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Interim Report for 9 months ended 30 September 2018

AmRest Holdings SE

Madrid, 15 November 2018

AmRest


BACOA
blue frog
BAR & GRILL
BURGER KING
La Tagliatella
KFC
PizzaPortal
Pizza Hut
STARBUCKS
KABB

Contents

Highlights

(all figures in EUR millions unless stated otherwise)

Financial highlights (consolidated data)

	9 months ended	
	30 September 2018	**30 September 2017** *(restated*)*
Revenue	1 104.0	878.7
Operating profit	52.0	51.9
Profit before tax	41.3	42.7
Net profit	30.2	33.2
Net profit attributable to non-controlling interests	(1.1)	0.6
Net profit attributable to equity holders of the parent	31.3	32.6
Cash flows from operating activities	117.5	91.3
Cash flows from investing activities	(143.9)	(111.2)
Cash flows from financing activities	5.7	65.0
Total cash flows, net	(20.7)	45.1
Average weighted number of ordinary shares in issue	212 138 930	212 138 930
Average weighted number of ordinary shares for diluted earnings per shares	212 138 930	212 138 930
Basic earnings per share (EUR)	0.15	0.15
Diluted earnings per share (EUR)	0.15	0.15
Declared or paid dividend per share	-	-

	as at 30 September 2018	**as at 31 December 2017** *(restated*)*
Total assets	1 077.6	1 034.4
Total liabilities	733.7	711.8
Long-term liabilities	532.9	481.1
Short-term liabilities	200.8	230.7
Equity attributable to shareholders of the parent	334.2	313.7
Non-controlling interests	9.7	8.9
Total equity	343.9	322.6
Share capital	21.2	0.2
Number of restaurants	1 802	1 639

** The restatement was described in Annex to the Interim Report for 9 months ended 30 September 2018.*

Part A. Management Report for 9 months ended 30 September 2018

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 Europapaea) and of its name to AmRest Holdings SE. Since March 2018 the Company register office's address is Enrique Granados 6, 28224 Pozuelo de Alarcón (Madrid), Spain. Previously, the Company had a registered office in Wroclaw, Poland.

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

The Group's core activity is operating Kentucky Fried Chicken ("KFC"), Pizza Hut, 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 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) , KABB (in China) and Bacoa (Spain, own and franchise restaurants).

As at 30 September 2018 the Group operates 1 802 restaurants.

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

Activity performed based on franchise agreement

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

(all figures in EUR millions unless stated otherwise)

Activity performed through own brands

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

Activity where AmRest is a franchisor (own brand or based on master-franchise agreements)

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

Explanations:

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

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

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

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

(all figures in EUR millions unless stated otherwise)

The Company's performance in Q3 2018

Sales

The revenues of AmRest Group in Q3 2018 amounted to EUR 392.3 million, representing a 23.2% growth over the year (EUR +73.8 million compared to Q3 2017). In most of the markets positive LFL trends continued in Q3 2018, while 242 new restaurants were added to the portfolio during last 12 months. Top line growth was additionally supported by consolidation of M&A projects finalized in 2017 and 2018. The revenues of the Core business, i.e. adjusted for recent M&As (acquisition of Pizza Hut and KFC businesses in France, Germany and Russia, Bacoa chain in Spain and pizzaportal.pl) amounted to EUR 342.1 million in Q3 2018 and were 11.6% higher than year ago.

Accumulated revenues of the Group for the first three quarters of 2018 grew by 25.6% to EUR 1 104 million.

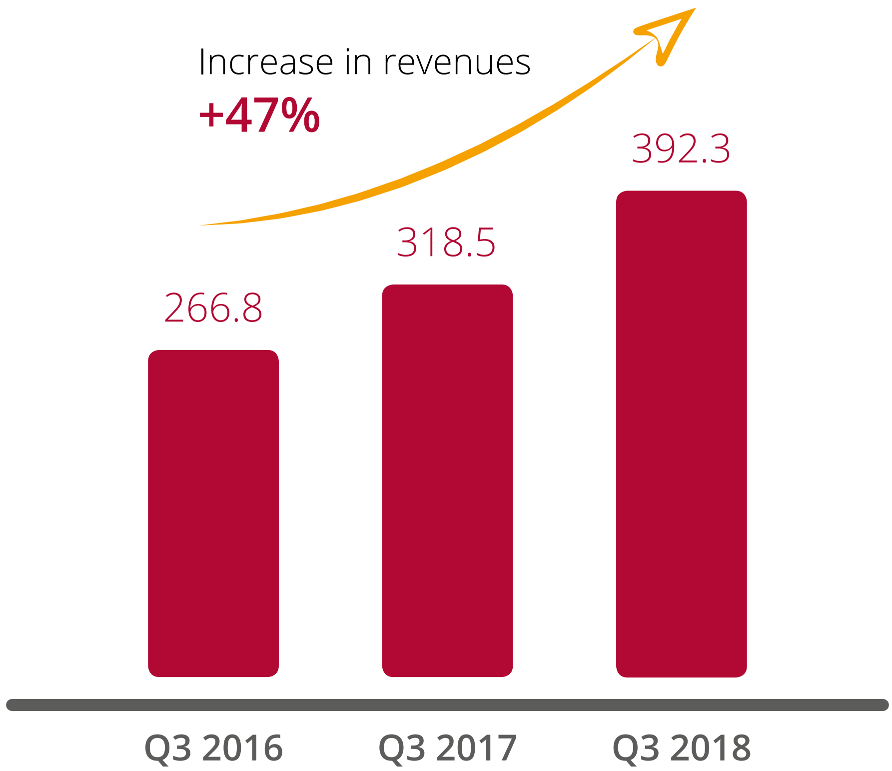
The highest dynamics in revenues in Q3 2018 was observed in Western Europe. The 33.3% top line growth was mainly driven by consolidation of new businesses acquired in France and Germany as well as solid revenues reported by Spanish market (11% increase in sales in Q3 2018 resulting from positive LFL trends and new openings). During the last 12 months, the Group opened 76 new restaurants in Western Europe.

The revenues of Russian division amounted to EUR 42.7 million in Q3 2018. Solid growth of 29.1% vs LY was achieved on the back of a double-digit LFL growth in KFC business, continued organic expansion (31 restaurants opened in the last 12 months) and finalized acquisitions within KFC and Pizza Hut brands. In local currency, the revenues increased by nearly 42% in Q3 2018.

Positive sales trends in Q3 2018 were observed in China, where Blue Frog brand reported LFL growth for the quarter. Additionally, AmRest expanded its business in the region by opening 10 new restaurants in the last 12 months. The revenues of Chinese division in Q3 2018 amounted to EUR 19.4 million and were 21.7% higher than year ago.

In Central and Eastern Europe, the revenues reached EUR 186.3 million in Q3 2018. The 15.6% growth over the year was mainly driven by solid LFL trends in all major brands in the region, as well as further expansion of AmRest's portfolio. In the last 12 months the Group opened 125 new restaurants in Central and Eastern Europe.

Chart 1 AmRest Group's sales in Q3 2018 compared to previous years (in EUR millions)



Profitability

In Q3 2018 the financial results of AmRest Group were shaped by a solid performance of the Core business and dilutive impact of integration and consolidation of recent M&A projects. Total EBITDA of the Group amounted to EUR 49.7 million, growing by nearly 6% over the year. At the same time, EBITDA margin decreased by 2.1pp to 12.7%. The EBITDA of AmRest's core operations (i.e. excluding all 2017 and 2018 M&A projects) amounted to EUR 51.5 million in Q3 2018 and was 12.1% higher than year ago. As a result, the EBITDA margin of the Core business improved by 0.1pp to a record high level of 15.1%.

AmRest's profits in Q3 2018 were impacted by growing labor cost, which increased by 33% over the year (+1.7pp compared to Q3 2017). Such dynamics were mainly driven by continued pressure on labor in Central European markets as well as consolidation of Western European businesses, characterized by relatively higher labor cost.

