166 267**	**39.9**
Net change in cash and cash equivalents	**18 827**	**5.3**
Effect of foreign exchange rate movements	11 091	4.8
Balance sheet change of cash and cash equivalents	29 918	10.1
Cash and cash equivalents, beginning of period	291 641	66.1
Cash and cash equivalents, end of period	321 559	76.2

** Data in Report for H1 2017 was presented in different order. However the amounts have not been changed.*

EXPLANATION FOR THE MODIFICATIONS OF THE COMPARATIVES IN THE CONDENSED SEPARATE FINANCIAL STATEMENTS FOR 6 MONTHS ENDED 30 JUNE 2018

AmRest Holdings SE ("AmRest" or "Company") informed that on 14 March 2018 it received a confirmation of the registration on 12 March 2018 of its registered office in Pozuelo de Alarcón, Madrid, Spain.

As a consequence of the change of domicile of the Company and as per the provisions established in the Spanish General Accounting Plan the Condensed Separate Financial Statements have been prepared in accordance with Spanish Accounting Standards harmonised with the International Accounting Standards and the internal commercial law.

The Company has analysed the differences of criteria between the principles used previously to present Financial Statements (IFRS) and the Spanish regulations and made the correspondent adjustments retrospectively calculating the effects from the earlier reporting period from which information is available.

The presentation of the Financial Statements of the previous periods was also adapted to the formats and classifications of accounts established in the Spanish General Accounting Plan.

The Separate Financial Statements as at December 2017 and as of June 2017 that were previously published on the Warsaw Stock Exchange in Polish zlotys (PLN) were translated into the current presentation currency euro (EUR) following the procedures set out in the standards for the preparation of consolidated annual accounts that implement the precepts of the Commercial Code.

The resulting translation differences were recognised in the equity.

The Company prepared an analysis of reassessment of its functional currency and concluded that since 1 January 2018 EUR is the functional currency of AmRest Holding SE.

The Company has applied translation procedures to new functional currency prospectively since the date of change (i.e. 1 January 2018) as it is established in the article 59.3 of the Rules for Formulation of Consolidated Annual Accounts (NFCAC).

The resulting translation differences are recognised in the equity.

Subsequently, in order to present information better and more clearly, data was aggregated into EUR millions with one decimal place.

Details regarding to those changes are presented in the tables below.

SEPARATE BALANCE SHEET AS AT 31 DECEMBER 2017

	31 December 2017					
	Published	Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4	Restated
	PLN thousands	EUR millions	EUR millions	EUR millions	EUR millions	EUR millions
Assets						
Intangible assets	351	0.1	-	-	-	0.1
Investments and loans in group companies	1 369 850	328.0	-	(1.9)	13.4	339.5
Other non-current assets	56 119	13.4	-	-	(13.4)	-
Deferred tax assets	1 206	0.3	-	-	-	0.3
Total non-current assets	**1 427 526**	**341.8**	**-**	**(1.9)**	**-**	**339.9**
Trade and other receivables	11 847	2.9	-	-	0.1	3.0
Income tax receivables	601	0.1	-	-	(0.1)	-
Investments and loans in group companies	-	-	-	-	2.1	2.1
Other current assets	82	-	-	-	-	-
Other financial assets	8 789	2.1	-	-	(2.1)	-
Prepayments for current assets	-	-	-	-	-	-
Cash and cash equivalents	102 112	24.4	-	-	-	24.4
Total current assets	**123 431**	**29.5**	**-**	**-**	**-**	**29.5**
Total assets	**1 550 957**	**371.3**	**-**	**(1.9)**	**-**	**369.4**
Equity						
Share capital	714	0.2	-	-	-	0.2
Share premium	-	-	189.1	-	-	189.1
Reserves	675 731	161.8	(138.5)	(1.9)	-	21.4
Own shares and equity instruments	-	-	(10.6)	-	-	(10.6)
Profit/(loss) for the period	-	-	10.6	-	-	10.6
Other equity instruments	-	-	(8.8)	-	-	(8.8)
Currency translation reserve	-	-	(6.8)	-	-	(6.8)
Retained earnings	146 699	35.0	(35.0)	-	-	-
Total Equity	**823 144**	**197.0**	**-**	**(1.9)**	**-**	**195.1**
Liabilities						
Provisions	-	-	-	-	**2.2**	2.2
Deferred tax liabilities	61	-	-	-	-	-
Trade and other payables	9 355	2.2	-	-	**(2.2)**	-
Non-current financial liabilities	561 029	134.4	-	-	-	134.4
Total non-current liabilities	**570 445**	**136.6**	**-**	**-**	**-**	**136.6**
Current Financial Liabilities	150 820	36.1				36.1
Trade and other payables	6 548	1.6	-	-		1.6
Total current liabilities	**157 368**	**37.7**	**-**	**-**	**-**	**37.7**
Total liabilities	**727 813**	**174.3**	**-**	**-**	**-**	**174.3**
Total equity and liabilities	**1 550 957**	**371.3**	**-**	**(1.9)**	**-**	**369.4**

Adjustment 1 - translated with the exchange rate of ECB PLN/EUR 4.177 and divided by 1000.
Adjustment 2 - effect of the retranslation from PLN as a presentation currency into EUR as a presentation currency based on the historical and average FX rates. as applicable.
Adjustment 3 - effect of conversion from IFRSs to Spanish GAAP.
Adjustment 4 - reclassifications for presentation purposes under Spanish GAAP.

INTERIM SEPARATE INCOME STATEMENT AND STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR 6 MONTHS ENDED 30 JUNE 2017

	6 months ended 30 June 2017			
	Published PLN thousands	Adjustment 1 EUR millions	Adjustment 2 EUR millions	Restated EUR millions
General and administrative (G&A) expenses	(1 729)	(0.4)	0.4	-
Other operating costs	(6 605)	(1.5)	1.5	-
Other operating income	27 058	6.3	(6.3)	-
Finance income	5 103	1.2	(1.2)	-
Finance costs	(9 926)	(2.3)	2.3	-
Net profit before tax	**13 901**	**3.3**	**(3.3)**	**-**
Income tax	1 293	0.3	(0.3)	-
Net profit for the period	**15 194**	**3.6**	**(3.6)**	**-**
Revenues	-	-	6.2	6.2
Personnel Expenses	-	-	(0.2)	(0.2)
Results from operating activities	**-**	**-**	**6.0**	**6.0**
Finance Income	-	-	1.2	1.2
Finance Expenses	-	-	(1.7)	(1.7)
Exchange rates gains and losses	-	-	(0.6)	(0.6)
Impairment and gains/(losses) on disposal of financial instruments	-	-	(1.6)	(1.6)
Net finance income (expense)	**-**	**-**	**(2.7)**	**(2.7)**
Profit/(loss) before income tax	**-**	**-**	**3.3**	**3.3**
Income tax expense	-	-	0.3	0.3
Profit/(loss) for the period	**-**	**-**	**3.6**	**3.6**
Net profit for the period	**15 194**	**3.6**	**(3.6)**	**-**
Other comprehensive incomes net	-	-	-	-
Total comprehensive incomes	**15 194**	**3.6**	**(3.6)**	**-**
Profit for the period	**-**	**-**	**3.6**	**3.6**
Currency translation adjustment	-	-	8.1	8.1
Total recognised income and expenses for the period	**-**	**-**	**11.7**	**11.7**

Adjustment 1 - data translated with the exchange rate of ECB PLN/EUR 4.2690 and divided by 1000.
Adjustment 2 - conversion from IFRSs to Spanish GAAP.

AmRest

INTERIM SEPARATE STATEMENT OF CASH FLOWS FOR 6 MONTHS ENDED 30 JUNE 2017

	6 months ended 30 June 2017			
	Published*	Adjustment 1	Adjustment 2	Restated
	PLN thousands	EUR millions	EUR millions	EUR millions
Cash flows from operating activities				
Profit before tax	**13 901**	**3.3**	**-**	**3.3**
Adjustments:	**(18 213)**	**(4.3)**	**0.6**	**(3.7)**
Amortisation	125	-	-	-
Impairment loss	3 963	0.9	0.7	1.6
Share based payment adjustment	(26 510)	(6.2)	-	(6.2)
Finance Income and Expense net	2 045	0.5	(0.5)	-
Finance income	-	-	(1.2)	(1.2)
Finance expenses	-	-	1.7	1.7
Exchange gains/losses	2 000	0.5	0.1	0.6
Other	164.0	-	(0.2)	(0.2)
Changes in operating assets and liabilities	**31 381**	**7.3**	**(0.6)**	**6.7**
Trade and other receivables	24 106	5.6	(0.6)	5.0
Other current assets	(164)	-	-	-
Trade and other payables	7 439	1.7	-	1.7
Other Cash Flows from Operating Activities	**(2 225)**	**(0.5)**	**-**	**(0.5)**
Interest paid	(5 843)	(1.4)	-	(1.4)
Income tax paid or returned	(574)	(0.1)	-	(0.1)
Interest received	4 192	1.0	-	1.0
Net cash provided by operating activities	**24 844**	**5.8**	**-**	**5.8**
Cash flows from investing activities				
Increase in investments. loans and borrowings with group companies	-	-	(42.5)	(42.5)
Payments for Investments in group companies	(11 801)	(26.7)	26.7	-
Increase investment loans and borrowings	(67 640)	(15.8)	15.8	-
Proceeds from investment loans and borrowings	34 200	8.0	-	8.0
Net cash used in investing activities	**(147 241)**	**(34.5)**	**-**	**(34.5)**
Cash flows from financing activities				
Proceeds from own shares disposals (employees options)	49 933	11.8	-	11.8
Expense on acquisition of treasury shares (employees option)	(45 745)	(10.8)	-	(10.8)
Proceeds on issue debt securities	110 271	25.8	(0.1)	25.7
Commission for issue debt securities	(515)	(0.1)	0.1	-
Net cash provided by/ (used in) financing activities	**113 944**	**26.7**	**-**	**26.7**
Net change in cash and cash equivalents	**(8 453)**	**(2.0)**	**-**	**(2.0)**
Balance sheet in cash and cash equivalents	(8 453)	(2.0)	-	(2.0)
Cash and cash equivalents. beginning of period	11 139	2.6	(0.1)	2.5
Translations differences	-	-	0.1	0.1
Cash and cash equivalents. end of period	**2 686**	**0.6**	**-**	**0.6**

** Data in Q2 2017 was presented in different order, however amounts have not been changed.*
Adjustment 1 - translated with the exchange rate of ECB PLN/EUR 4.269 and divided by 1000.
Balance at the beginning period translated with the exchange rate of ECB PLN/EUR 4.4103 and the balance at the end of the period translated with the exchange rate of ECB PLN/EUR 4.2259
Adjustment 2 - reclassifications for presentation purposes under Spanish GAAP.

Wszystko jest możliwe!

Condensed Consolidated Financial Statements for 6 months ended 30 June 2018

AmRest Holdings SE

21 September 2018

AmRest

Contents

(all figures in EUR millions unless stated otherwise)

Condensed consolidated income statement for 6 months ended 30 June 2018

	Note	6 months ended	
		30 June 2018	30 June 2017 (*restated**)
Continuing operations			
Restaurant sales		671.7	527.4
Franchise and other sales		39.9	32.9
Total revenue	**3**	**711.6**	**560.3**
Company operated restaurant expenses:			
Food and material		(193.3)	(154.6)
Payroll and employee benefits		(173.3)	(131.4)
Royalties		(34.8)	(26.7)
Occupancy and other operating expenses		(201.2)	(162.5)
Franchise and other expenses		(29.3)	(20.6)
General and administrative (G&A) expenses		(53.1)	(42.9)
Net impairment losses on financial assets	**20**	(0.8)	(0.1)
Net impairment losses on other assets	**7,9**	(5.0)	(1.5)
Total operating costs and losses		**(690.8)**	**(540.3)**
Other operating income		**3.6**	**4.1**
Profit from operations		**24.4**	**24.1**
Finance costs		(7.3)	(6.8)
Finance income		0.3	0.3
Profit before tax		**17.4**	**17.6**
Income tax	**19**	(5.3)	(4.5)
Net profit for the period		**12.1**	**13.1**
Net profit attributable to:			
Shareholders of the parent		13.3	12.6
Non-controlling interests		(1.2)	0.5
Net profit for the period		**12.1**	**13.1**
Basic earnings per ordinary share in EUR	**5**	0.63	0.59
Diluted earnings per ordinary share in EUR	**5**	0.63	0.59

** The restatement was described in the note 26 to the Condensed Consolidated Financial Statements for 6 months ended 30 June 2018.*

(all figures in EUR millions unless stated otherwise)

Condensed consolidated statement of comprehensive income for 6 months ended 30 June 2018

	Note	6 months ended	
		30 June 2018	**30 June 2017** (*restated**)
Net profit for the period		**12.1**	**13.1**
Other comprehensive incomes:	**14**		
Exchanges differences on translation of foreign operations		(0.8)	(11.4)
Net investment hedges		(6.8)	8.3
Income tax concerning net investment hedges		1.3	(1.6)
Total items that may be reclassified subsequently to profit or loss		(6.3)	(4.7)
Other comprehensive income for the period		**(6.3)**	**(4.7)**
Total comprehensive income for the period		**5.8**	**8.4**
Attributable to:			
Shareholders of the parent		6.9	10.4
Non-controlling interests		(1.1)	(2.0)

** The restatement was described in the note 26 to the Condensed Consolidated Financial Statements for 6 months ended 30 June 2018.*

(all figures in EUR millions unless stated otherwise)

Condensed consolidated statement of financial position as at 30 June 2018

	Note	30 June 2018	31 December 2017 (*restated**)
Assets			
Property, plant and equipment	**7**	**410.4**	**403.9**
Goodwill	**8**	216.2	218.3
Intangible assets	**9**	144.0	146.7
Investment properties		5.1	5.3
Other non-current assets	**10**	25.2	22.9
Deferred tax assets	**19**	18.1	14.3
Total non-current assets		**819.0**	**811.4**
Inventories		22.3	22.4
Trade and other receivables	**11,20**	37.8	38.6
Corporate income tax receivables	**19**	2.3	1.0
Other current assets	**12**	35.4	29.1
Cash and cash equivalents	**13**	117.8	131.2
Total current assets		**215.6**	**222.3**
Total assets		**1 034.6**	**1 033.7**
Equity	**14**		
Share capital		21.2	0.2
Reserves		129.1	152.3
Retained earnings		204.1	190.8
Translation reserve		(30.5)	(29.6)
Equity attributable to shareholders of the parent		**323.9**	**313.7**
Non-controlling interests		9.2	8.4
Total equity		**333.1**	**322.1**
Liabilities			
Interest-bearing loans and borrowings	**15,20**	397.5	433.8
Finance lease liabilities		1.5	1.7
Employee benefits liability	**16**	1.4	3.0
Provisions		9.5	9.4
Deferred tax liability	**19**	26.0	27.1
Other non-current liabilities		7.7	5.9
Total non-current liabilities		**443.6**	**480.9**
Interest-bearing loans and borrowings	**15,20**	69.2	37.8
Finance lease liabilities		0.4	0.4
Trade and other accounts payable	**17**	180.5	186.7
Corporate income tax liabilities	**19**	7.8	5.8
Total current liabilities		**257.9**	**230.7**
Total liabilities		**701.5**	**711.6**
Total equity and liabilities		**1 034.6**	**1 033.7**

** The restatement was described in the note 26 to the Condensed Consolidated Financial Statements for 6 months ended 30 June 2018.*

(all figures in EUR millions unless stated otherwise)

Condensed consolidated statement of cash flows for 6 months ended 30 June 2018

	Note	6 months ended	
		30 June 2018	**30 June 2017** (*restated**)
Cash flows from operating activities			
Profit before tax from continued operations		17.4	17.6
Adjustments for:			
Amortisation		5.7	4.6
Depreciation		38.1	32.1
Interest expense, net		5.5	4.3
Foreign exchange result		0.1	1.1
(Gain)/loss on disposal of property, plant and equipment and intangibles		(0.1)	0.5
Impairment of property, plant and equipment and intangibles		5.0	1.5
Share-based payments expenses		3.6	2.4
Other		(1.8)	-
Working capital changes:	**13**		
Increase in trade and othe receivables		(0.5)	(3.6)
Increase in inventories		(0.3)	(0.1)
Increase in other assets		(6.6)	(1.4)
Decrease in payables and other liabilities		(4.0)	(12.1)
Decrease in other provisions and employee benefits		(0.7)	(4.0)
Income tax paid		(7.2)	(1.4)
Net cash provided by operating activities		**54.2**	**41.5**
Cash flows from investing activities			
Net cash outflows on acquisition		(5.1)	(22.3)
Prepayment for the acquisition of restaurants		-	(4.5)
Acquisition of property, plant and equipment		(58.6)	(47.4)
Acquisition of intangible assets		(3.7)	(1.9)
Net cash used in investing activities		**(67.4)**	**(76.1)**
Cash flows from financing activities			
Proceeds from share transfers (employees options)		0.5	0.9
Expense on acquisition of treasury shares (employees options)		(0.8)	(10.8)
Expense on settlement of employee stock options in cash		(0.8)	(0.8)
Proceeds from loans and borrowings	**15**	2.2	68.2
Repayment of loans and borrowings	**15**	(1.6)	-
Interest paid	**15**	(5.4)	(4.5)
Interest received		0.3	0.3
Transactions with non-controlling interest		1.9	(13.3)
Repayment of finance lease payables		(0.2)	(0.1)
Net cash provided by/(used in) financing activities		**(3.9)**	**39.9**
Net change in cash and cash equivalents		**(17.1)**	**(5.3)**
Effect of foreign exchange rate movements		3.7	4.8
Balance sheet change of cash and cash equivalents		(13.4)	10.1
Cash and cash equivalents, beginning of period		131.2	66.1
Cash and cash equivalents, end of period	**13**	**117.8**	**76.2**

** The restatement was described in the note 26 to the Condensed Consolidated Financial Statements for 6 months ended 30 June 2018.*

(all figures in EUR millions unless stated otherwise)

Condensed consolidated statement of changes in equity for 6 months ended 30 June 2018

	Attributable to owners of AmRest Holdings SE							
		Reserves						
	Share capital	Treasury shares	Other reserved capital	Retained Earnings	Translation reserve	**Total**	Non-controlling interest	**Total Equity**
As at 1 January 2018 *(restated*)*	**0.2**	**(10.6)**	**162.9**	**190.8**	**(29.6)**	**313.7**	**8.4**	**322.1**
COMPREHENSIVE INCOME								
Net profit for the period	-	-	-	13.3	-	13.3	(1.2)	12.1
Currency translation differences	-	-	-	-	(0.9)	(0.9)	0.1	(0.8)
Net investment hedges valuation	-	-	(6.8)	-	-	(6.8)	-	(6.8)
Deferred tax related to net investment hedges	-	-	1.3	-	-	1.3	-	1.3
Total Comprehensive Income	**-**	**-**	**(5.5)**	**13.3**	**(0.9)**	**6.9**	**(1.1)**	**5.8**
TRANSACTION WITH NON-CONTROLLING INTERESTS								
Equity attributable to non-controlling interests	-	-	-	-	-	-	1.9	1.9
Dividends allocated to non-controlling shareholders	-	-	-	-	-	-	-	-
Total transactions with non-controlling interests	**-**	**-**	**-**	**-**	**-**	**-**	**1.9**	**1.9**
TRANSACTION WITH EQUITY HOLDERS OF THE PARENT								
Share capital increase from share premium	21.0	-	(21.0)	-	-	-	-	-
Purchase of treasury shares	-	(0.8)	-	-	-	(0.8)	-	(0.8)
Value of disposed treasury shares	-	3.5	(3.5)	-	-	-	-	-
Employee stock option plan – value of employee benefits exercised in the period	-	-	2.2	-	-	2.2	-	2.2
Employee stock option plan – proceeds from employees for transferred shares	-	-	0.5	-	-	0.5	-	0.5
Employee stock option plan – change in unexercised options	-	-	1.5	-	-	1.5	-	1.5
Change of deferred tax related to unexercised employee benefits	-	-	(0.1)	-	-	(0.1)	-	(0.1)
Total transactions with equity holders	**-**	**2.7**	**(20.4)**	**-**	**-**	**3.3**	**-**	**3.3**
As at 30 June 2018	**21.2**	**(7.9)**	**137.0**	**204.1**	**(30.5)**	**323.9**	**9.2**	**333.1**

** The restatement was described in the note 26 to the Condensed Consolidated Financial Statements for 6 months ended 30 June 2018.*

(all figures in EUR millions unless stated otherwise)

Condensed consolidated statement of changes in equity for 6 months ended 30 June 2018 (cont.)

	Attributable to owners of AmRest Holdings SE							
		Reserves						
	Share capital	Treasury shares	Other reserved capital	Retained Earnings	Translation reserve	**Total**	Non-controlling interest	**Total Equity**
As at 1 January 2017 *(restated*)*	**0.2**	**(2.5)**	**165.2**	**147.9**	**(15.1)**	**295.7**	**16.2**	**311.9**
COMPREHENSIVE INCOME								
Net profit for the period	-	-	-	12.6	-	12.6	0.5	13.1
Currency translation differences	-	-	-	-	(8.9)	(8.9)	(2.5)	(11.4)
Net investment hedges valuation	-	-	8.3	-	-	8.3	-	8.3
Deferred tax related to net investment hedges	-	-	(1.6)	-	-	(1.6)	-	(1.6)
Total Comprehensive Income	**-**	**-**	**6.7**	**12.6**	**(8.9)**	**10.4**	**(2.0)**	**8.4**
TRANSACTION WITH NON-CONTROLLING INTERESTS								
Acquisition of non-controlling interest	-	-	(7.0)	-	-	(7.0)	(6.1)	(13.1)
Total transactions with non-controlling interests	-	-	(7.0)	-	-	(7.0)	(6.1)	(13.1)
TRANSACTION WITH SHAREHOLDERS								
Purchase of treasury shares	-	(10.8)	-	-	-	(10.8)	-	(10.8)
Value of disposed treasury shares	-	8.7	(8.7)	-	-		-	-
Employee stock option plan – value of employee benefits exercised in the period	-	-	2.4	-	-	2.4	-	2.4
Employee stock option plan – proceeds from employees for transferred shares	-	-	0.3	-	-	0.3	-	0.3
Employee stock option plan – change in unexercised options	-	-	(0.4)	-	-	(0.4)	-	(0.4)
Effect of modification of employee stock option plan	-	-	0.5	-	-	0.5	-	0.5
Change of deferred tax related to unexercised employee benefits	-	-	(0.1)	-	-	(0.1)	-	(0.1)
Total transactions with equity holders	**-**	**(2.1)**	**6.0**	**-**	**-**	**(8.1)**	**-**	**(8.1)**
As at 30 June 2017 *(restated*)*	**0.2**	**(4.6)**	**158.9**	**160.5**	**(24.0)**	**291.0**	**8.1**	**299.1**

** The restatement was described in the note 26 to the Condensed Consolidated Financial Statements for 6 months ended 30 June 2018.*

Notes to the Condensed Consolidated Financial Statements

1. Corporate information

AmRest Holdings SE ("Company", "AmRest") was established in the Netherlands in October 2000. On 19 September 2008 the Commercial Chamber in Amsterdam registered the change in the legal status of the Company to a European Company (Societas Europaea) and of its name to AmRest Holdings SE. Since March 2018 the Company register office's address is Enrique Granados 6, 28224 Pozuelo de Alarcón (Madrid), Spain. Previously, the Company had a registered office in Wroclaw, Poland.

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

The Group's core activity is operating Kentucky Fried Chicken ("KFC"), Pizza Hut ("PH"), Burger King ("BK") and Starbucks ("SBX") restaurants through its subsidiaries in Poland, Czech Republic (further Czechia), Hungary, Slovakia, Russia, Serbia, Croatia, Bulgaria, Romania, Germany, France, Austria, Slovenia and Spain, on the basis of franchises granted. Starting from 1 October 2016 the Group as a master-franchisee has the right to grant a licence to third parties to operate Pizza Hut Express and Pizza Hut Delivery restaurants (sub-franchise) in countries of Central and Eastern Europe, while ensuring a certain share of restaurants operated directly by AmRest. Pizza Hut restaurants acquired in France in May 2017, in Germany in July 2017 and in Russia in June 2018 are operated both by AmRest and its sub-franchisees. In Spain, France, Germany and Portugal the Group operates its own brands La Tagliatella, Trastevere and il Pastificio. This business is based on own restaurants and the franchise agreements signed with non-related companies. It is supported by the central kitchen based in Spain which produces and delivers products to the whole network of own brands. Additionally, the Group operates its own brands Blue Frog (in China, Spain and Poland) and KABB (in China).

As at the date of release of this half year report, that is 21 September 2018, the Group operates 1 799 restaurants.

These Condensed Consolidated Financial Statement were not a subject of an audit but a review performed by the independent auditor and were approved by the Company's Board of Directors on 21 September 2018.

The Group operates its restaurants mainly on a franchise basis. However being master-franchisee and performing business through own brands become more important. The table below shows the terms and conditions of cooperation with franchisors and franchisees of particular brands operated by AmRest as at 30 June 2018.

Activity performed based on franchise agreement

Brand	KFC	Pizza Hut Dine-In	Pizza Hut Express, Delivery	Burger King	Starbucks [1)]
Franchisor/Partner	KFC Europe Sarl (US Branch)	PH Europe Sarl (US Branch)	PH Europe Sarl (US Branch)	Burger King Europe GmbH	Starbucks Coffee International, Inc/Starbucks EMEA Ltd., Starbucks Manufacturing EMEA B.V.
Area covered by the agreement	Poland, Czechia, Hungary, Bulgaria, Serbia, Croatia, Russia, Spain, Germany, France, Austria, Slovenia	Poland	Opened restaurants: Poland, Czechia, Hungary, France, Russia, Germany. Possibility of opening in: Bulgaria, Serbia, Croatia, Slovakia, Slovenia	Poland, Czechia, Bulgaria, Slovakia	Poland, Czechia, Hungary, Romania, Bulgaria, Germany, Slovakia Possibility of opening in Serbia
Term of agreement	10 years with possibility of extension for a further 10 years	10 years with possibility of extension for a further 10 years	10 years with possibility of extension for a further 10 years	Poland, Czechia, Bulgaria – 20 years or 10 years [5)]	15 years, possibility of extension for a further 5 years; in Romania till 10 October 2023 16 years, in Bulgaria till 1 October 2027 20 years
Preliminary fee	up to USD 51.2 thousand [2)]	up to USD 51.2 thousand [2)]	USD 25.6 thousand [2)]	USD 50 thousand or USD 25 thousand in Czechia – USD 60 thousand [5)]	USD 25 thousand
Franchise fee	6% of sales revenues [3)]	6% of sales revenues [3)]	6% of sales revenues [3)]	5% of sales revenues in Czechia (for 5 restaurants) 3% of sales revenues for first 5 years, than 5%	6% of sales revenues
Marketing costs	5% of sales revenues	5% of sales revenues	21 June 2017 – 31 December 2021 6% of sales revenues; 1 January 2022 – 31 December 2026 5% of sales revenues; 6% later on 3)	5% of sales revenues, in Czechia 3% of sales revenues for first 5 years, than 5% [4)]	amount agreed each year

(all figures in EUR millions unless stated otherwise)

Activity performed through own brands

Brand	La Tagliatella	Blue Frog	KABB
Area of the activity	Spain, France, Germany, Portugal	China, Spain, Poland	China

Activity performed based on master-franchise agreement (the right to grant a license to third parties)

Brand	Pizza Hut Dine-In	Pizza Hut Express, Delivery	La Tagliatella
Partner	Yum Restaurants International Holdings LLC	PH Europe S.à.r.l., (US Branch), Yum Restaurants International Holdings LLC	Own brand
Area covered by the agreement	Germany, Russia, Armenia and Azerbaijan	Germany, France, CEE (Bulgaria, Hungary, Czechia, Poland, Slovakia, Slovenia, Serbia, Croatia), Russia, Armenia and Azerbaijan	Spain, France, Monaco
Term of agreement	10 years with possibility of extension	10 years with possibility of extension	10 years with possibility of extension

Explanations:

1) AmRest Group took up 82% and Starbucks 18% of the share capital of the newly-established companies in Poland, Czechia and Hungary. Starting from the ninth year Starbucks has an unconditional option of increasing its shares to a maximum of 50%. In the event of a disputed take-over or change of control over the Company and/or its shareholders, Starbucks will be entitled to increase its share to 100% by purchasing shares from the Group. According to the Group's assessment as at the day of this report issuance, there are no indicators making the mentioned above options realisable. The Group acquired 100% of shares in Romanian and Bulgarian entities being the sole operators on these markets. In Germany the Group acquired 100% of shares in a key operator on this market.

2) The fee is revalorised at the beginning of each calendar year by the inflation rate.

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

4) Marketing expenses for the Burger King brand amount to 2.5% of the sales revenues over the first 2 years of operation, 2% in the third year and 5% in consecutive years of operation.

5) Validity period of franchisee agreement, therefore licenses for Burger King restaurants opened in Poland in period from 1 March 2009 till 30 June 2010, and also for newly-opened restaurants in Poland was extended from 10 to 20 years since date of restaurant opening, however without the option of prolongation for the next 10 years, which was provided in the original development agreement with AmRest Sp. z o.o. In relation to restaurants opened in Poland in the period from 1 March 2009 to 30 June 2010 and in relation to restaurants opened after this period (for franchise agreements for 20 years) the initial franchise payment was increased from USD 25.000 to USD 50.000.

(all figures in EUR millions unless stated otherwise)

2. Going concern assumption

The Condensed Consolidated Financial Statements for 6 months ended 30 June 2018 have been prepared on the assumption that the Group companies will continue as a going concern in the foreseeable future. As at the date of authorisation of these Condensed Consolidated Financial Statements, the parent company's Board of Directors is not aware of any facts or circumstances that would indicate a threat to the continued activity of the Group.

Financing available under credit agreement signed on 5 October 2017 between AmRest Holdings SE, AmRest Sp. z o.o. and AmRest s.r.o. and Bank Polska Kasa Opieki S.A., Powszechna Kasa Oszczędności Bank Polski S.A., ING Bank Śląski S.A. and Česká spořitelna, a.s. does not have any debt maturing in the next 12 months. The funds for refinancing of Polish bonds, maturing on 30 June 2018 and 30 September 2019 are available under Tranche E granted by the banks on 14 June 2018.

3. 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 how business is analysed and adjust it accordingly to changing the Group structure as a consequence of strategic decisions. Operating segments are set on the basis of management reports used by the Board of Directors during making strategic decisions. The Board of Directors analysis the Group's performance in geographic breakdown.

As at 30 June 2018 and as at the date of this Report the Board of Directors defines segments in the layout presented below:

Segment	Description
Central and Eastern Europe (CEE)	Restaurant operations in: ■ Poland - KFC, Pizza Hut, Starbucks, Burger King, Blue Frog, ■ Czechia - KFC, Pizza Hut, Starbucks, Burger King, ■ Hungary - KFC, Pizza Hut, Starbucks, ■ Bulgaria - KFC, Starbucks, Burger King, ■ Croatia, Austria, Slovenia and Serbia - KFC, ■ Romania, Slovakia – Starbucks.
Western Europe	Restaurant operations together with supply chain and franchise activity in: ■ Spain - KFC, La Tagliatella, Blue Frog, ■ France - KFC, Pizza Hut, La Tagliatella, ■ Germany - Starbucks, KFC, Pizza Hut, La Tagliatella, ■ Portugal - La Tagliatella.
China	Blue Frog and KABB restaurant operations in China.
Russia	KFC and Pizza Hut restaurant operations in Russia.
Unallocated	Asset and liability balances non-allocated to segments (including borrowings and lease liabilities), transactions of SCM sp. z o.o. and its subsidiaries, Restaurant Partner Polska, AmRest Holdings SE, AmRest Capital Zrt, AmRest Finance Zrt and financial costs and incomes, income tax, net income from continued operation, total net income.

	CEE	Western Europe	Russia	China	Unallocated	Total
6 months ended 30 June 2018						
Total segment revenue	335.9	250.3	81.7	35.4	8.3	711.6
Inter-segment revenue	-	-	-	-	-	-
Revenue from external customers	**335.9**	**250.3**	**81.7**	**35.4**	**8.3**	**711.6**
EBITDA	**46.6**	**22.2**	**10.4**	**4.4**	**(9.6)**	**74.0**
Capital investment*	35.6	23.9	5.9	2.8	0.2	68.4
6 months ended 30 June 2017 *(restated)*						
Total segment revenue	281.8	173.7	67.5	31.1	6.2	560.3
Inter-segment revenue	-	-	-	-	-	-
Revenue from external customers	**281.8**	**173.7**	**67.5**	**31.1**	**6.2**	**560.3**
EBITDA	**39.9**	**15.4**	**6.9**	**3.7**	**(3.5)**	**62.4**
Capital investment*	27.3	25.6	7.2	2.4	0.2	62.7
30 June 2018						
Total segment assets	336.2	494.5	106.2	51.9	45.8	1 034.6
Goodwill	8.2	148.0	38.6	20.1	1.3	216.2
Deferred tax assets	6.6	7.6	-	0.4	3.5	18.1
Total segment liabilities	83.2	86.2	13.6	10.7	507.8	701.5
31 December 2017 *(restated)*						
Total segment assets	344.4	485.0	101.9	48.2	54.2	1 033.7
Goodwill	8.5	147.8	40.6	20.0	1.4	218.3
Deferred tax assets	4.8	5.4	-	0.4	3.7	14.3
Total segment liabilities	94.7	85.7	9.2	10.9	511.1	711.6

**Capital investment comprises increases and acquisition in property, plant and equipment, intangible assets, adjusted for change in investment liabilities.*

	6 months ended	
	30 June 2018	**30 June 2017** (*restated*)
EBITDA	**74.0**	**62.4**
Depreciation	(38.1)	(32.1)
Amortisation	(5.7)	(4.6)
Impairment of assets	(5.8)	(1.6)
Finance income	0.3	0.3
Finance costs	(7.3)	(6.8)
Profit before income tax from continuing operations	**17.4**	**17.6**

Value of assets and liabilities and results of given reporting segments have been established on the basis of the Group accounting policies, compliant with the policies applied for preparation of these Condensed Consolidated Financial Statements.

(all figures in EUR millions unless stated otherwise)

4. Business combinations in 6 months ended 30 June 2018

New acquisitions

Acquisition of Pizza Hut restaurants in Russia and signing of master franchise agreement

DESCRIPTION OF THE ACQUISITION

On 30 April 2018 AmRest signed assets sale and transfer agreement (the "APA") between AmRest and Pizza Hut Europe S.à.r.l. under the terms of APA AmRest acquires operating assets of 16 PH restaurants in the Russian market. On 1 June 2018 the transaction was completed. Additionally operating processes were taken over as agreed with Seller: AmRest Group re-signed employee contracts and re-signed all important operating contracts (supply chain, lease agreements ect). Consequently Group obtained control over respective PH businesses. OOO Pizza Company became the operator of 16 PH restaurants.

Within the transaction the master franchise agreement was also signed, under which AmRest becomes the exclusive master-franchisee and has the right to granting the license to the third parties to operate Pizza Hut Express and Pizza Hut Delivery restaurants (sub-franchise) in Russia, Azerbaijan and Armenia. Furthermore Group became the franchisor for 29 restaurants currently operated by multiple independent sub-franchisees in above mentioned countries.

Acquisition price amounted to RUB 18.9 million (EUR 0.3 million)

PRELIMINARY ALLOCATION OF THE ACQUISITION PRICE

The process of allocating the acquisition price to the purchased assets and acquired liabilities has not been completed due to the ongoing process of integration and verification of risks and assets portfolio. The Group has not finalised process of identification and fair valuation of acquired assets and liabilities therefore the below purchase price allocation results as at 30 June 2018 are provisional. In particular the Group is verifying and confirming fair values of acquired property plant and equipment, intangible assets and deferred revenues related to loyalty programs.

Details of preliminary established fair values of the acquired net assets, goodwill and acquisition price as at the acquisition date are presented below:

OOO Pizza Company	**Fair value** RUB million	**Fair value** EUR million
Property, plant and equipment	82.0	1.1
Intangible assets	27.2	0.4
Other non-current assets	110.6	1.5
Other current assets and inventories	47.4	0.7
Deferred tax liabilities	(8.9)	(0.1)
Payables towards seller	(142.6)	(2.0)
Loyalty program deferred revenues	(57.1)	(0.8)
Net assets acquired	**58.6**	**0.8**
Purchase price	18.9	0.3
The fair value of net assets	58.6	0.8
Preliminary gain on bargain purchase	**39.7**	**0.5**
Cash outflows on acquisition	**18.9**	**0.3**

Purchase price of EUR 0.3 million represents total amounts paid and payable to Seller with regards to the purchase of tangible assets, intangible assets, inventories, reimbursements for deposits ect. and decreased by the value of royalty rebates agreed.

The preliminary gain on bargain purchase is recognised in a deferred revenues line until the process of allocating the acquisition price to the purchased assets and acquired liabilities will be finalised.

