



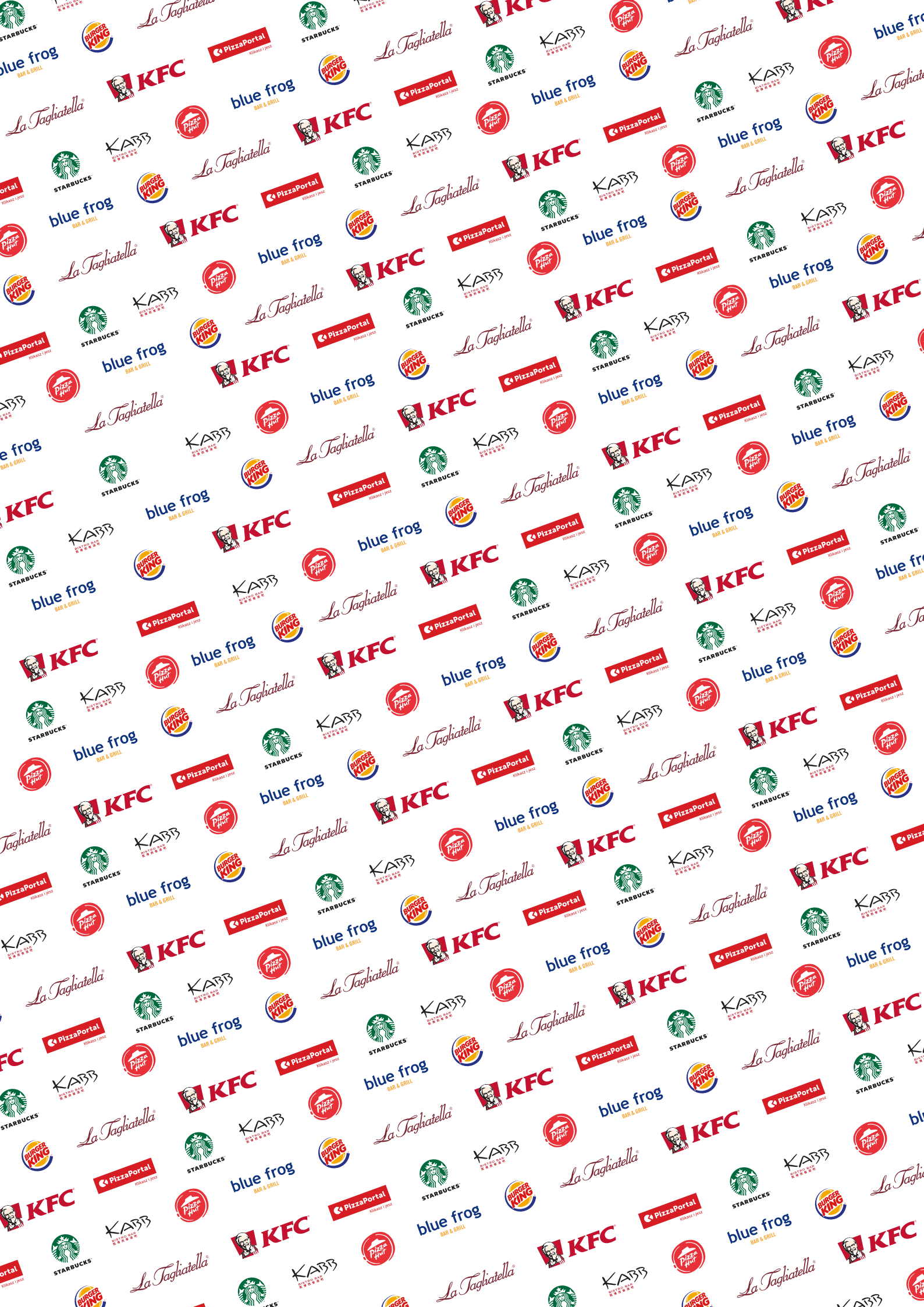
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Condensed Separate Financial Statements
for 6 months ended 30 June 2018

AmRest Holdings SE
21 SEPTEMBER 2018




AmRest





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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.

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.

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.

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.



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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 Wrocław, 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 presentation/ 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. Financial instruments

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

(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

Categories	Classes	Non-current Financial assets		Current Financial assets	
		Other credits and derivatives		Other credits and derivatives	
		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

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.

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 Liabilities		Bonds and other marketable securities		Other Financial Liabilities	
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.

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 2018 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 parties	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

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 Finaces 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.

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)

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)

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

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)	-

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)

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

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.

Notes to the Condensed Separate Financial Statements

Condensed Separate Financial Statements for 6 months ended 30 June 2018
(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	-
Pastificio 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

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 FSV LLC	0.9	0.6
SCM Sp. z o.o.	-	-
Restauravia Food S.L.U.	0.1	0.1
Pastificio 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	-

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

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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 liabilities 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" (Filippov), "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 Spielthener (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 Finaccess 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.

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 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 performed a review, an analysis and a ranking of risks to which the Group is exposed. The main current risks that affect 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 is 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 are 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 its 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