Operating profit of the Group (EBIT), supported by relatively lower cost of depreciation and amortization (-0.3pp), amounted to EUR 27.5 million in Q3 2018. The EBIT margin stood at 7% and was 1.8pp lower than year ago. Net profit attributable to AmRest shareholders in Q3 2018 reached EUR 18 million, while net profit margin decreased by 1.7pp to 4.6%.

Net debt at the end of Q3 2018 equaled EUR 379 million and the leverage stood at 2.33.

Similar to previous quarters, profitability of the Central and Eastern Europe division remained under the pressure from growing labor cost, partially offset by relatively lower costs of food. The EBITDA profit in the region grew by 15.4% to EUR 31 million in Q3 2018, while EBITDA margin remained flat at 16.6%. On the back of positive LFL trends and a strict discipline on the cost side, all major markets in CEE improved margins. At the same time, the profitability of Other CEE segment was impacted by a green field investment into KFC in Austria and Slovenia.

The profitability of Russian division improved by 4.9% in Q3 2018 (EBITDA grew by EUR 0.3 million), while EBITDA margin decreased by 2.8pp to 12.4.%. The results of Russian division were primarily driven by a solid performance of KFC business (20%+ growth of EBITDA) and dilutive impact of recently acquired Pizza Hut chain in the region, where restructuring processes are required in order for the business to break even.

The EBITDA reported by Western Europe division amounted to EUR 14.5 million in Q3 2018 (EUR -1.8 million compared to last year). Spanish market remained flat on EBITDA profit of EUR 13.7 million, with EBITDA margin declining by 2.4pp in Q3 2018. Such results were driven by solid performance of La Tagliatella, accelerated development of KFC business (8 new restaurants opened in the last 12 months) and launch of Blue Frog brand (4 restaurants operating as at the end of Q3 2018). In Germany, the EUR 1 million EBITDA profit in Q3 2018 came from a solid performance of Starbucks business (5.2% EBITDA margin) partially offset by weaker results of KFC and Pizza Hut businesses, which require further investments and integration efforts. The Other Western Europe segment reported flat results, which was a mix of successful turnaround of KFC France business, soft performance of Pizza Hut France and one-off transaction costs of EUR 0.8 million related to takeover of 9 KFC restaurants in Q3 2018.

Chart 2 AmRest Group's EBITDA in Q3 2018 compared to previous years (in EUR millions)

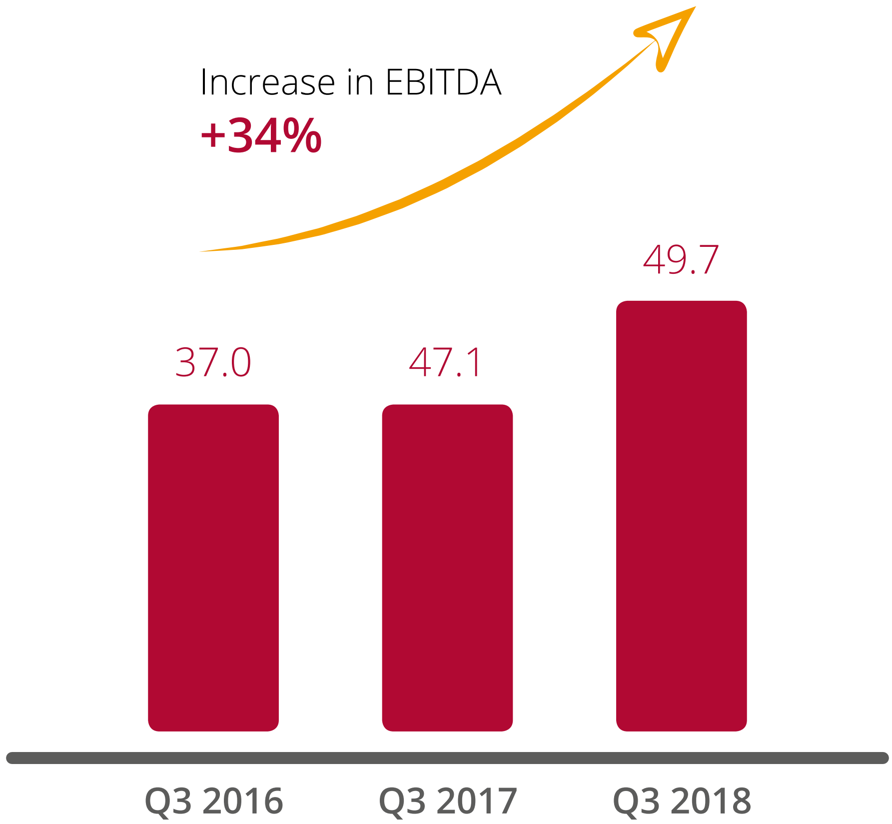


Table 1 Split of revenues and EBITDA by divisions in the third quarter 2018 and 2017

	Q3 2018			Q3 2017 *(restated*)*		
	Amount	Share	Margin	Amount	Share	Margin
Revenue	**392.3**			**318.5**		
Poland	*107.3*	*27.3%*		*96.8*	*30.4%*	
Czechia	*43.0*	*11.0%*		*36.0*	*11.3%*	
Hungary	*23.4*	*6.0%*		*18.4*	*5.8%*	
Other CEE	*12.6*	*3.2%*		*10.1*	*3.2%*	
Total CEE	186.3	47.5%		161.3	50.7%	
Russia	42.7	10.9%		33.1	10.4%	
Spain	*64.5*	*16.4%*		*58.1*	*18.2%*	
Germany	*44.5*	*11.4%*		*43.4*	*13.6%*	
Other Western Europe	*31.0*	*7.9%*		*3.5*	*1.1%*	
Western Europe	140.0	35.7%		105.0	32.9%	
China	19.4	4.9%		15.9	5.0%	
Unallocated	3.9	1.0%		3.2	1.0%	
EBITDA	**49.7**		**12.7%**	**47.1**		**14.8%**
Poland	*16.0*		*14.9%*	*14.2*		*14.7%*
Czechia	*9.1*		*21.1%*	*7.6*		*21.0%*
Hungary	*4.2*		*18.1%*	*3.3*		*17.8%*
Other CEE	*1.7*		*13.0%*	*1.8*		*17.6%*
Total CEE	31.0		16.6%	26.9		16.6%
Russia	5.3		12.4%	5.0		15.2%
Spain	*13.7*		*21.2%*	*13.7*		*23.6%*
Germany	*1.0*		*2.3%*	*2.7*		*6.2%*
Other Western Europe	*(0.2)*		-	*(0.1)*		-
Western Europe	14.5		10.3%	16.3		15.6%
China	1.5		8.0%	1.3		8.2%
Unallocated	(2.6)		-	(2.4)		-
Adjusted EBITDA**	**51.6**		**13.2%**	**49.2**		**15.5%**
Poland	*14.6*		*13.6%*	*14.8*		*15.3%*
Czechia	*9.5*		*22.1%*	*7.8*		*21.7%*
Hungary	*4.6*		*19.7%*	*3.5*		*19.0%*
Other CEE	*1.9*		*15.4%*	*1.9*		*19.0%*
Total CEE	30.6		16.4%	28.0		17.4%
Russia	5.8		13.5%	5.3		16.0%
Spain	*14.0*		*21.7%*	*14.1*		*24.4%*
Germany	*1.3*		*2.8%*	*2.8*		*6.4%*
Other Western Europe	*0.7*		*2.5%*	*0.0*		-
Western Europe	16.0		11.4%	16.9		16.1%
China	1.9		9.7%	1.5		9.1%
Unallocated	(2.7)		-	(2.5)		-
EBIT	**27.5**		**7.0%**	**28.0**		**8.8%**
Poland	*9.4*		*8.8%*	*8.3*		*8.6%*
Czechia	*6.7*		*15.7%*	*5.5*		*15.3%*
Hungary	*2.8*		*12.0%*	*2.0*		*11.1%*
Other CEE	*0.4*		*3.1%*	*0.8*		*7.7%*
Total CEE	19.3		10.4%	16.6		10.3%
Russia	2.7		6.3%	3.0		9.1%
Spain	*10.1*		*15.7%*	*10.1*		*17.4%*
Germany	*(0.7)*		-	*1.0*		*2.4%*
Other Western Europe	*(1.4)*		-	*(0.2)*		-
Western Europe	8.0		5.7%	10.9		10.4%
China	0.3		1.8%	0.1		0.4%
Unallocated	(2.8)		-	(2.6)		-

* The restatement was described in Annex to the Interim Report for 9 months ended 30 September 2018.