INFLUENCE OF THE ACQUISITION ON THE CONSOLIDATED INCOME STATEMENT

As the acquisition of PH Russia business occurred in 1 June 2018, the results of acquired assets for the first five months of 2018 have not been reported in these Condensed Consolidated Financial Statements. If described above acquisition would have happened as at 1 January 2018 estimated consolidated revenues for 6 months ended 30 June 2018 would grew by EUR 2.7 million and net profit would be decreased by EUR 0.7 million. The below data are based on non-audited internal reporting packages prepared based on Russian accounting standards by previous owner. In the period of 6 months ended 30 June 2018 the acquisition cost of EUR 0.1 million related to the transaction has been recognised as general and administrative expense.

Entrance into KFC French restaurant market

In October 2017 the Group started process of acquisition of 42 KFC restaurants operating on French market from KFC France SAS. Total agreed price for the acquired restaurant business was set as EUR 39.9 million. Till the end of 2017 final agreements were signed for 37 out of 42 planned restaurants for total purchase price of EUR 33.4 million. In 2018 2 more restaurants were acquired.

Additionally, the Group acquired 5 more KFC restaurants on French market. For the purpose of the disclosure all stores are considered as one acquisition on French market.

In the first half of 2018 the Group continued the process of acquisition of KFC restaurants operating on French market from KFC France SAS. As a result, property, plant and equipment increased for EUR 4.4 million, and did not increased goodwill value significantly.

Process of acquisition of KFC stores will be continued in next quarter.

The process of allocating the acquisition price to the purchased assets and acquired liabilities has not been completed due to the ongoing process of integration and verification of risks and assets portfolio.

Change in the purchase price allocation process

Entrance into German restaurant market – acquisition of KFC restaurants

In the first quarter of 2018 AmRest Group finalised the process of tax settlement of the acquisition of 15 KFC restaurants operating in the German market and completed the purchase price allocation process.

The fair value of goodwill and deferred tax asset presented in the acquisition note in the annual consolidated financial statements as at 31 December 2017 was adjusted: goodwill was decreased by EUR 0.1 million and deferred tax asset was increased by EUR 0.1 million. The fair value of other net assets was not changed.

Adjustments introduced did not materially affect the comparative data presented in this Condensed Consolidated Financial Statements for the consolidated statement of comprehensive income; cash flows from operating, investing and financing activities in the consolidated cash flow statement and earnings per share, hence the data were note restated. Consolidated statements of financial position as at 31 December 2017 was adjusted to reflect final purchase price allocation figures.

Acquisition of Pizza Hut Delivery operator on French market

DESCRIPTION OF THE ACQUISITION

On 16 May 2017 AmRest completed the Share Purchase Agreement ("SPA") between AmRest and Top Brands NV and thereby acquired 100% shares of Pizza Topco France SAS (currently AmRest Topco France SAS).

Within the transaction the master franchisee agreement was also signed, under which AmRest becomes the exclusive master-franchisee and has the right to granting the license to the third parties to operate Pizza Hut Express and Pizza Hut Delivery restaurants (sub-franchise) in France and Monaco.

ALLOCATION OF THE ACQUISITION PRICE

In second quarter of 2018 Group finalised process of allocating the acquisition price to the purchased assets and acquired liabilities.

Below table presents comparison of preliminary purchase price allocation as presented in annual consolidated financial statements for the year ended 31 December 2017 and finally determined values.

Pizza TopCo France SAS (currently AmRest TopCo France SAS)	**Preliminary fair value** EUR million	**Final fair value** EUR million
Cash and cash equivalents	0.8	0.8
Property, plant and equipment	1.1	0.4
Intangible assets	6.2	6.2
Other non-current assets	0.1	0.1
Trade and other receivables	1.5	1.3
Inventories and other current assets	0.7	0.7
Deferred tax liabilities	(2.0)	(1.8)
Provisions	(0.4)	(0.4)
Trade and other payables	(3.3)	(3.3)
Net assets acquired	**4.7**	**4.0**
Purchase price	12.8	12.8
The fair value of net assets	4.7	4.0
Goodwill	**8.1**	**8.8**
Amount paid in cash	12.8	12.8
Acquired cash and cash equivalents	0.8	0.8
Cash outflows on acquisition	**12.0**	**12.0**

In final purchase price process allocation Group has in particular verified fair values of property plant and equipment and trade receivables acquired. Based on the purchase agreement, the Group did not acquire some of the receivables from sub- franchisees that arose prior to the takeover of control by AmRest. The Group is required to periodically verify the cash inflows from settling these invoices, and settle with previous owner of PH France business.

Group has recognised in purchase price process the value of intangible asset related to exclusive right of master- franchisee on French market in Delivery and Express area. Total fair value amounted to EUR 6 million. An asset is amortised over its useful life assessed as 10 years.

Estimates made and assumptions used are verified by independent entity specialising in such valuations. Deferred tax liability was as well recognised on respective temporary difference between tax and accounting values.

Group also considered potential recognition of other intangible assists such as favourable rental agreements, customer loyalty database and other, and did not identified any other material assets to be recognised.

Goodwill recognised on this acquisition consists mostly of synergies unidentified separately, unexploited market potential and expected economies of scale from combining the current activities of the AmRest Group and the acquired business.

Adjustments introduced did not materially affect the comparative data presented in this Condensed Consolidated Financial Statements for the consolidated statement of comprehensive income; cash flows from operating, investing and financing activities in the consolidated cash flow statement and earnings per share, hence the data were note restated. Consolidated statements of financial position as at 31 December 2017 was adjusted to reflect final purchase price allocation figures.

5. Earnings per share

The basic and diluted earnings per ordinary share for the 6 months period ended 30 June 2018 and 2017 was calculated as follows:

	6 months ended	
EPS calculation without effect of share split	**30 June 2018**	**30 June 2017** *(restated)*
Net profit attributable to shareholders of the parent	13.3	12.6
Weighted average number of ordinary shares in issue	21 213 893	21 213 893
Weighted average number of ordinary shares for diluted earnings per share	21 213 893	21 213 893
Basic earnings per ordinary share (EUR)	0.63	0.59
Diluted earnings per ordinary share (EUR)	0.63	0.59

As at the date of this report i.e. 21 September 2018 the Company is in the process of registration the share split. As the split is registered in the KDPW (a central infrastructure institution responsible for the management and supervision of the depository, clearing and settlement system on Warsaw Stock Exchange), what will happen in the nearest future, the following will occur:

- Nominal value of the Company's shares will be reduced from EUR 1.0 to EUR 0.1 each without any influence on the total share capital. 10 new shares will be declared for each one old share.
- The share capital of AmRest Holding SE consists of 212 138 930 shares, with a nominal value of EUR 0.1 each belonging to the same class and series.
- The basic and diluted earnings per ordinary share for the 6 months ended 30 June 2018 and 2017 will amount to:

	6 months ended	
EPS calculation without effect of share split	**30 June 2018**	**30 June 2017** *(restated)*
Net profit attributable to shareholders of the parent	13.3	12.6
Weighted average number of ordinary shares in issue	212 138 930	212 138 930
Weighted average number of ordinary shares for diluted earnings per share	212 138 930	212 138 930
Basic earnings per ordinary share (EUR)	0.06	0.06
Diluted earnings per ordinary share (EUR)	0.06	0.06

(all figures in EUR millions unless stated otherwise)

As at 30 June 2017 the Company had no availability to issue new shares to settle employee option plans. Settlements of the employee options plans are available through treasury stocks in a secondary market or in cash.

On 6 June 2018 Annual General Meeting adopted a resolution no 13 authorizing the Board of Directors of the Company to increase the share capital in compliance with the provisions of article 297.1.b) of the Spanish Companies Act, within a period of no more than five years, with the power to exclude the pre-emption rights on subscription in the terms of article 506 of the Companies Act, up to the maximum amount of the equivalent of 20% of the share capital at the time when the increase is authorized. Increases in share capital under this authorisation shall be carried out through the issuance and quotation of new shares (with or without a premium), the consideration for which shall be cash contributions. In each increase, the Board of Directors shall decide whether the new shares to be issued are ordinary, preferred, redeemable, non-voting or any other kind of shares among those permitted by law. Furthermore, as to all matters not otherwise contemplated, the Board of Directors may establish the terms and conditions of the share capital increases and the characteristics of the shares, and may also freely offer the new shares that are not subscribed within the period or periods for the exercise of pre-emption rights.

6. Dividends paid and received

In the period covered by these Condensed Consolidated Financial Statements the Group has paid a dividend to non-controlling interest of SCM s.r.o amounting to EUR 13 thousand (CZK 339 thousand).

7. Property, plant and equipment

The table below presents changes in the value of property, plant and equipment in 6 months ended 30 June 2018 and 2017:

2018	Land	Buildings and expenditure on development of restaurants	Machinery & equipment	Vehicles	Other tangible assets	Assets under construction	Total
Gross value							
As at 1 January 2018	**16.3**	**431.4**	**234.1**	**2.2**	**47.9**	**40.8**	**772.7**
Acquisition	-	2.1	3.3	-	0.2	-	5.6
Additions	-	25.0	15.7	0.2	6.5	8.7	56.1
Disposals	-	(2.1)	(1.0)	(0.3)	(0.1)	-	(3.5)
Foreign exchange differences	(0.2)	(12.0)	(7.0)	(0.1)	(1.6)	(1.4)	(22.3)
As at 30 June 2018	**16.1**	**444.4**	**245.1**	**2.0**	**52.9**	**48.1**	**808.6**
Accumulated depreciation							
As at 1 January 2018	**-**	**187.1**	**120.4**	**1.0**	**24.7**	**-**	**333.2**
Additions	-	18.7	14.2	0.2	5.0	-	38.1
Disposals	-	(0.5)	(0.2)	(0.2)	(0.1)	-	(1.0)
Foreign exchange differences	-	(5.9)	(4.2)	(0.1)	(0.9)	-	(11.1)
As at 30 June 2018	**-**	**199.4**	**130.2**	**0.9**	**28.7**	**-**	**359.2**
Impairment write-downs							
As at 1 January 2018	**0.1**	**25.8**	**7.1**	**-**	**0.9**	**1.7**	**35.6**
Additions	-	2.9	1.8	-	0.1	-	4.8
Disposals	-	(0.3)	(0.8)	-	-	-	(1.1)
Foreign exchange differences	-	(0.3)	-	-	-	-	(0.3)
As at 30 June 2018	**0.1**	**28.1**	**8.1**	**-**	**1.0**	**1.7**	**39.0**
Net book value							
As at 1 January 2018	**16.2**	**218.5**	**106.6**	**1.2**	**22.3**	**39.1**	**403.9**
As at 30 June 2018	**16.0**	**216.9**	**106.8**	**1.1**	**23.2**	**46.4**	**410.4**

(all figures in EUR millions unless stated otherwise)

2017 (*restated*)	Land	Buildings and expenditure on development of restaurants	Machinery & equipment	Vehicles	Other tangible assets	Assets under construction	**Total**
As at 1 January 2017	**5.2**	**349.2**	**185.0**	**1.8**	**39.6**	**21.7**	**602.5**
Acquisition	-	4.2	3.1	-	-	-	7.3
Additions	-	14.9	12.3	0.2	2.8	12.1	42.3
Disposals	-	(1.8)	(2.9)	(0.1)	(0.8)	(0.2)	(5.8)
Foreign exchange differences	(0.1)	4.4	2.8	0.1	0.6	0.1	7.9
As at 30 June 2017	**5.1**	**370.9**	**200.3**	**2.0**	**42.2**	**33.7**	**654.2**
Accumulated depreciation							
As at 1 January 2017	**-**	**149.6**	**98.7**	**0.8**	**17.5**	**-**	**266.6**
Additions	-	16.2	11.8	0.2	3.9	-	32.1
Disposals	-	(0.8)	(2.1)	(0.1)	(0.8)	-	(3.8)
Foreign exchange differences	-	2.6	1.9	-	0.4	-	4.9
As at 30 June 2017	**-**	**167.6**	**110.3**	**0.9**	**21.0**	**-**	**299.8**
Impairment write-downs							
As at 1 January 2017	**-**	**23.8**	**5.7**	**-**	**0.9**	**0.9**	**31.3**
Additions	0.2	0.5	0.3	-	-	-	1.0
Disposals	-	(1.0)	-	-	-	(0.2)	(1.2)
Foreign exchange differences	-	(0.2)	-	-	-	(0.1)	(0.3)
As at 30 June 2017	**0.2**	**23.1**	**6.0**	**-**	**0.9**	**0.6**	**30.8**
Net book value							
As at 1 January 2017	**5.2**	**175.8**	**80.6**	**1.0**	**21.2**	**20.8**	**304.6**
As at 30 June 2017	**4.9**	**180.2**	**84.0**	**1.1**	**20.3**	**33.1**	**323.6**

The depreciation was charged to the:

- costs of restaurant operations – EUR 36.4 million (prior period: EUR 30.8 million);
- franchise expenses and other – EUR 0.7 million (prior period: EUR 0.5 million);
- administrative expenses EUR 1.0 million (prior period: EUR 0.8 million).

(all figures in EUR millions unless stated otherwise)

8. Goodwill

Below table presents changes of goodwill in division of particular acquisitions as at 30 June 2018 and 30 June 2017:

2018	1 January 2018	Increases	Foreign exchange differences	30 June 2018
Czechia	1.4	-	-	1.4
Hungary	4.0	-	(0.3)	3.7
Russia	40.6	-	(2.0)	38.6
Poland	1.8	-	(0.1)	1.7
Spain	89.6	-	-	89.6
China	20.0	-	0.1	20.1
Romania	2.7	-	-	2.7
Germany	39.6	-	-	39.6
France	18.6	0.3	(0.1)	18.8
Total	**218.3**	**0.3**	**(2.4)**	**216.2**

2017 *(restated)*	1 January 2017	Increases	Foreign exchange differences	30 June 2017
Czechia	1.3	-	0.1	1.4
Hungary	4.0	-	-	4.0
Russia	21.8	-	(1.0)	20.8
Poland	0.2	-	-	0.2
Spain	89.6	-	-	89.6
China	21.3	-	(1.1)	20.2
Romania	2.8	-	(0.1)	2.7
Germany	35.1	4.4	-	39.5
France	-	8.8	-	8.8
Total	**176.1**	**13.2**	**(2.1)**	**187.2**

(all figures in EUR millions unless stated otherwise)

9. Intangible assets

The table below presents changes in the value of intangible assets in 6 months ended 30 June 2018 and 2017:

2018	Proprietary brands	Favourable leases and licence agreements	Licenses for use of Pizza Hut, KFC, Burger King, Starbucks trademarks	Other intangible assets	Relations with franchisees	Total
Gross value						
As at 1 January 2018	**69.8**	**1.6**	**34.9**	**48.7**	**43.0**	**198.0**
Acquisition	-	-	0.2	0.3	-	**0.5**
Additions	-	-	1.6	2.2	-	**3.8**
Decreases	-	-	-	(0.8)	-	**(0.8)**
Foreign exchange differences	0.1	-	(1.1)	(1.1)	-	**(2.1)**
As at 30 June 2018	**69.9**	**1.6**	**35.6**	**49.3**	**43.0**	**199.4**
Accumulated amortisation						
As at 1 January 2018	**1.2**	**1.2**	**13.5**	**21.3**	**11.9**	**49.1**
Additions	0.1	-	1.5	3.2	0.9	**5.7**
Decreases	-	-	-	(0.7)	-	**(0.7)**
Foreign exchange differences	-	-	(0.5)	(0.6)	-	**(1.1)**
As at 30 June 2018	**1.3**	**1.2**	**14.5**	**23.2**	**12.8**	**53.0**
Impairment write-downs						
As at 1 January 2018	**-**	**-**	**1.1**	**1.1**	**-**	**2.2**
Additions	-	-	0.2	-	-	**0.2**
Decreases	-	-	-	-	-	**-**
Foreign exchange differences	-	-	-	-	-	**-**
As at 30 June 2018	**-**	**-**	**1.3**	**1.1**	**-**	**2.4**
Net book value						
As at 1 January 2018	**68.6**	**0.4**	**20.3**	**26.3**	**31.1**	**146.7**
As at 30 June 2018	**68.6**	**0.4**	**19.8**	**25.0**	**30.2**	**144.0**

(all figures in EUR millions unless stated otherwise)

2017 (*restated*)	Proprietary brands	Favourable leases and licence agreements	Licenses for use of Pizza Hut, KFC, Burger King, Starbucks trademarks	Other intangible assets	Relations with franchisees	**Total**
Gross value						
As at 1 January 2017	**70.2**	**1.1**	**25.4**	**41.2**	**43.0**	**180.9**
Acquisition	-	0.5	0.4	6.1	-	**7.0**
Additions	-	-	0.9	0.9	-	**1.8**
Decreases	-	-	-	(0.1)	-	**(0.1)**
Foreign exchange differences	(0.3)	-	0.3	0.7	-	**0.7**
As at 30 June 2017	**69.9**	**1.6**	**27.0**	**48.8**	**43.0**	**190.3**
Accumulated amortisation						
As at 1 January 2017	**1.0**	**1.1**	**10.2**	**17.9**	**10.2**	**40.4**
Additions	0.1	-	1.1	2.5	0.9	**4.6**
Decreases	-	-	-	(0.1)	-	**(0.1)**
Foreign exchange differences	(0.1)	-	0.3	0.4	-	**0.6**
As at 30 June 2017	**1.0**	**1.1**	**11.6**	**20.7**	**11.1**	**45.5**
Impairment write-downs						
As at 1 January 2017	**-**	**-**	**0.5**	**0.3**	**-**	**0.8**
Additions	-	-	-	0.5	-	**0.5**
Decreases	-	-	-	-	-	**-**
Foreign exchange differences	-	-	-	0.2	-	**0.2**
As at 30 June 2017	**-**	**-**	**0.5**	**1.0**	**-**	**1.5**
Net book value						
As at 1 January 2017	**69.2**	**-**	**14.7**	**23.0**	**32.8**	**139.7**
As at 30 June 2017	**68.9**	**0.5**	**14.9**	**27.1**	**31.9**	**143.3**

Other intangible assets cover mainly exclusivity right of brand operator (in amount of EUR 14.4 million) and computer software.

Own brands with indefinite useful life value (La Tagliatella) as at 30 June 2018 was equal to EUR 65.0 million and as at 30 June 2017 EUR 65.0 million.

The amortisation was charged to the:

- costs of restaurant operations – EUR 1.9 million (prior period: EUR 1.5 million);
- franchise expenses and other – EUR 1.5 million (prior period: EUR 0.9 million);
- administrative expenses – EUR 2.3 million (prior period: EUR 2.2 million).

(all figures in EUR millions unless stated otherwise)

10. Other non-current assets

As at 30 June 2018 and 31 December 2017 the balances of other non-current assets were as follows:

	30 June 2018	**31 December 2017** (*restated*)
Prepaid rental fees	0.1	0.3
Deposits for rentals	20.6	18.8
Prepaid other services	1.0	1.1
Settlement referring to acquisition	0.6	1.1
Prepaid tax costs	-	0.4
Asset related to right to compensation resulting from the acquisition agreement (note 4)	1.6	-
Other	1.3	1.2
	25.2	**22.9**

11. Trade and other receivables

	30 June 2018	**31 December 2017** (*restated*)
Trade receivables from non-related entities	18.3	18.8
Other tax receivables	17.4	17.3
Other	6.0	5.7
Write-downs of receivables (note 20)	(3.9)	(3.2)
	37.8	**38.6**

(all figures in EUR millions unless stated otherwise)

12. Other current assets

	30 June 2018	31 December 2017 (*restated*)
Prepaid costs in respect of deliveries of utilities	2.7	0.3
Prepaid lease costs	7.7	6.0
Prepaid professional services cost	1.5	0.6
Prepaid tax costs	2.2	1.3
Assets related to a right to compensation resulting from the acquisition agreement	14.3	15.9
Other	7.2	5.1
Write-downs of other current assets	(0.2)	(0.1)
	35.4	**29.1**

13. Cash and cash equivalents

Cash and cash equivalents as at 30 June 2018 and 31 December 2017 are presented in the table below:

	30 June 2018	31 December 2017 (*restated*)
Cash at bank	105.1	113.2
Cash in hand	12.7	18.0
	117.8	**131.2**

(all figures in EUR millions unless stated otherwise)

Reconciliation of working capital changes as at 30 June 2018 and 30 June 2017 is presented in the table below:

H1 2018	**The balance sheet change**	Increase from acquisition	Recognition of capital elements in the employee share option plan	Prepayment of restaurant purchase	Change in investment liabilities	Foreign exchange differences	**Working capital changes**
Change in trade and other receivables	**0.8**	-	-	-	-	(1.3)	**(0.5)**
Change in inventories	**0.1**	-	-	-	-	(0.4)	**(0.3)**
Change in other assets	**(8.6)**	2.2	-	-	-	(0.2)	**(6.6)**
Change in payables and other liabilities	**(4.4)**	(3.3)	-	-	2.5	1.2	**(4.0)**
Change in other provisions and employee benefits	**(1.5)**	-	0.9	-	-	(0.1)	**(0.7)**

H1 2017 *(restated)*	**The balance sheet change**	Increase from acquisition	Recognition of capital elements in the employee share option plan	Prepayment of restaurant purchase	Change in investment liabilities	Foreign exchange differences	**Working capital changes**
Change in receivables	**(4.7)**	1.5	(0.6)	-	-	0.2	**(3.6)**
Change in inventories	**(0.4)**	0.3	-	-	-	-	**(0.1)**
Change in other assets	**(6.1)**	0.4	-	4.5	-	(0.2)	**(1.4)**
Change in payables and other liabilities	**(7.2)**	(4.1)	-	-	(5.2)	4.4	**(12.1)**
Change in other provisions and employee benefits	**(2.2)**	(1.3)	0.8	-	-	(1.3)	**(4.0)**

(all figures in EUR millions unless stated otherwise)

14. Equity

Share capital

On 27 April 2005 the shares of AmRest Holdings SE were floated on the Warsaw Stock Exchange ("WSE").

On 6 June 2018 at the Annual General Shareholders Meeting it was agreed that AmRest Holdings SE is allowed to start a process of application for stock market listing of its shares on the Spanish Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia. Up until the date of these Condensed Consolidated Financial Statements, such process has not been completed.

Holders of ordinary shares are authorised to receive dividend and have voting rights at the Group's General Shareholders' Meetings ("AGM") proportionate to their holdings.

At the Annual General Shareholders Meeting held on 6 June 2018 it was approved to increase the share capital up to EUR 1.0 for each share. Total increase amounts to EUR 21 001 754.07 and was approved by offsetting the share premium reserve.

The Board of Directors have considered that the execution moment of this transaction is the approval of the Shareholder's Meeting resolution. Additionally, the capital increase was registered on 20 September 2018, before the approval and publication of these Condensed Consolidated Financial Statements.

Additionally, at the Annual General Shareholders Meeting held on 6 June 2018 it was also approved to perform a share split by reducing the nominal value of the Company's shares from EUR 1.0 to EUR 0.1 each without any influence on the total share capital. The decrease of share value was approved to be done by dividing the number of outstanding shares - for each old share 10 new were declared (split).

On 31 July 2018 the Public Deed of Execution of the Capital Increase and Stock Split approved on 6 June 2018 was granted, and presented in the trade registry on 9 August 2018.

The effect of the above mentioned change will be reflected on the WSE at the date of the registration of split of shares in the KDPW.

After the above transactions the share capital of AmRest Holdings SE will consist of 212 138 930 shares, with a nominal value of EUR 0.1 each belonging to the same class and series.

Reserves

Structure of Reserves is as follows:

	Surplus over nominal value (share premium)	Impact of put option valuation	Employee options	Treasury shares	Hedges valuation influence	Transactions with non-controlling interests	**Reserves total**
As at 1 January 2018							
OTHER COMPREHENSIVE INCOME	**189.1**	**(40.7)**	**(7.8)**	**(10.6)**	**2.8**	**19.5**	**152.3**
Net investment hedges valuation	-	-	-	-	(6.8)	-	(6.8)
Deferred tax related to net investment hedges	-	-	-	-	1.3	-	1.3
Total Other Comprehensive Income	**-**	**-**	**-**	**-**	**(5.5)**	**-**	**(5.5)**
TRANSACTIONS WITH NON-CONTROLLING INTEREST							
Acquisition of non-controlling interest	-	-	-	-	-	-	-
Total Transactions with Non-controlling Interests	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TRANSACTIONS WITH SHAREHOLDERS							
Share capital increase from share premium	(21.0)	-	-	-	-	-	(21.0)
Own shares purchase	-	-	-	(0.8)	-	-	(0.8)
Proceeds from treasury shares	-	-	(3.5)	3.5	-	-	-
Employee stock option plan – value of employee benefits exercised in the period	-	-	2.2	-	-	-	2.2
Employee stock option plan – proceeds from employees for shares disposal	-	-	0.5	-	-	-	0.5
Employee stock option plan – change in unexercised options	-	-	1.5	-	-	-	1.5
Change of deferred tax related to unexercised employee benefits	-	-	(0.1)	-	-	-	(0.1)
Effect of modification of employee stock option plan	-	-	-	-	-	-	-
Total Transactions with Shareholders	**-**	**-**	**0.6**	**2.7**	**-**	**-**	**3.3**
As at 30 June 2018	**168.1**	**(40.7)**	**(7.2)**	**(7.9)**	**(2.7)**	**19.5**	**129.1**
As at 1 January 2017 *(restated)*							
OTHER COMPREHENSIVE INCOME	**189.1**	**(40.7)**	**(2.7)**	**(2.5)**	**(7.0)**	**26.5**	**162.7**
Net investment hedges valuation	-	-	-	-	8.3	-	8.3
Deferred tax related to net investment hedges	-	-	-	-	(1.6)	-	(1.6)
Total Other Comprehensive Income	**-**	**-**	**-**	**-**	**6.7**	**-**	**6.7**
TRANSACTIONS WITH NON-CONTROLLING INTEREST							
Acquisition of non-controlling interest	-	-	-	-	-	(7.0)	(7.0)
Total Transactions with Non-controlling Interests	**-**	**-**	**-**	**-**	**-**	**(7.0)**	**(7.0)**
TRANSACTIONS WITH SHAREHOLDERS							
Own shares purchase	-	-	-	(10.8)	-	-	(10.8)
Proceeds from treasury shares	-	-	(8.7)	8.7	-	-	
Employee stock option plan – value of employee benefits exercised in the period	-	-	2.4	-	-	-	2.4
Employee stock option plan – proceeds from employees for shares disposal	-	-	0.3	-	-	-	0.3
Employee stock option plan – change in unexercised options	-	-	(0.4)	-	-	-	(0.4)
Change of deferred tax related to unexercised employee benefits	-	-	(0.1)	-	-	-	(0.1)
Effect of modification of employee stock option plan	-	-	0.5	-	-	-	0.5
Total Transactions with Shareholders	**-**	**-**	**(6.0)**	**(2.1)**	**-**	**-**	**(8.1)**
As at 30 June 2017 *(restated)*	**189.1**	**(40.7)**	**(8.7)**	**(4.6)**	**(0.3)**	**19.5**	**154.3**

(all figures in EUR millions unless stated otherwise)

Hedges valuation influence

As at 30 June 2018 within the EUR denominated debt, a bank loan of EUR 220 million has been hedging net investment in Hungarian subsidiary AmRest Capital ZRT and in the Spanish subsidiaries. The EUR denominated debt, hedged the Group against the foreign currency risk resulting from revaluations of net assets. Within the PLN denominated debt, PLN 280 million (EUR 64.0 million) has been hedging net investment in Poland. Gains or losses arising from the translation of the liability at the relevant exchange rate at the end of the period are charged to reserve capital in order to offset gains or losses on translation of the net investment in subsidiaries. During the period of 6 months ended 30 July 2018 hedge was fully effective.

As at 30 June 2018 accumulated value of currency revaluation recognised in reserve capital (resulted from net investment hedges) amounted to EUR 6.8 million and deferred tax concerning this revaluation EUR 1.3 million.

Foreign exchange differences on translation

Foreign exchange differences on translation cover all the foreign exchange differences resulting from the translation of the financial statements of the Group's foreign operations into euro.

15. Borrowings

Long-term	**30 June 2018**	**31 December 2017** (*restated*)
Bank loans	294.9	299.5
Bonds and SSD	102.6	134.3
	397.5	**433.8**

Short-term	**30 June 2018**	**31 December 2017** (*restated*)
Bank loans	4.0	1.7
Bonds	65.2	36.1
	69.2	**37.8**

(all figures in EUR millions unless stated otherwise)

Bank loans and bonds

Currency	Lender/ bookbuilder	Effective interest rate	30 June 2018	31 December 2017 (*restated*)
PLN	Syndicated bank loan	3M WIBOR+margin	67.9	30.1
EUR	Syndicated bank loan	3M EURIBOR/fixed +margin	219.0	259.6
CZK	Syndicated bank loan	3M PRIBOR+margin	9.0	9.2
PLN	Bonds 5 – years (issued in 2013 & 2014)	6M WIBOR+margin	65.2	68.4
EUR	Schuldscheinedarlehen Bonds	6M EURIBOR/fixed +margin	102.6	102.0
EUR	Bank Loans Germany	EURIBOR+margin	0.4	-
CNY	Bank loan – China	Fixed	2.6	2.3
			466.7	**471.6**

Bank loans comprise mainly investment loans bearing a variable interest rate based on reference rates WIBOR, PRIBOR and EURIBOR. Exposure of the loans to interest rate risk and contractual dates for changing the interest rates occur in 3 month cycles.

On 5 October 2017 a Credit Agreement („the Agreement") between AmRest Holdings SE, AmRest Sp. z o.o. and AmRest s.r.o. – jointly „the Borrowers" and Bank Polska Kasa Opieki S.A., Powszechna Kasa Oszczędności Bank Polski S.A., ING Bank Śląski Polska S.A. and Česká spořitelna, a.s. – jointly „the Lenders" was signed. AmRest Sp. z o.o. and AmRest s.r.o. are fully owned by AmRest Holdings SE.

Based on the Agreement the Lenders granted to the Borrowers a credit facility in the approximated amount of EUR 430 million, app. PLN 1 848 million (tranche A-D granted at the moment of signing the contract), which might be increased by amount of EUR 148 million, app. PLN 623 million (what stands for tranche E-F) upon fulfilment of certain conditions. Final repayment date bank financing is 30 September 2022.

The facility is dedicated for repayment of the obligations under the credit agreement signed 10 September 2013 along with further annexes, financing development activities of AmRest and working capital management.

The facility (available as at the day of signing the contract) consists of four tranches:

- tranche A in maximum amount of EUR 250 million,
- tranche B in maximum amount of PLN 300 million,
- tranche C in maximum amount of CZK 300 million,
- tranche D granted as a revolving credit facility in amount of PLN 450 million.

Additionally, two more tranches might be granted:

- tranche E – PLN 280 million that might be used for Polish bonds repayment,
- tranche F – PLN 350 million that might be used for general corporate purpose, including development activities.

(all figures in EUR millions unless stated otherwise)

All Borrowers bear joint liability for any obligations resulting from the Agreement.

Majority of the facility is provided at variable interest rate and a part of tranche A is provided on fixed rate.

AmRest is required to maintain certain ratios at agreed levels, in particular, net debt/EBITDA is to be held below 3.5 and EBITDA/interest charge is to stay above 3.5 (note 20).

The effective interest rates are similar to the market rates for specific borrowings. Therefore, the fair value of the liabilities and presented above does not differ significantly from their carrying amounts.

On 14 June 2018 the Lenders increased their total commitments by granting to the Borrowers PLN 280 million as Tranche E, to be used for repayments of Polish bonds.

On 18 June 2013 bonds in the amount of PLN 140 million were issued and on 10 September 2014 another issue was completed, also for PLN 140 million. Both issues were completed under agreement signed with Pekao S.A. on 22 August 2012.

Bonds were issued with variable interest rate 6M WIBOR increased by a margin and are due on 30 June 2018 and 10 September 2019, respectively. Interest is paid on semi-annual basis (30 June and 30 December) and the Group is required to maintain certain financial ratios (net debt/EBITDA, equity/total assets, EBITDA/interest charge) at levels agreed in the respective Issue Terms and Conditions. There are no additional securities on the bond issues.

As at 30 June 2018 bonds described above were presented as a short term interest-bearing loans and borrowings as:

- the bonds issued on 18 June 2013 with the maturity date falling on 30 June 2018 were redeemed on 2 July 2018,
- the bonds issued on 10 September 2014 with the maturity date falling on 10 September 2019 will be earlier redeemed on 28 September 2018.

On 7 April 2017 AmRest issued Schuldscheinedarlehen ("SSD" – debt instrument under German law) in the amount of EUR 26 million. SSD were issued on a fixed interest rate with EUR 17 million maturing on 7 April 2022 and 9 million maturing on 5 April 2024. The role of the Lead Arranger and Paying Agent was entrusted to Erste Group Bank AG and CaixaBank S.A. acted as Co-lead Arranger.

On 3 July 2017 AmRest finalised another issue of Schuldscheindarlehen („SSD") for the total value of EUR 75 million. The SSD interest is fixed on the following tranches: EUR 45.5 million - repayment due on 1 July 2022 and EUR 20 million - repayment due on 3 July 2024. EUR 9.5 million tranche was issued with variable interest rate and repayment date of 3 July 2024. The role of the Lead Arranger and Paying Agent was entrusted to Erste Group Bank AG with CaixaBank S.A. and Santander Bank Polska S.A. (former Bank Zachodni WBK S.A.) acting as Co-lead Arrangers.

Both issues aimed at diversifying financing sources and also allowed to diversify interest rate structure of debt. The proceeds were used for the development of the Company and refinancing of its debt. As at 30 June 2018 the payables concerning bonds issued are EUR 167.8 million.

The maturity of long- and short-term loans as at 30 June 2018 and 31 December 2017 is presented in the table below:

	31 June 2018	**31 December 2017** (*restated*)
Up to 1 year	69.2	37.8
Between 1 and 2 years	-	33.5
Between 2 and 5 years	359.0	361.8
More than 5 years	38.5	38.5
	466.7	**471.6**

The Group has the following unused, awarded credit limits as at 30 June 2018 and 31 December 2017:

	31 June 2018	**31 December 2017** (*restated*)
With floating interest rate		
- expiring within one year	-	-
- expiring beyond one year	186.9	140.3
	186.9	**140.3**

The table below presents the reconciliation of the debt:

	Loans and borrowings	**Bonds**	**SSD**	**Finance lease liabilities**	**Total**
As at 1 January 2018	**301.2**	**68.2**	**102.3**	**2.1**	**473.7**
Payment	(1.4)	-	-	(0.2)	(1.6)
Loan taken/ new contracts	2.2	-	-	-	2.2
Accrued interests	3.2	1.4	1.1	0.1	5.8
Payment of interests	(3.2)	(1.4)	(0.7)	(0.1)	(5.4)
Issuance	-	-	-	-	-
Redemption	-	-	-	-	-
FX valuation	(3.3)	(3.1)	-	-	(6.4)
Other	0.3	-	-	-	0.3
As at 30 June 2018	**298.9**	**65.1**	**102.7**	**1.9**	**468.6**

(all figures in EUR millions unless stated otherwise)

16. Employee Benefits Liabilities

During 6 months ended 30 June 2018, the Group granted additional 571 thousand options under existing programs 4 and 5. There were no new employee share options plans introduced. The costs recognised in connection with incentive programs for 6 months ending 30 June 2018 and 2017 respectively are presented below:

	6 months ended	
	30 June 2018	**30 June 2017** (*restated*)
Employee share option plan 2	1.7	2.0
Employee share option plan 3	-	0.1
Employee share option plan 4	0.6	0.1
Employee share option plan 5	1.3	0.3
Value of employee benefits in local incentive programs (Spain)	-	0.3
	3.6	**2.8**

The Group recognises in reserve capital accrual for equity-settled options. The amounts as at 30 June 2018 and 31 December 2017 are presented in a table below:

	30 June 2018	**31 December 2017** (*restated*)
Reserve capital - share option plan 2	3.4	3.7
Reserve capital - share option plan 3	1.2	1.3
Reserve capital - share option plan 4	1.0	0.4
Reserve capital - share option plan 5	2.2	0.9
	7.8	**6.3**

The Group recognises liability for cash-settled options. The amounts as at 30 June 2018 and 31 December 2017 are presented in a table below:

	30 June 2018	**31 December 2017** (*restated*)
Liability for share option plan 2	1.3	2.2
Other liabilities	0.1	0.8
	1.4	**3.0**

(all figures in EUR millions unless stated otherwise)

17. Trade and other accounts payables

Trade and other accounts payables as at 30 June 2018 and 31 December 2017 cover the following items:

	30 June 2018	31 December 2017 (*restated*)
Payables to non-related entities, including:	**124.6**	**137.7**
Trade payables	63.0	74.0
Payables in respect of uninvoiced deliveries of food	8.5	8.3
Employee payables	9.5	10.2
Social insurance payables	8.2	9.0
Pre-acquisition tax settlements liability	9.7	11.3
Other tax payables	7.4	6.7
Investing and other payables	18.3	18.2
Contract liabilities - loyalty programs	**1.4**	**0.6**
Contract liabilities - gift cards	**3.2**	**3.0**
Accruals, including:	**48.5**	**43.9**
Employee bonuses	8.9	10.3
Marketing services	4.8	1.9
Holiday pay accrual	11.5	9.9
Professional services	9.3	4.4
Franchise fees	6.9	5.1
Lease cost provisions	4.3	5.4
Investment payables accrual	1.9	5.4
Other	0.9	1.5
Deferred income – short-term portion	**2.4**	**1.2**
Social fund	**0.4**	**0.3**
Total trade and other accounts payables	**180.5**	**186.7**

(all figures in EUR millions unless stated otherwise)

18. Operating leases

The Group concluded many irrevocable operating lease agreements, mainly relating to leases of restaurants. In respect of restaurants, lease agreements are concluded on an average for a period of 10 years and require a minimum notice period on termination.