**Adjusted EBITDA – EBITDA adjusted for new openings expenses (Start-up costs), M&A expenses: all material expenses connected with successful acquisition covering professional services (legal, financial, other) directly connected with transaction, effect of SOP exercise method modification (difference in accounting cost of employee benefits accounted under cash settled versus equity settled option plan), indirect taxes reported in given period but concerning prior reporting periods resulting from tax fillings adjustments (indirect taxes are mainly VAT and other EBITDA level taxes).

(all figures in EUR millions unless stated otherwise)

Table 2 Split of revenues and EBITDA by divisions in the three quarters 2018 and 2017

	9 months ended					
	30 September 2018			30 September 2017 *(restated*)*		
	Amount	Share	Margin	Amount	Share	Margin
Revenue	**1 104.0**			**878.7**		
Poland	*300.8*	*27.2%*		*268.0*	*30.5%*	
Czechia	*121.5*	*11.0%*		*97.4*	*11.1%*	
Hungary	*64.8*	*5.9%*		*49.8*	*5.6%*	
Other CEE	*35.1*	*3.2%*		*27.8*	*3.2%*	
Total CEE	522.2	47.3%		443.0	50.4%	
Russia	124.5	11.3%		100.6	11.4%	
Spain	*176.4*	*16.0%*		*158.0*	*18.0%*	
Germany	*125.6*	*11.4%*		*113.5*	*12.9%*	
Other Western Europe	*88.3*	*7.9%*		*7.2*	*0.8%*	
Western Europe	390.3	35.3%		278.7	31.7%	
China	54.7	5.0%		47.0	5.4%	
Unallocated	12.3	1.1%		9.4	1.1%	
EBITDA	**123.7**		**11.2%**	**109.4**		**12.5%**
Poland	*37.1*		*12.3%*	*33.6*		*12.5%*
Czechia	*25.3*		*20.8%*	*19.2*		*19.7%*
Hungary	*11.3*		*17.4%*	*8.8*		*17.7%*
Other CEE	*3.9*		*11.3%*	*4.9*		*18.1%*
Total CEE	77.6		14.9%	66.5		15.1%
Russia	15.7		12.6%	12.0		11.9%
Spain	*37.7*		*21.4%*	*34.4*		*21.8%*
Germany	*(1.7)*		-	*(1.7)*		-
Other Western Europe	*0.7*		*0.8%*	*(0.9)*		-
Western Europe	36.7		9.4%	31.8		11.4%
China	5.9		10.8%	5.0		10.6%
Unallocated	(12.2)		-	(5.9)		-
Adjusted EBITDA**	**131.4**		**11.9%**	**115.7**		**13.2%**
Poland	*36.4*		*12.1%*	*35.0*		*13.0%*
Czechia	*26.1*		*21.4%*	*19.7*		*20.2%*
Hungary	*12.0*		*18.5%*	*9.2*		*18.5%*
Other CEE	*4.6*		*12.9%*	*5.2*		*19.2%*
Total CEE	79.1		15.1%	69.1		15.6%
Russia	16.6		13.4%	12.7		12.6%
Spain	*38.7*		*22.0%*	*35.2*		*22.3%*
Germany	*(0.8)*		-	*(1.6)*		-
Other Western Europe	*2.6*		*2.9%*	*(0.8)*		-
Western Europe	40.5		10.4%	32.8		11.8%
China	6.5		12.0%	5.6		11.8%
Unallocated	(11.3)		-	(4.5)		-
EBIT	**52.0**		**4.7%**	**51.9**		**5.9%**
Poland	*16.6*		*5.5%*	*15.8*		*5.9%*
Czechia	*18.1*		*14.9%*	*13.8*		*14.2%*
Hungary	*7.2*		*11.1%*	*5.3*		*10.6%*
Other CEE	*0.3*		*1.0%*	*2.7*		*9.6%*
Total CEE	42.2		8.1%	37.6		8.5%
Russia	7.7		6.1%	4.8		4.8%
Spain	*25.6*		*14.5%*	*24.4*		*15.5%*
Germany	*(8.4)*		-	*(7.4)*		-
Other Western Europe	*(4.8)*		-	*(1.9)*		-
Western Europe	12.4		3.2%	15.1		5.4%
China	2.5		4.5%	0.7		1.5%
Unallocated	(12.8)		-	(6.3)		-

* The restatement was described in Annex to the Interim Report for 9 months ended 30 September 2018.

**Adjusted EBITDA – EBITDA adjusted for new openings expenses (Start-up costs), M&A expenses: all material expenses connected with successful acquisition covering professional services (legal, financial, other) directly connected with transaction, effect of SOP exercise method modification (difference in accounting cost of employee benefits accounted under cash settled versus equity settled option plan,), indirect taxes reported in given period but concerning prior reporting periods resulting from tax fillings adjustments (indirect taxes are mainly VAT and other EBITDA level taxes).

(all figures in EUR millions unless stated otherwise)

in EUR millions	9 months ended 30 September 2018		9 months ended 30 September 2017		Q3YTD/Q3YTD	
	Amount	% of sales	Amount	% of sales	change	% of sales
Restaurant sales	1 042.3	94.4%	825.5	93.9%	216.8	26.3%
Franchise and other sales	61.7	5.6%	53.2	6.1%	8.5	16.0%
Total sales	**1 104.0**		**878.7**		**225.3**	**25.6%**
Profit/(loss) for the period	**30.2**	**2.7%**	**33.2**	**3.8%**	**(3.0)**	**(9.1%)**
+ Finance costs	11.4	1.0%	9.7	1.1%	1.7	17.9%
– Finance income	(0.7)	(0.1%)	(0.5)	(0.1%)	(0.2)	48.2%
+ Income tax expense	11.1	1.0%	9.5	1.1%	1.6	16.4%
+ Depreciation and Amortisation	65.8	6.0%	55.8	6.3%	10.0	17.8%
+ Impairment losses	5.9	0.5%	1.7	0.2%	4.2	247.9%
EBITDA	**123.7**	**11.2%**	**109.4**	**12.5%**	**14.3**	**13.1%**
+ Start-up expenses	7.2	0.7%	4.8	0.5%	2.3	49.6%
+ M&A related expenses	1.4	0.1%	0.4	0.0%	1.0	252.9%
+/– Effect of SOP exercise method modification	1.0	0.1%	1.1	0.1%	0.0	(7.8%)
+/– Indirect taxes adjustments	(1.9)	(0.2%)	-	-	(1.9)	(100%)
Adjusted EBITDA	**131.4**	**11.9%**	**115.7**	**13.2%**	**15.7**	**13.6%**

in EUR millions	3 months ended 30 September 2018		3 months ended 30 September 2017		Q3/Q3	
	Amount	% of sales	Amount	% of sales	change	% of sales
Restaurant sales	370.6	94.5%	298.1	93.6%	72.5	24.3%
Franchise and other sales	21.7	5.5%	20.4	6.4%	1.3	6.2%
Total sales	**392.3**		**318.5**		**73.8**	**23.2%**
Profit/(loss) for the period	**18.0**	**4.6%**	**20.2**	**6.3%**	**(2.2)**	**(11.1%)**
+ Finance costs	4.0	1.0%	2.9	0.9%	1.1	39.1%
– Finance income	(0.4)	(0.1%)	(0.2)	(0.1%)	(0.2)	93.3%
+ Income tax expense	5.9	1.5%	5.1	1.6%	0.8	15.2%
+ Depreciation and Amortisation	22.1	5.6%	19.0	6.0%	3.1	16.6%
+ Impairment losses	0.1	0.0%	0.1	0.0%	0.0	(18.9%)
EBITDA	**49.7**	**12.7%**	**47.1**	**14.8%**	**2.6**	**5.6%**
+ Start-up expenses	2.9	0.7%	2.1	0.7%	0.8	36.3%
+ M&A related expenses	0.9	0.2%	0.0	0.0%	0.9	4759.2%
+/– Effect of SOP exercise method modification	0.0	0.0%	0.0	0.0%	0.0	0.0%
+/– Indirect taxes adjustments	(1.9)	(0.2%)	-	-	(1.9)	(100%)
Adjusted EBITDA	**51.6**	**13.2%**	**49.2**	**15.5%**	**2.4**	**4.9%**

Significant events and transactions in Q3 2018
(till the date of publication of this Report)

Framework Agreement with KFC France

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 SAS ("KFC France") and NOVO BL (jointly "Seller"). Under the terms of the Framework Agreement (i) Buyer would acquire 15 equity restaurants run by KFC France in the French market ("KFC Business"), and (ii) AmRest Opco and KFC France would sign the standard KFC International Franchise Agreement for each restaurant.

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

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

It was the intention of the parties that the closing of the transaction, including transfer of ownership of KFC Business and payment of the purchase price, should 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.

As at date of this Report AmRest took over from KFC France all 15 equity restaurants.

Share Purchase Agreement to acquire BACOA brand

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

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

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

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

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

Share Purchase Agreement to acquire Sushi Shop Group SAS

On 25 July 2018 AmRest announced signing on 24 July 2018 of an Agreement between AmRest and Mr. Grégory Marciano, Naxicap Partners SA and remaining sellers (jointly “Sellers”) setting forth AmRest’s irrevocable commitment to purchase 100% shares in Sushi Shop Group SAS (“Sushi Shop”, „Group”) (the “Agreement”). On 27 July 2018 the Share Purchase Agreement (the “SPA”) with the Sellers aimed at the acquisition by AmRest of 100% shares in Sushi Shop was signed.

The purchase price based on Enterprise Value (on the cash-free and debt-free basis) was estimated at 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.

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

The consolidated revenues of Sushi Shop amounted to ca. EUR 130 million.

The acquisition was meant to strengthen AmRest’s portfolio with a well-established proprietary brand in sushi segment. The offer of Sushi Shop shall add substantial leverage on food delivery platforms of the Group.

On 31 October 2018 AmRest announced the completion of the SPA (the “Completion”), after fulfillment of all obligations and obtaining all required approvals (incl. relevant clearance from antitrust authorities).

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.

Increase of the nominal value of the Company shares and share split

On 21 September 2018, with reference to the resolutions adopted by the General Shareholders' Meeting on 6 June 2018 (and given to the public by regulatory announcement RB 30/2018 dated 6 June 2018), AmRest informed about the registration by the Commercial Registry (Registro Mercantil) in Madrid of the increase of the nominal value of the Company shares up to 1 EUR for each share with charge to share premium reserve and subsequent reduction of the nominal value of shares from 1 EUR to 0.1 EUR with exchange ratio 1:10 ("split") without any change in share capital. As a result, the number of Company shares would amount to 212 138 930 of nominal value of 0.1 EUR each. The abovementioned registration took place on 20 September 2018.

On 28 September 2018, AmRest informed that on 27 September 2018 Krajowy Depozyt Papierów Wartościowych (KDPW) passed a resolution on registration in KDPW of the increase of the nominal value of the Company shares from 0.01 EUR to 1 EUR scheduled for 2 October 2018 and resolution on registration in KDPW of the reduction of the nominal value of the shares from 1 EUR to 0.1 EUR by dividing the total number of AmRest shares (split) ina ratio 1:10. The effective date of split was scheduled for 3 October 2018. As a result the total number of Company shares traded on the Warsaw Stock Exchange ("WSE") would increase to 212 138 930, each of a nominal value of 0.1 EUR.

On 3 October 2018 AmRest informed that the reduction of the nominal value of the shares from 1 EUR to 0.1 EUR by dividing the total number of AmRest shares (stock split) in a ratio 1:10 was executed on 3 October 2018. As result the total number of Company shares traded on the WSE increased to 212 138 930, each of a nominal value of 0.1 EUR.

Transfer the home deposit to Spain and change of the ISIN code

On 28 September 2018, AmRest informed that in connection with the transfer of the Company's registered office to Spain, AmRest decided to transfer the home deposit of its shares to Spain. The depositary of the Company's shares in Spain would be Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal („Iberclear"), in which the Company's shares would be registered under the Spanish ISIN code ES0105375002. This would not affect the quotations of AmRest shares on the Warsaw Stock Exchange („WSE").

Due to the change of the ISIN code on 28 September 2018 the Company filed an application to the WSE for the suspension of trading of AmRest shares (the "Suspension") from 4 October to 8 October 2018 inclusive.

On 2 October 2018 AmRest informed that on 1 October 2018 the WSE adopted a resolution on the Suspension from 4 October to 8 October 2018 inclusive.

On 4 October 2018 AmRest informed that in connection with the transfer of the home deposit of the Company's shares to Spain, on 3 October 2018 AmRest filed an application to the Krajowy Depozyt Papierów Wartościowych (the National Depository of Securities in Poland; "KDPW") for change of the ISIN code under which the Company's shares are registered in KDPW from hitherto NL0000474351 into Spanish ES0105375002 and for change of the nature of this registration, i.e. registering these shares in KDPW as a secondary deposit (investor's deposit)

On 8 October 2018 AmRest informed that it received on the same day a resolution adopted by KDPW on 5 October 2018, according to which the Management Board of KDPW decided to register 212 138 930 shares of the Company with a nominal value of EUR 0.10 each in KDPW as a secondary deposit under new ISIN code ES0105375002 (hitherto registered in KDPW as home deposit under the code NL0000474351).

Share capital increase through a private placement

On 11 October 2018 AmRest announced that by virtue of the delegation granted by the Ordinary General Shareholders' Meeting held on 6 June 2018, under item thirteenth of its agenda, the Board of Directors of the Company has resolved to carry out a share capital increase excluding pre-emption rights (the "Share Capital Increase") in an effective amount (including nominal amount and share issue premium) of EUR 70 million.

The Share Capital Increase would be carried out through a private placement that would last a maximum of 24 hours and would be solely addressed to persons qualifying as qualified or institutional investors. The process was described in details in regulatory announcement number RB 64/2018 dated 11 October 2018.

On 12 October AmRest informed about the completion of the private placement process carried out by JB Capital Markets Sociedad de Valores, S.A. (the Sole Global Coordinator) through a book-building process. The offer price of the New Shares had been set at EUR 9.44 (PLN 40.75) per share, with a nominal value of EUR 0.10 per share and an issue premium of EUR 9.34 per share.

Under the Share Capital Increase, the Company issued 7 415 253 New Shares, of the same class and series as the outstanding shares in the Company. Consequently, the total gross proceeds (including nominal value and share issue premium) of the Share Capital Increase amounted to EUR 69 999 988.32, with a total nominal value of EUR 741 525.30 and a total share issue premium of EUR 69 258 463.02.

The New Shares represent 3.50% of the Company's share capital before the Share Capital Increase and 3.38% of its share capital thereafter.

The Company is in the process of obtaining the consent for admission to trading of the New Shares on the Warsaw Stock Exchange.