The expected minimum lease fees relating to operating leases without the possibility of earlier cancellation are presented below:

	30 June 2018	31 December 2017 (*restated*)
Payable within 1 year	107.5	103.5
Payable from 1 to 5 years	320.4	302.9
Payable after 5 years	295.5	261.4
Total minimum lease payments	**723.4**	**667.8**

In respect of many restaurants (especially those in shopping malls) lease payments comprise two components: a fixed fee and a conditional fee depending on the restaurant's revenues. The conditional fee usually constitutes from 2.5% to 9% of a restaurant's revenue.

(all figures in EUR millions unless stated otherwise)

19. Taxes

	6 months ended	
	30 June 2018	**30 June 2017** (*restated*)
Current tax	(8.2)	(5.0)
Total change in deferred tax assets/liabilities	2.9	0.5
Income tax recognised in the income statement	**(5.3)**	**(4.5)**

	30 June 2018	31 December 2017 (*restated*)
Deferred tax asset		
Opening balance	14.3	10.2
Closing balance	18.1	14.3
Deferred tax liability		
Opening balance	27.1	26.7
Closing balance	26.0	27.1
Change in deferred tax assets/liabilities	**4.9**	**3.7**
Of which:		
Deferred income tax recognised in income statement	2.9	5.2
Deferred income tax regarding titles directly reported in goodwill	(0.1)	(2.5)
Deferred tax assets/liabilities directly reported in equity – hedge instruments valuation	(1.3)	2.3
Deferred tax assets/liabilities directly reported in equity – valuation of employee options	0.1	(0.6)
Foreign exchange differences	3.3	(0.7)

As at 30 June 2018 and 30 June 2017 balance of deferred tax liability was mostly caused by tax effect of temporary differences on property, plant and equipment and intangible assets.

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

(all figures in EUR millions unless stated otherwise)

Tax inspections in AmRest Sp. z o.o.

a. On 28 July 2016 in AmRest Sp. z o.o. a tax inspection began regarding VAT returns for 2014. On 11 September 2017 the Company received the tax inspection report issued by the Head of the Lower Silesia Tax Office ("Head"), which questioned the correctness of output VAT settlement for a part of operational sales revenues. The Head claimed in his decision tax liability amounting to PLN 4.3 million (EUR 1.0 million) and the amount of the return received unduly of PLN 10.2 million (EUR 2.3 million). Once both amounts are due, there will be interests charged accordingly to the Tax Ordinance Act. On 22 September 2017 the Company submitted an appeal referring to the above decision.

   On 10 October 2017 the Company received the response to the appeal which confirmed the Head's decision on that matter.

   On 7 August 2018 the Company received the final decision issued by Tax Administration Chamber which confirmed that VAT settlements were in accordance with individual tax ruling obtained by the Company and no tax liability should arise.

   Additionally in August 2018 Company has received cash resulting from submitted in 2016 VAT corrective return (with respective interests).

b. On 15 September 2016 in AmRest Sp. z o.o. a tax inspection began regarding VAT returns for the period January – September 2013.

   On 2 October 2017 the Company received the tax inspection report issued by the Lesser Poland Customs and Tax Office in Cracow ("Head"), which questioned the correctness of output VAT settlement for a part of operational sales revenues. The Head claimed in his decision the tax liability amounting to PLN 3.1 million (EUR 0.7 million) and the amount of the return received unduly of PLN 11.2 million (EUR 2.6 million). Once both amounts are due, there will be interests charged accordingly to the Tax Ordinance Act. As at the date of publication of this Report the decision is not final and has not become enforceable.

   On 16 October 2017 the Company submitted an appeal referring to the above described decision. As a result of decision issued on 17 January 2018 by the Head of the Tax Administration Chamber which revoked the decision of first instance and submitted it for further examination, another decision has been issued by the Head and Company has submitted the appeal on 15 June 2018.

c. On 28 September 2016 in AmRest Sp. z o.o. a tax inspection began on VAT returns for 2012. On 11 September 2017 the Company received a decision issued by the Head of the Lesser Poland Customs and the Tax Office in Cracow ("Head"), which questioned the correctness of output VAT settlement on a part of operational sales revenues. The Head claimed in his decision underestimated output VAT amounting to PLN 18.5 million (EUR 4.2 million). Once the amount becomes due, there will be interest charged accordingly to the Tax Ordinance Act. As at the date of publication of this Report the decision is not final and has not become enforceable.

On 16 October 2017 the Company received a response to the appeal submitted on 25 September 2017 which confirmed the Head's decision on that matter. As a result of the decision issued on 12 December 2017 by the Head of the Tax Administration Chamber which revoked the decision of first instance and submitted it for further examination, another decision has been issued by the Head and Company has submitted the appeal on 15 June 2018.

On 7 November 2017 the Company received the decision of the Head's of the Lower Silesia Tax Office on the basis of which the above decision of the Head of the Lesser Poland Customs and Tax Office became immediately enforceable. As a result, on 7 November 2017 the Company's bank account was seized in order to cover tax liabilities consisting of VAT liability for July, August and September 2012 amounting to PLN 1.3 million (EUR 0.3 million), unduly received in the December 2012 VAT return (for July 2012) in the amount of PLN 0.5 million (EUR 0.1 million), interest accrued in the amount of PLN 0.8 million (EUR 0.2 million) and enforcement costs in the amount of PLN 0.2 million (EUR 0.04 million).

On 14 November 2017 the Company submitted an appeal to that decision and administrative action taken. On 12 February 2018 the Head of the Tax Administration Chamber issued a decision upholding the decision of the first instance concerning the execution. On 19 March 2018 the Company appealed to the Local Administrative Court in this respect and on 16 August 2018 the Company received the decision of the Court stating that the complaint has been dismissed.

d. On 3 November 2016 in AmRest Sp. z o.o. a tax inspection began regarding VAT returns for August and September 2016.

   On 14 September 2017 the Company received the tax inspection report issued by the Head of the Lower Silesia Tax Office ("Head"), which questioned the correctness of output VAT settlement for a part of operational sales revenues. The Head claimed in his decision that the amount of tax difference to be refunded was exceeded by PLN 3.9 million (EUR 0.9 million) and the amount to be carried over for August was exceeded by PLN 0.6 million (EUR 0.1 million) and for September by PLN 1.1 million (EUR 0.3 million). Once both amounts become due, there will be interests charged accordingly to the Tax Ordinance Act.

   On 13 October 2017 the Company received the response to the appeal submitted on 28 September 2017 which confirmed the Head's decision on that matter.

   On 7 August 2018 the Company received the final decision issued by Tax Administration Chamber which confirmed that VAT settlements were in accordance with individual tax ruling obtained by the Company and no tax liability should arise.

   Additionally in August 2018 Company has received from tax office cash payments for VAT receivables related to described VAT settlements (with respective interests).

e. On 24 March 2017 at AmRest Sp. z o.o. a tax inspection began regarding VAT returns for December 2016. On 28 September 2017 the Company received the tax protocol and on 11 October 2017 the Company submitted its reservations.

As at the date of publication of this Report the proceedings has not been finished.

Despite lack of final decision from tax office, in August 2018 Company has received cash payments for VAT receivables related to described VAT settlements (with respective interests).

f. On 24 May 2016 in AmRest Sp. z o.o. a tax inspection began regarding VAT returns for March 2016. On 12 October 2017 the Company received the tax inspection report and on 25 October 2017 the Company submitted its reservations.

   On 20 August 2018 the Company received the decision issued by the Head of the Lower Silesia Tax and Customs Office which confirmed that VAT settlements were in accordance with individual tax ruling obtained by the Company and no tax liability should arise.

g. On 11 October 2016 at AmRest Sp. z o.o. a tax inspection began regarding VAT returns for the period January – July 2017. On 8 February 2018 the Company received the tax inspection report and on 22 February 2018 the Company submitted its reservations. On 9 March 2018 the tax authorities issued the response to the appeal upholding their decision.

   As at the date of publication of this Report the proceedings has not been finished.

   Despite lack of final decision from tax office, in August 2018 Company has received cash payments for VAT receivables related to described VAT settlements (with respective interests).

h. On 1 February 2018 at AmRest Sp. z o.o. a tax inspection began regarding VAT returns for the period August – November 2017. On 30 April 2018 the Company received the tax protocol and on 11 May 2018 the Company submitted its reservations.

   As at the date of publication of this Report the proceedings has not been finished.

   Despite lack of final decision from tax office, in August 2018 Company has received cash payments for VAT receivables related to described VAT settlements (with respective interests).

i. On 30 July 2018 at AmRest Sp. z o.o. a tax inspection began regarding VAT returns for the period December 2017 – March 2018.

   On 29 August 2018 the Company received the tax protocol and on 12 September 2018 the Company submitted its reservations.

   Despite the lack of final decision from tax office, in August 2018 Company has received from tax office cash payments for VAT receivables related to described VAT settlements (with respective interests).

In all issued decisions the tax authorities of the fist instance have indicated an incorrect classification of the operations run by the Company, with regards to the Value-Added Tax Act (sales of goods vs. sales of gastronomic services) as well as inconsistency between the actual state described in the Company’s individual binding tax rulings and the actual state (except for decision in respect to the period of March 2018 received by the Company on 20 August 2018).

The Company does not agree with the claims raised by the Head. The circumstances of the case and the allegations of the Head have been thoroughly analysed by the Company and its tax advisors, who found the Head's standpoint to be completely unjustified and against the law. In the opinion of the Company, the individual binding tax rulings issued by the Minister of Finance present a reliable and true actual state and consequently have protective power according to Article 14k and Article 14m of the Tax Ordinance Act.

Additionally, the matter of applying 5% VAT rate to the take-away segment was verified and confirmed by positive decisions issued by the Head in 2014 (inspections for October, November and December 2013).

The Company would like to draw attention to the fact that administrative courts in many cases present a standpoint consistent with the Company's. Also, the case law of the European Court of Justice presents such an approach.

According to the statement of reasons issued on 22 January 2018 by the Head of the Lower Silesia Tax and Customs Office, the reason for missing the tax proceedings deadline was the re- examination of the collected evidence in order to state a view on the correctness of VAT rate applied, taking into account the different approach in current case law of administrative courts and review bodies.

Furthermore, the Company insist that the case should be determined with application of Article 2a of the Tax Ordinance Act of 29 August 1997 (which states that, when the provisions of the law are not clear the case should be resolved in favour of the taxpayer).

The Board of Directors of the Parent analysed the risk in regards to ongoing tax inspections and assessed the risk as less than 50%. In reference to the IAS 37, point 14 in the Board of Directors' opinion there is no legal obligation and any cash outflows require a higher probability of materialisation of the risk. Therefore, the Board of Directors decided that as at 30 June 2018 and as at the date of publication of this Report there are no obligating events, so there are no grounds for booking the provisions for the aforementioned risk.

It should be noted that in fist two decisions issued by Tax Administration Chamber and in decision issued by the Head of the Lower Silesia Tax and Customs Office – as stated above - it was confirmed that individual tax ruling issued by the Minister of Finance to the Company should have protective power and there is no basis for assessment any additionnal tax.

As described above in August 2018 Company has received from tax office cash payments relating to VAT tax receivables. In total Company received over EUR 10 million of cash which is a settlement of the VAT tax receivables presented in these Condensed Consolidated Financial Statements.

j. On 23 February 2018 at AmRest Sp. z o.o. a tax inspection began regarding CIT for 2016. As at the date of publication of this Report the inspection has not been finished.

Tax inspections in other group companies

a. On 17 January 2018 at AmRest Coffee Sp. z o.o. a tax inspection began regarding VAT returns for the period December 2012 – March 2013. On 18 July 2018 tax protocol has been issued and the Company submitted its reservation within due deadline. On 13 September 2018 the Company received a decision issued by the Head of the Lesser Poland Customs and the Tax Office in Cracow ("Head"), which questioned the correctness of output VAT settlement on a part of operational sales revenues. The Head claimed in his decision underestimated output VAT amounting to PLN 185 thousands (EUR 42 thousands). Once the amount becomes due, there will be interest charged accordingly to the Tax Ordinance Act. As at the date of publication of this Report the decision is not final and has not become enforceable.

b. In September 2016 AmRest Coffee Deutschland Sp. z o.o. & Co. KG identified the products that were sold with an incorrectly applied VAT rate. This fact was presented to the tax officer who was responsible for the inspection of periods prior to the acquisition of the business by AmRest. The Company undertook to correct the VAT calculation for not lapsed.

   The corrective tax declaration were submitted and the outstanding tax liability was already paid in July 2018. Currently the Company expects a confirmation of proposed approach to possible tax returns from the German Tax Office. Once the approach is confirmed the company will file amended VAT tax returns for the period from FY 2009 through 2015 considering the (opportunity) effects resulting from the tax audit.

c. On 22 June 2017 at AmRest Topco SAS a tax inspection began regarding tax settlements for 2014 and 2015. On 11 July 2018 the Company received tax notification letter and Company will respond within deadline.

d. On 16 November 2017 at AmRest Holdings SE a tax inspection began regarding CIT for 2012. On 12 February 2018 the Company received a decision regarding the tax inspection based on which the Company submitted on 22 February 2018 a corrective tax return increasing the taxable income. The corrected amount was immaterial.

e. On 11 January 2018 at AmRest Holdings SE a tax inspection began regarding CIT for 2013. As at the date of publication of this Report the inspection has not been finished.

f. On 1 November 2017 at AmRest DE Sp. z o.o. & Co. KG a tax inspection began regarding VAT returns for August 2017. No material irregularties were noted during this tax inspection.

In the Board of Directors' opinion, there is no other contingent liabilities concerning pending audits and tax proceedings, other than stated above.

20. Financial instruments

Fair value

The carrying amount of short-term receivables, other assets, cash and cash equivalent, loans and payables is a reasonable approximation of their fair value due to their short-term settlement. According to the estimations of the Group, fair values of non-current assets and liabilities immaterially differs from their respective carrying amount.

As at 30 June 2018 the Group did not possess financial instruments measured at fair value. As at 30 June 2018 the Group did not recognise the transfers between levels of fair value valuations.

Risk management

The Group is exposed to several financial risks in connection with its activities, including: the risk of market fluctuations (covering the foreign exchange risk and risk of changes in interest rates), risk related to financial liquidity and – to a limited extent – credit risk. The risk management program implemented by the Group is based on the assumption of the unpredictability of the financial markets and is used to maximally limit the impact of negative factors on the Company's financial results. Risk management is based on procedures approved by the Board of Directors.

Credit risk

Financial instruments held by the Group especially exposed to credit risk include cash and cash equivalents and trade and other receivables. The Group invests cash and cash equivalents with highly reliable financial institutions. There is no significant concentration of credit risk in respect of trade and other receivables due to the fact that sales are based mainly on cash and credit card payments. The Group increased an impairment of the Group's receivables exposed to credit risk in amount of EUR 0.8 million. The maximum credit risk exposure amounts to EUR 155.6 million.

The ageing break-down of receivables and receivable write-downs as at presents the table below:

	Current	Overdue in days				Total
		<90	**91 - 180**	**181 - 365**	**>365**	
Trade and other receivables	32.6	1.3	2.8	0.9	4.1	**41.7**
Receivable write-downs	(0.1)	(0.4)	-	(0.1)	(3.3)	**(3.9)**
Total	**32.5**	**0.9**	**2.8**	**0.8**	**0.8**	**37.8**

(all figures in EUR millions unless stated otherwise)

Value of impairment provisions for receivables as at 30 June 2018 and 30 June 2017 presents the table below:

	30 June 2018	30 June 2017 (*restated*)
Value for the beginning of the period	**3.2**	**2.3**
Provision created	1.3	0.3
Provisions released	(0.5)	(0.2)
Provisions used	-	-
Other	(0.1)	(0.3)
Value for the end of the period	**3.9**	**2.1**

Interest rate risk

Bank borrowings drawn by the Group are most often based on fluctuating interest rates (note 15). As at 30 June 2018 the Group does not hedge against changes in cash flows resulting from interest rate fluctuations which have an impact on the results. The Group analyses the market position relating to interest on loans in terms of potential refinancing of debt or renegotiating the lending terms and conditions. The impact of changes in interest rates on results is analysed in quarterly periods.

Had the interest rates on loans denominated in Polish zlotys during the 6 months ended 30 June 2018 30 base points higher/lower, the profit before tax for the period would have been EUR 203 thousand lower/higher (2017: EUR 173 thousand).

Had the interest rates on loans denominated in Czech crowns during the 6 months ended 30 June 2018 been 30 base points higher/lower, the profit before tax for the period would have been EUR 13 thousand lower/higher (2017: EUR 19 thousand).

Had the interest rates on loans denominated in euro during the 6 months ended 30 June 2018 been 30 base points higher/lower, the profit before tax for the period would have been EUR 30 thousand lower/higher (2017: EUR 224 thousand).

Foreign exchange risk

The Group is exposed to foreign exchange risk related to transactions in currencies other than the functional currency in which the business operations are measured in particular Group companies. Foreign exchange risk results from future business transactions and recognised assets and liabilities. Moreover, lease payments related to a significant part of the Group's lease agreements are indexed to the exchange rate of EUR or USD. Nevertheless, the Group is trying to sign lease agreements in local currencies whenever possible, but many landlords require that the lease payments be indexed to EUR or to USD.

For hedging transactional risk and risk resulting from revaluation of recognised assets and liabilities Group uses derivative forward financial instruments.

(all figures in EUR millions unless stated otherwise)

Net investment foreign currency valuation risk

Group is exposed to risk of net investment valuation in subsidiaries valued in foreign currencies. This risk is hedged for key positions with use of net investment hedge.

Group applies hedging accounting for revaluation of borrowings, in EUR and PLN. Details concerning hedging on currency risk are described in note 14.

Liquidity risk

Prudent financial liquidity management assumes that sufficient cash and cash equivalents are maintained and that further financing is available from guaranteed funds from credit lines.

The table below shows an analysis of the Group's financial liabilities which will be settled in net amounts in particular ageing brackets, on the basis of the term to maturity as at the balance sheet date. The amounts shown in the table constitute contractual, undiscounted cash flows.

The maturity break-down of long- and short-term borrowings as at 30 June 2018 and 31 December 2017 presents the table below:

	30 June 2018			31 December 2017 (*restated*)		
	Loan instalments	**Interest and other charges**	**Total**	**Loan instalments**	**Interest and other charges**	**Total**
Up to 1 year	70.1	12.6	82.7	37.8	12.4	50.2
1 - 2 years	-	14.6	14.6	33.5	12.5	46.0
2 - 5 years	360.2	31.8	392.0	364.2	23.2	387.4
More than 5 years	38.5	1.3	39.8	38.5	1.2	39.7
Payable gross value	**468.8**	**60.3**	**529.1**	**474.0**	**49.3**	**523.3**
Not amortised loan cost	(2.1)	-	(2.1)	(2.4)	-	(2.4)
Payable net value	**466.7**	**60.3**	**527.0**	**471.6**	**49.3**	**520.9**

Capital risk

The Group manages capital risk to protect its ability to continue in operation, so as to enable it to realise returns for its shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce its cost. Financing at the level of 3.5 of yearly EBITDA is treated as acceptable target and safe level of capital risk.

The Group monitors capital using the leverage ratio. The ratio is calculated as net debt to the value of EBITDA. Net debt is calculated as the sum of borrowings (comprising loans and advances, and finance lease liabilities) net of cash and cash equivalents. EBITDA is calculated as the annualised profit from operations before interest, taxes, depreciation and amortisation and impairment.

(all figures in EUR millions unless stated otherwise)

The Group's leverage as 30 June 2018 and 31 December 2017 was as follows:

	Note	30 June 2018	31 December 2017 (*restated*)
Total borrowings	**15**	466.7	471.6
Finance lease liabilities		1.9	2.1
Less: cash and cash equivalents	**13**	(117.8)	(131.2)
Net debt		350.8	342.5
Annualised income from operating activity before interests, tax, depreciation, gain/loss on fixed assets sale and impairment (EBITDA according to the bank agreement)		160.2	152.2
Leverage ratio		2.2	2.2

21. Future commitments and contingent liabilities

In accordance with the franchise agreements signed with franchisors, the Group is obliged to periodically improve the standard, modify, renovate and replace all or parts of its restaurants or their installations, marking or any other equipment, systems or inventories used in restaurants to make them compliant with the current standards. The agreements require no more than one thorough renovation of all installations, markings, equipment, systems and inventories stored in the back of each restaurant to comply with the current standards, as well as no more than two thorough renovations of all installations, markings, equipment, systems and inventories stored in the dining rooms of each of the restaurants during the period of a given franchise agreement or the period of potential extension of the agreement. The expenses for the purpose forecast by the Group amount to ca. 1.5% of annual sales from the restaurants' operations in the future periods.

Other future commitments resulting from the agreements with the Burger King, Starbucks and the current and future franchise agreements were described in note 1.

According to Group Management the above-mentioned requirements are fulfilled and any discrepancies are communicated to third parties, mitigating any potential risks affecting business and financial performance of the Group.

With regards to credit agreement described in note 15 the following Group entities provided surety: AmRest Kaffee sp. z o.o., AmRest Coffee Deutschland Sp. z o.o. & Co.KG, AmRest DE Sp. z o.o. & Co.KG, AmRest Capital ZRT., AmRest KFT, OOO AmRest, AmRest Tag, S.L.U., Amrestavia, S.L.U., Restauravia Grupo Empresarial, S.L., Restauravia Food, S.L.U., Pastificio Service, S.L.U., AmRest Coffee SRL and Chicken Yug Limited Liability Company for the following banks Bank Polska Kasa Opieki S.A., Powszechna Kasa Oszczędności Bank Polski S.A., Česka Sporitelna a.s., ING Bank Śląski S.A. in amount of EUR 375 million, PLN 1 544.5 million (EUR 353.2 million), CZK 450 million (EUR 17.3 million) till the date of debt payment however not later than 5 October 2025.

(all figures in EUR millions unless stated otherwise)

22. Transactions with related entities

	30 June 2018	31 December 2017 (*restated*)
Trade and other receivables from related entities		
MPI Sp. z o. o.	-	-
Trade and other payables to related entities		
MPI Sp. z o. o.	-	-

	6 months ended	
	30 June 2018	30 June 2017 (*restated*)
Sales of goods for resale and services		
MPI Sp. z o. o.	-	-
Purchase of goods for resale and services		
MPI Sp. z o. o.	0.2	0.2

Other related parties

Metropolitan Properties International Sp. z o. o.

As at 31 December 2017 and 30 June 2018 Metropolitan Properties International Sp. z o.o. was a company owned by Henry McGovern. Henry McGovern entered on 31 December 2016 Supervisory Board of AmRest Holdings SE and as at 30 June 2018 was a member of the Board of Directors of AmRest Holdings SE.

Company Metropolitan Properties International Sp. z o.o is involved in activities related to real estate. The Group leases from Metropolitan Properties International Sp. z o.o three restaurants on conditions similar to those lease agreements concluded with third parties. Rental fees and other charges paid to MPI amounted to EUR 0.2 million and EUR 0.2 million in a period of 6 months ending 30 June 2018 and 2017 respectively.

Group shareholders

As at 30 June 2018, FCapital Dutch B.V. was the largest shareholder of AmRest and held 56.38% of its shares and voting rights, and as such was its related entity. No transactions with FCapital Dutch B.V. related parties were noted.

(all figures in EUR millions unless stated otherwise)

Transactions with the Top Management/Board of Directors

The remuneration of the Board of Directors of AmRest Holdings SE paid by the Group was as follows:

	6 months ended	
	30 June 2018	**30 June 2017** (*restated*)
The Board of Directors' and the Top Management's remuneration paid directly by the Group	1.7	1.4
Total remuneration paid to the Board of Directors' and the Top Management	**1.7**	**1.4**

The Group's key employees also participate in an employee share option plan. The costs relating to the employee option plan in respect of management amounted to EUR 1.1 million and EUR 0.3 million respectively in 6 months ended 30 June 2018 and 30 June 2017.

	6 months ended	
	30 June 2018	**30 June 2017** (*restated*)
Number of options awarded	876 266	488 066
Number of available options	250 766	248 366
Fair value of options as at the moment of awarding	16.1	5.1

As at 30 June 2018 and 31 December 2017 there were no liabilities to former employees.

(all figures in EUR millions unless stated otherwise)

23. Shareholders of AmRest Holdings SE

According to the best AmRest's knowledge as at 30 June 2018 AmRest Holdings had the following shareholder structure:

Shareholder	Number of shares and votes at the Shareholders' meeting	% of shares and votes at the Shareholders' meeting
FCapital Dutch B. V.	11 959 697	56.38%
Gosha Holding S.à.r.l	2 263 511	10.67%
Nationale-Nederlanden OFE	1 105 060	5.21%
Artal International S.C.A.	1 050 000	4.95%
Aviva OFE	701 370	3.31%
Other Shareholders	4 134 255	19.48%

** FCapital Dutch B. V. is the dominant entity of FCapital Lux (previously Cullinan S.à.r.l.) (holding 5 232 907 AmRest shares) and the subsidiary of Finaccess Capital, S.A. de C.V. Grupo Finacces SAPI de CV is the directly dominant entity of Finaccess Capital, S.A. de C.V. and a subsidiary of Grupo Far-Luca, S.A. de C.V. The directly dominant person of Grupo Far-Luca, S.A. de C.V., Mr. Carlos Fernández González, is a member of the AmRest Board of Directors.*

*** Gosha Holding S.à.r.l. is a person closely associated with Mr. Henry McGovern and Mr. Steven Kent Winegar Clark – members of the AmRest Board of Directors.*

According to the best AmRest's knowledge as at the date of this Report the AmRest Holdings' shareholders structure remains the same.

24. Seasonality of sales

In the case of the AmRest Group, the seasonality of sales and inventories is not significant, which is typical to the restaurant business. The restaurants record the lowest sales in the first quarter of the year, which is attributable primarily to fewer people dining out. The highest sales are achieved in the fourth quarter mostly because of the pre-Christmas period, when particularly high sales are reported by the restaurants situated in shopping malls.

(all figures in EUR millions unless stated otherwise)

25. Composition of the AmRest Group

As at 30 June 2018 the Group comprised the following subsidiaries:

Company name	Registered office	Parent/non-controlling undertaking	Owner-ship interest and total vote	Date of effective control
		Holding activity		
AmRest Acquisition Subsidiary Ltd.	Birkirkara, Malta	AmRest Holdings SE	100.00%	May 2007
AmRest TAG S.L.U.	Madrid, Spain	AmRest Sp. z o.o.	100.00%	March 2011
AmRestavia S.L.U.	Madrid, Spain	AmRest TAG S.L.U.	100.00%	April 2011
Restauravia Grupo Empresarial S.L.	Madrid, Spain	AmRestavia S.L.U. AmRest TAG S.L.U	16.52% 83.48%	April 2011
AmRest HK Ltd	Hong Kong, China	AmRest Holdings SE	100.00%	September 2011
AmRest China Group PTE Ltd	Singapore	AmRest Holdings SE	100.00%	December 2012
Bigsky Hospitality Group Ltd	Hong Kong, China	AmRest China Group PTE Ltd	100.00%	December 2012
New Precision Ltd	Apia, Samoa	AmRest China Group PTE Ltd	100.00%	December 2012
Horizon Group Consultants	Road Town, Tortola, BVI	AmRest China Group PTE Ltd	100.00%	December 2012
Kai Fu Restaurant Management (Shanghai) Co., Ltd	Shanghai, China	Blue Frog Food&Beverage Management Ltd	100.00%	December 2016
		Restaurant activity		
AmRest Sp. z o.o.	Wroclaw, Poland	AmRest Holdings SE	100.00%	December 2000
AmRest s.r.o.	Prague, Czechia	AmRest Holdings SE	100.00%	December 2000
AmRest Kft***	Budapest, Hungary	AmRest Sp. z o.o.	100.00%	June 2006
AmRest Coffee Sp. z o.o.	Wroclaw, Poland	AmRest Sp. z o.o. Starbucks Coffee International, Inc.	82.00% 18.00%	March 2007
AmRest EOOD	Sofia, Bulgaria	AmRest Holdings SE	100.00%	April 2007
OOO AmRest	Saint Petersburg, Russia	AmRest Acquisition Subsidiary Inc.AmRest Sp. z o.o.	0.1% 99.9%	July 2007
AmRest Coffee s.r.o.	Prague, Czechia	AmRest Sp. z o.o. Starbucks Coffee International, Inc.	82.00% 18.00%	August 2007
AmRest Kávézó Kft	Budapest, Hungary	AmRest Sp. z o.o. Starbucks Coffee International, Inc.	82.00% 18.00%	August 2007
AmRest d.o.o.	Belgrade, Serbia	AmRest Sp. z o.o. ProFood Invest GmbH	60.00% 40.00%	October 2007
Restauravia Food S.L.U.	Madrid, Spain	Restauravia Grupo Empresarial S.L.	100.00%	April 2011
Pastificio Service S.L.U.	Madrid, Spain	Restauravia Grupo Empresarial S.L.	100.00%	April 2011
Pastificio Restaurantes S.L.U.	Madrid, Spain	Pastificio Service S.L.U.	100.00%	April 2011
Pastificio S.L.U.	Madrid, Spain	Pastificio Service 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*	Cologne, Germany	AmRestavia S.L.U.	100.00%	March 2012
AmRest SAS	Lyon, France	AmRestavia S.L.U.	100.00%	April 2012
AmRest Adria 2 d.o.o.	Ljubljana, Slovenia	AmRest Sp. z o.o	100.00%	August 2012
Frog King Food&Beverage Management Ltd	Shanghai, China	Bigsky Hospitality Group Ltd	100.00%	December 2012
Blue Frog Food&Beverage Management Ltd	Shanghai, China	New Precision Ltd	100.00%	December 2012
Shanghai Kabb Western Restaurant Ltd	Shanghai, China	Horizon Group Consultants	100.00%	December 2012

(all figures in EUR millions unless stated otherwise)

AmRest Skyline GMBH	Cologne, Germany	AmRestavia S.L.U.	100.00%	October 2013
Kai Zhen Food and Beverage Management (Shanghai) Ltd	Shanghai, China	BlueFrog Food&Beverage Management Ltd	100.00%	March 2014
AmRest Coffee EOOD	Sofia, Bulgaria	AmRest Sp. z o.o.	100.00%	June 2015
AmRest Coffee S.r.l.	Bucharest, Romania	AmRest Sp. z o.o.	100.00%	June 2015
AmRest 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 Capital Zrt	77.00% 23.00%	May 2016
AmRest DE Sp. z o.o. & Co. KG	Berlin, Germany	AmRest Kaffee Sp. z o.o.	100.00%	December 2016
The Grill Concept S.L.U.	Madrid, Spain	Pastificio Service S.L.U.	100.00%	December 2016
LTP La Tagliatella Portugal, Lda	Lisbon, Portugal	AmRest TAG S.L.U. AmRestavia S.L.U.	74.00% 26.00%	February 2017
AmRest AT GmbH	Vienna, Austria	AmRest Sp. z o.o.	100.00%	March 2017
AmRest Topco SAS	Paris, France	AmRest Holdings SE	100.00%	May 2017
AmRest Delco SAS	Paris, France	AmRest Topco SAS	100.00%	May 2017
AmRest Opco SAS	Paris, France	AmRest Holdings SE	100.00%	July 2017
OOO Chicken Yug	Saint Petersburg, Russia	OOO AmRest	100.00%	October 2017
OOO Pizza Company	Saint Petersburg, Russia	AmRest Acquisition Subsidiary Ltd. OOO AmRest	99.9% 0.1%	November 2017
AmRest Coffee SRB	Belgrade, Serbia	AmRest Holdings SE	100.00%	November 2017
AmRest Chamnord SAS	Paris, France	AmRest Opco SAS	100.00%	March 2018
AmRest SK s.r.o.	Bratislava, Slovakia	AmRest s.r.o. AmRest Sp. z o.o.	99.00% 1.00%	April 2018
AmRest Pizza GmbH	Berlin, Germany	AmRest DE Sp. z o.o. & Co. KG	100.00%	June 2018
Financial services and others for the Group				
AmRest LLC	Wilmington, USA	AmRest Sp. z o.o.	100.00%	July 2008
AmRest Capital Zrt	Budapest, Hungary (branch in Malta)	AmRest Sp. z o.o.	100.00%	November 2011
AmRest Finance Zrt***	Budapest, Hungary	AmRest Sp. z o.o.	100.00%	November 2011
AmRest Work Sp. z o.o.	Wroclaw, Poland	AmRest Sp. z o.o.	100.00%	March 2012
La Tagliatella International Kft	Budapest, Hungary	AmRestavia S.L.U.	100.00%	November 2012
La Tagliatella Financing Kft**	Budapest, Hungary	AmRestavia S.L.U.	100.00%	November 2012
La Tagliatella SAS	Lyon, France	AmRestavia S.L.U.	100.00%	March 2014
AmRest FSVC LLC	Wilmington, USA	AmRest Holdings SE	100.00%	November 2014
AmRest Kaffee Sp. z o.o.	Wroclaw, Poland	AmRest Sp. z o.o.	100.00%	March 2016
Restaurant Partner Polska Sp. z o.o.	Łódź, Poland	AmRest Holdings SE Delivery Hero GmbH	51.00% 49.00%	August 2017
AmRest Estate SAS	Paris, France	AmRest Opco SAS	100.00%	September 2017
AmRest Leasing SAS	Paris, France	AmRest Opco SAS	100.00%	September 2017
Supply services for restaurants operated by the Group				
SCM s.r.o.	Prague, Czechia	SCM Sp. z o.o. Ondrej Razga	90.00% 10.00%	March 2007
SCM Sp. z o.o.	Warsaw, Poland	AmRest Sp. z o.o. R&d Sp. z o.o. Beata Szfarczyk-Cylny Zbigniew Cylny	51.00% 43.80% 5.00% 0.20%	October 2008
SCM Due Sp. z o.o.	Warsaw, Poland	SCM Sp. z o.o.	100.00%	October 2014

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

*** On 5 September 2017 Amrestavia, S.L.U., the sole shareholder of La Tagliatella Financing Kft, has decided to liquidate this company. The liquidation process has not been finished up until the date of this Report.*

**** On 11 September 2018 the Company Registry Court has registered the merger between AmRest Kft and AmRest Finance Zrt. The effective merger date is 31 October 2018 that is AmRest Finance Zrt will cease to exist from the merger date, Company Registry Court cancels it from the companies register and its rights and obligations transfer to AmRest Kft as successor company.*

New entities in the Group marked in red.

(all figures in EUR millions unless stated otherwise)

26. Basis of preparation and changes to the Group's accounting policies

Basis of preparation

These Condensed Consolidated Financial Statements for 6 months ended 30 June 2018 have been prepared in accordance with the IAS 34 Interim Financial Reporting.

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

These Condensed Consolidated Financial Statements do not include all information or disclosures which are required in the annual financial statements and they should be read together with the annual Consolidated Financial Statements of the Group for 2017.

The preparation of the IFRS condensed financial statements requires the Group to make certain assumptions and estimates which are reflected in the accounting policy and that affect the reported amounts of assets and liabilities and reported revenues and expenses during the period. The results of the estimates and the respective assumptions being the result of experience and various factors deemed to be justified in given circumstances are the basis for assessing the values of assets or liabilities which do not result directly from other sources. The actual financial results may differ from the adopted estimates. The estimates and the assumptions on which they are based are subject to continuous verification. The adjustment of accounting estimates is recognised in the period in which it was made (on condition that it only relates to that period), or in the period in which it was made, and prospectively, in future periods (if it relates both to the current and future periods).

The significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements, except for new significant judgements and key sources of estimation uncertainty related to the application of new standards and interpretations.

The accounting policies described in the annual Consolidated Financial Statements for 2017 have been applied consistently in all periods presented in this Condensed Consolidated Report and have been applied consistently by all members of the Group with exceptions of the amendments of IFRSs applicable from 1 January 2018 and changes presented below.

New standards, interpretations and amendments adopted by the Group

A number of new or amended standards became applicable for the current reporting period and the Group had to change its accounting policies as a result of adopting the following standards:

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers

- Amendments to IFRS 2, Share-based Payment
- Annual Improvements to IFRSs 2014-2016 cycle
- Transfers of Investment Property – Amendments to IAS 40
- IFRIC 22 – Foreign Currency Transaction and Advance Consideration

However, as stated in the Annual Consolidated Financial Statements of the Group as at 31 December 2017, the impact on figures starting from 1 January 2018 was not significant.

IFRS 9

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

All financial instruments in the Group consolidated balance sheet are classified as measured at amortised cost and adoption of IFRS 9 did not bring significant changes in those financial instruments value. As a consequence there were no presentation or valuation changes in consolidated balance sheet. According to standard requirement in the consolidated income statement new line was added called „Net impairment losses on financial assets".

The following accounting policy was adopted by the Group.