The effective date of share capital increase is 15 October 2018, when the share capital increase public deed was granted before a public notary and filed for registration with the Registro Mercantil de Madrid.

On 14 November 2018 AmRest informed that on the same day the Management Board of the Warsaw Stock Exchange (the "WSE") adopted a resolution on admission to trading on the main market of 7,115,253 ordinary bearer shares of AmRest, with a nominal value of EUR 0.10 each (registered in Krajowy Depozyt Papierów Wartościowych under the ISIN code „ES0105375002"). The first trading date was scheduled for November 16th, 2018.

Dual listing in Spain

On 14 November 2018 AmRest informed that it is expected that the Company's shares will start trading on the Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia on November 21, once it obtains the required regulatory approval from the Comisión Nacional del Mercado de Valores.

External Debt in Q3 2018

Redemption of 14 000 dematerialised bearer bonds AMRE03300618 series

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

The bonds were issued by AmRest on 18 June 2013 with the maturity date falling on 30 June 2018.

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

Early redemption of 14 000 dematerialised bearer bonds AMRE04100919 series

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.

On 28 September 2018, AmRest informed that on the same day the Company made an early redemption of the Bonds.

The early redemption of the Bonds at the request of the Issuer was 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 was refinanced with bank loans. 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 January 15th, 2015).

Grant of the Tranche F under the Credit Agreement

On 1 October 2018, with reference to RB 229/2017 dated 6 October 2017 concerning the credit agreement ("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", AmRest Holdings SE informed about amendment to the Agreement signed on 1 October, 2018, which resulted in committing Tranche F of the credit facility in the amount of EUR 190 million.

Tranche F will be dedicated to finance acquisitions and general purposes of the AmRest Group.

Changes in the Company's Governing Bodies

In third quarter 2018 and until issue of this report the composition of the Board of Directors didn't change and is as follows:

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

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

Dividends paid during the period covered by this Report

During the period covered by this Report the Group has not paid any dividend.

Composition of the AmRest Group

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

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

(all figures in EUR millions unless stated otherwise)

AmRest Coffee SK s.r.o.	Bratislava, Slovakia	AmRest s.r.o. AmRest Sp. z o.o.	99.00% 1.00%	December 2015
AmRest Coffee Deutschland Sp. z o.o. & Co. KG	Munich, Germany	AmRest Kaffee Sp. z o.o. AmRest Capital Zrt	77.00% 23.00%	May 2016
AmRest DE Sp. z o.o. & Co. KG	Berlin, Germany	AmRest Kaffee Sp. z o.o.	100.00%	December 2016
The Grill Concept S.L.U.	Madrid, Spain	Pastificio Service S.L.U.	100.00%	December 2016
LTP La Tagliatella Portugal, Lda	Lisbon, Portugal	AmRest TAG S.L.U. AmRestavia S.L.U.	74.00% 26.00%	February 2017
AmRest AT GmbH	Vienna, Austria	AmRest Sp. z o.o.	100.00%	March 2017
AmRest Topco France SAS	Paris, France	AmRest Holdings SE	100.00%	May 2017
AmRest Delco France SAS	Paris, France	AmRest Topco SAS	100.00%	May 2017
AmRest Opco SAS	Paris, France	AmRest Holdings SE	100.00%	July 2017
OOO Chicken Yug	Saint Petersburg, Russia	OOO AmRest	100.00%	October 2017
OOO Pizza Company	Saint Petersburg, Russia	AmRest Acquisition Subsidiary Ltd. OOO AmRest	99.9% 0.1%	November 2017
AmRest Coffee SRB	Belgrade, Serbia	AmRest Holdings SE	100.00%	November 2017
AmRest Chamnord SAS	Paris, France	AmRest Opco SAS	100.00%	March 2018
Kai Fu Restaurant Management (Shanghai) Co., Ltd	Shanghai, China	Blue Frog Food&Beverage Management Ltd	100.00%	December 2016
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
Black Rice S.L.U.	Barcelona, Spain	AmRest TAG S.L.U.	100,00%	July 2018
Bacoa Holding S.L.U.	Barcelona, Spain	AmRest TAG S.L.U.	100,00%	July 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
OOO RusCo Food	Saint Petersburg, Russia	OOO AmRest	100.00%	August 2018
AmRest Management Kft	Budapest, Hungary	AmRest Kft AmRest Capital Zrt	99.0% 1.0%	August 2018
AmRest Trademark Kft	Budapest, Hungary	AmRest Management Kft	100.00%	September 2018
Supply services for restaurants operated by the Group				
SCM s.r.o.	Prague, Czechia	SCM Sp. z o.o. Ondrej Razga	90.00% 10.00%	March 2007
SCM Sp. z o.o.	Warsaw, Poland	AmRest Sp. z o.o. R&d Sp. z o.o. Beata Szfarczyk-Cylny Zbigniew Cylny	51.00% 43.80% 5.00% 0.20%	October 2008
SCM Due Sp. z o.o.	Warsaw, Poland	SCM Sp. z o.o.	100.00%	October 2014

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

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

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

(all figures in EUR millions unless stated otherwise)

Shareholders of AmRest Holdings SE

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

Shareholder	Number of shares and votes at the Shareholders' meeting	Number of shares and votes at the Shareholders' meeting *(restated*)*	% of shares and votes at the Shareholders' meeting
FCapital Dutch B. V.	11 959 697	119 596 970	56.38%
Gosha Holding S.à.r.l	2 263 511	22 635 110	10.67%
Nationale-Nederlanden OFE	1 105 060	11 050 600	5.21%
Artal International S.C.A.	1 050 000	10 500 000	4.95%
Aviva OFE	701 370	7 013 700	3.31%
Other Shareholders	4 134 255	41 342 550	19.48%

* The numbers were restated by share split registered on 3 October 2018

Shareholders structure as at the date of publication of this Report was impacted by recent increase of the nominal value of the Company shares, share split and share capital increase through a private placement (all events were described in point "Significant events and transactions in Q3 2018", pages 17-22), and according to the best AmRest's knowledge is as follows:

Shareholder	Number of shares and votes at the Shareholders' meeting	% of shares and votes at the Shareholders' meeting
FCapital Dutch B. V.	123 777 447	56,38%
Gosha Holding S.à.r.l	23 426 313	10,67%
Nationale-Nederlanden OFE	11 050 600	5,03%
Artal International S.C.A.	10 500 000	4,78%
Aviva OFE	7 013 700	3,19%
Other Shareholders	43 786 123	19,94%

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

During the period since 30 June 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.

(all figures in EUR millions unless stated otherwise)

The data as at the date of publication of this Report (15 November 2018) were impacted by recent increase of the nominal value of the Company shares, share split and share capital increase through a private placement (all events were described in point “Significant events and transactions in Q3 2018”, pages 17-22),

As at 30 June 2018 Mr. Henry McGovern held directly 17 234 shares of the Company with a total nominal value of EUR 172.34. On 30 September 2018 he held the same amount of AmRest shares. As at the date of publication of this Report Mr. Henry McGovern holds 172 340 shares of the Company with a total nominal value of EUR 17 234.

As at 30 June 2018 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 2 263 511 Company’s shares with a total nominal value of EUR 22 635.11. On 30 September 2018 Gosha Holdings S.a.r.l. held the same amount of AmRest shares. As at the date of publication of this Report Gosha Holdings S.a.r.l. holds 23 426 313 shares of the Company with a total nominal value of EUR 2 342 631.3.

As at 30 June 2018 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 Company’s shares with a total nominal value of EUR 119 596.97. On 30 September 2018 FCapital Dutch B.V. held the same amount of the Company’s shares. As at the date of publication of this Report FCapital Dutch B.V. holds 123 777 447 shares of the Company with a total nominal value of EUR 12 377 744.7.

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

The commencement of the purchase of treasury shares occurred on the basis of Resolution No. 9 of the General Meeting of the Company of 6 June 2018 concerning the authorization to the Board of Directors for the derivative acquisition of the Company’s own shares made directly by the Company or indirectly through its subsidiaries as well as for the sale of the own shares.

In the period between 1 July and 30 September 2018, AmRest purchased a total of 56 071 own shares for a total price of PLN 24 633 618.47. During the same period, the Company disposed a total of 9 160 own shares to entitled participants of the stock options plans.

Forecasts of financial results

The Company has not published any forecasts of financial results.

Part B. Condensed Consolidated Interim Report for 9 months ended 30 September 2018

(all figures in EUR millions unless stated otherwise)

Condensed consolidated income statement for 9 months ended 30 September 2018

	9 months ended	
	30 September 2018	**30 September 2017** *(restated*)*
Continuing operations		
Restaurant sales	1 042.3	825.5
Franchise and other sales	61.7	53.2
Total revenue	**1 104.0**	**878.7**
Company operated restaurant expenses:		
Food and material	(298.3)	(239.7)
Payroll and employee benefits	(265.2)	(200.5)
Royalties	(54.0)	(41.9)
Occupancy and other operating expenses	(309.6)	(250.8)
Franchise and other expenses	(44.6)	(33.2)
General and administrative (G&A) expenses	(80.8)	(64.9)
Net impairment losses on financial assets	(1.1)	(0.2)
Net impairment losses on other assets	(4.8)	(1.5)
Total operating costs and losses	**(1 058.4)**	**(832.7)**
Other operating income	**6.4**	**5.9**
Profit from operations	**52.0**	**51.9**
Finance costs	(11.4)	(9.7)
Finance income	0.7	0.5
Profit before tax	**41.3**	**42.7**
Income tax	(11.1)	(9.5)
Net profit for the period	**30.2**	**33.2**
Net profit attributable to:		
Shareholders of the parent	31.3	32.6
Non-controlling interests	(1.1)	0.6
Net profit for the period	**30.2**	**33.2**
Basic earnings per ordinary share in EUR	0.15	0.15
Diluted earnings per ordinary share in EUR	0.15	0.15

** The restatement was described in Annex to the Interim Report for 9 months ended 30 September 2018.*

(all figures in EUR millions unless stated otherwise)

Condensed consolidated statement of comprehensive income for 9 months ended 30 September 2018

	9 months ended	
	30 September 2018	**30 September 2017** *(restated*)*
Net profit for the period	**30.2**	**33.2**
Other comprehensive incomes:		
Exchanges differences on translation of foreign operations	(7.9)	(8.9)
Net investment hedges	(3.4)	3.0
Income tax concerning net investment hedges	0.8	(0.6)
Total items that may be reclassified subsequently to profit or loss	*(10.5)*	*(6.5)*
Other comprehensive income for the period	**(10.5)**	**(6.5)**
Total comprehensive income for the period	**19.7**	**26.7**
Attributable to:		
Shareholders of the parent	20.9	28.4
Non-controlling interests	(1.2)	(1.7)

** The restatement was described in Annex to the Interim Report for 9 months ended 30 September 2018.*

(all figures in EUR millions unless stated otherwise)

Condensed consolidated statement of financial position as at 30 September 2018

	30 September 2018	31 December 2017 *(restated*)*
Assets		
Property, plant and equipment	438.4	403.9
Goodwill	220.4	217.8
Intangible assets	144.0	147.9
Investment properties	5.2	5.3
Financial assets measured at fair value	25.0	-
Other non-current assets	25.4	22.9
Deferred tax assets	18.0	14.3
Total non-current assets	**876.4**	**812.1**
Inventories	21.1	22.4
Trade and other receivables	32.3	38.6
Corporate income tax receivables	2.1	1.0
Other current assets	32.9	29.1
Cash and cash equivalents	112.8	131.2
Total current assets	**201.2**	**222.3**
Total assets	**1 077.6**	**1 034.4**
Equity		
Share capital	21.2	0.2
Reserves	128.3	152.3
Retained earnings	222.1	190.8
Translation reserve	(37.4)	(29.6)
Equity attributable to shareholders of the parent	**334.2**	**313.7**
Non-controlling interests	9.7	8.9
Total equity	**343.9**	**322.6**
Liabilities		
Interest-bearing loans and borrowings	487.3	433.8
Finance lease liabilities	1.4	1.7
Employee benefits liability	1.4	3.0
Provisions	9.0	9.4
Deferred tax liability	25.9	27.3
Other non-current liabilities	7.9	5.9
Total non-current liabilities	**532.9**	**481.1**
Interest-bearing loans and borrowings	2.6	37.8
Finance lease liabilities	0.4	0.4
Trade and other accounts payable	187.7	186.7
Corporate income tax liabilities	10.1	5.8
Total current liabilities	**200.8**	**230.7**
Total liabilities	**733.7**	**711.8**
Total equity and liabilities	**1 077.6**	**1 034.4**

** The restatement was described in Annex to the Interim Report for 9 months ended 30 September 2018.*

(all figures in EUR millions unless stated otherwise)

Condensed consolidated statement of financial cash flows for 9 months ended 30 September 2018

	9 months ended	
	30 September 2018	**30 September 2017** *(restated)**
Cash flows from operating activities		
Profit before tax from continued operations	41.3	42.7
Adjustments for:		
Amortisation	8.4	6.9
Depreciation	57.4	48.9
Interest expense, net	8.2	6.8
Foreign exchange result	0.3	0.7
(Gain)/loss on disposal of property, plant and equipment and intangibles	-	0.5
Impairment of property, plant and equipment and intangibles	4.8	1.5
Share-based payments expenses	5.4	4.1
Other	(4.1)	0.1
Working capital changes:		
Increase in trade and other receivables	5.5	(2.7)
Increase in inventories	0.9	(0.1)
Increase in other assets	(2.8)	0.2
Decrease in payables and other liabilities	7.8	(12.5)
Decrease in other provisions and employee benefits	(5.3)	(3.5)
Income tax paid	(10.3)	(2.3)
Net cash provided by operating activities	**117.5**	**91.3**
Cash flows from investing activities		
Net cash outflows on acquisition	(25.3)	(23.3)
Prepayment for the acquisition of restaurants	-	(4.5)
Purchase of financial assets measured at fair value	(25.0)	-
Acquisition of property, plant and equipment	(88.3)	(80.2)
Acquisition of intangible assets	(5.3)	(3.2)
Net cash used in investing activities	**(143.9)**	**(111.2)**
Cash flows from financing activities		
Proceeds from share transfers (employees options)	0.7	0.9
Expense on acquisition of treasury shares (employees options)	(6.6)	(15.2)
Expense on settlement of employee stock options in cash	(0.8)	(0.9)
Proceeds from loans and borrowings	89.5	141.3
Repayment of loans and borrowings	(68.5)	(41.4)
Interest paid	(11.0)	(6.0)
Interest received	0.7	0.5
Dividends paid to non-controlling interest owners	-	(0.7)
Transactions with non-controlling interest	2.0	(13.4)
Repayment of finance lease payables	(0.3)	(0.1)
Net cash provided by/(used in) financing activities	**5.7**	**65.0**
Net change in cash and cash equivalents	**(20.7)**	**45.1**
Effect of foreign exchange rate movements	2.3	1.8
Balance sheet change of cash and cash equivalents	(18.4)	46.9
Cash and cash equivalents, beginning of period	131.2	66.1
Cash and cash equivalents, end of period	**112.8**	**113.0**

** The restatement was described in Annex to the Interim Report for 9 months ended 30 September 2018.*

(all figures in EUR millions unless stated otherwise)

Condensed consolidated statement of changes in equity for 9 months ended 30 September 2018