Investments and other financial assets

a. Classification

   From 1 January 2018, the Group classifies its financial assets in the following measurement categories:

   - those to be measured subsequently at fair value through OCI
   - those to be measured subsequently at fair value through profit or loss
   - those to be measured at amortised cost.

   The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

   For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). The Group reclassifies debt investments when and only when its business model for managing those assets changes.

b. Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/ (losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

c. Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

As at 1 January 2018 the result of the calculation of impairment according to IFRS 9 despite changes in methodology did not differ significantly from the one calculated under IAS 39.

Hedge accounting

The Group applied hedge accounting prospectively. At the date of the initial application, all of the Group's existing hedging relationships were eligible to be treated as continuing hedging relationships. As the Group uses net investment hedge, the adoption of the hedge accounting requirements of IFRS 9 had no significant impact on the Group's financial statements or the accounting policy.

IFRS 15

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations.

IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue to be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. IFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

The Group has adopted IFRS 15 using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 January 2018). The impact of standard application is not significant.

The Group has revenues from three main streams:

- Revenue from restaurants (operation based on franchise agreement and on own brands) where goods are sold to customers on cash basis. Revenue from the sale of goods is recognised at the moment of transaction which is when our obligation to perform is satisfied and is presented in "Restaurant sales" line in the Condensed Consolidated Income Statement.

- Revenue from royalties for the master-franchise agreements (the right to grant a license to third parties) and franchise of own brands. Royalty fees recognized as the related sales occurred. Revenue from royalties is presented in line "Franchise and other sales" in the Condensed Consolidated Income Statement.
- Revenue from sale of products to franchisees is recognized at the moment of transaction which is when our obligation to perform is satisfied and is presented in "Franchise and other sales" line in the Condensed Consolidated Income Statement.

IFRS 15 requires a disaggregation of revenue on different categories that depict how the nature, amount, timing an uncertainty of revenue and cash flows are affected by the economic factors. However, taking into account the nature of revenue streams the Group don't see any reason to present more detailed disaggregation of revenue than described above and presented in the segment note.

Customer loyalty programs

The Group operates a loyalty programme where retail customers accumulate points for purchases made which entitle them to discount on future purchases. Revenue from the award points is recognised when the points are redeemed or when they expire or are likely to expire.

In previous reporting periods, the consideration received from the sale of goods was allocated to the points and the goods sold using the residual method. Under this method, a part of the consideration equalling the fair value of the points was allocated to the points. The residual part of the consideration was allocated to the goods sold.

Under IFRS 15, the total consideration must be allocated to the points and goods based on the relative stand-alone selling prices. Using this new method, the amounts allocated to the goods sold are, on average, higher than the amounts allocated under the residual value method. The adoption of the standard had no significant impact on the Group's financial statements.

Several other amendments and interpretations apply for the first time in 2018, but do not have an impact on these Condensed Consolidated Financial Statements of the Group. Contract liability resulting from customer loyalty programs was presented in note 17.

Gift cards

The Group performs also the operations within sales and realization of gift cards. Group records a contract liability in the period in which gift cards are issued and proceeds are received. This liability is calculated taking into account the probability of the gift cards' redemption. The redemption rate is calculated based on own and industry experience, historical and legal analysis. As gift cards are redeemed and the performance obligation is fulfilled the liability is reduced and revenue is recognized. The adoption of the standard had no impact on the Group's financial statements. Contract liability resulting from customer loyalty programs was presented in note 17.

Change of the presentation currency and level of aggregation of data

In second half of 2017 the shareholders of AmRest decided on change of domicile from Wroclaw, Poland to Madrid, Spain. Respective legal documents were submitted to Spanish Court on 1 March 2018. On 14 March 2018 the Company received the confirmation and reported on both Warsaw and Madrid Stock Exchange that as at 12 March 2018 the Spanish Court approved the change of domicile and registered AmRest's domicile in Madrid.

The annual reporting for year 2017 (for both separate and consolidated financial statements) was prepared in accordance with IFRSs and was published on 8 March 2018 in PLN thousands.

Decision about changing the domicile caused considerations of changing the presentation currency of the Group from PLN to EUR. Taking into account among others matters listed below, the Group decided to change its presentation currency into EUR, as currency that better responds to needs to users of consolidated financial reports:

- AmRest is a global restaurant operator conducting its activities in many countries and currency zones. Large number of the companies from the Group use EUR as a functional and presentation currency.
- The vast majority of acquisitions done by AmRest are conducted in EUR.
- With the change of domicile Group will be required to report its financial statements both on Warsaw Stock Exchange (where it is quoted) and on Madrid Stock Exchange (where is domiciled). EUR is a widely used currency in presentation of financial statements of entities domiciled in Spain.
- Warsaw Stock Exchange allows to publish reports in EUR.
- EUR is a widely used in financial reporting, especially by entities domiciled in European Union.
- Long term development plan includes investments in Western Europe where EUR is a functional currency.
- The Group also changed its internal reporting into EUR.

The change of presentation currency under IFRSs is being considered as a change in the accounting policy and should be applied retrospectively. Change of the presentation currency had no impact on assets, liabilities and total equity but impacts translation the particular equity positions.

For the purpose of translation comparative data the following rules were applied:

- For share capital, which is actually issued in EUR – historical values in EUR were assigned. Share capital value is not material.
- For share premium items historical movements were analysed. Material share capital increases were translated using historical exchange rate from date of transaction.

- Treasury shares transaction since year 2015 were recalculated for all movements. FIFO is used for treasury shares disposals. Consequently, treasury shares were translated into EUR using historical costs.
- For share based payments ("SBP") transactions recognised in 2015 and later on an average exchange rate for each year (years 2015- 2016) or for each quarter (year 2017) was applied.
- Non-controlling interest transactions were recognised at historical exchange rate.
- For translation of profit or loss positions and retained earnings recognised in 2015 and earlier an average exchange rate for each quarter was applied and for those recognised in 2016 and 2017 monthly exchange rate was applied for each group company. As a consequence quarterly consolidated data for each line of income statements are effectively translated with different exchange rates.
- As a consequence of the above transactions new balance of currency translation reserve was determined. Exchange differences needed to be established at new, for group operations where functional currency is other than EUR. Differences between currency translation reserve were recognised in other comprehensive income.
- For translation of all the assets and liabilities closing rate was applied.
- Cash flow positions referring to profit and loss positions were translated with monthly average exchange rate for each company. For those referring to acquisitions historical exchange rates were applied and for all other positions a quarterly average exchange rate was applied. The difference resulting from translation of cash flow was presented in effect of foreign exchange rate movements.

Subsequently, in order to present information better and more clearly, data was aggregated into EUR millions with one decimal place.

After publishing Q1 2018 interim report Group identified minor inconsistencies in some re-translation procedures made from PLN to EUR.

These Condensed Consolidated Financial Statements present slightly different balance of equity details (Reserves, Retained earnings and Translation reserve) as at 1 January 2018 than previously submitted Q1 2018 Interim reports. Adjustment made had no impact on total equity value.

Changes to the Group's accounting policies

Changes in Cash Flow Statement

In 2017 the Group decided to change the presentation of interests paid and received in the cash flow statement. The change was inspired by the desire to reflect better the nature of the transactions as well as the growing magnitude of cash flow. Interests are now presented in the financing activities instead of operating activities (Adjustment 2). As a result, cash flow statement presented in the published condensed consolidated report for Q1 2017 had to be restated. The following table presents details. Adjustment 1 presents the change of presentation currency mentioned above having an impact on the particular CF positions.

Condensed consolidated cash flow statement for 6 months ended 30 June 2017

	6 months ended 30 June 2017			
	Published PLN thousands	**Adjustment 1** EUR millions	**Adjustment 2** EUR millions	**Restated** EUR millions
Cash flows from different positions of operating activities	176 368	41.5	-	41.5
Interest paid	(19 266)	(4.5)	4.5	-
Interest received	1 365	0.3	(0.3)	-
Net cash provided by operating activities	**158 467**	**37.3**	**4.2**	**41.5**
Net cash used in investing activities	**(323 808)**	**(86.3)**	**-**	**(86.3)**
Cash flows from different positions of financing activities	184 168	44.1	-	44.1
Interest paid	-	-	(4.5)	(4.5)
Interest received	-	-	0.3	0.3
Net cash provided by financing activities	**184 168**	**44.1**	**(4.2)**	**39.9**
Net change in cash and cash equivalents	**18 827**	**(4.9)**	**-**	**(4.9)**

Summary of restatements regarding the changes described above, i.e.:

- Change in the presentation currency,
- Change of the level of aggregation,
- Change in the cash flow statement,
- Change in the purchase price allocation process (as described in note 4) are presented in the tables below.

Condensed consolidated income statement effect of change of the currency

	6 months ended	
	30 June 2017 Published PLN thousands	**30 June 2017** Restated EUR millions
Continuing operations		
Restaurant sales	2 250 342	527.4
Franchise and other sales	140 199	32.9
Total revenue	**2 390 541**	**560.3**
Company operated restaurant expenses:		
Food and material	(659 753)	(154.6)
Payroll and employee benefits	(560 663)	(131.4)
Royalties	(113 699)	(26.7)
Occupancy and other operating expenses	(696 554)	(162.5)
Franchise and other expenses	(87 913)	(20.6)
General and administrative (G&A) expenses	(180 715)	(42.9)
Net impairment losses on financial assets	(6 748)	(0.1)
Net impairment losses on other assets	-	(1.5)
Total operating costs and losses	**(2 306 045)**	**(540.3)**
Other operating income	**17 611**	**4.1**
Profit from operations	**102 107**	**24.1**
Finance costs	(29 080)	(6.8)
Finance income	1 430	0.3
Profit before tax	**74 457**	**17.6**
Income tax	(18 916)	(4.5)
Profit for the period	**55 541**	**13.1**
Profit attributable to:		
Shareholders of the parent	53 615	12.6
Non-controlling interests	1 926	0.5

Condensed consolidated statement of comprehensive income effect of change of the currency

	6 months ended	
	30 June 2017 Published PLN thousands	**30 June 2017** Restated EUR millions
Net profit	**55 541**	**13.1**
Other comprehensive incomes:		
Exchanges differences on translation of foreign operations	(107 370)	(11.4)
Net investment hedges	35 489	8.3
Income tax concerning net investment hedges	(6 743)	(1.6)
Total items that may be reclassified subsequently to profit or loss	(78 624)	(4.7)
Other comprehensive income net of tax	**(78 624)**	**(4.7)**
Total comprehensive income	**(23 083)**	**8.4**
Attributable to:		
Shareholders of the parent	(15 520)	10.4
Non-controlling interests	(7 563)	(2.0)

Condensed consolidated statement of financial position effect of change of the currency and final PPA recognition

	31 December 2017				
	Published PLN thousands	**Adjustment 1** EUR millions	**Adjustment 2** EUR millions	**Adjustment 3** EUR millions	**Restated** EUR millions
Assets					
Property, plant and equipment	1 690 155	404.6	-	(0.7)	403.9
Goodwill	909 310	217.7	-	0.6	218.3
Other intangible assets	612 690	146.7	-	-	146.7
Investment properties	22 152	5.3	-	-	5.3
Other non-current assets	95 853	22.9	-	-	22.9
Deferred tax assets	59 302	14.2	-	0.1	14.3
Total non-current assets	**3 389 462**	**811.4**	**-**	**-**	**811.4**
Inventories	93 628	22.4	-	-	22.4
Trade and other receivables	162 004	38.8	-	(0.2)	38.6
Corporate income tax receivables	4 174	1.0	-	-	1.0
Other current assets	121 571	29.1	-	-	29.1
Cash and cash equivalents	548 248	131.2	-	-	131.2
Total current assets	**929 625**	**222.5**	**-**	**(0.2)**	**222.3**
Total assets	**4 319 087**	**1 033.9**	**-**	**(0.2)**	**1 033.7**
Equity					
Share capital	714	0.2	-	-	0.2
Reserves	606 366	145.2	7.1	-	152.3
Retained earnings	837 301	200.4	(9.6)	-	190.8
Translation reserve	(133 917)	(32.1)	2.5	-	(29.6)
Equity attributable to shareholders of the parent	**1 310 464**	**313.7**	**-**	**-**	**313.7**
Non-controlling interests	35 184	8.4	-	-	8.4
Total equity	**1 345 648**	**322.1**	**-**	**-**	**322.1**
Liabilities					
Interest-bearing loans and borrowings	1 811 975	433.8	-	-	433.8
Finance lease liabilities	7 001	1.7	-	-	1.7
Employee benefits liability	12 488	3.0	-	-	3.0
Provisions	39 543	9.4	-	-	9.4
Deferred tax liability	114 242	27.3	-	(0.2)	27.1
Other non-current liabilities	24 508	5.9	-	-	5.9
Total non-current liabilities	**2 009 757**	**481.1**	**-**	**(0.2)**	**480.9**
Interest-bearing loans and borrowings	157 880	37.8	-	-	37.8
Finance lease liabilities	1 777	0.4	-	-	0.4
Trade and other accounts payable	779 839	186.7	-	-	186.7
Corporate income tax liabilities	24 186	5.8	-	-	5.8
Total current liabilities	**963 682**	**230.7**	**-**	**-**	**230.7**
Total liabilities	**2 973 439**	**711.8**	**-**	**(0.2)**	**711.6**
Total equity and liabilities	**4 319 087**	**1033.9**	**-**	**(0.2)**	**1 033.7**

Adjustment 1 - translated with the exchange rate of ECB PLN/EUR 4.1770 and divided by 1000.

Adjustment 2 - effect of the retranslation from PLN as a presentation currency into EUR as a presentation currency based on the historical and average FX rates as applicable.

Adjustment 3 – final recognition of PPA for KFC business in Germany and PH business in France.

Condensed consolidated statement of cash flows effect of change of the currency

	6 months ended	
	30 June 2017 Published* PLN thousands	**30 June 2017** Restated EUR millions
Cash flows from operating activities		
Profit before tax from continued operations	74 457	17.6
Adjustments for:		
Amortisation	19 541	4.6
Depreciation	137 617	32.1
Interest expense, net	18 486	4.3
Foreign exchange result	4 617	1.1
Loss on disposal of property, plant and equipment and intangibles	2 023	0.5
Impairment of property, plant and equipment and intangibles	6 166	1.5
Share-based payments expenses	10 344	2.4
Other	(606)	(0.1)
Working capital changes:		
Increase in trade and other receivables	(15 007)	(3.6)
Increase in inventories	(217)	(0.1)
Increase in other assets	(5 898)	(1.4)
Decrease in payables and other liabilities	(52 670)	(12.1)
Decrease in other provisions and employee benefits	(16 618)	(4.0)
Income taxes paid	(5 867)	(1.4)
Net cash provided by operating activities	**176 368**	**41.5**
Cash flows from investing activities		
Net cash outflows on acquisition	(94 662)	(22.3)
Prepayment for the acquisition of restaurants	(19 140)	(4.5)
Acquisition of property, plant and equipment	(202 159)	(47.4)
Acquisition of intangible assets	(7 847)	(1.9)
Net cash used in investing activities	**(323 808)**	**(76.1)**
Cash flows from financing activities		
Proceeds from share transfers (employees options)	3 846	0.9
Expense on acquisition of treasury shares (employees options)	(45 745)	(10.8)
Expense on settlement of employee stock option in cash	(3 323)	(0.8)
Proceeds from loans and borrowings	290 555	68.2
Interest paid	(19 266)	(4.5)
Interest received	1 365	0.3
Dividends paid to non-controlling interest owners	(100)	-
Transactions with non-controlling interest	(60 619)	(13.3)
Repayment of finance lease payables	(446)	(0.1)
Net cash provided by financing activities	**166 267**	**39.9**
Net change in cash and cash equivalents	**18 827**	**5.3**
Effect of foreign exchange rate movements	11 091	4.8
Balance sheet change of cash and cash equivalents	29 918	10.1
Cash and cash equivalents, beginning of period	291 641	66.1
Cash and cash equivalents, end of period	**321 559**	**76.2**

** Data in Report for H1 2017 was presented in different order. However the amounts have not been changed.*

27. Impact of standards issued but not yet applied by the entity

The following standards have been issued but are not effective yet as well as the Group did not decide on the earlier adoption:

- IFRS 16 Leases

  The new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. All leases result in the lessee obtaining the right to use an asset at the start of the lease and, if lease payments are made over time, also obtaining financing. Accordingly, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead introduces a single lessee accounting model. Lessees will be required to recognise: (a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and (b) depreciation of lease assets separately from interest on lease liabilities in the income statement. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

  The Group will apply the standard from 1 January 2019.

  The Group is currently assessing the impact of the amendments on its financial statements. Taking into consideration large scale and value of signed lease agreements, the Group expects a significant impact of the implementation of standard on the consolidated financial statements.

- IFRIC 23 Uncertainty over Income Tax Treatments

  IAS 12 specifies how to account for current and deferred tax, but not how to reflect the effects of uncertainty. IFRIC 23 is effective for annual periods beginning 1 January 2019 or later.

  The Group will apply the standard from 1 January 2019.

  At the date of preparation this financial statements the Group has not yet completed its assessment of the impact of the amendments on the consolidated financial statement.

  At the date of preparation of these Condensed Consolidated Financial Statements, this standard has not yet been approved by the European Union.

- Annual Improvements to IFRSs 2015-2017 cycle

  IASB issued in December 2017 annual improvements to IFRSs 2015-2017 cycle changing IFRS 3, IFRS 11, IAS 12 and IAS 23. Amendments contain clarifications and specification relating to recognition and valuation.

  The Group will apply the standard from 1 January 2019.

  At the date of preparation these Condensed Consolidated Financial Statements the Group has not yet completed its assessment of the impact of the amendments on the consolidated financial statement.

At the date of preparation of these Condensed Consolidated Financial Statements this standard has not yet been approved by the European Union.

- Amendments to IAS 19: Plan Amendment. Curtailment or Settlement

  The amendments were issued on 7 February 2018 and are effective for annual periods beginning 1 January 2019 or later. The amendments specifies how a company accounts for a defined benefit plan. When a change to a plan—an amendment, curtailment or settlement—takes place, IAS 19 requires a company to remeasure its net defined benefit liability or asset. The amendments require a company to use the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. Until now, IAS 19 did not specify how to determine these expenses for the period after the change to the plan.

  The Group will apply the standard from 1 January 2019.

  At the date of preparation these Condensed Consolidated Financial Statements the Group has not yet completed its assessment of the impact of the amendments on the consolidated financial statement.

  At the date of preparation of these Condensed Consolidated Financial Statements this standard has not yet been approved by the European Union.

- Amendment to IAS 28: Long-term Interests in Associates and Joint Ventures

  The standard has been published to clarify that an entity applies IFRS 9 ,Financial Instruments' to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

  At the date of preparation of these Condensed Consolidated Financial Statements this standard has not yet been approved by the European Union.

- Amendments to References to the Conceptual Framework in IFRS Standards

  Amendments will be effective from 1 January 2020.

  At the date of preparation of these Condensed Consolidated Financial Statements this standard has not yet been approved by the European Union.

  Other issued but not yet endorsed standards or interpretations do not affect the Group's activity.

28. Events after the balance sheet date

Bonds redemption

On 2 July 2018 the Company made a redemption of 14 000 dematerialised bearer bonds AMRE03300618 series, with a par value of PLN 10 000 (EUR 2 286.7) per one bond and the total nominal value of PLN 140.0 million (EUR 32.0 million). The bonds were issued by AmRest on 18 June 2013 with the maturity date falling on 30 June 2018.

As at 30 June 2018 bonds are presented as non-current Interest bearing loans and borrowings.

Early bonds redemption

On 20 August 2018 AmRest Holdings SE ("AmRest", "Company") informed that the Company plans to make on 28 September 2018 an early redemption of 14 000 dematerialised bearer bonds AMRE04100919 series ("Bonds"), with a par value of PLN 10 000 (EUR 2 286.7) per one bond and the total nominal value of PLN 140.0 million (EUR 32.0 million).

The Bonds were issued by AmRest on 10 September 2014 with the maturity date falling on 10 September 2019.

The early redemption of the Bonds at the request of the Issuer will be carried out by a cash payment in the amount of the nominal value of the Bonds increased by accrued interest and early redemption premium calculated in accordance with point 3 and 4 of the Terms and Conditions of the Bonds Issue. The buyout of the Bonds will be refinanced with bank loans.

As at 30 June 2018 bonds are presented as current Interest bearing loans and borrowings.

Investment in Shares of Glovoapp23. S.L.

On 17 July 2018 AmRest Holdings SE signed the Shareholders' Agreement, Subscription Agreement and Share Purchase Agreement with Glovoapp23. S.L., based in Barcelona, Spain ("Glovo") and its existing and new shareholders. Based on these agreements AmRest acquired a tranche of newly issued shares in Glovo as well as purchased a portion of existing shares from certain shareholders of Glovo. As a result of the investment in the total amount of EUR 25 million, AmRest became co-lead investor holding 10% of total number of Glovo shares. The investment assured AmRest a board seat in Glovo. On 17 July 2018 the transaction was completed and the Group obtained control over the respective shares.

Glovo is one of the key players in digital food delivery on the Spanish market. It is an application that allows to buy, collect and send any product within the same city at a time. It has more than 1 million users and 5 600 associated partners. In Spain, the service is available in the urban areas of 21 cities. Internationally, Glovo operates in the main capital cities in Europe and EMEA, and also in 9 countries of LATAM. Currently Glovo is present in 61 cities of 17 countries throughout the world.

Share Purchase Agreement to acquire Sushi Shop Group SAS

On 27 July 2018 AmRest Holdings SE signed the Share Purchase Agreement with Mr. Grégory Marciano, Naxicap Partners SA and remaining sellers (jointly "Sellers") aimed at the acquisition of 100% shares in Sushi Shop Group SAS ("Sushi Shop", „Group") (the "Agreement").

Sushi Shop is the operator of the leading European chain of Japanese cuisine restaurants comprising of 165 stores, of which about one third are restaurants run by franchisees. Upscale Sushi Shop restaurants are present in France (72% of the entire business) and in 11 other countries (including Spain, Belgium, Great Britain, Germany, Switzerland, Italy). The Group's business model is based mainly on the "delivery" (55% of sales) and "take-away" (32% of sales) channels.

The parties of the SPA intend to close the transaction within the next couple of months ("Completion"), which will be a subject obtaining clearance by the relevant antitrust authorities and lack of the material adverse change ("MAC").

Share Purchase Agreement with Bloom Motion, S.L. and Mr. Johann Spielthenner

On 31 July 2018 AmRest Tag. S.L.U. ("AmRest Tag", which is an indirect 100% subsidiary of AmRest) signed the Share Purchase Agreement ("SPA") with Bloom Motion, S.L. and Mr. Johann Spielthenner (jointly the "Seller") aimed at the acquisition by AmRest Tag of 100% of Bacoa Holding, S.L. and Black Rice, S.L. share capital.

As the result of SPA AmRest acquired a restaurant chain consisting of six burger restaurants under BACOA brand in Spain (in Barcelona and in Madrid) operated through both equity and franchise model. The purchase price based on Enterprise Value (on the cash-free and debt-free basis) amounted to approx. EUR 3.7 million. On 31 July 2018 the transaction was completed and the Group obtained control over the respective company.

Tax inspections

All information regarding tax inspections began after 30 June 2018 and update of ongoing tax inspections (including positive decision issued in relation to VAT tax inspections) were describe in note 19.

Signatures of the Board of Directors

José Parés Gutiérrez
Chairman of the Board

Carlos Fernández González
Member of the Board

Luis Miguel Álvarez Pérez
Member of the Board

Henry McGovern
Member of the Board

Steven Kent Winegar Clark
Member of the Board

Pablo Castilla Reparaz
Member of the Board

Mustafa Ogretici
Member of the Board

Wrocław, 21 September 2018

Condensed Consolidated Financial Statements for 6 months ended 30 June 2018
AmRest Holdings SE

Wszystko jest możliwe!

Management Report for 6 months ended 30 June 2018

AmRest Holdings SE
21 September 2018

AmRest

Contents

Highlights

(all figures in EUR millions unless stated otherwise)

Financial highlights (consolidated data)

	6 months ended		3 months ended	
	30 June 2018	**30 June 2017** *(restated*)*	**30 June 2018**	**30 June 2017** *(restated*)*
Revenue	711.6	560.3	364.2	294.8
EBITDA**	74.0	62.4	40.3	35.3
EBITDA margin	10.4%	11.1%	11.1%	12.0%
adjusted EBITDA**	79.8	66.5	44.1	38.5
adjusted EBITDA margin	11.2%	11.9%	12.1%	13.1%
Operating profit (EBIT)	24.5	24.0	12.8	14.7
Operating margin (EBIT margin)	3.4%	4.3%	3.5%	5.0%
Profit before tax	17.4	17.6	10.2	11.0
Net profit	12.1	13.1	7.6	8.2
Net margin	1.7%	2.3%	2.1%	2.8%
Net profit attributable to non-controlling interests	(1.2)	0.5	(0.5)	0.3
Net profit attributable to shareholders of the parent	13.3	12.6	8.1	7.9
Cash flows from operating activities	54.2	41.5	31.2	28.4
Cash flows from investing activities	(67.4)	(76.1)	(34.0)	(52.1)
Cash flows from financing activities	(3.9)	39.9	(1.1)	28.7
Total cash flows, net	(17.1)	5.3	(3.9)	5.0
Equity (as at 30 June 2018 and 2017 respectively)	333.1	299.2	333.1	299.2
Return on equity (ROE)****	4.0%	4.2%	2.4%	2.6%
Total assets (as at 30 June 2018 and 2017 respectively)	1 034.6	838.3	1 034.6	836.0
Return on assets (ROA)*****	1.3%	1.6%	0.8%	0.9%
Average weighted number of ordinary shares in issue	21 213 893	21 213 893	21 213 893	21 213 893
Average weighted number of ordinary shares for diluted earnings per shares	21 213 893	21 213 893	21 213 893	21 213 893
Basic earnings per ordinary share (EUR)	0.63	0.59	0.39	0.37
Diluted earnings per ordinary share (EUR)	0.63	0.59	0.39	0.37
Declared or paid dividend per share	-	-	-	-

The restatement was described in note 26 to the Condensed Consolidated Financial Statements for 6 months ended 30 June 2018.

*** EBITDA – Operating profit before depreciation, amortization 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 transaction and effect of SOP exercise method modification (difference in accounting cost of employee benefits accounted under cash settled versus equity settled option plan).*

***** ROE – net profit to equity*

****** ROA – net profit to assets*

	As at 30 June 2018	**As at 31 December 2017** *(restated)**
Total assets	1 034.6	1 033.7
Total liabilities and provisions	701.5	711.6
Non-current liabilities	443.6	480.9
Current liabilities	257.9	230.7
Equity attributable to shareholders of the parent	323.9	313.7
Non-controlling interests	9.2	8.4
Total equity	333.1	322.1
Share capital	21.2	0.2
Number of restaurants	1 738	1 639

The restatement was described in note 26 to the Condensed Consolidated Financial Statements for 6 months ended 30 June 2018.

Group Business Overview

Basic services provided by the Group

As at the date of publication of the Report, AmRest Holdings SE ("AmRest") manages 8 restaurant brands in 18 countries of Europe and Asia. Every day over 41 thousand AmRest employees deliver delicious taste and exceptional service at affordable prices, in accordance with our "Wszystko Jest Możliwe!" ("Anything is possible!") culture.

As at 21 September 2018, AmRest manages 1 799 restaurants in three restaurant sectors: Quick Service Restaurants (QSR) – KFC, Burger King, Pizza Hut Delivery and Express, Bacoa, Casual Dining Restaurants (CDR), restaurants with full waiting service – Pizza Hut, La Tagliatella, Blue Frog and KABB and Coffee segment represented by Starbucks.

AmRest restaurants provide on-site catering services, take away services, drive-in services at special sales points ("Drive Thru"), and deliveries for orders placed online or by telephone. AmRest restaurant menus include brand dishes prepared from fresh products in accordance with the original recipes and with KFC, Pizza Hut, Burger King, Starbucks, La Tagliatella, Blue Frog, KABB and Bacoa chain standards.

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 licence to third parties to operate Pizza Hut Express and Pizza Hut Delivery restaurants (sub-franchise) in countries of Central and Eastern Europe, while ensuring a certain share of restaurants operated directly by AmRest. Pizza Hut restaurants acquired in France in May 2017, in Germany in July 2017 and in Russia in June 2018 are operated both by AmRest and its sub-franchisees.

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

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

La Tagliatella is the own brand of AmRest which became part of the portfolio in April 2011. La Tagliatella restaurants are operated both by AmRest and by entities which operate restaurants on a franchise basis.

Blue Frog and KABB brands became the property of AmRest in December 2012 as a result of purchase of a majority stake in Blue Horizon Hospitality Group LTD.

Bacoa brand present in the Spanish market was acquired by AmRest after the balance sheet date i.e. on 31 July 2018 from Bloom Motion, S.L. and Mr. Johann Spielthenner.

Activity in aggregator segment

On 31 March 2017 AmRest signed the Investment Agreement with Delivery Hero GmbH and Restaurant Partner Polska ("RPP"). As a result of the agreement by the closing of transaction dated 31 August 2017 AmRest acquired 51% of shares in RPP becoming its majority shareholder. RPP operates PizzaPortal.pl platform - an aggregator collecting offers from more than 2 500 different restaurants in ca. 400 cities in Poland, which allows online meals ordering with delivery.

On 17 July 2018 AmRest signed agreements aimed at becoming co-lead investor in Glovoapp23, S.L., based in Barcelona, Spain. The Group acquired 10% of total number of Glovo shares (effectively on 23 July 2018).

Glovo is one of the key players in digital food delivery on the Spanish market. It is an application that allows to buy, collect and send any product within the same city at a time. It has more than 1 million users and 5 600 associated partners. In Spain, the service is available in the urban areas of 21 cities. Internationally, Glovo operates in the main capital cities in Europe and EMEA, and also in 9 countries of LATAM (17 countries in total).

Quick Service Restaurants (QSR)*

Established in 1952, the KFC brand is the biggest, fastest growing and most popular chain of quick service restaurants serving chicken meals. There are currently more than 20 000 KFC restaurants in 125 countries worldwide.

As at 30 June 2018 the Group operated 694 KFC restaurants: 248 in Poland, 88 in the Czech Republic, 51 in Hungary, 160 in Russia, 57 in Spain, 24 in Germany, 45 in France, 7 in Serbia, 5 in Bulgaria, 7 in Croatia, 1 in Austria and 1 in Slovenia.

The beginnings of Burger King date back to 1954. Today, Burger King ("Home of the Whopper") operates about 15 500 restaurants, serving about 11 million customers in 100 countries every day. Almost 100% of Burger King restaurants are run by independent franchisees and many of them have been managed for decades as family businesses. Burger King brand is owned by 3G Capital.

As at 30 June 2018 AmRest operated the total of 55 Burger King restaurants – 42 in Poland, 12 in the Czech Republic and 1 in Bulgaria.

** As at 30 June 2018*

Casual Dining Restaurants (CDR)*

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

As at 30 June 2018 AmRest operates 239 La Tagliatella restaurants — 227 in Spain, 9 in France, 2 in Germany and 1 in Portugal.

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

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

As at 30 June 2018 AmRest operates 393 restaurants – 114 in Poland, 57 in Russia, 13 in Hungary, 2 in Czech Republic, 125 in France, 78 in Germany, 2 in Armenia and 2 in Azerbaijan.

Inclusion of the Blue Horizon Hospitality Group to AmRest structure in 2012 enriched the CDR segment brand portfolio with two new positions operating in the Chinese market.

- Blue Frog Bar & Grill — restaurants serving grilled dishes from the American cuisine in a nice atmosphere.
- KABB Bistro Bar — premium segment restaurant, serving "western cuisine" dishes and a wide selection of wines and drinks.

As at 30 June 2018 AmRest operates 48 Blue Frog (45 in China, 2 in Spain and 1 in Poland) and 4 KABB restaurants.

As at 30 June 2018

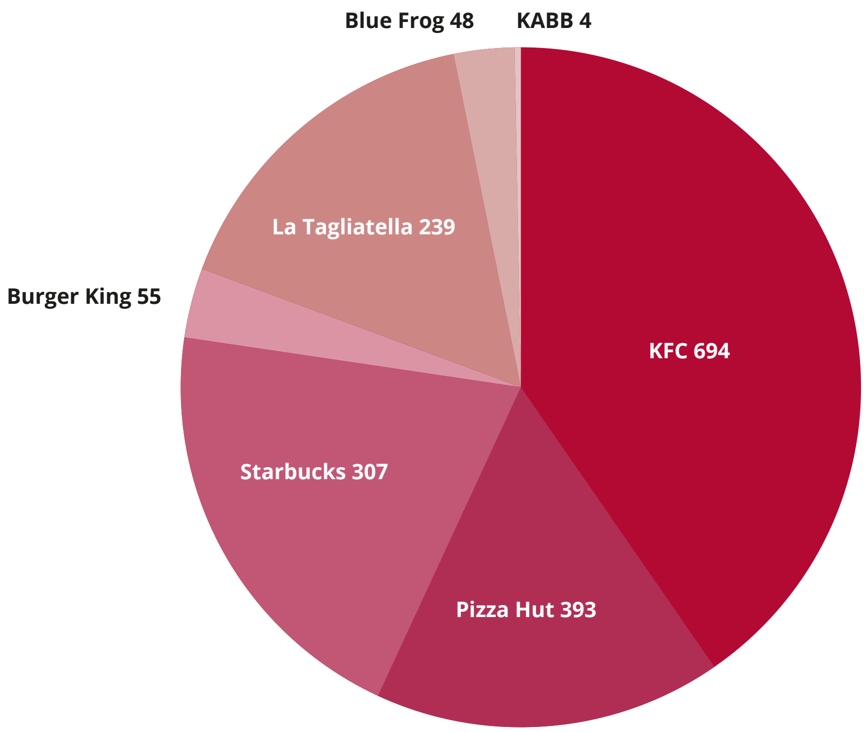
Coffee segment*

Starbucks is the world leader in the coffee sector with about 26 000 stores in 75 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.

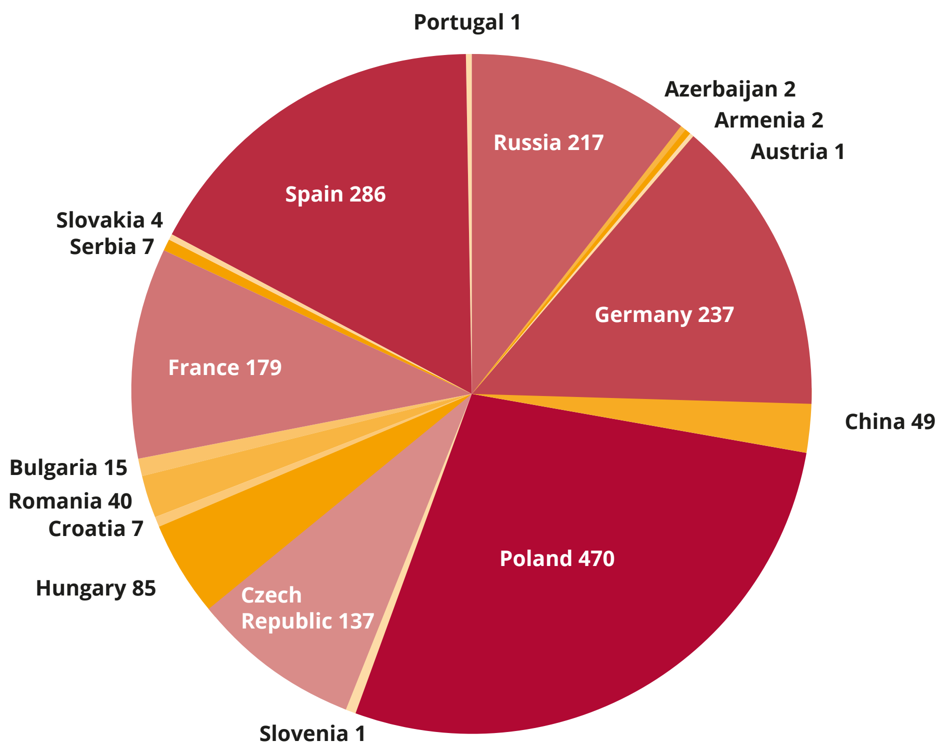
As at 30 June 2018 AmRest Coffee operates 307 stores (65 in Poland, 35 in the Czech Republic, 21 in Hungary, 40 in Romania, 9 in Bulgaria, 133 in Germany and 4 in Slovakia).