	Attributable to owners of AmRest Holdings SE							
			Reserves					
	Share capital	Treasury shares	Other reserved capital	Retained Earnings	Translation reserve	**Total**	Non-controlling interest	**Total Equity**
As at 1 January 2018 *(restated*)*	**0.2**	**(10.6)**	**162.9**	**190.8**	**(29.6)**	**313.7**	**8.9**	**322.6**
COMPREHENSIVE INCOME								
Net profit for the period	-	-	-	31.3	-	**31.3**	(1.1)	**30.2**
Currency translation differences	-	-	-	-	(7.8)	**(7.8)**	(0.1)	**(7.9)**
Net investment hedges valuation	-	-	(3.4)	-	-	**(3.4)**	-	**(3.4)**
Deferred tax related to net investment hedges	-	-	0.8	-	-	**0.8**	-	**0.8**
Total Comprehensive Income	**-**	**-**	**(2.6)**	**31.3**	**(7.8)**	**20.9**	**(1.2)**	**19.7**
TRANSACTION WITH NON-CONTROLLING INTERESTS								
Equity attributable to non-controlling interests	-	-	-	-	-	**-**	2.0	**2.0**
Dividends allocated to non-controlling shareholders	-	-	-	-	-	**-**	-	**-**
Total transactions with non-controlling interests	**-**	**-**	**-**	**-**	**-**	**-**	**2.0**	**2.0**
TRANSACTION WITH EQUITY HOLDERS OF THE PARENT								
Share capital increase from share premium	21.0	-	(21.0)	-	-	**-**	-	**-**
Purchase of treasury shares	-	(6.6)	-	-	-	**(6.6)**	-	**(6.6)**
Value of disposed treasury shares	-	4.3	(4.3)	-	-	**-**	-	**-**
Employee stock option plan – value of employee benefits exercised in the period	-	-	2.2	-	-	**2.2**	-	**2.2**
Employee stock option plan – proceeds from employees for transferred shares	-	-	0.7	-	-	**0.7**	-	**0.7**
Employee stock option plan – change in unexercised options	-	-	3.4	-	-	**3.4**	-	**3.4**
Change of deferred tax related to unexercised employee benefits	-	-	(0.1)	-	-	**(0.1)**	-	**(0.1)**
Total transactions with equity holders	**21.0**	**(2.3)**	**(19.1)**	**-**	**-**	**(0.4)**	**-**	**(0.4)**
As at 30 September 2018	**21.2**	**(12.9)**	**141.2**	**222.1**	**(37.4)**	**334.2**	**9.7**	**343.9**
As at 1 January 2017 *(restated*)*	**0.2**	**(2.5)**	**165.2**	**147.9**	**(15.1)**	**295.7**	**16.2**	**311.9**
COMPREHENSIVE INCOME								
Net profit for the period	-	-	-	32.6	-	**32.6**	0.6	**33.2**
Currency translation differences	-	-	-	-	(6.6)	**(6.6)**	(2.3)	**(8.9)**
Net investment hedges valuation	-	-	3.0	-	-	**3.0**	-	**3.0**
Deferred tax related to net investment hedges	-	-	(0.6)	-	-	**(0.6)**	-	**(0.6)**
Total Comprehensive Income	**-**	**-**	**2.4**	**32.6**	**(6.6)**	**28.4**	**(1.7)**	**26.7**
TRANSACTION WITH NON-CONTROLLING INTERESTS								
Acquisition of non-controlling interest	-	-	(6.7)	-	-	**(6.7)**	(5.1)	**(11.8)**
Dividends allocated to non-controlling shareholders	-	-	-	-	-	**-**	(0.8)	**(0.8)**
Total transactions with non-controlling interests	**-**	**-**	**(6.7)**	**-**	**-**	**(6.7)**	**(5.9)**	**(12.6)**
TRANSACTION WITH SHAREHOLDERS								
Purchase of treasury shares	-	(15.2)	-	-	-	(15.2)	-	(15.2)
Value of disposed treasury shares	-	8.6	(8.6)	-	-	-	-	-
Employee stock option plan – value of employee benefits exercised in the period	-	-	2.2	-	-	2.2	-	2.2
Employee stock option plan – proceeds from employees for transferred shares	-	-	0.3	-	-	0.3	-	0.3
Employee stock option plan – change in unexercised options	-	-	0.8	-	-	0.8	-	0.8
Effect of modification of employee stock option plan	-	-	0.5	-	-	0.5	-	0.5
Change of deferred tax related to unexercised employee benefits	-	-	(0.1)	-	-	(0.1)	-	(0.1)
Total transactions with equity holders	**-**	**(6.6)**	**(4.9)**	**-**	**-**	**(11.5)**	**-**	**(11.5)**
As at 30 September 2017 *(restated*)*	**0.2**	**(9.1)**	**156.0**	**180.5**	**(21.7)**	**305.9**	**8.6**	**314.5**

** The restatement was described in Annex to the Interim Report for 9 months ended 30 September 2018.*

Basis of preparation of the consolidated interim report

Accounting figures presented in this condensed consolidated report were prepared in accordance with the International Financial Reporting Standards and their interpretations adopted by the International Accounting Standards Board ("IASB") in the form approved for application on the territory of the European Union by virtue of the IFRS Regulation (the European Commission 1606/2002) ("IFRSs").

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

The preparation of this Condensed Consolidated Interim Report requires the Board of Directors to make certain assumptions, judgments and estimates, which are reflected in the applied accounting policies and affect the value of assets and liabilities, revenues and expenses disclosed in this Condensed Consolidated Interim Report. The estimates and the related assumptions, which are made on the basis of experience and various factors deemed relevant in given circumstances, are the basis for valuation of the assets and liabilities which do not directly result from other sources. Actual results may differ from the estimates.

The most significant estimates and assumptions concern the valuation of property, plant and equipment, intangible assets, including goodwill, revaluation allowances for accounts receivable and inventories, provisions, contingent liabilities and adjustment to the valuation of deferred tax assets. During the period covered by this Report, there were no material changes in the value of estimates disclosed in the previous reporting periods.

The accounting policies described in the annual consolidated financial statements as at 31 December 2017 have been applied consistently in all periods presented in this Condensed Consolidated Interim Report and have been applied consistently by all members of the Group with exceptions of the amendments of IFRSs applicable from 1 January 2018 and changes presented below. Since 1 January 2018 the Group applied requirements of IFRS 9 and IFRS 15, however as stated in the annual consolidated financial statements, the impact on numbers starting from 1 January 2018 was not significant. Details were presented in the Condensed Consolidated Financial Statements for 6 months ended 30 June 2018.

Change of the presentation currency and level of aggregation of data

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

- AmRest is a global restaurant operator conducting its activities in many countries and currency zones. Large number of the companies from the Group use EUR as a functional and presentation currency.

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

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

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

Details regarding to those changes were presented in the annex to this Report.

Changes in the Cash Flow Statement

In 2017 the Group decided to change the presentation of interests paid and received in the cash flow statement. The change was inspired by the desire to reflect better the nature of the transactions as well as the growing magnitude of cash flow. Interests are now presented in the financing activities instead of operating activities (Adjustment 2). As a result, cash flow statement presented in the published condensed consolidated report for Q3 2017 had to be restated. The following table presents details.

Condensed consolidated cash flow statement for 9 months ended 30 September 2017

	9 months ended 30 September 2017			
	Published PLN thousands	**Adjustment 1** EUR millions	**Adjustment 2** EUR millions	**Restated** EUR millions
Cash flows from different positions of operating activities	388 540	91.3	-	-
Interest paid	(25 302)	(6.0)	6.0	-
Interest received	2 104	0.5	(0.5)	-
Net cash provided by operating activities	**365 342**	**85.8**	**5.5**	**91.3**
Net cash used in investing activities	**(473 362)**	**(111.2)**	**-**	**(111.2)**
Cash flows from different positions of financing activities	296 331	70.5	-	70.5
Interest paid	-	-	(6.0)	(6.0)
Interest received	-	-	0.5	0.5
Net cash provided by financing activities	**296 331**	**70.5**	**(5.5)**	**65.0**
Net change in cash and cash equivalents	**188 311**	**45.1**	**-**	**45.1**

Seasonality of sales

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

Segment reporting

AmRest as a Group of dynamic developing entities running operations in many markets and various restaurant business segments is under constant analysis of the Board of Directors. This Board is also constantly reviewing the way how business is analysed and adjust it accordingly to changing Group Structure as a consequence of strategic decisions. Operating segments are set on the basis of management reports used by the Board of Directors during making strategic decisions. The Board of Directors analysis the Group's performance in geographic breakdown.