** As at 30 June 2018*

Number of AmRest Group restaurants broken down by brands as at 30 June 2018*

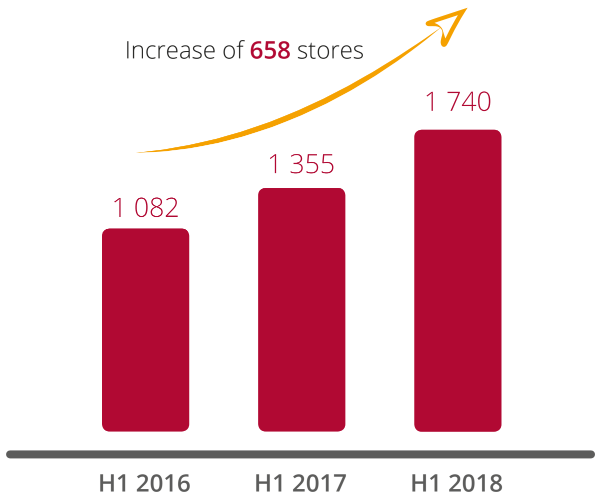


Number of AmRest Group restaurants broken down by countries as at 30 June 2018*



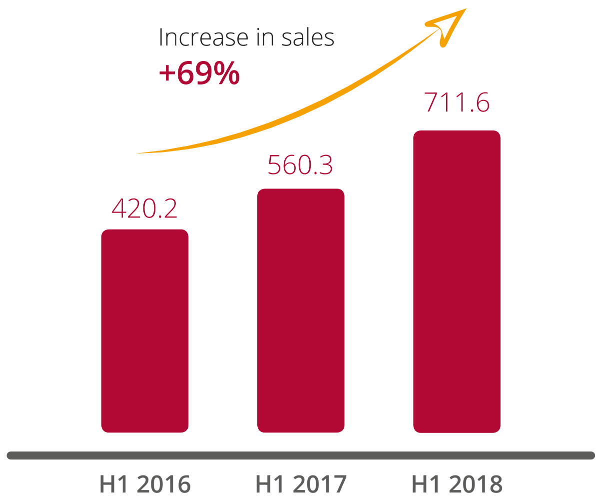
** Including restaurants operated by franchisees of La Tagliatella and Pizza Hut brands.*

Number of AmRest Group restaurants as at 30 June 2016-2018

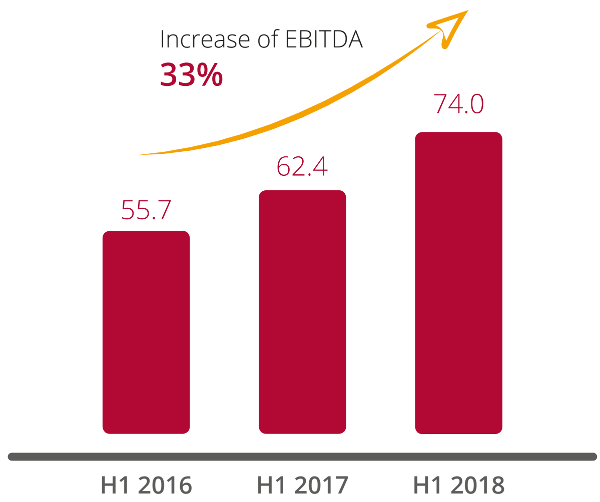


** Including restaurants operated by franchisees of La Tagliatella and Pizza Hut brands.*

The AmRest Group revenue for the 6 months ended 30 June 2016-2018



The AmRest Group EBITDA for the 6 months ended 30 June 2016-2018



Revenue

Consolidated revenues of the AmRest Group grew by 27.0% in H1 2018 in comparison to the previous year (from EUR 560.3 million to EUR 711.6 million). In Q2 2018 the revenues reached EUR 364.2 million, which was 23.6% higher compared to Q2 2017. Dynamic sales increase was mainly driven by solid LFL trends across all the markets, accelerated pace of new openings (238 new restaurants built in the last 12 months) as well as M&A activity of the Group in 2017-2018. Consolidated revenues of the Group, adjusted by the impact of all M&As since the acquisition of KFC in Germany (March 2017), amounted to EUR 320 million in H1 2018, representing a 11.9% growth over the year.

The revenue of Central Europe (CE) division grew by 19.2% in H1 2018, reaching EUR 335.9 million. Positive LFL trends continued in all markets, supporting that growth. Additionally, the Group accelerated new stores development in the region (127 restaurants opened in the last 12 months).

In Russia, solid LFL trends and growing portfolio of restaurants allowed for a 21.1% growth of revenues in H1 2018 (from EUR 67.5 million to EUR 81.7 million). Within last 12 months, the Group opened 30 new locations and acquired additional 22 KFC restaurants in October 2017. In local currency, the growth of revenues was even stronger (+39.2% in H1 2018).

The Western Europe division grew 44.1% top line in H1 2018. Spanish market maintained solid LFL trends and continued development activity, with 38 new restaurants added in the last 12 months. As a result, H1 2018 sales in Spain increased by 12.1%. In the meantime, the revenues in Germany grew by 15.7%, supported by positive LFL trends, new openings and acquisitions of KFC and Pizza Hut chains in 2017. Sales of the Other Western Europe segment increased from EUR 3.7 million to EUR 57.2 million, mainly through the acquisition of KFC business in France in Q4 2017.

In H1 2018 a solid top line growth was also reported in China. The revenues of this division grew by 13.7%, driven by further expansion of network (6 new locations opened in the last 12 months). It is worth mentioning, that the negative LFL trends in China reversed, which shall support the future top line growth in the region. In June, the LFL sales in China increased by 10.9%.

Unallocated segment comprised of revenue of SCM group realised from the non-related entities and revenue of pizzaportal.pl. In H1 2018 sales of this segment reached EUR 8.3 million, which was 33.6% higher than year ago.

Profitability

The EBITDA profit of the Group amounted to EUR 74.0 million in H1 2018, growing by 18.7% compared to the previous year. In Q2 2018 the EBITDA reached EUR 40.3 million, representing a 14.2% growth over the year. EBITDA margin in H1 2018 reached 10.4%, being 0.7pp below LY's level.

In H1 2018, most of the major markets of AmRest operation reported further profitability improvement and strengthened margins. At the same time, consolidation of acquired businesses together with related M&A and integration expenses, had a temporary dilutive impact on consolidated margins of the Group. The Core EBITDA of AmRest, adjusted by mentioned M&As activities, grew by 18.6% in H1 2018, while the EBITDA margin improved by 0.6pp to 12.2%. In Q2 2018, the EBITDA of the Core grew by 14.5% and respective EBITDA margin strengthened by 0.3pp.

In the first half of 2018 the positive trends in cost of sales continued. On the back of increased food processing efficiency, product innovations and disciplined cost management, the Group reported relatively lower food cost (-0.4pp compared to H1 2017). Mentioned savings partially offset growing labour cost (+0.9pp in H1 2018), coming from a payroll pressure observed in Central Europe and addition of Western European businesses, which characterise relatively higher cost of labour.

In H1 2018, the Group benefited from relatively lower financial costs (-0.2pp compared to H1 2017), being a result of successful refinancing agreements signed in 2017.

The net profit attributable to AmRest shareholders amounted to EUR 13.3 million in H1 2018 (increase of EUR 0.7 million compared to H1 2017). Net margin declined from 2.3% to 1.7%.

The EBITDA profit in CE grew by 17.0% and reached EUR 46.4 million in H1 2018, while the margin declined by 0.2pp to 13.9%. The results of the region were primarily driven by growing labour costs (+1.5pp in Q2 2018 and +1.6pp in H1 2018). This negative trend was partially offset by favourable developments in cost of sales (-1.4pp in Q2 2018 and -1.5pp in H1 2018) as well as continued LFL growth reported in all CE countries. The Czech and Hungarian markets again delivered outstanding results, with EBITDA growing in H1 2018 by 38.9% and 27.1% respectively. At the same time, the EBITDA of Other CE segment was EUR 1.0 million lower than in H1 2017, driven mainly by the cost of developing new KFC businesses in Austria and Slovenia.

Solid business performance was seen in Russia, with a 50.8% growth of EBITDA reported in H1 2018. EBITDA margin strengthened by 2.5pp to 12.8%, mainly on the back of positive LFL trends as well as savings in cost of labour and G&A. In Q2 2018, the EBITDA margin of Russian division reached 14.2%.

The EBITDA of Western Europe division grew by 43.9% in H1 2018 (EUR +6.8 million) and the margin remained at LY's level of 8.9%. Spain continued solid business performance, improving the EBITDA margin by 0.8pp to 21.5% in H1 2018. Significant loss reduction was reported in Germany (EBITDA loss of EUR 2.7 million in H1 2018 compared to a EUR 4.4 million loss year ago), driven primarily by successful restructuring of Starbucks business. Other Western Europe segment reported EUR 0.8 million EBITDA profit in H1 2018 (compared to a EUR 0.8 million loss in H1 2017) mainly on the back of positive results of acquired KFC business in France.

Further profitability improvement was observed in China. In Q2 2018, the EBITDA grew by 24.2% to EUR 3.6 million, with the margin reaching 17.8% (+1.1pp). In H1 2018, a solid margin of 12.4% was reported, driven by the leverage of scale of the business and improved cost discipline. Additionally, the previous negative LFL trends reversed in the recent months.

Revenues and margins generated in the particular markets for the 6 months ended 30 June 2018 and 2017

	6 months ended 30 June 2018			6 months ended 30 June 2017		
	Amount	Share	Margin	Amount	Share	Margin
Revenue	**711.6**			**560.3**		
Poland	*193.5*	*27.2%*		*171.2*	*30.6%*	
Czechia	*78.5*	*11.0%*		*61.4*	*11.0%*	
Hungary	*41.4*	*5.8%*		*31.5*	*5.6%*	
Other CEE	*22.5*	*3.1%*		*17.7*	*3.2%*	
Total CEE	335.9	47.2%		281.8	50.3%	
Russia	81.7	11.5%		67.5	12.0%	
Spain	*112.0*	*15.7%*		*99.9*	*17.8%*	
Germany	*81.1*	*11.4%*		*70.1*	*12.5%*	
Other Western Europe	*57.2*	*8.0%*		*3.7*	*0.7%*	
Western Europe	250.3	35.2%		173.7	31.0%	
China	35.4	5.0%		31.1	5.6%	
Unallocated	8.3	1.2%		6.2	1.1%	
EBITDA	**74.0**		**10.4%**	**62.4**		**11.1%**
Poland	*21.1*		*10.9%*	*19.4*		*11.3%*
Czechia	*16.2*		*20.6%*	*11.7*		*19.0%*
Hungary	*7.1*		*17.0%*	*5.6*		*17.6%*
Other CEE	*2.2*		*10.3%*	*3.2*		*18.4%*
Total CEE	46.6		13.9%	39.9		14.1%
Russia	10.4		12.8%	6.9		10.3%
Spain	*24.1*		*21.5%*	*20.6*		*20.7%*
Germany	*(2.7)*		*-*	*(4.4)*		*-*
Other Western Europe	*0.8*		*1.5%*	*(0.8)*		*-*
Western Europe	22.2		8.9%	15.4		8.9%
China	4.4		12.4%	3.7		11.9%
Unallocated	(9.6)		-	(3.5)		-
Adjusted EBITDA	**79.8**		**11.2%**	**66.5**		**11.9%**
Poland	*21.9*		*11.3%*	*20.1*		*11.8%*
Czechia	*16.5*		*21.0%*	*11.9*		*19.4%*
Hungary	*7.4*		*17.9%*	*5.7*		*18.2%*
Other CEE	*2.5*		*11.5%*	*3.5*		*19.9%*
Total CEE	48.3		14.4%	41.2		14.6%
Russia	10.9		13.3%	7.4		10.9%
Spain	*24.8*		*22.1%*	*21.1*		*21.1%*
Germany	*(2.0)*		*-*	*(4.4)*		*-*
Other Western Europe	*1.7*		*3.1%*	*(0.8)*		*-*
Western Europe	24.5		9.8%	15.9		9.2%
China	4.7		13.2%	4.1		13.2%
Unallocated	(8.6)		-	(2.1)		-
EBIT	**24.4**		**3.4%**	**24.1**		**4.3%**
Poland	*7.2*		*3.7%*	*7.5*		*4.4%*
Czechia	*11.4*		*14.5%*	*8.3*		*13.6%*
Hungary	*4.4*		*10.5%*	*3.2*		*10.2%*
Other CEE	*0.0*		*-*	*2.0*		*11.2%*
Total CEE	23.0		6.8%	21.0		7.4%
Russia	5.0		6.1%	1.8		2.7%
Spain	*15.4*		*13.8%*	*14.4*		*14.4%*
Germany	*(7.7)*		*-*	*(8.5)*		*-*
Other Western Europe	*(3.4)*		*-*	*(1.7)*		*-*
Western Europe	4.3		1.7%	4.2		2.4%
China	2.1		25.6%	0.6		10.0%
Unallocated	(10.0)		-	(3.5)		-

(all figures in EUR millions unless stated otherwise)

Revenues and margins generated in the particular markets for 3 months ended 30 June 2018 and 2017

	3 months ended 30 June 2018			3 months ended 30 June 2017		
	Amount*	Share	Margin	Amount*	Share	Margin
Revenue	**364.2**			**294.8**		
Poland	*98.2*	*27.0%*		*88.0*	*29.9%*	
Czechia	*41.0*	*11.2%*		*32.4*	*11.0%*	
Hungary	*21.5*	*5.9%*		*16.6*	*5.6%*	
Other CEE	*11.6*	*3.2%*		*9.3*	*3.1%*	
Total CEE	172.3	47.3%		146.3	49.6%	
Russia	42.3	11.6%		35.5	12.0%	
Spain	*56.8*	*15.6%*		*51.2*	*17.3%*	
Germany	*40.3*	*11.0%*		*38.7*	*13.1%*	
Other Western Europe	*28.0*	*7.7%*		*2.6*	*0.9%*	
Western Europe	125.1	34.3%		92.5	31.4%	
China	20.1	5.5%		17.2	5.8%	
Unallocated	4.4	1.2%		3.3	1.1%	
EBITDA	**40.3**		**11.1%**	**35.3**		**12.0%**
Poland	*11.8*		*11.9%*	*10.8*		*12.3%*
Czechia	*8.8*		*21.5%*	*6.3*		*19.4%*
Hungary	*3.8*		*17.6%*	*3.0*		*17.6%*
Other CEE	*1.2*		*11.0%*	*1.8*		*19.6%*
Total CEE	25.6		14.9%	21.9		14.9%
Russia	6.0		14.2%	4.4		12.5%
Spain	*12.5*		*22.0%*	*10.7*		*21.0%*
Germany	*(1.6)*		-	*(1.3)*		-
Other Western Europe	*(0.3)*		-	*(0.5)*		-
Western Europe	10.6		8.5%	8.9		9.7%
China	3.6		17.8%	2.9		16.7%
Unallocated	(5.5)		-	(2.8)		-
Adjusted EBITDA	**44.1**		**12.1%**	**38.5**		**13.1%**
Poland	*12.2*		*12.5%*	*11.3*		*12.9%*
Czechia	*9.1*		*22.1%*	*6.5*		*20.0%*
Hungary	*4.0*		*18.6%*	*3.0*		*18.2%*
Other CEE	*1.4*		*12.5%*	*2.0*		*21.9%*
Total CEE	26.7		15.5%	22.8		15.6%
Russia	6.3		14.8%	4.7		13.2%
Spain	*12.9*		*22.8%*	*11.1*		*21.7%*
Germany	*(1.2)*		-	*(1.3)*		-
Other Western Europe	*0.1*		-	*(0.5)*		-
Western Europe	11.8		9.4%	9.3		10.1%
China	3.8		18.8%	3.1		17.8%
Unallocated	(4.5)		-	(1.4)		-
EBIT	**12.8**		**3.5%**	**14.7**		**5.0%**
Poland	*4.0*		*4.1%*	*4.5*		*5.2%*
Czechia	*6.4*		*15.7%*	*4.8*		*14.9%*
Hungary	*2.5*		*11.4%*	*1.7*		*10.5%*
Other CEE	*0.1*		*0.7%*	*1.5*		*15.9%*
Total CEE	13.0		7.5%	12.5		8.5%
Russia	3.0		7.1%	1.4		4.0%
Spain	*7.3*		*13.0%*	*7.7*		*14.9%*
Germany	*(4.5)*		-	*(3.6)*		-
Other Western Europe	*(2.9)*		-	*(1.3)*		-
Western Europe	(0.1)		-	2.8		3.0%
China	2.5		56.7%	0.9		28.5%
Unallocated	(5.6)		-	(2.9)		-

** Data not audited*

(all figures in EUR millions unless stated otherwise)

Reconciliation of the net profit and adjusted EBITDA for H1 2018 and H1 2017

	6 months ended 30 June 2018		6 months ended 30 June 2017		H1/H1	
	Amount	% of sales	Amount	% of sales	change	% of change
Restaurant sales	671.7	94.4	527.4	94.1	144.3	27.4
Franchise and other sales	39.9	5.6	32.9	5.9	7.0	21.4
Total sales	**711.6**		**560.3**		**151.3**	**27.0**
Profit/(loss) for the period	**12.1**	**1.7**	**13.1**	**2.3**	**(0.9)**	**(6.7)**
+ Finance costs	7.3	1.0	6.8	1.2	0.5	7.4
– Finance income	(0.3)	0.0	(0.3)	(0.1)	0.0	(3.9)
+ Income tax expense	5.3	0.7	4.5	0.8	0.9	19.6
+ Depreciation and Amortisation	43.8	6.1	36.7	6.6	6.9	18.8
+ Impairment losses	5.8	0.8	1.6	0.3	4.2	262.9
EBITDA	**74.0**	**10.4**	**62.4**	**11.1**	**11.6**	**18.7**
+ Start-up expenses	4.3	0.6	2.6	0.5	1.7	64.2
+ M&A related expenses	0.5	0.1	0.4	0.1	0.1	24.5
+/– Effect of SOP exercise method modification	1.0	0.1	1.0	0.2	(0.1)	(9.5)
Adjusted EBITDA	**79.8**	**11.2**	**66.5**	**11.9**	**13.3**	**20.1**

Liquidity analysis

	30 June 2018	31 December 2017	30 June 2017
Current assets	215.6	222.3	149.2
Inventory	22.3	22.4	19.0
Current liabilities	257.9	230.7	222.3
Quick ratio	0.75	0.87	0.59
Current ratio	0.84	0.96	0.67
Cash and cash equivalents	117.8	131.2	76.1
Cash ratio	0.46	0.57	0.34
Inventory turnover (in days)	5.49	5.83	6.08
Trade and other receivables	37.8	38.6	27.2
Trade receivables turnover (in days)	9.29	8.57	7.15
Operating ratio (cycle) (in days)	14.78	14.39	13.23
Trade and other accounts payable	180.5	186.7	131.6
Trade payables turnover (in days)	43.81	42.18	40.93
Cash conversion ratio (in days)	(29.03)	(27.79)	(27.70)

Definitions:
- *Quick ratio – current assets net of inventories to current liabilities*
- *Current ratio – current assets to current liabilities*
- *Cash ratio – cash and cash equivalents to current liabilities*
- *Inventory turnover ratio – average inventories to revenue multiplied by the number of days in the period*
- *Trade receivables turnover ratio – average trade and other receivables to revenue multiplied by the number of days in the period*
- *Operating ratio (cycle) – total of inventories turnover and receivables turnover*
- *Trade payables turnover ratio – average trade and other accounts payable to revenue multiplied by the number of days in the period*
- *Cash conversion ratio – difference between the operating ratio and the trade payables turnover ratio*

(all figures in EUR millions unless stated otherwise)

Leverage analysis

	30 June 2018	31 December 2017	30 June 2017
Non-current assets	819.0	811.4	686.8
Liabilities	701.5	711.6	536.8
Non-current liabilities	443.6	480.9	314.5
Debt	466.7	471.6	358.8
Share of inventories in current assets (%)	0.10	0.10	0.13
Share of trade receivables in current assets (%)	0.18	0.17	0.18
Share of cash and cash equivalents in current assets (%)	0.55	0.59	0.51
Equity to non-current assets ratio	0.41	0.40	0.44
Gearing ratio	0.68	0.69	0.64
Non-current liabilities to equity ratio	1.33	1.49	1.05
Liabilities to equity ratio	2.11	2.21	1.79
Debt/equity	1.40	1.46	1.20

Definitions:

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

Debt ratios

The liquidity ratios of the Group were at levels ensuring smooth operating activities and their relatively low level was related to the specifics of restaurant industry. Cash surpluses generated on a current basis allowed for the Group to serve efficiently existing debt.

The Group's equity increased by EUR 11.0 million compared to the balance of the end of 2017 and amounted to EUR 333.1 million at the end of H1 2018. The change in equity resulted mainly from the increase of retained earnings (EUR + 13.3 million in H1 2018). The net debt to EBITDA ratio amounted to 2.2 as at the end of H1 2018, as a net effect of growing profitability and increased debt financing needed for accelerated organic growth and M&A activities.

(all figures in EUR millions unless stated otherwise)

Planned investment activities

AmRest's strategy is to leverage its unique "Wszystko Jest Możliwe" culture, international capability and superior brand portfolio to grow scalable (min. USD 50 million annual sales) and highly profitable (min. 20% IRR) restaurants globally.

The Group intends to continue its strategic directions of development. Currently, AmRest continues its mid-term vision of doubling the size of the business within three years (2017-2019), with the main focus on further expansion of the network in the regions of continental Europe. Existing potential in the markets where AmRest is present allows to accelerate the pace of organic expansion. The roll-out of lighter restaurant formats (i.e. KFC Kiosk, Pizza Hut Express, Pizza Hut Delivery) increased availability of new locations across the Europe and widened the white space for new openings. Obtained master-franchise rights within the brand of Pizza Hut additionally support the future growth.

Potential acquisitions of European restaurant chains remain the second pillar of AmRest's growth. Roll up of brands already existing in Group's portfolio is expected to play an important role in potential M&A activities. AmRest's Management believes that in a long-term perspective expanding portfolio with exceptional proprietary brands shall also strengthen the value of the Group.

Similar to previous years, improvement of ROIC and building the long-term growth platform will define the main criteria of shaping the structure of new launches and acquisitions. AmRest's investment program will be financed both from the own sources and through debt financing.

Key domestic and foreign investments

The capital expenditure incurred by AmRest relates mainly to a development of restaurant network. The Group increases the scale of the business through construction of new restaurants, acquisition of restaurant chains from third parties as well as reconstruction and replacement of assets in the existing stores. The Group's capital expenditure depends mainly on the number and type of restaurants opened and scale of M&A activity.

In H1 2018 AmRest's capital expenditure was financed from cash flows from operating activities and debt financing.

The table below presents purchases of non-current assets in 6 months ended 30 June 2018 and 30 June 2017.

Purchases of non-current assets in AmRest

	6 months ended	
	30 June 2018	**30 June 2017**
Intangible assets:	**4.3**	**8.8**
Favourable leases and licence agreements	-	0.5
Licenses for use of Pizza Hut, KFC, Burger King, Starbucks trademarks	1.8	1.3
Other intangible assets	2.5	7.0
Goodwill	**0.3**	**13.2**
Property, plant and equipment:	**61.7**	**49.6**
Buildings and expenditure on development of restaurants	27.1	19.1
Machinery & equipment	19.0	15.4
Vehicles	0.2	0.2
Other tangible assets (including assets under construction)	15.4	14.9
Total	**66.3**	**71.6**

New AmRest Restaurants

	AmRest equity restaurants	AmRest franchisee restaurants	Total
31.12.2017	1 294	345	1 639
New Openings	103	17	120
Acquisitions	29	34	63
Closings	15	8	23
21.09.2018	1 411	388	1 799

As at 21 September 2018, AmRest operated 1 799 restaurants, including 165 La Tagliatella, 218 Pizza Hut, 4 Bacoa and 1 Blue Frog restaurants which are managed by franchisees. Compared with 31 December 2017, the Group runs 160 more restaurants. 120 new restaurants were opened: 53 restaurants in Central and Eastern Europe, 22 in Russia, 38 in Western Europe and 7 in China. At the beginning of June 2018 AmRest acquired from Pizza Hut Europe S.à.r.l. 16 Pizza Hut equity and 28 franchised restaurants mostly in the Russian market. Bacoa brand including 2 equity and 4 franchised restaurants was purchased from Bloom Motion, S.L. and Mr. Johann Spielthenner at the end of July 2018. In September 2018 AmRest acquired from KFC France SAS 8 KFC restaurants in France.

(all figures in EUR millions unless stated otherwise)

Significant events and transactions in 2018 (as at the reporting date)

Entrance into Russian bakery segment

On 27 February 2018 the Group announced signing on the same day the Subscription and Shareholders' Agreement ("SSHA") with LPQ Russia Limited, based in London, United Kingdom ("Partner").

The SSHA defined the main terms and conditions of cooperation between AmRest Holdings SE and the Partner aimed at developing a restaurant business in the bakery segment in Russia through a newly-formed corporate structure. As a result, AmRest will become a majority shareholder, holding 51% stake in newly created company ("NewCo"). The remaining 49% stake will be held by the Partner. NewCo will own and control its subsidiaries: the operating entity in Russia and the trademarks holding company (altogether "Structure").

Currently the Partner owns the trademarks of "Хлеб Насущный" (Khleb Nasuschny), "Филипповъ" (Philippov), "Наш хлеб" (Nash Khleb) and "Андреевские булочные" (Andreevsky Bulochnye) (jointly: "Trademarks").

The cooperation assumed the contribution of Trademarks to the Structure by the Partner. AmRest will invest EUR 6 million into the Structure with the purpose of developing the restaurant business in Russia.

The Group believes that described partnership and expansion into bakery sector will increase Group's footprint in the Russian market, enhance its product portfolio and broaden the customer base. The above is expected to strengthen AmRest's position in the restaurant sector in the region as well as be a source of value creation for AmRest shareholders in the future.

Registration of the Group's registered office in Spain

On 14 March 2018, in regard to regulatory announcement RB 190/2017 dated 28 July 2017 and RB 228/2017 dated 5 October 2017, AmRest Holdings SE informed that on the same day it received a confirmation of the registration on 12 March 2018 of its registered office in Pozuelo de Alarcón, Madrid, Spain.

Simultaneously, the amended Statute of the Company adopted by the Extraordinary General Meeting of 5 October 2017 came into force.

In connection with the above, AmRest informed that Spain is currently its Home State and legal and regulatory provisions applicable in the Spanish market will now be applicable to the Company and its shareholders instead of some of the hitherto applicable Polish legal regulations.

Acquisition of Pizza Hut business in Russia

On 30 April 2018 AmRest informed about signing on 30 April 2018 the Master Franchise Agreement ("MFA") with Pizza Hut Europe S.à.r.l. („PH Europe").

Based on the MFA AmRest was supposed to gain the master-franchisee rights for Pizza Hut brand in Russia, Azerbaijan and Armenia ("Territory"). After the completion of MFA AmRest would have the exclusive right to grant the license to the third parties to operate Pizza Hut restaurants (sub-franchise) in the Territory and become the franchisor for nearly 30 restaurants currently operated by multiple sub-franchisees in above mentioned countries.

In order to facilitate the growth of scale of Pizza Hut business, PH Europe introduced an incentive mechanism reducing certain fees incurred by AmRest under the MFA ("Reduced Fees"), provided that the Group meets certain development obligations specified in the MFA. Upon entry into force of the MFA AmRest will be required to open and operate Pizza Hut Dine in, Express and Delivery restaurants in accordance with the development schedule setting the minimum number of openings in the subsequent years of the MFA's term. If AmRest fails to meet the development obligations, PH Europe will have the right to increase the Reduced Fees and change the terms or terminate the MFA. The Group's intention is to open more than 200 Pizza Hut restaurants in the Russian market within 5 years.

The MFA was granted for initial period of 10 years with an option of further prolongations upon the fulfilment of certain terms and conditions.

Simultaneously, AmRest informed about signing on 30 April 2018 the Asset Purchase Agreement ("APA") between OOO Pizza Company, being the subsidiary of AmRest and Yum Restaurants International Russia and CIS LLC („PH Russia").

As a result of the APA Pizza Company was supposed to acquire the assets of 16 Pizza Hut Delivery and Express restaurants run by PH Russia in Moscow. The purchase price was estimated at RUB 142.6 million (EUR 1.9 million).

On 1 June 2018 AmRest informed about (i) completion on the same day of the Master Franchise Agreement (the "MFA") signed on 30 April 2018 (on 25 May 2018 assigned to OOO AmRest being the subsidiary of AmRest) and (ii) completion of Asset Purchase Agreement (the "APA").

As a result of completion of MFA OOO AmRest gained the master-franchisee rights for Pizza Hut brand in Russia, Azerbaijan and Armenia. Furthermore OOO AmRest became the franchisor for nearly 29 restaurants operated by multiple independent sub-franchisees in above mentioned countries.

Simultaneously AmRest informed that as a result of APA completion Pizza Company acquired the assets of 16 Pizza Hut Delivery and Express restaurants previously run by PH Russia in Moscow.

In connection with the completion of the Agreements and the accompanying agreements, AmRest's subsidiaries paid to PH Russia 142.6 million rubles (EUR 2 million).

In the opinion of the Executive Team of AmRest there is a great potential for growing presence of Pizza Hut brand in Russia. The master franchise rights will contribute to strengthening the partnership with Yum! Brands and AmRest's leadership position of restaurant operator in Russia.

Framework Agreement with KFC France

On 24 May 2018 AmRest informed about signing on 23 May 2018 of the Binding Head of Terms ("HoT") determining the key terms and conditions on, and subject to which, KFC France SAS ("KFC France") would be willing to proceed with a potential transaction with AmRest Opco SAS whereby (i) KFC France would sell and AmRest Opco would buy 15 equity restaurants run by KFC France ("KFC Business") in the French market, and (ii) the parties would sign a Standard KFC International Franchise Agreement for each restaurant (collectively called the "Contemplated Transaction").

The purchase price for the KFC Business was subject to the outcome of a due diligence to be carried out by AmRest.

It was the intention of AmRest and KFC France that the final agreement (the Framework Agreement) should be signed no later than 31 July 2018, and closing of the Contemplated Transaction, including transfer of ownership of KFC Business and payment of the purchase price should occur no later than 30 September 2018. If the parties failed to sign the final agreements by 31 December 2018 the HoT would terminate immediately, unless otherwise agreed in writing by both parties.

On 27 July 2018 AmRest informed about signing on 26 July 2018 of the Framework Agreement between AmRest Opco, AmRest Leasing SAS, AmRest Estate SAS (jointly: „Buyer") and KFC France and NOVO BL (jointly "Seller"). Under the terms of the Framework Agreement (i) Buyer will acquire 15 equity restaurants run by KFC France in the French market, and (ii) AmRest Opco and KFC France will sign the standard KFC International Franchise Agreement for each restaurant.

The purchase price is expected at EUR 33.3 million. Final purchase price will be determined as at the day of the transaction closing.

Estimated revenues of the restaurants in 2017 amounted to EUR 40 million.

It is the intention of the parties that the closing of the transaction, including transfer of ownership of KFC business and payment of the purchase price, shall occur till end of the year 2018 (the "Completion"). The Completion is contingent upon some additional conditions, such as concluding additional agreements ensuring restaurants proper functioning after Completion, consultation with works council and health and safety committee of KFC France and lack of the material adverse change ("MAC").

Simultaneously, the Group informed about signing on 26 July 2018 of the Development Agreement between AmRest Opco and KFC France setting forth the development plans of the KFC brand in France. According to the agreement AmRest intends to open in the French market about 150 KFC restaurants by end of 2023.

In the opinion of the Group there is a great potential for growing KFC brand in Western Europe. Acquisition of several of KFC French restaurants will contribute to strengthening the partnership with Yum! Brands and AmRest's leadership position of restaurant operator in Europe as well as drive the value creation for AmRest's shareholders.

Share Purchase Agreement to acquire BACOA brand

On 16 July 2018 AmRest informed about signing on the same day the Binding Offer (the "Offer") determining the key terms and conditions on, and subject to which, AmRest Tag, S.L.U. ("AmRest Tag", which is an indirect 100% subsidiary of AmRest) would be willing to enter into definitive Share Purchase Agreement ("SPA") with Bloom Motion, S.L. and Mr. Johann Spielthenner (jointly the "Seller"), whereby AmRest Tag would acquire from the Seller 100% of the share capital of the companies Bacoa Holding, S.L. and Black Rice, S.L. (jointly the "Target Companies").

The Target Companies run a restaurant chain consisting of six burger restaurants under BACOA brand in Spain (in Barcelona and in Madrid) operated through both equity and franchise model.

The intention of the parties of the Offer was to sign the SPA and close the transaction within the next several weeks.

On 31 July 2018 AmRest informed about signing on the same day the definitive Share Purchase Agreement between AmRest Tag and the Seller.

As the result of SPA AmRest Tag acquired 100% of Bacoa Holding, S.L. and Black Rice, S.L. share capital, and simultaneously a restaurant chain consisting of six burger restaurants under BACOA brand in Spain. The purchase price based on Enterprise Value (on the cash-free and debt-free basis) amounted to approx. EUR 3.7 million. In 2017 fiscal year Bacoa network generated the system sales of approx. EUR 10 million.

Share Purchase Agreement to acquire Sushi Shop Group SAS

On 25 July 2018 AmRest announced signing on 24 July 2018 of an Agreement between AmRest and Mr. Grégory Marciano, Naxicap Partners SA and remaining sellers (jointly "Sellers") setting forth AmRest's irrevocable commitment to purchase 100% shares in Sushi Shop Group SAS ("Sushi Shop", „Group") (the "Agreement").

The purchase price based on Enterprise Value (on the cash-free and debt-free basis) will amount to approx. EUR 240 million, of which an equivalent of EUR 13.0 million is to be paid to Mr. Grégory Marciano and Mr. Adrien de Schompré in the AmRest's shares. Additionally, an amount of up to EUR 10 million (earn-out) will be paid to the Sellers upon Sushi Shop reaching certain financial KPI's for 2018.

Sushi Shop is the operator of the leading European chain of Japanese cuisine restaurants comprising of 165 stores, of which about one third are restaurants run by franchisees. Upscale Sushi Shop restaurants are present in France (72% of the entire business) and in 11 other countries (including Spain, Belgium, Great Britain, Germany, Switzerland, Italy). The Group's business model is based mainly on the "delivery" (55% of sales) and "take-away" (32% of sales) channels.

In 2017 fiscal year the network generated the system sales of approx. EUR 202 million. The consolidated revenues of Sushi Shop amounted to ca. EUR 130 million.

The intention of the parties of the Agreement was to sign the Share Purchase Agreement in the upcoming weeks and close the transaction within the next couple of months, which would be a subject to consultation with the workers council of Sushi Shop and obtaining clearance by the relevant antitrust authorities.

The acquisition would strengthen AmRest's portfolio with a well-established proprietary brand in sushi segment, a category highly attractive to AmRest's business model. The offer of Sushi Shop shall add substantial leverage on food delivery platforms of the Group.

On 27 July 2018 AmRest announced that after successful consultation with the workers council of Sushi Shop the Company signed on 27 July 2018 the Share Purchase Agreement with the Sellers aimed at the acquisition by AmRest of 100% shares in Sushi Shop.

The parties of the SPA intend to close the transaction within the next couple of months ("Completion"), which will be a subject obtaining clearance by the relevant antitrust authorities and lack of the material adverse change ("MAC").

As a result of the Completion AmRest will become an owner of the leading European chain of Japanese cuisine restaurants comprising of 165 stores, of which about one third are restaurants run by franchisees.

Share Purchase Agreement – TELE PIZZA, S.A.U.

On 26 July 2018 AmRest announced signing of a Share Purchase Agreement ("SPA"), dated 26 July 2018, between AmRest Sp. z o.o. („AmRest Poland") and TELE PIZZA, S.A.U. ("Seller"). Pursuant to SPA AmRest Poland will acquire 100% shares of TELEPIZZA POLAND Sp. z o.o. ("Telepizza Poland") at an estimated price of ca. EUR 8m. The final purchase price will be determined at the day of closing the transaction.

Telepizza Poland is the master franchisee of Telepizza restaurants across Poland and is fully owned by the Seller. Currently Telepizza Poland operates 107 restaurants, both in equity (36 units) and franchise (71 locations) business model.

In the past fiscal year the network generated system sales of approx. PLN 103m. The consolidated revenue of Telepizza Poland amounted to about PLN 73.3m.

Both parties intend to close the transaction within the next couple of months ("Completion"). The completion is contingent upon a number of conditions, such as: obtaining antitrust approvals (CCPO), consent of each bank providing financing of the ongoing business activity of both parties of the SPA, conclusion of a license agreement with the Seller authorizing Telepizza Polska to continue operation of its business and no occurrence of the material adverse change events ("MAC").

The acquisition of Telepizza Poland fits well to AmRest's strategy and the creation of the leading pizza business across Europe in both dine-in and delivery channel.

Investment in Shares of Glovoapp23, S.L.

On July 18 2018 AmRest announced signing on the same day the Shareholders' Agreement, Subscription Agreement and Share Purchase Agreement (altogether: "Agreements") with Glovoapp23, S.L., based in Barcelona, Spain ("Glovo") and its existing and new shareholders. Based on the Agreements AmRest acquired a tranche of newly issued shares in Glovo as well as purchased a portion of existing shares from certain shareholders of Glovo ("Investment"). As a result of the Investment in the total amount of EUR 25 million, AmRest became co-lead investor holding 10% of total number of Glovo shares. The Investment assures AmRest a board seat in Glovo.

Glovo is one of the key players in digital food delivery on the Spanish market. It is an application that allows to buy, collect and send any product within the same city at a time. It has more than 1 million users and 5 600 associated partners. In Spain, the service is available in the urban areas of 21 cities. Internationally, Glovo operates in the main capital cities in Europe and EMEA, and also in 9 countries of LATAM. Currently Glovo is present in 61 cities of 17 countries throughout the world.

Taking into consideration the growing importance and impact of digital technologies in the consumer foodservice sector and increasing market share of online food-ordering channel, the Board of Directors of AmRest believes that the partnership with Glovo will strengthen the Group's position in the aggregator and delivery segment. Another investment into digital ventures was a natural decision embodying the AmRest's strategy of achieving the leading position on all the markets of AmRest operation in both dine-in and delivery segment.

Potential listing in Spain

On 6 June 2018 at the Annual General Shareholders Meeting it was agreed that AmRest Holdings SE is allowed to start a process of application for stock market listing of its shares on the Spanish Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia. Up until the date these Condensed Consolidated Financial Statements, such process has not been completed.

Shareholders of Amrest Holdings SE

According to the best AmRest's knowledge as at 30 June 2018 AmRest Holdings had the following shareholder structure:

Shareholder	Number of shares and votes at the Share-holders' meeting	% of shares and votes at the Shareholders' meeting
FCapital Dutch B. V.	11 959 697	56.38%
Gosha Holding S.à.r.l	2 263 511	10.67%
Nationale-Nederlanden OFE	1 105 060	5.21%
Artal International S.C.A.	1 050 000	4.95%
Aviva OFE	701 370	3.31%
Other Shareholders	4 134 255	19.48%

** FCapital Dutch B. V. is the dominant entity of FCapital Lux (holding 5 232 907 AmRest shares) and the subsidiary of Finaccess Capital, S.A. de C.V. Grupo Finacces SAPI de CV is the directly dominant entity of Finaccess Capital, S.A. de C.V. and a subsidiary of Grupo Far-Luca, S.A. de C.V. The directly dominant person of Grupo Far-Luca, S.A. de C.V., Mr. Carlos Fernández González, is a member of the AmRest Board of Directors.*

*** Gosha Holding S.à.r.l. is a person closely associated with Mr. Henry McGovern and Mr. Steven Kent Winegar Clark – members of the AmRest Board of Directors.*

According to the best AmRest's knowledge as at the date of publication of this Report the AmRest Holdings' shareholders structure presented as follows:

Shareholder	Number of shares and votes at the Share-holders' meeting	% of shares and votes at the Shareholders' meeting
FCapital Dutch B. V.	11 959 697	56.38
Gosha Holding S.à.r.l	2 263 511	10.67
Nationale-Nederlanden OFE	1 105 060	5.21
Aviva OFE	701 370	3.31
Other Shareholders	5 184 255	24.44

(all figures in EUR millions unless stated otherwise)

External Debt

With reference to regulatory announcement RB 229/2017 dated 6 October 2017 concerning the credit agreement signed on 5 October 2017 between AmRest Holdings SE, AmRest Sp. z o.o. and AmRest s.r.o. – jointly „the Borrowers" and Bank Polska Kasa Opieki S.A., Powszechna Kasa Oszczędności Bank Polski S.A., ING Bank Śląski S.A and Česká spořitelna, a.s. – jointly „the Lenders", on 15 June 2018 AmRest Holdings SE informed about receiving on 14 June 2018 from Bank Polska Kasa Opieki S.A., being the facility agent of mentioned credit, the Confirmation Statement committing Tranche E of the credit facility in the amount of PLN 280 million.

The Confirmation Statement was issued at the request of the Borrowers. Tranche E will be dedicated to repayment of the Polish bonds.

On 2 July 2018, in regards to the regulatory announcement RB 24/2013 dated 19 June 2013, AmRest Holdings SE informed that on 2 July 2018 the Company made a redemption of 14 000 dematerialised bearer bonds AMRE03300618 series, with a par value of PLN 10 000 per one bond and the total nominal value of PLN 140 000 000. The bonds were issued by AmRest on 18 June 2013 with the maturity date falling on 30 June 2018.

The redemption of the bonds resulted in expiry of all rights and obligations arising from them (according to Art. 74 of the Act on bonds dated 15 January 2015).

On 20 August 2018, in regards to the regulatory announcement RB 73/2014 dated 11 September 2014 and in accordance with point 4.2 of Terms and Conditions of the Issue of Series AMRE04100919 Bonds, AmRest Holdings SE informed that the Company plans to make on 28 September 2018 an early redemption of 14 000 dematerialised bearer bonds AMRE04100919 series ("the Bonds"), with a par value of PLN 10 000 per one bond and the total nominal value of PLN 140 000 000.

The Bonds were issued by AmRest on 10 September 2014 with the maturity date falling on 10 September 2019.

The early redemption of the Bonds at the request of the Issuer will be carried out by a cash payment in the amount of the nominal value of the Bonds increased by accrued interest and early redemption premium calculated in accordance with point 3 and 4 of the Terms and Conditions of the Bonds Issue. The buyout of the Bonds will be refinanced with bank loans.

Changes in the Parent Company's Governing Bodies

On 14 March 2018 AmRest received a confirmation of the registration on 12 March 2018 of its registered office in Pozuelo de Alarcón, Madrid, Spain. Due to that change the corporate structure of the Company has changed into one-tier board system. Currently, the only body which is in charge of governing the Company is the Board of Directors. According to the resolution adopted by the Extraordinary General Meeting of AmRest Holdings SE on 5 October 2017 the composition of the Board of Directors is as follows:

- Mr. José Parés Gutiérrez - Chairman of the Board
- Mr. Carlos Fernández González - Member of the Board
- Mr. Luis Miguel Álvarez Pérez - Member of the Board
- Mr. Henry McGovern - Member of the Board
- Mr. Steven Kent Winegar Clark - Member of the Board
- Mr. Pablo Castilla Reparaz - Member of the Board
- Mr. Mustafa Ogretici - Member of the Board

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

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

During the period since 1 January 2018 the following changes occurred with respect to AmRest shares and stock options held by the members of the Board of Directors of AmRest.

According to the best knowledge of AmRest, following members of the Board of Directors owned in this reporting period the Issuer's shares: Mr. Henry McGovern, Mr. Carlos Fernández González and Mr. Steven Kent Winegar Clark.

As at 31 December 2017 Mr. Henry McGovern held directly 7 234 shares of the Company with a total nominal value of EUR 72.34. On 30 June 2018 (and simultaneously on the date of publication of this report) he held 17 234 shares of the Company with a total nominal value of EUR 172.34.

As at 31 December 2017 Gosha Holdings S.a.r.l. - the closely associated person of Mr. Henry McGovern and Mr. Steven Kent Winegar Clark (the Company's Board of Directors members) held 2 463 511 the Company's shares with a total nominal value of EUR 24 635.11. On 30 June 2018 (and simultaneously on the date of publication of this Report) Gosha Holdings S.a.r.l. held 2 263 511 the Company's shares with a total nominal value of EUR 22 635.11.

As at 31 December 2017 FCapital Dutch B.V. – the closely associated person of Mr. Carlos Fernández González (member of the Company's Board of Directors) held 11 959 697 the Company's shares with a total nominal value of EUR 119 596.97. On 30 June 2018 (and simultaneously on the date of publication of this Report) FCapital Dutch B.V. held the same amount of the Company's shares.

Transactions on own shares concluded by AmRest

The commencement of the purchase of treasury shares for the purposes of execution of the management option plans occurred on the basis of Resolution No. 7 of the General Meeting of the Company of 19 May 2015 concerning the authorisation for the Board of Directors to acquire treasury shares in the Company and the establishment of reserve capital.

In the period between 1 January 2018 and the day of publication of this Report, AmRest purchased a total of 54 286 own shares for a total price of PLN 23 734 522. During the same period, the Company disposed a total of 51 781 own shares to entitled participants of the stock options plans.

Factors impacting the Group's development in 2018

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

External factors

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

Internal factors

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

Basic risks and threats the Group is exposed to

The Board of Directors of AmRest is responsible for the risk management system and the internal control system as well as for reviewing these systems for operating efficiency. These systems help identify and manage risks which may prevent the execution of the long-term objectives of AmRest. However, having these systems in place does not ensure complete elimination of the risk of fraud and violation of the law. The Board of Directors of AmRest is permanently 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.

Factors remaining outside the Group's control

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

Dependency on the franchisor

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

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

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

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

Dependency on cooperation with minority shareholders

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

The agreements with Starbucks were concluded for a period of 15 years with a possibility of their extension for the next 5 years upon meeting the specified conditions. If AmRest fails to comply with the obligation to open and run the minimum specified number of cafés, Starbucks Coffee International, Inc. shall have the right to increase its share in these companies by acquiring shares from AmRest Sp. z o.o. at a price agreed between the parties based on the valuation of the companies.

No exclusivity rights

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

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

Rental agreements and continuation options

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

Moreover, in certain circumstances AmRest may make a decision to close a given restaurant and terminating the relevant rental contract on cost effective terms may prove impossible. This situation may also have an adverse effect on the business activities and operating results of the Group. Closing any of the restaurants is subject to approval by the franchisor and it is not certain that such approval will be obtained.

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

Risk related to the consumption of food products

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

Risk related to keeping key personnel in the Group

The Issuer's success depends to some extent on the individual effort of selected employees and key members of management. The methods of remunerating and managing human resources developed by the Issuer help ensure a low rotation of the key personnel. Additionally, the career planning system supports preparing successors ready to execute tasks in key positions. The Issuer believes it will be able to replace its key personnel. Regardless of that, their loss may have a short-term adverse effect on the business activities and operating results of the Issuer.

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

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

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

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

Risk related to developing new brands

AmRest has operated La Tagliatella, Blue Frog, KABB and Bacoa brands for a relatively short time. As these are new concepts for AmRest, there is a risk related to demand for the products offered and their acceptance by customers.

Risk related to opening restaurants in new countries

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

Currency risk

The results of AmRest are exposed to currency risk related to transactions and translations into currencies other than the currency in which business transactions are measured in the individual Capital Group companies. The Group adjusts its currency portfolio of debt to the geographical structure of its profile of activities. Additionally, AmRest uses forward contracts to secure transaction risks on a short term basis.

Risk related to the current geopolitical situation in the Ukraine and Russia

Russia is one of the largest markets for AmRest. The recent geopolitical and economic turmoil witnessed in the region, in particular the developments in Ukraine, have had and may continue to have a negative impact on the Russian economy, including weakening of the Russian Ruble, higher interest rates, reduced liquidity and consumer confidence. These events, including current and future international sanctions against Russian companies and individuals and the related uncertainty and volatility of the supply chain, may have a significant impact on the Group's operations and financial position, the effect of which is difficult to predict. The future economic and regulatory situation may differ from the Management's expectations however it is being monitored in order to adjusts strategic intentions and operational decisions, which will minimise business risks.

Risk of increased financial costs

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

Liquidity risk

The Group is exposed to the risk of lack of financing at the moment of maturity of bank loans and bonds. As at 30 June 2018, the Group had enough short-term assets, including cash and promised credit limits, to fulfil is liabilities due in the next 12 months.

Risk of economic slowdowns

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

Risk related to seasonality of sales

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

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

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

Cyberattack risk

Group's operations are supported by wide variety of IT systems, including point-of-sale systems, electronic ordering platforms, supply-chain management systems and finance and controlling tools. Consequently, the Group is exposed to the risk of temporary operational disruption, data integrity risk and/or unauthorized access to confidential data, which may be a result of both intentional cyberattack or an unintentional event. In order to mitigate these risks, the Group established specialized IT-security unit and implemented appropriate cybersecurity risk mitigation tools, including security polices, personnel training and technical prevention countermeasures.

Number of AmRest restaurants (as at the date of this report)

Countries	Brands	31.12.2015	31.12.2016	31.12.2017	21.09.2018
Poland	KFC	206	222	243	248
	BK	33	36	41	42
	SBX	40	52	64	67
	PH	67	79	105	119
	BF	-	-	1	1
	Total	**346**	**389**	**454**	**477**
Czech	KFC	71	78	85	89
	BK	7	8	12	12
	SBX	24	28	34	37
	PH	-	-	2	4
	Total	**102**	**114**	**133**	**142**
Hungary	KFC	35	45	50	53
	SBX	12	16	20	22
	PH	2	5	12	14
	Total	**49**	**66**	**82**	**89**
Russia	KFC	101	115	154	166
	PH equity	8	8	11	36
	PH franchised	-	-	-	24
	Total	**109**	**123**	**165**	**226**
Bulgaria	KFC	5	5	5	5
	BK	1	1	1	1
	SBX	5	5	7	12
	Total	**11**	**11**	**13**	**18**
Serbia	KFC	5	5	7	7
	Total	**5**	**6**	**7**	**7**
Croatia	KFC	5	6	7	7
	Total	**5**	**6**	**7**	**7**
Romania	SBX	19	28	36	41
	Total	**19**	**28**	**36**	**41**
Slovakia	SBX	-	3	4	4
	PH	-	-	-	1
	Total	**-**	**3**	**4**	**5**
Armenia	PH franchised	-	-	-	2
	Total	**-**	**-**	**-**	**2**
Azerbaijan	PH franchised	-	-	-	2
	Total	**-**	**-**	**-**	**2**
Spain	TAG equity	65	73	72	69
	TAG franchised	115	129	152	160
	KFC	36	43	53	58
	Blue Frog equity	-	-	1	2
	Blue Frog franchised	-	-	-	1
	Bacoa equity	-	-	-	2
	Bacoa franchised	-	-	-	4
	Total	**216**	**245**	**278**	**296**
France	TAG equity	4	5	5	5
	TAG franchised	6	5	4	5
	KFC	-	-	41	55
	PH equity	-	-	8	10
	PH franchised	-	-	118	115
	Total	**10**	**10**	**176**	**190**
Germany	SBX	-	143	136	135
	TAG equity	2	2	2	2
	KFC	-	-	22	24
	PH equity	-	-	3	4
	PH franchised	-	-	71	75
	Total	**2**	**145**	**234**	**240**
Austria	KFC	-	-	1	1
	Total	**-**	**-**	**1**	**1**
Slovenia	KFC	-	-	1	1
	Total	**-**	**-**	**1**	**1**
Portugal	TAG equity	-	-	1	1
	Total	**-**	**-**	**1**	**1**
China	Blue Frog	25	32	43	50
	KABB	4	4	4	4
	Total	**29**	**36**	**47**	**54**
Total AmRest		**904**	**1 181**	**1 639**	**1 799**

(all figures in EUR millions unless stated otherwise)

(all figures in EUR millions unless stated otherwise)

Financial data of AmRest for 3 and 6 months ended 30 June 2018

Condensed consolidated income statement for 3 and 6 months ended 30 June 2018

	6 months ended		3 months ended*	
	30 June 2018	**30 June 2017** *(restated**)*	**30 June 2018**	**30 June 2017** *(restated**)*
Continuing operations				
Restaurant sales	671.7	527.4	343.6	276.9
Franchise and other sales	39.9	32.9	20.7	17.9
Total revenue	**711.6**	**560.3**	**364.3**	**294.8**
Group operated restaurant expenses:				
Food and material	(193.3)	(154.6)	(97.9)	(79.7)
Payroll and employee benefits	(173.3)	(131.4)	(87.5)	(67.5)
Royalties	(34.8)	(26.7)	(17.8)	(14.0)
Occupancy and other operating expenses	(201.2)	(162.5)	(102.3)	(84.7)
Franchise and other expenses	(29.3)	(20.6)	(14.9)	(11.3)
General and administrative (G&A) expenses	(53.1)	(42.9)	(27.8)	(23.6)
Net impairment losses on financial assets	(0.8)	(0.1)	(0.3)	-
Net impairment losses on other assets	(5.0)	(1.5)	(5.0)	(1.5)
Total operating costs and losses	**(690.8)**	**(540.3)**	**(353.4)**	**(282.3)**
Other operating income	**3.6**	**4.1**	**1.7**	**2.7**
Profit from operations	**24.4**	**24.1**	**12.8**	**14.7**
Finance costs	(7.3)	(6.8)	(2.6)	(4.0)
Finance income	0.3	0.3	0.1	0.2
Profit before tax	**17.4**	**17.6**	**10.3**	**10.9**
Income tax	(5.3)	(4.5)	(2.6)	(2.8)
Net profit for the period	**12.1**	**13.1**	**7.7**	**8.1**
Net profit attributable to:				
Shareholders of the parent	13.3	12.6	8.2	7.8
Non-controlling interests	(1.2)	0.5	(0.5)	0.3
Net profit for the period	**12.1**	**13.1**	**7.7**	**8.1**
Basic earnings per ordinary share in EUR	0.63	0.59	0.39	0.37
Diluted earnings per ordinary share in EUR	0.63	0.59	0.39	0.37

** Data not audited*

*** The restatement was described in note 26 to the Condensed Consolidated Financial Statements for 6 months ended 30 June 2018.*

(all figures in EUR millions unless stated otherwise)

Segment reporting for 3 months ended 30 June 2018

	CEE	Western Europe	Russia	China	Unallocated	Total
3 months ended 30 June 2018						
Total segment revenue	172.3	125.1	42.3	20.1	4.4	364.2
Inter-segment revenue	-	-	-	-	-	-
Revenue from external customers	**172.3**	**125.1**	**42.3**	**20.1**	**4.4**	**364.2**
Capital investment*	19.0	10.7	3.2	2.0	-	34.9
3 months ended 30 June 2017						
Total segment revenue	146.3	92.5	35.5	17.2	3.3	294.8
Inter-segment revenue	-	-	-	-	-	-
Revenue from external customers	**146.3**	**92.5**	**35.5**	**17.2**	**3.3**	**294.8**
Capital investment*	12.7	9.5	4.6	1.8	0.1	28.7

Segment reporting for 6 months ended 30 June 2018

	CEE	Western Europe	Russia	China	Unallocated	Total
6 months ended 30 June 2018						
Total segment revenue	335.9	250.3	81.7	35.4	8.3	711.6
Inter-segment revenue	-	-	-	-	-	-
Revenue from external customers	**335.9**	**250.3**	**81.7**	**35.4**	**8.3**	**711.6**
Capital investment*	35.6	23.9	5.9	2.8	0.2	68.4
6 months ended 30 June 2017						
Total segment revenue	281.8	173.7	67.5	31.1	6.2	560.3
Inter-segment revenue	-	-	-	-	-	-
Revenue from external customers	**281.8**	**173.7**	**67.5**	**31.1**	**6.2**	**560.3**
Capital investment*	27.3	25.6	7.2	2.4	0.2	62.7
30 June 2018						
Total segment assets	336.2	494.5	106.2	51.9	45.8	1 034.6
Goodwill	8.2	148.0	38.6	20.1	1.3	216.2
Deferred tax assets	6.6	7.6	-	0.4	3.5	18.1
Total segment liabilities	83.2	86.2	13.6	10.7	507.8	701.5
31 December 2017						
Total segment assets	344.4	485.0	101.9	48.2	54.2	1 033.7
Goodwill	8.5	147.8	40.6	20.0	1.4	218.3
Deferred tax assets	4.8	5.4	-	0.4	3.7	14.3
Total segment liabilities	94.7	85.7	9.2	10.9	511.1	711.6

**Capital investment comprises increases and acquisition in property, plant and equipment, intangible assets, adjusted for change in investment liabilities.*

The statements contained herein 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

Carlos Fernández González
Member of the Board

Luis Miguel Álvarez Pérez
Member of the Board

Henry McGovern
Member of the Board

Steven Kent Winegar Clark
Member of the Board

Pablo Castilla Reparaz
Member of the Board

Mustafa Ogretici
Member of the Board

Wrocław, 21 September 2018

Management Report for 6 months ended 30 June 2018
AmRest Holdings SE

Liability statement of Directors

At a meeting held on 21 September 2018, the Directors of AmRest Holdings SE ("Company") state that, to the best of their knowledge, the Condensed Consolidated Financial Statements for 6 months ended 30 June 2018 prepared in accordance with the applicable international accounting standards, offer a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole, and the interim consolidated management report includes a fair review of the required information.

Signatures:

José Parés Gutiérrez
Chairman of the Board

Carlos Fernández González
Member of the Board

Luis Miguel Álvarez Pérez
Member of the Board

Henry McGovern
Member of the Board

Steven Kent Winegar Clark
Member of the Board

Pablo Castilla Reparaz
Member of the Board

Mustafa Ogretici
Member of the Board

Wroclaw, 21 September 2018

Wszystko jest możliwe!

Condensed Separate Financial Statements for 6 months ended 30 June 2018

AmRest Holdings SE

21 September 2018

Contents

(all figures in EUR millions unless stated otherwise)

Condensed separate balance sheet as at 30 June 2018

	30 June 2018	31 December 2017 *(restated*)*
Assets		
Intangible assets	0.1	0.1
Investment and loans in group companies	346.2	339.5
Deferred tax assets	-	0.3
Total non-current assets	**346.3**	**339.9**
Trade and other receivables	4.7	3.0
Investments and loans in group companies	9.6	2.1
Prepaid expenses	0.1	-
Cash and cash equivalents	11.6	24.4
Total current assets	**26.0**	**29.5**
Total assets	**372.3**	**369.4**
Equity		
Share capital	21.2	0.2
Share premium	168.1	189.1
Reserves	32.0	21.4
Own shares and equity instruments	(7.9)	(10.6)
Profit/(loss) for the period	(0.1)	10.6
Other equity instruments	(8.1)	(8.8)
Currency translation reserve	(6.7)	(6.8)
Total equity	**198.5**	**195.1**
Liabilities		
Provisions	1.3	2.2
Non-current financial liabilities	101.0	134.4
Total non-current liabilities	**102.3**	**136.6**
Current financial liabilities	67.7	36.1
Trade and other payables	3.8	1.6
Total current liabilities	**71.5**	**37.7**
Total liabilities	**173.8**	**174.3**
Total equity and liabilities	**372.3**	**369.4**

**The restatement was described in the note 2 to the Condensed Separate Financial Statements for 6 months ended 30 June 2018.*

(all figures in EUR millions unless stated otherwise)

Condensed separate income statement for 6 months ended 30 June 2018

	6 months ended	
	30 June 2018	**30 June 2017** (*restated**)
Revenues	1.7	6.2
Personnel expenses	(0.3)	(0.2)
Other operating expenses	(0.6)	-
Results from operating activities	**0.8**	**6.0**
Finance income	0.4	1.2
Finance expenses	(2.6)	(1.7)
Exchange rates gains and losses	3.0	(0.6)
Impairment and gains/(losses) on disposal of financial instruments	(1.4)	(1.6)
Net finance income (expense)	**(0.6)**	**(2.7)**
Profit/(loss) before income tax	**0.2**	**3.3**
Income tax expense	(0.3)	0.3
Profit/(loss) for the period	(0.1)	3.6
Profit/(loss) for the period	**(0.1)**	**3.6**

**The restatement was described in the note 2 to the Condensed Separate Financial Statements for 6 months ended 30 June 2018.*

Condensed separate statement of recognised income and expense for 6 months ended 30 June 2018

	6 months ended	
	30 June 2018	**30 June 2017** (*restated**)
Profit for the period	**(0.1)**	**3.6**
Currency translation adjustment	0.1	8.1
Total recognised income and expenses for the period	**-**	**11.7**

**The restatement was described in the note 2 to the Condensed Separate Financial Statements for 6 months ended 30 June 2018.*

(all figures in EUR millions unless stated otherwise)

Condensed separate statement of cash flows for 6 months ended 30 June 2018

	6 months ended	
	30 June 2018	30 June 2017
Cash flows from operating activities		
Profit before tax	**0.2**	**3.3**
Adjustments:	**(1.2)**	**(3.7)**
Impairment losses	1.4	1.6
Valuation allowances	(0.1)	-
Share based payments adjustment	(1.7)	(6.2)
Finance income	(0.4)	(1.2)
Finance expenses	2.6	1.7
Exchange gains/losses	(3.0)	0.6
Other	-	(0.2)
Changes in operating assets and liabilities	**1.2**	**6.7**
Trade and other receivables	1.4	5.0
Trade and other payables	(0.2)	1.7
Other cash flows from operating activities	**(3.6)**	**(0.5)**
Interest paid	(2.1)	(1.4)
Income tax payment	(1.5)	(0.1)
Interest received	-	1.0
Net cash provided by operating activities	**(3.4)**	**5.8**
Cash flows from investing activities		
Increase investment loans and borrowings with group companies	(11.1)	(42.5)
Proceeds from investment loans and borrowings with group companies	2.0	8.0
Net cash used in investing activities	**(9.1)**	**(34.5)**
Cash flows from financing activities		
Proceeds from disposals of own shares (employees options)	0.5	11.8
Acquisition of own shares (employees option)	(0.8)	(10.8)
Proceeds on issue debt securities	-	25.7
Net cash provided by/(used in) financing activities	**(0.3)**	**26.7**
Net change in cash and cash equivalents	**(12.8)**	**(2.0)**
Cash and cash equivalents in balance sheet	(12.8)	(2.0)
Cash and cash equivalents at the beginning of the period	**24.4**	**2.5**
Translations differences	-	0.1
Cash and cash equivalents as at the end of the period	**11.6**	**0.6**

**The restatement was described in the note 2 to the Condensed Separate Financial Statements for 6 months ended 30 June 2018.*

(all figures in EUR millions unless stated otherwise)

Condensed separate statement of changes in equity for 6 months ended 30 June 2018

	Share capital	Share premium	Reserves	Own shares	Profit or loss for the period	Other equity instruments	Currency translation reserve	Total Equity
As at 1 January 2018 *(restated*)*	**0.2**	**189.1**	**21.4**	**(10.6)**	**10.6**	**(8.8)**	**(6.8)**	**195.1**
Total recognised income and expense	-	-	-	-	(0.1)	-	0.1	-
Share capital increase from share premium	21.0	(21.0)	-	-	-	-	-	-
Transactions on own shares and equity holdings (net)	-	-	-	2.7	-	(3.5)	-	(0.8)
Employee stock option plan – proceeds from employees – for shares disposal	-	-	-	-	-	0.5	-	0.5
Employee stock option plan – value of unexercised employee benefits	-	-	-	-	-	3.7	-	3.7
Transfer of profit or loss to reserves	**-**	**-**	**10.6**	**-**	**(10.6)**	**-**	**-**	**-**
As at 30 June 2018	**21.2**	**168.1**	**32.0**	**(7.9)**	**(0.1)**	**(8.1)**	**(6.7)**	**198.5**

	Share capital	Share premium	Reserves	Own shares	Profit or loss for the period	Other equity instruments	Currency translation reserve	Total Equity
As at 1 January 2017 *(restated*)*	**0.2**	**189.1**	**11.0**	**(2.5)**	**10.5**	**(3.2)**	**(17.3)**	**187.8**
Total recognised income and expense	-	-	-	-	3.6	-	8.1	11.7
Transactions on own shares and equity holdings (net)	-	-	-	(2.1)	-	(8.7)	-	(10.8)
Employee stock option plan – proceeds from employees – for shares disposal	-	-	-	-	-	15.7	-	15.7
Employee stock option plan – value of unexercised employee benefits	-	-	-	-	-	(12.9)	-	(12.9)
Transfer of profit or loss to reserves	-	-	10.5	-	(10.5)	-	-	-
Other equity movements	-	-	(0.1)	-	-	0.1	-	(0.1)
As at 30 June 2017 *(restated*)*	**0.2**	**189.1**	**21.4**	**(4.6)**	**3.6**	**(9.0)**	**(9.2)**	**191.5**

**The restatement was described in the note 2 to the Condensed Separate Financial Statements for 6 months ended 30 June 2018.*

Notes to the Condensed Separate Financial Statements

1. General information

AmRest Holdings SE ("Company") was established in the Netherlands in October 2000.

On 19 September 2008 the Commercial Chamber in Amsterdam registered the change in the legal status of the Company to a European Company (Societas Europaea) and of its name to AmRest Holdings SE. Since March 2018 the Company register office's address is Enrique Granados 6, 28224 Pozuelo de Alarcón (Madrid), Spain. Previously, the Company had a registered office in Wroclaw, Poland.

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

The Company is the parent of a group which core activity is operating Kentucky Fried Chicken ("KFC"), Pizza Hut, Burger King and Starbucks restaurants through its subsidiaries in Poland, the Czech Republic (further Czechia), Hungary, Slovakia, Russia, Serbia, Croatia, Bulgaria, Romania, Germany, France, Austria, Slovenia and Spain, on the basis of franchises granted. In Spain, France, Germany and Portugal the Group operates its own brands La Tagliatella, Trastevere and il Pastificio. This business is based on own restaurants and the franchise agreements signed with non-related companies. It is supported by the central kitchen which produces and delivers products to the whole network of own brands. Additionally, the Group operates its own brands Blue Frog (in China, Spain and Poland) and KABB (in China).

These Condensed Separate Financial Statements have not been reviewed nor audited by independent auditor.

These Condensed Separate Financial Statements were prepared voluntarily and approved by the Company's Board of Directors on 21 September 2018.

2. Basis of preparation

True and fair view

These Condensed Separate Financial Statements have been prepared from AmRest Holdings SE's accounting records by the Company's Board of Directors in accordance with the accounting principles and standards contained in the Spanish GAAP in force approved by Royal Decree 1514/2007, on 16 November 2007 (PGC 2007), modified by Royal Decree 602/2016, dated 2 December 2016 and other prevailing legislation at the date of these Condensed Separate Financial Statements, to give a true and fair view of the Company's equity, financial position, results of operations and of the cash flows obtained and applied during the six months ended in June 2018 and 2017.

Aggregation of items

To facilitate the understanding of the condensed balance sheet and profit and loss account, these statements are presented in a grouped manner, with the required analyses presented in the corresponding notes of the report.

Going Concern assumption

The Condensed Separate Financial Statements for 6 months ended 30 June 2018 have been prepared on the assumption that the company will continue as a going concern in the foreseeable future. As at the date of authorisation of these Condensed Separate Financial Statements, the parent company's Board of Directors is not aware of any facts or circumstances that would indicate a threat to the continued activity of the company.

Financing available under credit agreement signed on 5 October 2017 between AmRest Holdings SE, AmRest Sp. z o.o. and AmRest s.r.o. and Bank Polska Kasa Opieki S.A., Powszechna Kasa Oszczędności Bank Polski S.A., ING Bank Śląski S.A. and Česká spořitelna, a.s. does not have any debt maturing in the next 12 months. The funds for refinancing of Polish bonds, maturing on 30 June 2018 and 30 September 2019 are available under Tranche E granted by the banks on 14 June 2018.

Critical aspects of the assessment and estimation of uncertainty

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

The estimates and judgments that may lead to a material adjustment in the carrying amounts of the assets and liabilities are explained below.

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

The Company requires an important degree of judgment to determine the provision for corporate tax. The Company recognises liabilities for eventual tax claims based on the estimate of whether additional taxes will be necessary. When the final tax result of these matters is different from the amounts that were initially recognised, such differences will have effect on the corporate income tax and deferred tax provisions in the year in which such determination is made.

Modification of the information presented for comparative purposes

AmRest Holdings SE ("AmRest" or "Company") informed that on 14 March 2018 it received a confirmation of the registration on 12 March 2018 of its registered office in Pozuelo de Alarcón, Madrid, Spain.

Conversion to the Spanish GAAP

As a consequence of the change of domicile of the Company and as per the provisions established in the Spanish General Accounting Plan the Condensed Separate Financial Statements have been prepared in accordance with Spanish Accounting Standards harmonised with the International Accounting Standards and the internal commercial law.

The Company has analysed the differences of criteria between the principles used previously to present Financial Statements (IFRS) and the Spanish regulations and made the correspondent adjustments retrospectively calculating the effects from the earlier reporting period from which information is available.

The presentation of the Financial Statements of the previous periods was also adapted to the formats and classifications of accounts established in the Spanish General Accounting Plan.

Change of the presentationl currency

The Separate Financial Statements as at December 2017 and as of June 2017 that were previously published on the Warsaw Stock Exchange in Polish zlotys (PLN) were translated into the current presentation currency euro (EUR) following the procedures set out in the standards for the preparation of consolidated annual accounts that implement the precepts of the Commercial Code.

The resulting translation differences were recognised in the equity.

Change of the functional currency

The Company prepared an analysis of reassessment of its functional currency and concluded that since 1 January 2018 EUR is the functional currency of AmRest Holding SE.

The Company has applied translation procedures to new functional currency prospectively since the date of change (i.e. 1 January 2018) as it is established in the article 59.3 of the Rules for Formulation of Consolidated Annual Accounts (NFCAC).

The resulting translation differences are recognised in the equity.

Subsequently, in order to present information better and more clearly, data was aggregated into EUR millions with one decimal place.

Details regarding to those changes are presented in the tables below.

Separate balance sheet as at 31 December 2017

	31 December 2017					
	Published PLN thousands	**Adjustment 1** EUR millions	**Adjustment 2** EUR millions	**Adjustment 3** EUR millions	**Adjustment 4** EUR millions	**Restated** EUR millions
Assets						
Intangible assets	351	0.1	-	-	-	0.1
Investments and loans in group companies	1 369 850	328.0	-	(1.9)	13.4	339.5
Other non-current assets	56 119	13.4	-	-	(13.4)	-
Deferred tax assets	1 206	0.3	-	-	-	0.3
Total non-current assets	**1 427 526**	**341.8**	**-**	**(1.9)**	**-**	**339.9**
Trade and other receivables	11 847	2.9	-	-	0.1	3.0
Income tax receivables	601	0.1	-	-	(0.1)	-
Investments and loans in group companies	-	-	-	-	2.1	2.1
Other current assets	82	-	-	-	-	-
Other financial assets	8 789	2.1	-	-	(2.1)	-
Prepayments for current assets	-	-	-	-	-	-
Cash and cash equivalents	102 112	24.4	-	-	-	24.4
Total current assets	**123 431**	**29.5**	**-**	**-**	**-**	**29.5**
Total assets	**1 550 957**	**371.3**	**-**	**(1.9)**	**-**	**369.4**
Equity						
Share capital	714	0.2	-	-	-	0.2
Share premium	-	-	189.1	-	-	189.1
Reserves	675 731	161.8	(138.5)	(1.9)	-	21.4
Own shares and equity instruments	-	-	(10.6)	-	-	(10.6)
Profit/(loss) for the period	-	-	10.6	-	-	10.6
Other equity instruments	-	-	(8.8)	-	-	(8.8)
Currency translation reserve	-	-	(6.8)	-	-	(6.8)
Retained earnings	146 699	35.0	(35.0)	-	-	-
Total Equity	**823 144**	**197.0**	**-**	**(1.9)**	**-**	**195.1**
Liabilities						
Provisions	-	-	-	-	2.2	2.2
Deferred tax liabilities	61	-	-	-	-	-
Trade and other payables	9 355	2.2	-	-	(2.2)	-
Non-current financial liabilities	561 029	134.4	-	-	-	134.4
Total non-current liabilities	**570 445**	**136.6**	**-**	**-**	**-**	**136.6**
Current Financial Liabilities	150 820	36.1				36.1
Trade and other payables	6 548	1.6	-	-		1.6
Total current liabilities	**157 368**	**37.7**	**-**	**-**	**-**	**37.7**
Total liabilities	**727 813**	**174.3**	**-**	**-**	**-**	**174.3**
Total equity and liabilities	**1 550 957**	**371.3**	**-**	**(1.9)**	**-**	**369.4**

Adjustment 1 - translated with the exchange rate of ECB PLN/EUR 4.177 and divided by 1000.

Adjustment 2 - effect of the retranslation from PLN as a presentation currency into EUR as a presentation currency based on the historical and average FX rates. as applicable.

Adjustment 3 - effect of conversion from IFRSs to Spanish GAAP.

Adjustment 4 - reclassifications for presentation purposes under Spanish GAAP.

Interim separate income statement and statement of recognised income and expense for 6 months ended 30 June 2017

	6 months ended 30 June 2017			
	Published PLN thousands	**Adjustment 1** EUR millions	**Adjustment 2** EUR millions	**Restated** EUR millions
General and administrative (G&A) expenses	(1 729)	(0.4)	0.4	-
Other operating costs	(6 605)	(1.5)	1.5	-
Other operating income	27 058	6.3	(6.3)	-
Finance income	5 103	1.2	(1.2)	-
Finance costs	(9 926)	(2.3)	2.3	-
Net profit before tax	**13 901**	**3.3**	**(3.3)**	**-**
Income tax	1 293	0.3	(0.3)	-
Net profit for the period	**15 194**	**3.6**	**(3.6)**	**-**
Revenues	-	-	6.2	6.2
Personnel Expenses	-	-	(0.2)	(0.2)
Results from operating activities	**-**	**-**	**6.0**	**6.0**
Finance Income	-	-	1.2	1.2
Finance Expenses	-	-	(1.7)	(1.7)
Exchange rates gains and losses	-	-	(0.6)	(0.6)
Impairment and gains/(losses) on disposal of financial instruments	-	-	(1.6)	(1.6)
Net finance income (expense)	**-**	**-**	**(2.7)**	**(2.7)**
Profit/(loss) before income tax	**-**	**-**	**3.3**	**3.3**
Income tax expense	-	-	0.3	0.3
Profit/(loss) for the period	**-**	**-**	**3.6**	**3.6**
Net profit for the period	**15 194**	**3.6**	**(3.6)**	**-**
Other comprehensive incomes net	-	-	-	-
Total comprehensive incomes	15 194	3.6	(3.6)	-
Profit for the period	**-**	**-**	**3.6**	**3.6**
Currency translation adjustment	-	-	8.1	8.1
Total recognised income and expenses for the period	**-**	**-**	**11.7**	**11.7**

Adjustment 1 - data translated with the exchange rate of ECB PLN/EUR 4.2690 and divided by 1000.

Adjustment 2 - conversion from IFRSs to Spanish GAAP.

Interim separate statement of cash flows for 6 months ended 30 June 2017

	6 months ended 30 June 2017			
	Published* PLN thousands	**Adjustment** EUR millions	**Adjustment** EUR millions	**Restated** EUR millions
Cash flows from operating activities				
Profit before tax	**13 901**	**3.3**	**-**	**3.3**
Adjustments:	**(18 213)**	**(4.3)**	**0.6**	**(3.7)**
Amortisation	125	-	-	-
Impairment loss	3 963	0.9	0.7	1.6
Share based payment adjustment	(26 510)	(6.2)	-	(6.2)
Finance Income and Expense net	2 045	0.5	(0.5)	-
Finance income	-	-	(1.2)	(1.2)
Finance expenses	-	-	1.7	1.7
Exchange gains/losses	2 000	0.5	0.1	0.6
Other	164.0	-	(0.2)	(0.2)
Changes in operating assets and liabilities	**31 381**	**7.3**	**(0.6)**	**6.7**
Trade and other receivables	24 106	5.6	(0.6)	5.0
Other current assets	(164)	-	-	-
Trade and other payables	7 439	1.7	-	1.7
Other Cash Flows from Operating Activities	**(2 225)**	**(0.5)**	**-**	**(0.5)**
Interest paid	(5 843)	(1.4)	-	(1.4)
Income tax paid or returned	(574)	(0.1)	-	(0.1)
Interest received	4 192	1.0	-	1.0
Net cash provided by operating activities	**24 844**	**5.8**	**-**	**5.8**
Cash flows from investing activities				
Increase in investments. loans and borrowings with group companies	-	-	(42.5)	(42.5)
Payments for Investments in group companies	(11 801)	(26.7)	26.7	-
Increase investment loans and borrowings	(67 640)	(15.8)	15.8	-
Proceeds from investment loans and borrowings	34 200	8.0	-	8.0
Net cash used in investing activities	**(147 241)**	**(34.5)**	**-**	**(34.5)**
Cash flows from financing activities				
Proceeds from own shares disposals (employees options)	49 933	11.8	-	11.8
Expense on acquisition of treasury shares (employees option)	(45 745)	(10.8)	-	(10.8)
Proceeds on issue debt securities	110 271	25.8	(0.1)	25.7
Commission for issue debt securities	(515)	(0.1)	0.1	-
Net cash provided by/ (used in) financing activities	**113 944**	**26.7**	**-**	**26.7**
Net change in cash and cash equivalents	**(8 453)**	**(2.0)**	**-**	**(2.0)**
Balance sheet in cash and cash equivalents	(8 453)	(2.0)	-	(2.0)
Cash and cash equivalents. beginning of period	11 139	2.6	(0.1)	2.5
Translations differences	-	-	0.1	0.1
Cash and cash equivalents. end of period	**2 686**	**0.6**	**-**	**0.6**

** Data in Q2 2017 was presented in different order, however amounts have not been changed.*

Adjustment 1 - translated with the exchange rate of ECB PLN/EUR 4.269 and divided by 1000.

Balance at the beginning period translated with the exchange rate of ECB PLN/EUR 4.4103 and the balance at the end of the period translated with the exchange rate of ECB PLN/EUR 4.2259

Adjustment 2 - reclassifications for presentation purposes under Spanish GAAP.

3. Recognition and measurement accounting policies

3.1. FINANCIAL INSTRUMENTS

3.1.1. TRADE AND OTHER RECEIVABLES

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months from the balance sheet date that are classified as non-current assets.

These financial assets are initially valued at their fair value, including transaction costs that are directly attributable to them, and subsequently at amortised cost, recognising the accrued interest based on their effective interest rate and the discount rate that equals the value in books of the instrument with all of its estimated cash flows until maturity. Notwithstanding the foregoing, loans for commercial transactions with maturity not exceeding one year are valued, both at the time of initial recognition and subsequently at their nominal value, provided that the effect of not updating the flows is not significant.

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

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

3.1.2. INVESTMENTS IN THE EQUITY OF GROUP COMPANIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES

They are valued at their cost minus, where applicable, the accumulated amount of the adjustments for impairment of value. However, when there is an investment prior to qualification as a group, multi-group or associate company, the carrying amount of the investment is considered as investment cost before having that qualification. The previous valuation adjustments recorded directly in equity remain in this until they are written off.

If there is objective evidence that the book value is not recoverable, the appropriate valuation adjustments are made for the difference between their book value and the recoverable amount, defined as the greater amount between their fair value less costs to sell and the current value of the cash flows derived from the investment. Unless there is better evidence of the recoverable amount, in estimating the impairment of these investments, the net equity of the investee company is taken into account, adjusted for the capital gains existing on the valuation date. The value adjustment and, if applicable, its reversal is recorded in the condensed profit and loss account for the year in which it occurs.

3.1.3. INTEREST AND DIVIDENDS FROM FINANCIAL ASSETS

Interest and dividends accrued on financial assets after acquisition shall be recognised as income. Interest shall be accounted for using the effective interest rate method, while dividends shall be recognised when the equity holder's right to receive payment is established.

Upon initial measurement of financial assets, accrued explicit interest receivable at the measurement date shall be recognised separately, based on maturity. Dividends declared by the pertinent body at the acquisition date shall also be accounted for separately. "Explicit interest" is the interest obtained by applying the financial instrument's contractual interest rate.

If distributed dividends are clearly derived from profits generated prior to the acquisition date because amounts have been distributed which are higher than the profits generated by the investment since acquisition, the difference shall be accounted for as a deduction in the carrying amount of the investment and shall not be recognised as income.

3.1.4. DEBT AND TRADE AND OTHER PAYABLES

Financial liabilities included in this category shall initially be measured at fair value. In the absence of evidence to the contrary, this shall be the transaction price, which is equivalent to the fair value of the consideration received, adjusted for directly attributable transaction costs. Nonetheless, trade payables falling due within one year for which there is no contractual interest rate and called-up equity holdings expected to be settled in the short term can be measured at their nominal amount, provided that the effect of not discounting the cash flows is immaterial.

The financial liabilities included in this category shall subsequently be measured at amortised cost. Accrued interest shall be recognised in the income statement using the effective interest rate method.

Payables falling due within one year initially measured at the nominal amount, in accordance with the preceding section, shall continue to be measured at that amount.

3.1.5. OWN EQUITY INSTRUMENTS

In transactions carried out by the Company with its own equity instruments, the amount of these instruments shall be recognised in equity as a change in capital and reserves without valuation adjustments. Under no circumstances may it be accounted for as a financial asset of the Company and no profit or loss may be recognised in the income statement. Expenses arising on these transactions, including costs incurred on issuing the instruments such as lawyer, notary and registrar fees, printing of prospectuses, bulletins and securities, taxes, advertising, commissions and other placement expenses – shall be accounted for directly in equity as a reduction in reserves.

Costs incurred on an own equity transaction that is discontinued or abandoned shall be recognised as an expense.

3.2. FOREIGN CURRENCY TRANSACTIONS

In the second half of 2017 the current shareholders of AmRest decided on change of domicile from Wroclaw, Poland to Madrid, Spain. Respective legal documents were submitted to Spanish Court on 1 March 2018. On 14 March 2018 the Company received the confirmation and reported on both Warsaw and Madrid Stock Exchange that as at 12 March 2018 the Spanish Court approved the change of domicile and registered AmRest's domicile in Madrid.

The annual reporting for year 2017 (for both separate and consolidated financial statements) was prepared in accordance with IFRSs and was published on 8 March 2018 in PLN thousands.

Decision about changing the domicile caused considerations of changing the functional currency of AmRest Holdings SE from PLN to EUR.

To determine that the functional currency of AmRest Holdings is EUR were taking into consideration the following factors:

- AmRest is a global restaurant operator conducting its activities in many countries and currency zones. Large number of the companies from the Group use EUR as a functional and presentation currency which brings consequently that the origin of funds that the subsidiaries distribute to its parent company are denominated in EUR;
- The vast majority of acquisitions done by AmRest are conducted in EUR and the Long-Term Development Plan includes direct investments from AmRest Holdings in Western Europe where EUR is a functional currency;
- An important part of the net cash flows from Financing activities are EUR denominated and it is expected that these amounts increase proportionally to new acquisitions mentioned above;
- As a general rule EUR is the functional currency and presentation currency of the entities domiciled in Spain.
- The Separate Financial Statements as at December 2017 and for June 2017 that were previously published on the Warsaw Stock Exchange in Polish zlotys (PLN) were translated into the current presentation currency euro (EUR) following the procedures set out in the standards for the preparation of consolidated annual accounts that implement the precepts of the Commercial Code.

3.3. INCOME TAX

The income tax is the amount that for this concept is accrued during the intermediate period and it is comprise of the current income tax and the deferred tax.

Both the current income tax and the deferred tax are recognised in the income statement. Nevertheless, the tax effect related to items that are register directly in the condensed net equity it is recognised in the net equity accordingly.

Assets and liabilities for current tax will be valued for the amounts that are expected to be paid or recovered by the tax authorities, in accordance with the regulations in force or approved and pending publication on the closing date of the fiscal year.

Deferred taxes are calculated according to the liability method, on the temporary differences that arise between the tax bases of the assets and liabilities and their book values. However, if deferred taxes arise from the initial recognition of an asset or a liability in a transaction other than a business combination that at the time of the transaction does not affect either the accounting result or the taxable basis of the tax, they are not recognised. The deferred tax is determined by applying the regulations and tax rates approved or about to be approved on the date of the abbreviated balance sheet and which is expected to be applied when the corresponding deferred tax asset is realised, or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future tax profits will be available to offset the temporary differences. Deferred taxes are recognised on temporary differences that arise in investments in subsidiaries, associates and joint ventures, except in those cases in which the Company can control the timing of the reversal of the temporary differences and it is also probable that these will not reverse in a foreseeable future.

3.4. REVENUES RECOGNITION

The amounts related to income derived from equity investments in group companies are an integral part of the net amount of the turnover of a holding company. Based on the provisions of consultation B79C02 of the Institute of Auditors and Censors of September 2009, therefore the result on the execution of stock option plan by employees is presented in the revenue of the Company.

3.5. PROVISIONS AND CONTINGENCIES

Provisions for environmental restoration, restructuring costs and litigation are recognised when the Company has a present obligation, whether legal or implicit, as a result of past events, it is probable that an outflow of resources will be necessary to settle the obligation and the Amount can be estimated reliably. Restructuring provisions include penalties for cancellation of the lease and payments for dismissal to employees. No provisions are recognised for future operating losses.

Provisions are valued at the present value of the disbursements that are expected to be necessary to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the specific risks of the obligation. The adjustments in the provision due to its update are recognised as a financial expense as they are accrued.

Provisions with maturity less than or equal to one year, with a non-significant financial effect, are not discounted.

When it is expected that part of the disbursement necessary to settle the provision is reimbursed by a third party, the reimbursement is recognised as an independent asset, provided that its reception is practically safe.

On the other hand, contingent liabilities are those possible obligations arising because of past events, the materialisation of which is conditional on the occurrence or non-occurrence of one or more future events independent of the Company's will. Said contingent liabilities are not subject to accounting records, and details of them are included in the report.

3.6. SHARE BASE PAYMENTS TRANSACTION

The fair value of work performed by the employees for a consideration payable in options increases costs. The total amount which must be taken to the income statements over the vesting period is based on the fair value of options received. As at each balance-sheet date entity verifies its estimates connected with number of options expected to vest. The impact of the potential verification of initial estimates is recognised by the Group in the income statement in correspondence with equity. The proceeds from the exercise of options (net of transaction costs directly related to the exercise) are recognised in share capital (at nominal value) and in supplementary capital, in share premium.

For share-based payment transactions in which the terms of the arrangement provide either the entity/the Company or the counterparty with the choice of whether the entity settles the transaction in cash or by issuing equity instruments, the entity/the Company shall account for that transaction, or the components of that transaction, as a cash-settled share-based payment transaction if, and to the extent that, the entity has incurred a liability to settle in cash or as an equity-settled share-based payment transaction if, and to the extent that, no such liability has been incurred.

The subsequent settlement of the liability follows the requirements for a cash-settled share-based payment.

The Company incurred a liability measured at fair value, taking into account the period of service/vesting period and any changes in value are recognised in investments at the end of the period.

At the date of settlement, the Company shall remeasure the liability to its fair value. The actual settlement method selected by the employees will dictate the accounting treatment:

- if cash settlement is chosen the payment will reduce the entirely recognised liability. Any equity component previously recognised will remain within equity, but it could be reclassified to other components of equity;
- if the settlement is in shares, the balance of the liability is transferred to equity being consideration for the shares granted. Any equity component previously recognised shall remain within equity.

In the parent company books the operation represents a contribution to the subsidiary that is made effective through the personnel service it receives in exchange for the equity instruments of the parent company the options delivered represents in general a greater value of the investment that the parent company has in the equity of the subsidiary.

When there is compensation agreement or recharge from the parent to subsidiary this operation represents a separated corporate operation of distribution/recuperation of the investment instrumented through the share base payment plan.

3.7. TRANSACTIONS BETWEEN RELATED PARTIES

In general, transactions between group companies are initially accounted for at their fair value. If the agreed price differs from its fair value, the difference is recorded according to the economic reality of the operation. The subsequent evaluation is carried out in accordance with the provisions of the corresponding regulations.

The Company carries out all its operations with Group companies, entities and parties linked to market values. In addition, the transfer prices are adequately supported, which is why the Company's Board of Directors consider that there are no significant risks in this respect from which future liabilities could arise.

4. Distributions of profit

On the Annual General meeting held on 6 June 2018 was approved the proposal made by the Management Board and the Company's Supervisory Board on 28 February 2018 to allocate the individual result of the Company for the financial year ended on 31 December 2017, entirely to reserves.

Dividends have not been distributed during the 6 months ended 30 June 2018.

5.1. INVESTMENTS AND LOANS IN GROUP COMPANIES

The non-current investments in group companies are presented below:

Non-current investment and loans in group companies	30 June 2018	31 December 2017 *(restated)*
Equity Instruments	331.7	326.1
Loans to group companies	14.5	13.4
Total non-current investment in group companies	**346.2**	**339.5**

The table below presents the number and value of the shares owned by the Company in its subsidiaries as at 30 June 2018 and as at 31 December 2017.

	30 June 2018		31 December 2017 *(restated)*	
	Interest ownership	**Value of Shares**	**Interest ownership**	**Value of Shares**
AmRest Sp. z o.o. (Poland) (a)	100%	214.7	100%	214.1
AmRest s.r.o. (Czech Republic)	100%	6.2	100%	6.1
AmRest Acquisition Subsidiary (Malta)	100%	35.4	100%	35.4
AmRest EOOD (Bulgaria)	100%	3.4	100%	3.4
AmRest Topco (France) (b)	100%	12.9	100%	12.9
Restaurant Partner Polska Sp. z.o.o. (b) and (c)	51%	5.1	51%	3.2
AmRest Opco SAS (d)	100%	13.7	100%	10.7
AmRest China Group PTE Ltd. (China)	100%	40.3	100%	40.3
		331.7		**326.1**

(all figures in EUR millions unless stated otherwise)

(a) The value of investment in AmRest Sp. z o.o. was adjusted by capitalise costs of the share option plan (share options granted to the employees of the subsidiaries).

(b) On 31 August 2017 the Company passed a resolution of purchase share from Deliver Hero GmbH in Restaurants Partner Polska Sp z o.o. As a result of the agreement AmRest Holdings SE acquired 51% of shares. On 29 November 2017 Company passed a resolution of share capital increase in Restaurant Partners Polska Sp. z o.o. by PLN 12.0 million (EUR 2.9 million) to the total amount PLN 24.0 million (EUR 5.7 million). As the result of agreement Company acquired 122 400 shares in the nominal value PLN 50 for each, so the total nominal value is PLN 6.120 million (EUR 1.5 million). As of 31 December 2017 there were subscribed but pending to pay a total of PLN 4.491 million (EUR 1.0 million). This amount was fully paid on 21 January 2018.

(c) On 6 June 2018 the Company passed a resolution of capital increase in Restaurant Partners Polska Sp. z o.o. by PLN 7.0 million (EUR 1.9million) of which PLN 4.0 million (EUR 0.9 million) were paid. The remaining PLN 3.0 million (EUR 0.7 million) have not been available to Restaurant Partners Polska Sp. z o.o. by the publication of these Condensed Separate Financial Statements.

(d) On 4 October 2017 the Company passed a resolution of share capital increase in AmRest Opco SAS in amount of EUR 15.0 million. As of 31 December 2017, there were subscribed but pending to pay a total of EUR 4.3 million from which EUR 3.0 million were paid on 21 May 2018.

5.2. FINANCIAL INSTRUMENTS ANALYSIS

5.2.1. ANALYSIS BY CATEGORIES

The net book value of each one of the categories of financial instruments established in the registration and valuation rule for "Financial Instruments", except for investments in the equity of group, multi-group and associated companies is as follows:

Financial Assets

Classes	**Non-current Financial assets** Other credits and derivatives		**Current Financial assets** Other credits and derivatives	
Categories	**June 2018**	**December 2017** *(restated)*	**June 2018**	**December 2017** *(restated)*
Loans to group companies	14.5	13.4	9.6	2.1
Trade and other receivables	-	-	4.7	3.0
Total	**14.5**	**13.4**	**14.3**	**5.1**

(all figures in EUR millions unless stated otherwise)

The Company provides subsidiaries with the loans specified below:

Borrower	**AmRest HK Ltd.**
Loan amount	USD 1 million
Interest rate	3M LIBOR + margin
	The loan agreement was signed on 19 November 2012. There were no repayments by 30 June 2018. The company recognised an impairment of the total value of the loan including accrued interest. As at 30 June 2018 the loan is totally written off.

Borrower	**AmRest HK Ltd.**
Loan amount	USD 210 thousand
Interest rate	3M EURIBOR + margin
	The loan agreement was signed on 5 September 2013. There were no repayments by 30 June 2018. The company recognised an impairment of the total value of the loan including accrued interest. As at 30 June 2018 the loan is totally written off.

Borrower	**AmRest China Group PTE. LTD**
Loan amount	USD 1.085 thousand
Interest rate	fixed
	The loan agreement was signed on 24 June 2014. In accordance with the agreement the interest is calculated and paid on a quarterly basis till the 25th day of the last month of the quarter. The loan capital will be repaid by 31 December 2018. There were no repayments during the period from January to June 2018. As at 30 June 2018 the loan balance amounted to USD 1.085 million.

Borrower	**AmRest China Group PTE. LTD**
Loan amount	USD 844 thousand
Interest rate	fixed
	The loan agreement was signed on 25 March. 2015.In accordance with the agreement the interest will be calculated and paid on a quarterly basis till 25-th day of the last month of the quarter. The principal amount of the loan will be repaid by 31 December 2018. There were no repayments during the period from January to June 2018. As at 30 June 2018 the loan balance amounted to USD 844 thousand and USD 158 thousand of interest.

(all figures in EUR millions unless stated otherwise)

Borrower	**AmRest China Group PTE. LTD**
Loan amount	USD 3 million
Interest rate	fixed
	The loan agreement was signed on 9 January 2017. In accordance with the agreement the interest will be calculated and paid on a quarterly basis till 25th day of the last month of the quarter. The principal amount of the loan with all accrued interest will be repaid till 9 January 2019. By 30 June 2018 the principal amount of the loan with all accrued interest was not repaid. As at 30 June 2018 the loan balance amounted to USD 3 million and USD 0.3 million of interest.

Borrower	**AmRest China Group PTE. LTD**
Loan amount	USD 2 million
Interest rate	fixed
	The loan agreement was signed on 1 February 2018.In accordance with the agreement the interest will be calculated and paid on a quarterly basis till 25th day of the last month of the quarter. The principal amount of the loan will be repaid by 1 February 2021. There were no repayments during the period from January to June 2018. As at 30 June 2018 the loan balance amounted to EUR 1.6 million.

Borrower	**AmRest Coffee Deutschland Sp. z o.o. & Co.KG**
Loan amount	Revolving Loan up to a limit of EUR 15 million
Interest rate	fixed
	The loan agreement was signed on 26 June 2018. In accordance with the agreement the interest will be calculated on a quarterly basis of a 360-day year. The capital will be repaid in 50% till 30 June 2022 and in 50% till 30 June 2023. As at 30 June 2018 the loan balance amounted to EUR 2 million of capital and EUR 0.6 thousand of interest.

Borrower	**AmRest TopCo France SAS**
Loan amount	Maximum amount of EUR 5 million
Interest rate	fixed
	The loan agreement was signed on 22 May 2017. In accordance with the agreement the interest is paid on the quarterly basis. The loan capital with all accrued interest will be repaid in 50% till 22 May 2019 and in 50% till 22 May 2020. There were no repayments during the period from January to June 2018. As at 30 June 2018 the loan balance amounted to EUR 4 million of capital and EUR 82.3 thousand of interest.

Borrower	**AmRest OpCo SAS**
Loan amount	Maximun amount of EUR 20 million
Interest rate	fixed The loan agreement was signed on 15 September 2017. In accordance with the agreement the interest will be calculated on a quarterly basis of a 360-day year. The principal amount of the loan will be repaid in 33% till 30 September 2020. in 33% till 30 September 2021 and in 34% till 30 September 2022. In the period from January to June 2018 the principal amount of the loan with all accrued interest was not repaid. As at 30 June 2018 the loan balance amounted to EUR 8.884 million and EUR 200 thousand of interests.

Trade and other receivables

As at 30 June 2018 and 31 December 2017 the trade and other receivables were composed as follows:

	30 June 2018	31 December 2017 *(restated)*
Trade and other receivables with third parties	-	0.1
Trade and other receivables with group companies	4.7	2.8
Income tax and other credits with the tax administration	-	0.1
Total Trade and other receivables	**4.7**	**3.0**

Financial liabilities

Classes	Non current Financial liabilities				Current Financial liabilities			
	Bonds and other marketable securities		Other Financial Liablities		Bonds and other marketable securities		Other Financial Liablities	
Categories	**30 June 2018**	**31 December 2017** *(restated)*	**30 June 2018**	**31 December 2017** *(restated)*	**30 June 2018**	**31 December 2017** *(restated)*	**30 June 2018**	**31 December 2017** *(restated)*
Debts and payables		33.4	101.0	101.0	66.0	34.8	1.7	1.3
Trade and Other payables	-	-	-	-	-	-	3.8	1.6
Total	**-**	**33.4**	**101.0**	**101.0**	**66.0**	**34.8**	**5.5**	**2.9**

On 18 June 2013 bonds in the amount of PLN 140 million were issued and on 10 September another issue was completed, also for PLN 140 million. Both issues were completed under agreement signed with Pekao S.A on 22 August 2012.

Bonds were issued with variable interest rate 6M WIBOR increased by a margin and are due on 30 June 2018 and 10 September 2019, respectively. Interest is paid on semi-annual basis (30 June and 30 December) and the Group is required to maintain certain financial ratios (net debt/EBITDA. equity/total assets. EBITDA/interest charge) at levels agreed in the respective Issue Terms and Conditions. There are no additional securities on the bond issues.

(all figures in EUR millions unless stated otherwise)

On 20 August 2018 the company informed its plans of making on 28 September 2018 an early redemption of 14 000 dematerialised bearer bonds AMRE04100919 series which maturity on 10 September 2019 (“the Bonds”), with a par value of PLN 10 000 per one bond and the total nominal value of PLN 140 000 000. The early redemption of the Bonds at the request of the Issuer will be carried out by a cash payment in the amount of the nominal value of the Bonds increased by accrued interest and early redemption premium calculated in accordance with point 3 and 4 of the Terms and Conditions of the Bonds Issue. The buyout of the Bonds will be refinanced with bank loans. Therefore, “The Bonds” are presented in the item of the Balance Sheet “Current Financial Liabilities”.

On 7 April 2017 AmRest issued Schuldscheindarlehen (“SSD” – debt instrument under German law) in the amount of EUR 26 million. SSD were issued on a fixed interest rate with EUR 17 million maturing on 7 April 2022 and 9 million maturing on 5 April 2024.

The role of the Lead Arranger and Paying Agent was entrusted to Erste Group Bank AG and CaixaBank S.A. acted as Co-lead Arranger.

On 3 July 2017 AmRest finalised another issue of Schuldscheindarlehen (“SSD”) for the total value of EUR 75 million. The SSD interest is fixed on the following tranches: EUR 45.5 million - repayment due on 1 July 2022 and EUR 20 million - repayment due on 3 July 2024. EUR 9.5 million tranche was issued with variable interest rate and repayment date of 3 July 2024.

The role of the Lead Arranger and Paying Agent was entrusted to Erste Group Bank AG with CaixaBank S.A. and Santander Bank Polska S.A. (former Bank Zachodni WBK S.A.) acting as Co-lead Arrangers.

Both issues aimed at diversifying financing sources and also allowed to diversify interest rate structure of debt. The proceeds were used for the development of the Company and refinancing of its debt. As at 31 December 2017 the payables concerning bonds issued and Schuldscheindarlehen (SSD) are PLN 711 849 thousand.

The bonds and Schuldscheindarlehen (SSD) were issued to finance the investment activities of the Group.

On 5 October 2017 a Credit Agreement (“the Agreement”) between AmRest Holdings SE. AmRest Sp. z o.o. and AmRest s.r.o. – jointly “the Borrowers” and Bank Polska Kasa Opieki S.A., Powszechna Kasa Oszczędności Bank Polski S.A., ING Bank Śląski Polska S.A. and Česká spořitelna a.s. – jointly „the Lenders” was signed. AmRest Sp. z o.o. and AmRest s.r.o. are fully owned by AmRest Holdings SE.

Based on the Agreement the Lenders granted to the Borrowers a credit facility in the approximated amount of EUR 430 million. app. PLN 1.848 million (tranche A-D granted at the moment of signing the contract), which might be increased by amount of EUR 148 million. app. PLN 623 million (what stands for tranche E-F) upon fulfilment certain conditions. Ultimate due date for credit repayment is 30 September 2022. The facility is dedicated for repayment of the obligations under the credit agreement signed 10 September 2013 along with further annexes. financing development activities of AmRest and working capital management.

The facility (available as at the day of signing the contract) consists of four tranches:

- tranche A in maximum amount of EUR 250 million.
- tranche B in maximum amount of PLN 300 million.
- tranche C in maximum amount of CZK 300 million.
- tranche D granted as a revolving credit facility in amount of PLN 450 million.

Additionally. two more tranches might be granted: - tranche E – PLN 280 million that might be used for Polish bonds repayment

- tranche F – PLN 350 million that might be used for general corporate purpose. including development activities.

On 14 June 21018 the Lenders increased their total commitments by granting to the Borrowers PLN 280m as Tranche E. to be used for repayments of Polish bonds (prior to 14 June this tranche was uncommitted).

All Borrowers bear joint liability for any obligations resulting from the Agreement. The liability incurred by other debtors under the loan agreement as at 31 December 2017 is presented in the table below:

Currency	Lender /book builder	Interest rate	30 June 2018	31 December 2017 *(restated)*
PLN	Syndicated bank loan	3M WIBOR + margin	65.9	30.1
EUR	Syndicated bank loan	3M EURIBOR/fixed rate + margin	219	259.6
CZK	Syndicated bank loan	3M PRIBOR + margin	-	9.2
			284.9	**298.9**

Trade and other payables

As at 30 June 2018 and 31 December 2017 the trade and other payables were composed as follows:

Currency	30 June 2018	31 December 2017 *(restated)*
Trade and other payables with third parities	0.5	0.6
Trade and other payables with group companies	0.9	0.9
Remunerations of the board of Directors	0.3	0.1
Income tax payable and other payables with tax administration	2.1	-
Total trade and other payables	**3.8**	**1.6**

(all figures in EUR millions unless stated otherwise)

6. Equity

6.1. SHARE CAPITAL

On 27 April 2005 the shares of AmRest Holdings SE were floated on the Warsaw Stock Exchange ("WSE").

On 6 June 2018 at the Annual General Shareholders Meeting it was agreed that AmRest Holdings SE is allowed to start a process of application for stock market listing of its shares on the Spanish Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia. Up until the date of these Condensed Separate Financial Statements, such process has not been completed.

Holders of ordinary shares are authorised to receive dividend and have voting rights at the Group's General Shareholders' Meetings ("AGM") proportionate to their holdings.

At the Annual General Shareholders Meeting held on 6 June 2018 it was approved to increase the share capital up to EUR 1.0 for each share. Total increase amounts to EUR 21 001 754.07 and was approved by offsetting the share premium reserve.

The Board of Directors have considered that the execution moment of this transaction is the approval of the Shareholder's Meeting resolution. Additionally, the capital increase was registered on 20 September 2018, before the approval and publication of these Condensed Separate Financial Statements.

Additionally, at the Annual General Shareholders Meeting held on 6 June 2018 it was also approved to perform a share split by reducing the nominal value of the Company's shares from EUR 1.0 to EUR 0.1 each without any influence on the total share capital. The decrease of share value was approved to be done by dividing the number of outstanding shares - for each old share 10 new were declared (split).

On 31 July 2018 the Public Deed of Execution of the Capital Increase and Stock Split approved on 6 June 2018 was granted, and presented in the trade registry on 9 August 2018.

The effect of the above mentioned change will be reflected on the WSE at the date of the registration of split of shares in the KDPW.

After the above transactions the share capital of AmRest Holdings SE will consist of 212 138 930 shares, with a nominal value of EUR 0.1 each belonging to the same class and series.

According to the best AmRest's knowledge as at 30 June 2018 AmRest Holdings had the following shareholder structure:

Shareholder	Number of shares and votes at the Shareholders' meeting	% of shares and votes at the Shareholders' meeting
FCapital Dutch B. V.	11 959 697	56.38%
Gosha Holding S.à.r.l	2 263 511	10.67%
Nationale-Nederlanden OFE	1 105 060	5.21%
Artal International S.C.A.	1 050 000	4.95%
Aviva OFE	701 370	3.31%
Other Shareholders	4 134 255	19.48%

** FCapital Dutch B. V. is the dominant entity of FCapital Lux (previously Cullinan S.à.r.l.) (holding 5 232 907 AmRest shares) and the subsidiary of Finaccess Capital, S.A. de C.V. Grupo Finacces SAPI de CV is the directly dominant entity of Finaccess Capital, S.A. de C.V. and a subsidiary of Grupo Far-Luca, S.A. de C.V. The directly dominant person of Grupo Far-Luca, S.A. de C.V., Mr. Carlos Fernández González, is a member of the AmRest Board of Directors.*

*** Gosha Holding S.à.r.l. is a person closely associated with Mr. Henry McGovern and Mr. Steven Kent Winegar Clark – members of the AmRest Board of Directors.*

According to the best AmRest's knowledge as at the date of this Report the AmRest Holdings' shareholders structure remains the same.

6.2. RESERVES

The composition of reserves as at as at 30 June 2018 and 31 December 2017 is as follows:

	30 June 2018	31 December 2017 *(restated)*
Voluntary and legal reserves	33.9	23.3
Reserves for transition to Spanish GAAPS	(1.9)	(1.9)
	32.0	**21.4**

6.3. OWN SHARES

The Company has acquired own shares for the purpose of the execution of the stock option plan of the employees. As AmRest Holdings shares are trading in the Warsaw Stock Exchange in Poland the price of the share is denominated in PLN.

As at 30 June 2018 the Company held 90 465 own shares by a total value of EUR 7.9 million of (PLN 33.6 million) that were acquired at an average purchase price of PLN 375.75 (124 871 own shares by a total value of EUR 10.6 million approximately PLN 45 million as at 31 December 2017 that were acquired at an average purchase price of PLN 359.82).

For 6 months ended 30 June 2018 were acquired 8 215 owned shares at an average purchase price of PLN 444.84.

(all figures in EUR millions unless stated otherwise)

6.4. OTHER EQUITY INSTRUMENTS

In the item of the balance sheet other equity instruments it is registered the provision of the stock option plan for the employees recognised under the equity settlement method:

	30 June 2018	31 December 2017 *(restated)*
Provision of the stock option plan under Equity settlement method	(8.1)	(8.8)
Other Equity instruments	**(8.1)**	**(8.8)**

6.5. CURRENCY TRANSLATION RESERVE

The balance of the currency translation reserve resulting from the change of the functional and presentation currency from PLN to EUR described in the note 2 of these Condensed Separated Financial Statements is as follows:

	30 June 2018	31 December 2017 *(restated)*
Currency translation reserve	(6.7)	(6.8)
Currency translation reserve	**(6.7)**	**(6.8)**

7. Provisions

In the item of the balance sheet other provisions is registered the provision of the stock option plan for the employees recognised under the cash settlement method:

	30 June 2018	31 December 2017 *(restated)*
Provision of the stock option plan under cash settlement method	(1.3)	(2.2)
Provision of the stock option plan under cash settlement method	**(1.3)**	**(2.2)**

(all figures in EUR millions unless stated otherwise)

8. Taxation

As at 30 June 2018 and with effects 1 January 2018 the Company is under the consolidation tax regime being the head of the tax group composed by the Company itself and the rest of the Spanish subsidiaries:

- AmRestag S.L.U.
- AmRestavia S.L.U.
- Restauravia Grupo Empresarial. S.L.
- Restauravia Food. S.L.U.
- Pastificio S.L.U.
- Pastificio Service S.L.U.
- Pastificio Restaurantes S.L.U.
- And The Grill Concept S.L.

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

	6 months ended	
	30 June 2018	**30 June 2017** *(restated)*
Corporate income tax	-	-
Change in deferred taxes and liabilities	(0.3)	(0.3)
Total income tax recognised in the income statement	**(0.3)**	**(0.3)**

The amounts reported in change in deferred taxes and liabilities during the 6 months ended 30 June 2018 correspond to the write down of deferred taxes recognised as of 31 December 2017 based on the provisions established in the Polish tax regime, as these temporary differences will be not utilised following the regulations of the Spanish law they have been reversed.

The reconciliation between the net result and the tax base of the individual entity is as follows:

	Income statement		
	Additions	**Decreases**	**Total**
Profit and loss for the period	-	-	(0.1)
Income tax expense			0.3
Permanent differences		**(1.7)**	**(1.7)**
Temporary differences	**1.4**	**-**	**1.4**
- With origin in the current year	1.4	-	1.4
- With origin in previous years	-	-	-
Tax base	**-**	**-**	**(0.1)**

(all figures in EUR millions unless stated otherwise)

The movement of the deferred tax assets for 6 months ended 30 June 2018 has been as follows:

	6 months ended	
	30 June 2018	**30 June 2017** *(restated)*
Balance at beginning of the period	0.3	0.05
Debit (credit) on the profit and loss account	(0.3)	0.25
Balance at the end of the period*	**-**	**0.3**

The reconciliation between the consolidated tax base and the individual tax base of the subsidiaries of the tax group is detailed below:

	6 months ended 30 June 2018
Tax base AmRest Holdings	**(0.1)**
Tax base contributed by subsidiaries of the tax group:	**15.0**
AmRestag. S.L	(0.7)
Amrestavia. S.L	(2.4)
Restauravia Grupo Empresarial. S.L	(0.1)
Restauravia Food. S.L	1.1
Pastificio Service. S.L	17.1
Pastificio. S.L	0.1
Pastificio Restaurante. S.L	0.3
The Grill Concept. S.L	(0.4)
Tax base of the consolidated tax group	**14.9**
Current income tax of the consolidated tax group (25%)	**3.7**
Withholding taxes and CIT advances	**(1.5)**
Income tax payable	**2.2**

(all figures in EUR millions unless stated otherwise)

9. Income and expenses

9.1. REVENUES

In the item Revenues of the interim income statement for the six months ended on 30 June 2018 and 2017 were recognised the result of the execution of stock option plan for employees:

	6 months ended	
	30 June 2018	**30 June 2017** *(restated)*
Stock option plan re-charged to subsidiaries	3.9	8.5
Cost of the options granted to employees	(2.2)	(2.3)
Total Revenues	**1.7**	**6.2**

The breakdown of revenues by geographical area is as follows:

	6 months ended	
	30 June 2018	**30 June 2017** *(restated)*
Domestic market	0.9	5.8
Exports:	0.8	0.4
a) European Union	-	0.4-
b) O.E.C.D countries	0.7	-
c) Other countries	0.1	-
Total Revenues	**1.7**	**6.2**

9.2. OTHER OPERATING EXPENSES

The composition of the other operating expenses is a follows:

	6 months ended	
	30 June 2018	**30 June 2017** *(restated)*
External Services	(0.7)	(0.1)
Losses impairment and changes in trade provisions with group companies	0.1	-
Other operating expenses	-	0.1
Total other operating expenses	**(0.6)**	**-**

(all figures in EUR millions unless stated otherwise)

10. Financial result

	6 months ended	
	30 June 2018	**30 June 2017** *(restated)*
Financial Income		
With group companies	0.4	1.2
With third parties	-	-
Total Financial Income	**0.4**	**1.2**
Financial Expenses		
With group companies	-	-
With third parties	(2.6)	(1.7)
Total Financial Expenses	**(2.6)**	**(1.7)**

(all figures in EUR millions unless stated otherwise)

11. Related parties transactions

As at 30 June 2018 the AmRest Group comprised the following subsidiaries:

Company name	Registered office	Parent/non-controlling undertaking	Owner-ship interest and total vote	Date of effective control
		Holding activity		
AmRest Acquisition Subsidiary Ltd.	Birkirkara, Malta	AmRest Holdings SE	100.00%	May 2007
AmRest TAG S.L.U.	Madrid, Spain	AmRest Sp. z o.o.	100.00%	March 2011
AmRestavia S.L.U.	Madrid, Spain	AmRest TAG S.L.U.	100.00%	April 2011
Restauravia Grupo Empresarial S.L.	Madrid, Spain	AmRestavia S.L.U. AmRest TAG S.L.U	16.52% 83.48%	April 2011
AmRest HK Ltd	Hong Kong, China	AmRest Holdings SE	100.00%	September 2011
AmRest China Group PTE Ltd	Singapore	AmRest Holdings SE	100.00%	December 2012
Bigsky Hospitality Group Ltd	Hong Kong, China	AmRest China Group PTE Ltd	100.00%	December 2012
New Precision Ltd	Apia, Samoa	AmRest China Group PTE Ltd	100.00%	December 2012
Horizon Group Consultants (BVI)	Road Town, Tortola, BVI	AmRest China Group PTE Ltd	100.00%	December 2012
Kai Fu Restaurant Management (Shanghai) Co., Ltd	Shanghai, China	Blue Frog Food&Beverage Management Ltd	100.00%	December 2016
		Restaurant activity		
AmRest Sp. z o.o.	Wroclaw, Poland	AmRest Holdings SE	100.00%	December 2000
AmRest s.r.o.	Prague, Czechia	AmRest Holdings SE	100.00%	December 2000
AmRest Kft***	Budapest, Hungary	AmRest Sp. z o.o.	100.00%	June 2006
AmRest Coffee Sp. z o.o.	Wroclaw, Poland	AmRest Sp. z o.o. Starbucks Coffee International, Inc.	82.00% 18.00%	March 2007
AmRest EOOD	Sofia, Bulgaria	AmRest Holdings SE	100.00%	April 2007
OOO AmRest	Saint Petersburg, Russia	AmRest Acquisition Subsidiary Inc.AmRest Sp. z o.o.	0.1% 99.9%	July 2007
AmRest Coffee s.r.o.	Prague, Czechia	AmRest Sp. z o.o. Starbucks Coffee International, Inc.	82.00% 18.00%	August 2007
AmRest Kávézó Kft	Budapest, Hungary	AmRest Sp. z o.o. Starbucks Coffee International, Inc.	82.00% 18.00%	August 2007
AmRest d.o.o.	Belgrade, Serbia	AmRest Sp. z o.o. ProFood Invest GmbH	60.00% 40.00%	October 2007
Restauravia Food S.L.U.	Madrid, Spain	Restauravia Grupo Empresarial S.L.	100.00%	April 2011
Pastificio Service S.L.U.	Lleida, Spain	Restauravia Grupo Empresarial S.L.	100.00%	April 2011
Pastificio Restaurantes S.L.U.	Lleida, Spain	Pastificio Service S.L.U.	100.00%	April 2011
Pastificio S.L.U.	Lleida, Spain	Pastificio Service 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*	Cologne, Germany	AmRestavia S.L.U.	100.00%	March 2012
AmRest SAS	Lyon, France	AmRestavia S.L.U.	100.00%	April 2012
AmRest Adria 2 d.o.o.	Ljubljana, Slovenia	AmRest Sp. z o.o	100.00%	August 2012
Frog King Food&Beverage Management Ltd	Shanghai, China	Bigsky Hospitality Group Ltd	100.00%	December 2012
Blue Frog Food&Beverage Management Ltd	Shanghai, China	New Precision Ltd	100.00%	December 2012
Shanghai Kabb Western Restaurant Ltd	Shanghai, China	Horizon Group Consultants (BVI)	100.00%	December 2012

(all figures in EUR millions unless stated otherwise)

AmRest Skyline GMBH	Cologne, Germany	AmRestavia S.L.U.	100.00%	October 2013
Kai Zhen Food and Beverage Management (Shanghai) Ltd	Shanghai, China	BlueFrog Food&Beverage Management Ltd	100.00%	March 2014
AmRest Coffee EOOD	Sofia, Bulgaria	AmRest Sp. z o.o.	100.00%	June 2015
AmRest Coffee S.r.l.	Bucharest, Romania	AmRest Sp. z o.o.	100.00%	June 2015
AmRest 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 Capital Zrt	80.00% 20.00%	May 2016
AmRest DE Sp. z o.o. & Co. KG	Berlin, Germany	AmRest Kaffee Sp. z o.o.	100.00%	December 2016
The Grill Concept S.L.U.	Lleida, Spain	Pastificio Service S.L.U.	100.00%	December 2016
LTP La Tagliatella Portugal, Lda	Lisbon, Portugal	AmRest TAG S.L.U. AmRestavia S.L.U.	74.00% 26.00%	February 2017
AmRest AT GmbH	Vienna, Austria	AmRest Sp. z o.o.	100.00%	March 2017
AmRest Topco SAS	Paris, France	AmRest Holdings SE	100.00%	May 2017
AmRest Delco SAS	Paris, France	AmRest Topco SAS	100.00%	May 2017
AmRest Opco SAS	Paris, France	AmRest Holdings SE	100.00%	July 2017
OOO Chicken Yug	Saint Petersburg, Russia	OOO AmRest	100.00%	October 2017
OOO Pizza Company	Saint Petersburg, Russia	OOO AmRest	100.00%	November 2017
AmRest Coffee SRB	Belgrade, Serbia	AmRest Holdings SE	100.00%	November 2017
AmRest Chamnord SAS	Paris, France	AmRest Opco SAS	100.00%	March 2018
AmRest SK s.r.o.	Bratislava, Slovakia	AmRest s.r.o. AmRest Sp. z o.o.	99.00% 1.00%	April 2018
AmRest Pizza GmbH	Berlin, Germany	AmRest DE Sp. z o.o. & Co. KG	100.00%	June 2018
Financial services and others for the Group				
AmRest LLC	Wilmington, USA	AmRest Sp. z o.o.	100.00%	July 2008
AmRest Capital Zrt	Budapest, Hungary (branch in Malta)	AmRest Sp. z o.o.	100.00%	November 2011
AmRest Finance Zrt***	Budapest, Hungary	AmRest Sp. z o.o.	100.00%	November 2011
AmRest Work Sp. z o.o.	Wroclaw, Poland	AmRest Sp. z o.o.	100.00%	March 2012
La Tagliatella International Kft	Budapest, Hungary	AmRestavia S.L.U.	100.00%	November 2012
La Tagliatella Financing Kft**	Budapest, Hungary	AmRestavia S.L.U.	100.00%	November 2012
La Tagliatella SAS	Lyon, France	AmRestavia S.L.U.	100.00%	March 2014
AmRest FSVC LLC	Wilmington, USA	AmRest Holdings SE	100.00%	November 2014
AmRest Kaffee Sp. z o.o.	Wroclaw, Poland	AmRest Sp. z o.o.	100.00%	March 2016
Restaurant Partner Polska Sp. z o.o.	Łódź, Poland	AmRest Holdings SE Delivery Hero GmbH	51.00% 49.00%	August 2017
AmRest Estate SAS	Paris, France	AmRest Opco SAS	100.00%	September 2017
AmRest Leasing SAS	Paris, France	AmRest Opco SAS	100.00%	September 2017
Supply services for restaurants operated by the Group				
SCM s.r.o.	Prague, Czechia	SCM Sp. z o.o. Ondrej Razga	90.00% 10.00%	March 2007
SCM Sp. z o.o.	Warsaw, Poland	AmRest Sp. z o.o. R&d Sp. z o.o. Beata Szfarczyk-Cylny Zbigniew Cylny	51.00% 43.80% 5.00% 0.20%	October 2008
SCM Due Sp. z o.o.	Warsaw, Poland	SCM Sp. z o.o.	100.00%	October 2014

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

*** On 5 September 2017 Amrestavia, S.L.U., the sole shareholder of La Tagliatella Financing Kft, has decided to liquidate this company. The liquidation process has not been finished until the date of this Report.*

**** On 11 September 2018 the Company Registry Court has registered the merger between AmRest Kft and AmRest Finance Zrt. The effective merger date is 31 October 2018 that is AmRest Finance Zrt will cease to exist from the merger date, Company Registry Court cancels it from the companies register and its rights and obligations transfer to AmRest Kft as successor company.*

New entities in the Group marked in red.

(all figures in EUR millions unless stated otherwise)

(all figures in EUR millions unless stated otherwise)

The balances with the Group entities are as follows:

	30 June 2018	31 December 2017 *(restated)*
Assets		
Long term loans granted to group companies	14.5	13.4
Short term loans granted to group companies	7.1	2.1
Total loans granted to group companies	**21.6**	**15.5**
AmRest TopCo	4.1	2.1
AmRest Opco SAS	9.1	8.9
AmRest China	6.4	4.5
AmRest Coffee Deutschland Sp. z o.o.	2.0	-
Other financial assets with group companies	**2.6**	**-**
Restauravia Food S.L.U.	0.3	-
Pastficio Service S.L.U	2.2	-
Pastificio Restaurantes S.L.U.	0.1	-
Pastificio S.L.U.	-	-
Trade and other receivables with group companies	**4.7**	**2.8**
AmRest Sp. z o.o.	1.2	0.5
Pastificio Service S.L.U.	0.1	-
Restauravia Food S.L.U.	0.1	-
OOO AmRest	0.1	-
AmRestavia S.L.U.	2.7	2.2
AmRest Kft	0.1	-
AmRest SRO	0.1	-
Other related parties	0.3	0.1
Liabilities		
Other financial liabilities with group companies	0.9	-
AmRestag S.L.U	0.2	-
AmRestavia S.L.U	0.6	-
The Grill Concept S.L.U.	0.1	-
Trade payables with group companies	**0.9**	**0.9**
AmRestavia S.L.U	0.8	0.8
AmRest Sp. z o.o.	0.1	-
Other related parties	-	0.1

(all figures in EUR millions unless stated otherwise)

The transactions with group entities are as follows:

	6 months ended	
	30 June 2018	**30 June 2017** *(restated)*
Revenues		
Revenues from the result of the stock option plan	**1.7**	**6.2**
AmRest Sp. z o.o.	(0.5)	4.8
AmRest Coffee Sp. z o.o.	0.1	0.1
AmRest SRO	0.1	0.1
AmRest LLC	-	-
AmRest FSVC LLC	0.9	0.6
SCM Sp. z o.o.	-	-
Restauravia Food S.L.U.	0.1	0.1
Pastficio Service S.L.U.	0.1	-
AmRestavia S.L.U.	0.5	0.4
AmRest Adria d.o.o.	-	-
AmRest d.o.o.	-	0
AmRest Kft	0.1	0.1
AmRest DE Sp. z o.o. & Co. KG	-	-
American Restaurants EOOD	-	-
AmRest Coffee SRO	-	-
OOO AmRest	0.3	-
Expenses		
Losses impairment and changes in trade provisions with group companies	**(0.1)**	**-**
AmRest LLC	0.1	-
Other operating expenses	**(0.1)**	**-**
Impairment of financial instruments with group companies	**(1.4)**	**(1.6)**
AmRest FSV LLC	(1.4)	(1.6)
Financial Income from group companies	**(0.4)**	**(1.2)**
AmRest Sp. z o.o.	-	1.0
AmRest HK Ltd.	-	-
AmRest China Group PTE Ltd.	0.2	0.1
AmRest Coffee Deutschland	-	-
AmRest Topco France	-	-
AmRest Acquisition Subsidiary Inc.	-	-
AmRest Opco SAS	0.2	-

(all figures in EUR millions unless stated otherwise)

12. Remuneration of the board of directors and senior executives

Below are described the remunerations of the board of Directors and Management Board (Senior Executives) following the regulations of the CNMV Circular 5/2015 from 28 October:

The remuneration of Board of Directors paid from AmRest Holdings SE are the following:

	6 months ended	
	30 June 2018	**30 June 2017** *(restated)*
Board of Directors Remunerations		
Fixed Remuneration	(0.3)	(0.2)
Operations with shares and/or other financial instruments	(1.0)	(4.6)
Total Board of Director remunerations	**(1.3)**	**(4.8)**

The remuneration of the Board of Directors paid from other subsidiaries of the group are as follows:

	6 months ended	
	30 June 2018	**30 June 2017** *(restated)*
Board of Directors Remunerations		
Fixed Remuneration	(0.2	(0.6)
Variable Remuneration	(0.2)	(0.2)
Total Board of Director remunerations	**(0.4)**	**(0.8)**

The remunerations of the Senior Executives paid by the company's subsidiaries is as follows:

	6 months ended	
	30 June 2018	**30 June 2017** *(restated)*
Management board (Senior Executives)		
Remuneration received by the Senior Executives	(1.0)	(0.9)
Total remuneration received by the Senior Executives	**(1.0)**	**(0.9)**

13. Other information

13.1. AVERAGE NUMBER OF EMPLOYEES

The company did not have employees as at and for the six months ended on 30 June 2018 and 30 June 2017.

13.2. TAX INSPECTIONS

On 16 November 2017 at AmRest Holdings SE a tax inspection began regarding CIT for 2012. On 12 February 2018 the Company received a decision regarding the tax inspection based on which the Company submitted on 22 February 2018 a corrective tax return increasing the taxable income. The corrected amount was immaterial.

On 11 January 2018 at AmRest Holdings SE a tax inspection began regarding CIT for 2013. As at the date of publication of this Report the inspection has not been finished.

In the Board of Directors' opinion, there is no other contingent liabilities concerning pending audits and tax proceedings, other than stated above in this note.

Management Report for 6 months ended 30 June 2018

(all figures in EUR millions unless stated otherwise)

1. Financial highlights

	6 months ended		3 months ended	
	30 June 2018	30 June 2017 *(restated)*	30 June 2018	30 June 2017 *(restated)*
Revenues	1.7	6.2	0.9	4.2
Results from operating activities	0.8	6.0	0.2	3.9
Financial Cost	(0.6)	(2.7)	1.4	(1.7)
Income tax expense	(0.3)	0.3	(0.3)	0.2
Profit/(loss) for the period	(0.1)	3.6	1.3	2.4

	30 June 2018	31 December 2017 *(restated)*
Total Assets	372.3	369.4
Total liablities and provisions	173.8	174.3
Non-current liabilities	102.3	136.6
Current liabilities	71.5	37.7
Share capital	21.2	0.2

2. Significant events and transactions in 2018 (as at the reporting date)

Entrance into Russian bakery segment

On 27 February 2018 AmRest Holdings SE announced signing on the same day the Subscription and Shareholders' Agreement ("SSHA") with LPQ Russia Limited, based in London, United Kingdom ("Partner").

The SSHA defined the main terms and conditions of cooperation between AmRest Holdings SE and the Partner aimed at developing a restaurant business in the bakery segment in Russia through a newly-formed corporate structure. As a result, AmRest will become a majority shareholder, holding 51% stake in newly created company ("NewCo"). The remaining 49% stake will be held by the Partner. NewCo will own and control its subsidiaries: the operating entity in Russia and the trademarks holding company (altogether "Structure").

Currently the Partner owns the trademarks of "Хлеб Насущный" (Khleb Nasuschny), „Филипповъ" (Philippov), "Наш хлеб" (Nash Khleb) and "Андреевские булочные" (Andreevsky Bulochnye) (jointly "Trademarks").

The cooperation assumed the contribution of Trademarks to the Structure by the Partner. AmRest will invest EUR 6 million into the Structure with the purpose of developing the restaurant business in Russia.

The company believes that described partnership and expansion into bakery sector will increase Group's footprint in the Russian market, enhance its product portfolio and broaden the customer base. The above is expected to strengthen AmRest's position in the restaurant sector in the region as well as be a source of value creation for AmRest shareholders in the future.

Registration of the Group's registered office in Spain

On 14 March 2018, in regard to RB 190/2017 dated 28 July 2017 and RB 228/2017 dated 5 October 2017, AmRest Holdings SE informed that on the same day it received a confirmation of the registration on 12 March 2018 of its registered office in Pozuelo de Alarcón, Madrid, Spain.

Simultaneously, the amended Statute of the Company adopted by the Extraordinary General Meeting of 5 October 2017 came into force.

In connection with the above, AmRest informed that Spain is currently its Home State and legal and regulatory provisions applicable in the Spanish market will now be applicable to the Company and its shareholders instead of some of the hitherto applicable Polish legal regulations.

Acquisition of Pizza Hut business in Russia

On 30 April 2018 AmRest informed about signing on 30 April 2018 the Master Franchise Agreement ("MFA") with Pizza Hut Europe S.à.r.l. („PH Europe").

Based on the MFA AmRest was supposed to gain the master-franchisee rights for Pizza Hut brand in Russia, Azerbaijan and Armenia ("Territory"). After the completion of MFA AmRest would have the exclusive right to grant the license to the third parties to operate Pizza Hut restaurants (sub-franchise) in the Territory and become the franchisor for nearly 30 restaurants currently operated by multiple sub-franchisees in above mentioned countries.

In order to facilitate the growth of scale of Pizza Hut business, PH Europe introduced an incentive mechanism reducing certain fees incurred by AmRest under the MFA („Reduced Fees"), provided that the Group meets certain development obligations specified in the MFA. Upon entry into force of the MFA AmRest will be required to open and operate Pizza Hut Dine in, Express and Delivery restaurants in accordance with the development schedule setting the minimum number of openings in the subsequent years of the MFA's term. If AmRest fails to meet the development obligations, PH Europe will have the right to increase the Reduced Fees and change the terms or terminate the MFA. The Group's intention is to open more than 200 Pizza Hut restaurants in the Russian market within 5 years.

The MFA was granted for initial period of 10 years with an option of further prolongations upon the fulfilment of certain terms and conditions.

Simultaneously, AmRest informed about signing on 30 April 2018 the Asset Purchase Agreement ("APA") between OOO Pizza Company, being the subsidiary of AmRest and Yum Restaurants International Russia and CIS LLC („PH Russia").

As a result of the APA Pizza Company was supposed to acquire the assets of 16 Pizza Hut Delivery and Express restaurants run by PH Russia in Moscow. The purchase price was estimated at RUB 142.6 million (EUR 1.9 million).

On 1 June 2018 AmRest informed about (i) completion on the same day of the Master Franchise Agreement (the "MFA") signed on 30 April 2018 (on 25 May 2018 assigned to OOO AmRest being the subsidiary of AmRest) and (ii) completion of Asset Purchase Agreement (the "APA").

As a result of completion of MFA OOO AmRest gained the master-franchisee rights for Pizza Hut brand in Russia, Azerbaijan and Armenia. Furthermore OOO AmRest became the franchisor for nearly 29 restaurants operated by multiple independent sub-franchisees in above mentioned countries.

Simultaneously AmRest informed that as a result of APA completion Pizza Company acquired the assets of 16 Pizza Hut Delivery and Express restaurants previously run by PH Russia in Moscow.

In connection with the completion of the Agreements and the accompanying agreements, AmRest's subsidiaries paid to PH Russia 142.6 million rubles (EUR 2 million).

In the opinion of the Executive Team of AmRest there is a great potential for growing presence of Pizza Hut brand in Russia. The master franchise rights will contribute to strengthening the partnership with Yum! Brands and AmRest's leadership position of restaurant operator in Russia.

Framework Agreement with KFC France

On 24 May 2018 AmRest informed about signing on 23 May 2018 of the Binding Head of Terms ("HoT") determining the key terms and conditions on, and subject to which, KFC France SAS ("KFC France") would be willing to proceed with a potential transaction with AmRest Opco SAS whereby (i) KFC France would sell and AmRest Opco would buy 15 equity restaurants run by KFC France ("KFC Business") in the French market, and (ii) the parties would sign a Standard KFC International Franchise Agreement for each restaurant (collectively called the "Contemplated Transaction").

The purchase price for the KFC Business was subject to the outcome of a due diligence to be carried out by AmRest.

It was the intention of AmRest and KFC France that the final agreement (the Framework Agreement) should be signed no later than 31 July 2018, and closing of the Contemplated Transaction, including transfer of ownership of KFC Business and payment of the purchase price should occur no later than 30 September 2018. If the parties failed to sign the final agreements by 31 December 2018 the HoT would terminate immediately, unless otherwise agreed in writing by both parties.

On 27 July 2018 AmRest informed about signing on 26 July 2018 of the Framework Agreement between AmRest Opco, AmRest Leasing SAS, AmRest Estate SAS (jointly: „Buyer") and KFC France and NOVO BL (jointly "Seller"). Under the terms of the Framework Agreement (i) Buyer will acquire 15 equity restaurants run by KFC France in the French market, and (ii) AmRest Opco and KFC France will sign the standard KFC International Franchise Agreement for each restaurant.

The purchase price is expected at EUR 33.3 million. Final purchase price will be determined as at the day of the transaction closing.

Estimated revenues of the restaurants in 2017 amounted to EUR 40 million.

It is the intention of the parties that the closing of the transaction, including transfer of ownership of KFC business and payment of the purchase price, shall occur till end of the year 2018 (the "Completion"). The Completion is contingent upon some additional conditions, such as concluding additional agreements ensuring restaurants proper functioning after Completion, consultation with works council and health and safety committee of KFC France and lack of the material adverse change ("MAC").

Simultaneously, the Group informed about signing on 26 July 2018 of the Development Agreement between AmRest Opco and KFC France setting forth the development plans of the KFC brand in France. According to the agreement AmRest intends to open in the French market about 150 KFC restaurants by end of 2023.

In the opinion of the Group there is a great potential for growing KFC brand in Western Europe. Acquisition of several of KFC French restaurants will contribute to strengthening the partnership with Yum! Brands and AmRest's leadership position of restaurant operator in Europe as well as drive the value creation for AmRest's shareholders.

Share Purchase Agreement to acquire BACOA brand

On 16 July 2018 AmRest informed about signing on the same day the Binding Offer (the "Offer") determining the key terms and conditions on, and subject to which, AmRest Tag, S.L.U. ("AmRest Tag", which is an indirect 100% subsidiary of AmRest) would be willing to enter into definitive Share Purchase Agreement ("SPA") with Bloom Motion, S.L. and Mr. Johann Spielthenner (jointly the "Seller"), whereby AmRest Tag would acquire from the Seller 100% of the share capital of the companies Bacoa Holding, S.L. and Black Rice, S.L. (jointly the "Target Companies").

The Target Companies run a restaurant chain consisting of six burger restaurants under BACOA brand in Spain (in Barcelona and in Madrid) operated through both equity and franchise model. The Offer assumed purchase price based on Enterprise Value of ca. EUR 3.7m, on the cash-free and debt-free basis.

The intention of the parties of the Offer was to sign the SPA and close the transaction within the next several weeks.

On 31 July 2018 AmRest informed about signing on the same day the definitive Share Purchase Agreement between AmRest Tag and the Seller.

As the result of SPA AmRest Tag acquired 100% of Bacoa Holding, S.L. and Black Rice, S.L. share capital, and simultaneously a restaurant chain consisting of six burger restaurants under BACOA brand in Spain. The purchase price based on Enterprise Value (on the cash-free and debt-free basis) amounted to approx. EUR 3.7 million. In 2017 fiscal year Bacoa network generated the system sales of approx. EUR 10 million.

Share Purchase Agreement to acquire Sushi Shop Group SAS

On 25 July 2018 AmRest announced signing on 24 July 2018 of an Agreement between AmRest and Mr. Grégory Marciano, Naxicap Partners SA and remaining sellers (jointly "Sellers") setting forth AmRest's irrevocable commitment to purchase 100% shares in Sushi Shop Group SAS ("Sushi Shop", „Group") (the "Agreement").

The purchase price based on Enterprise Value (on the cash-free and debt-free basis) will amount to approx. EUR 240 million, of which an equivalent of EUR 13.0 million is to be paid to Mr. Grégory Marciano and Mr. Adrien de Schompré in the AmRest's shares. Additionally, an amount of up to EUR 10 million (earn-out) will be paid to the Sellers upon Sushi Shop reaching certain financial KPI's for 2018.

Sushi Shop is the operator of the leading European chain of Japanese cuisine restaurants comprising of 165 stores, of which about one third are restaurants run by franchisees. Upscale Sushi Shop restaurants are present in France (72% of the entire business) and in 11 other countries (including Spain, Belgium, Great Britain, Germany, Switzerland, Italy). The Group's business model is based mainly on the „delivery" (55% of sales) and „take-away" (32% of sales) channels.

In 2017 fiscal year the network generated the system sales of approx. EUR 202 million. The consolidated revenues of Sushi Shop amounted to ca. EUR 130 million.

The intention of the parties of the Agreement was to sign the Share Purchase Agreement in the upcoming weeks and close the transaction within the next couple of months, which would be a subject to consultation with the workers council of Sushi Shop and obtaining clearance by the relevant antitrust authorities.

The acquisition would strengthen AmRest's portfolio with a well-established proprietary brand in sushi segment, a category highly attractive to AmRest's business model. The offer of Sushi Shop shall add substantial leverage on food delivery platforms of the Group.

On 27 July 2018 AmRest announced that after successful consultation with the workers council of Sushi Shop the Company signed on 27 July 2018 the Share Purchase Agreement with the Sellers aimed at the acquisition by AmRest of 100% shares in Sushi Shop.

The parties of the SPA intend to close the transaction within the next couple of months ("Completion"), which will be a subject obtaining clearance by the relevant antitrust authorities and lack of the material adverse change ("MAC").

As a result of the Completion AmRest will become an owner of the leading European chain of Japanese cuisine restaurants comprising of 165 stores, of which about one third are restaurants run by franchisees.

Share Purchase Agreement – TELE PIZZA, S.A.U.

On 26 July 2018 AmRest announced signing of a Share Purchase Agreement ("SPA"), dated 26 July 2018, between AmRest Sp. z o.o. („AmRest Poland") and TELE PIZZA, S.A.U. ("Seller"). Pursuant to SPA AmRest Poland will acquire 100% shares of TELEPIZZA POLAND Sp. z o.o. ("Telepizza Poland") at an estimated price of ca. EUR 8m. The final purchase price will be determined at the day of closing the transaction.

Telepizza Poland is the master franchisee of Telepizza restaurants across Poland and is fully owned by the Seller. Currently Telepizza Poland operates 107 restaurants, both in equity (36 units) and franchise (71 locations) business model.

In the past fiscal year the network generated system sales of approx. PLN 103m. The consolidated revenue of Telepizza Poland amounted to about PLN 73.3m.

Both parties intend to close the transaction within the next couple of months ("Completion"). The completion is contingent upon a number of conditions, such as: obtaining antitrust approvals (CCPO), consent of each bank providing financing of the ongoing business activity of both parties of the SPA, conclusion of a license agreement with the Seller authorizing Telepizza Polska to continue operation of its business and no occurrence of the material adverse change events ("MAC").

The acquisition of Telepizza Poland fits well to AmRest's strategy and the creation of the leading pizza business across Europe in both dine-in and delivery channel.

Investment in Shares of Glovoapp23, S.L.

On July 18 2018 AmRest announced signing on the same day the Shareholders' Agreement, Subscription Agreement and Share Purchase Agreement (altogether: "Agreements") with Glovoapp23, S.L., based in Barcelona, Spain ("Glovo") and its existing and new shareholders. Based on the Agreements AmRest acquired a tranche of newly issued shares in Glovo as well as purchased a portion of existing shares from certain shareholders of Glovo ("Investment"). As a result of the Investment in the total amount of EUR 25 million, AmRest became co-lead investor holding 10% of total number of Glovo shares. The Investment assures AmRest a board seat in Glovo.

Glovo is one of the key players in digital food delivery on the Spanish market. It is an application that allows to buy, collect and send any product within the same city at a time. It has more than 1 million users and 5 600 associated partners. In Spain, the service is available in the urban areas of 21 cities. Internationally, Glovo operates in the main capital cities in Europe and EMEA, and also in 9 countries of LATAM. Currently Glovo is present in 61 cities of 17 countries throughout the world.

Taking into consideration the growing importance and impact of digital technologies in the consumer foodservice sector and increasing market share of online food-ordering channel, the Board of Directors of AmRest believes that the partnership with Glovo will strengthen the Group's position in the aggregator and delivery segment. Another investment into digital ventures was a natural decision embodying the AmRest's strategy of achieving the leading position on all the markets of AmRest operation in both dine-in and delivery segment.

3. Shareholders of AmRest Holdings SE

According to the best AmRest's knowledge as at 30 June 2018 AmRest Holdings had the following shareholder structure:

Shareholder	Number of shares and votes at the Shareholders' meeting	% of shares and votes at the Shareholders' meeting
FCapital Dutch B. V.	11 959 697	56.38%
Gosha Holding S.à.r.l	2 263 511	10.67%
Nationale-Nederlanden OFE	1 105 060	5.21%
Artal International S.C.A.	1 050 000	4.95%
Aviva OFE	701 370	3.31%
Other Shareholders	4 134 255	19.48%

** FCapital Dutch B. V. is the dominant entity of FCapital Lux (holding 5 232 907 AmRest shares) and the subsidiary of Finaccess Capital, S.A. de C.V. Grupo Finacces SAPI de CV is the directly dominant entity of Finaccess Capital, S.A. de C.V. and a subsidiary of Grupo Far-Luca, S.A. de C.V. The directly dominant person of Grupo Far-Luca, S.A. de C.V., Mr. Carlos Fernández González, is a member of the AmRest Board of Directors.*

*** Gosha Holding S.à.r.l. is a person closely associated with Mr. Henry McGovern and Mr. Steven Kent Winegar Clark – members of the AmRest Board of Directors.*

According to the best AmRest's knowledge as at the date of publication of this Report the AmRest Holdings' shareholders structure remains the same.

(all figures in EUR millions unless stated otherwise)

4. External debt

With reference to RB 229/2017 dated 6 October 2017 concerning the credit agreement signed on 5 October 2017 between AmRest Holdings SE, AmRest Sp. z o.o. and AmRest s.r.o. – jointly „the Borrowers" and Bank Polska Kasa Opieki S.A., Powszechna Kasa Oszczędności Bank Polski S.A., ING Bank Śląski S.A and Česká spořitelna, a.s. – jointly „the Lenders", on 15 June 2018 AmRest Holdings SE informed about receiving on 14 June 2018 from Bank Polska Kasa Opieki S.A., being the facility agent of mentioned credit, the Confirmation Statement committing Tranche E of the credit facility in the amount of PLN 280 million.

The Confirmation Statement was issued at the request of the Borrowers. Tranche E will be dedicated to repayment of the Polish bonds.

On 2 July 2018, in regard to the regulatory announcement RB 24/2013 dated 19 June 2013, AmRest Holdings SE informed that on 2 July 2018 the Company made a redemption of 14 000 dematerialised bearer bonds AMRE03300618 series, with a par value of PLN 10 000 per one bond and the total nominal value of PLN 140 000 000. The bonds were issued by AmRest on 18 June 2013 with the maturity date falling on 30 June 2018.

The redemption of the bonds resulted in expiry of all rights and obligations arising from them (according to Art. 74 of the Act on bonds dated 15 January 2015).

On 20 August 2018, in regards to the regulatory announcement RB 73/2014 dated 11 September 2014 and in accordance with point 4.2 of Terms and Conditions of the Issue of Series AMRE04100919 Bonds, AmRest Holdings SE informed that the Company plans to make on 28 September 2018 an early redemption of 14 000 dematerialised bearer bonds AMRE04100919 series ("the Bonds"), with a par value of PLN 10 000 per one bond and the total nominal value of PLN 140 000 000.

The Bonds were issued by AmRest on 10 September 2014 with the maturity date falling on 10 September 2019.

The early redemption of the Bonds at the request of the Issuer will be carried out by a cash payment in the amount of the nominal value of the Bonds increased by accrued interest and early redemption premium calculated in accordance with point 3 and 4 of the Terms and Conditions of the Bonds Issue. The buyout of the Bonds will be refinanced with bank loans.

5. Information on dividends paid

Dividends have not been distributed during the 6 months ended 30 June 2018.

6. Changes in the Company's Governing Bodies

On 14 March 2018 AmRest received a confirmation of the registration on 12 March 2018 of its registered office in Pozuelo de Alarcón, Madrid, Spain. Due to that change the corporate structure of the Company has changed into one-tier board system. Currently, the only body which is in charge of governing the Company is the Board of Directors. According to the resolution adopted by the Extraordinary General Meeting of AmRest Holdings SE on 5 October 2017 the composition of the Board of Directors is as follows:

- Mr. José Parés Gutiérrez
- Mr. Carlos Fernández González
- Mr. Luis Miguel Álvarez Pérez
- Mr. Henry McGovern
- Mr. Steven Kent Winegar Clark
- Mr. Pablo Castilla Reparaz
- Mr. Mustafa Ogretici

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

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

During the period since 1 January 2018 the following changes occurred with respect to AmRest shares and stock options held by the members of the Board of Directors of AmRest.

According to the best knowledge of AmRest, following members of the Board of Directors owned in this reporting period the Issuer's shares: Mr. Henry McGovern, Mr. Carlos Fernández González and Mr. Steven Kent Winegar Clark.

As at 31 December 2017 Mr. Henry McGovern held directly 7 234 shares of the Company with a total nominal value of EUR 72.34. On 30 June 2018 (and simultaneously on the date of publication of this report) he held 17 234 shares of the Company with a total nominal value of EUR 172.34.

As at 31 December 2017 Gosha Holdings S.a.r.l. - the closely associated person of Mr. Henry McGovern and Mr. Steven Kent Winegar Clark (the Company's Board of Directors members) held 2 463 511 the Company's shares with a total nominal value of EUR 24 635.11. On 30 June 2018 (and simultaneously on the date of publication of this Report) Gosha Holdings S.a.r.l. held 2 263 511 the Company's shares with a total nominal value of EUR 22 635.11.

As at 31 December 2017 FCapital Dutch B.V. – the closely associated person of Mr. Carlos Fernández González (member of the Company's Board of Directors) held 11 959 697 the Company's shares with a total nominal value of EUR 119 596.97. On 30 June 2018 (and simultaneously on the date of publication of this Report) FCapital Dutch B.V. held the same amount of the Company's shares.

8. Transactions on own shares concluded by AmRest

The commencement of the purchase of treasury shares for the purposes of execution of the management option plans occurred on the basis of Resolution No. 7 of the General Meeting of the Company of 19 May 2015 concerning the authorisation for the Board of Directors to acquire treasury shares in the Company and the establishment of reserve capital.

In the period between 1 January 2018 and the day of publication of this Report, AmRest purchased a total of 54 286 own shares for a total price of PLN 23 734 522. During the same period, the Company disposed a total of 51 781 own shares to entitled participants of the stock options plans.

9. Basic risks and threats the company is expose 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 identify and manage risks which may prevent the execution of the long-term objectives of AmRest. However, having these systems in place does not ensure complete elimination of the risk of fraud and violation of the law. The Board of Directors of AmRest performed a review, an analysis and a ranking of risks to which the Group is exposed. The main current risks that affects AmRest Holdings SE entity and threats have been summarised in this section. AmRest Holdings SE reviews and improves its risk management and internal control systems on an on-going basis.

Risk related to keeping key personnel in the Group

The Issuer's success depends to some extent on the individual effort of selected employees and key members of management. The methods of remunerating and managing human resources developed by the Issuer help ensure a low rotation of the key personnel. Additionally, the career planning system supports preparing successors ready to execute tasks in key positions. The Issuer believes it will be able to replace its key personnel. Regardless of that, their loss may have a short-term adverse effect on the business activities and operating results of the Issuer.

Currency risk

The results of AmRest Holdings are exposed to currency risk related to transactions and translations into currencies other than the currency in which business transactions are measured in its subsidiaries companies. AmRest Holdings SE adjusts its currency portfolio of debt to the geographical structure of its profile of activities. Additionally, AmRest uses forward contracts to secure transaction risks on a short-term basis.

Risk of increased financial costs

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

Liquidity risk

AmRest Holdings SE is exposed to the risk of lack of financing now of maturity of bank loans and bonds. As at 30 June 2018, AmRest Holdings SE had enough short-term assets, including cash and promised credit limits, to fulfil is liabilities due in the next 12 months.

10. Average number of employees

The company did not have employees during the period ended in June 2018 and June 2017.

Signatures of the Board of Directors

José Parés Gutiérrez
Chairman of the Board

Carlos Fernández González
Member of the Board

Luis Miguel Álvarez Pérez
Member of the Board

Henry McGovern
Member of the Board

Steven Kent Winegar Clark
Member of the Board

Pablo Castilla Reparaz
Member of the Board

Mustafa Ogretici
Member of the Board

Wrocław, 21 September 2018

Condensed Separate Financial Statements for 6 months ended 30 June 2018
AmRest Holdings SE

Liability statement of Directors

At a meeting held on 21 September 2018, the Directors of AmRest Holdings SE ("Company") state that, to the best of their knowledge, the Condensed Separate Financial Statements for 6 months ended 30 June 2018 prepared in accordance with the applicable Spanish accounting standards, offer a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole, and the interim consolidated management report includes a fair review of the required information.

Signatures:

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Chairman of the Board

Carlos Fernández González
Member of the Board

Luis Miguel Álvarez Pérez
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Wroclaw, 21 September 2018