As for the reporting date the Board of Directors defines segments in presented below layout.

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

	CEE	Western Europe	Russia	China	Unallocated	Total
9 months ended 30 September 2018						
Total segment revenue	522.2	390.3	124.5	54.7	12.3	1 104.0
Inter-segment revenue						
Revenue from external customers	**522.2**	**390.3**	**124.5**	**54.7**	**12.3**	**1 104.0**
EBITDA	**77.6**	**36.7**	**15.7**	**5.9**	**(12.2)**	**123.7**
Capital investment*	50.3	47.0	11.1	4.8	0.4	113.6
9 months ended 30 September 2017						
Total segment revenue	443.0	278.7	100.6	47.0	9.4	878.7
Inter-segment revenue						
Revenue from external customers	**443.0**	**278.7**	**100.6**	**47.0**	**9.4**	**878.7**
EBITDA	**66.5**	**31.8**	**12.0**	**5.0**	**(5.9)**	**109.4**
Capital investment*	43.4	36.2	11.3	4.1	1.1	96.1
30 September 2018						
Total segment assets	342.3	521.7	103.4	50.5	59.7	1 077.6
Goodwill	8.3	154.7	36.9	19.5	1.0	220.4
Deferred tax assets	6.1	8.0	-	0.4	3.5	18.0
Total segment liabilities	90.3	87.9	13.6	10.4	531.5	733.7
31 December 2017						
Total segment assets	345.1	485.0	101.9	48.2	54.2	1 034.4
Goodwill	8.0	147.8	40.6	20.0	1.4	217.8
Deferred tax assets	4.8	5.4	-	0.4	3.7	14.3
Total segment liabilities	94.9	85.7	9.2	10.9	511.1	711.8

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

	9 months ended	
	30 September 2018	**30 September 2017**
EBITDA	**123.7**	**109.4**
Depreciation	(57.4)	(48.9)
Amortisation	(8.4)	(6.9)
Impairment of assets	(5.9)	(1.7)
Finance income	0.7	0.5
Finance costs	(11.4)	(9.7)
Profit before income tax from continuing operations	**41.3**	**42.7**

(all figures in EUR millions unless stated otherwise)

Changes in the contingent liabilities

As in the previous reporting period, the Company's future liabilities are derived from the franchise agreements and development agreements. Group restaurants are operated in accordance with franchise agreements with YUM! and subsidiaries of YUM!, Burger King Europe GmbH, Starbucks Coffee International, Inc. Details of the agreements have been described in the note 1a), 1i) and 28 of the Group's annual consolidated financial statements for 2017 and in note 1 of the Condensed Consolidated Financial Statements for 6 months ended 30 June 2018.

Additionally, in regard with the Credit Agreement described in note 19 of the annual consolidated financial statement for 2017 few entities provided surety. For details please refer to the note 28 of the Group's annual consolidated financial statements for 2017 and to note 21 of the Condensed Consolidated Financial Statements for 6 months ended 30 June 2018.

From the date of publication of the annual consolidated financial statements for 2017 there were no significant changes in the future and contingent liabilities.

Business combinations in Q3 2018

New acquisitions

Acquisition of the Spanish premium burger chain (BACOA)

On 16 July 2018 AmRest signed the Binding Offer aimed to acquire the Spanish premium burger chain BACOA. On 31 July 2018 the definitive Share Purchase Agreement (SPA) between AmRest Tag and Bloom Motion, S.L and Mr. Johann Spielthenner as Seller was signed and AmRest Tag acquired 100% of share capital of the company BACOA Holding and Black Rice, S.L. As the result AmRest acquired a restaurant chain consisting of 6 burger restaurants under BACOA brand in Spain (2 equity and 4 franchised located in Barcelona and Madrid). The control was obtained on 31 July 2018. The purchase price amounted to approx. EUR 3.9 million. The process of allocating the acquisition price to the purchased assets and acquired liabilities has not been completed due to the ongoing process of integration and verification of risks and assets portfolio. According to that, fair values of assets and liabilities (including goodwill in the amount EUR 2.6 million), were presented provisionally.

Entrance into KFC French restaurant market

On October 2017 the Group started process of acquisition of 42 KFC restaurants operating on French market from KFC France SAS. Total agreed price for the acquired restaurant business was set as EUR 39.9 million. Till the end of 2017 final agreements were signed for 37 out of 42 planned restaurants for total purchase price of EUR 33.4 million. In 2018 3 more restaurants were acquired.

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

In 2018 the Group continued the process of acquisition of KFC restaurants operating on French market from KFC France SAS. As a result, property, plant and equipment increased for EUR 5 million, and did not increased goodwill value significantly. Process of acquisition of KFC stores and purchase price allocation will be finalized next quarter.

On September 2018 the Group started process of acquisition additional 15 restaurants operating on French market from KFC France SAS. Total agreed price for the acquired restaurant business was set as EUR 33.3 million. Till the end of September 2018, 8 restaurants were acquired for a total purchase price of EUR 17 million. The Group has acquired property, plant and equipment totalling to EUR 12.3 million, intangible assets totalling to EUR 0.3 million, inventories and cash totalling to EUR 0.1 million and other assets totalling to EUR 0.3 million. As a result goodwill has increased by EUR 4 million. The Group incurred total EUR 0.8 million transaction related costs, including registration fees, that were recognized in income statement on this transaction.

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

Changes in the purchase price allocation process

In third quarter of 2018 Group finalised process of allocation the acquisition price to the purchased assets and liabilities for the below mentioned transactions:

- acquisition of 3 KFC restaurants in Germany acquired on 1 August 2017 (purchase price EUR 1.7 million) there was no difference to the amounts presented in the Group's annual consolidated financial statements for 2017,
- acquisition of 51% of shares in the Restaurant Partner Polska Sp. z o. o. (the operator of PizzaPortal.pl platform in Poland), purchase price PLN 10,1 million (EUR 2.4 million). In the final purchase price allocation process Group has in particular verified fair values of the trademark and customer and restaurants databases. The final fair value of the trademark amounted to PLN 3.9 million (EUR 0.9 million), final fair value of the customer and restaurants databases amounted to PLN 3.9 million (EUR 0.9 million). Estimates made and assumptions used were verified by independent entity specializing in such valuations. Deferred tax liability was as well recognized on respective temporary difference between tax and accounting values. The fair value of goodwill, intangible assets and deferred tax asset presented in the acquisition note in the annual consolidated financial statements as at 31 December 2017 was adjusted: goodwill was decreased by PLN 2.1 million (EUR 0.5 million), intangible assets were increased by PLN 4.8 million (EUR 1.1 million) and deferred tax liability increased by PLN 0.9 million (EUR 0.2 million). The fair value of other net assets was not changed. Adjustments introduced did not materially affect the comparative data for the consolidated statement of comprehensive income; cash flows from operating, investing and financing activities in the consolidated cash flow statement and earnings per share, hence the data were note restated.

Financial assets

On 18 July 2018 AmRest signed 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. Glovo investment is an financial asset accounted in accordance with IFRS 9 and was presented in the line Financial assets measured at fair value in the Condensed consolidated statement of financial position as at 30 September 2018.

Earnings per ordinary share

On 20 September 2018 the reduction of the nominal value of shares from 1 EUR to 0.1 EUR with exchange ratio 1:10 without any change in share capital was registered by the Commercial Registry (Registro Mercantil) in Madrid.

On 27 September 2018 Krajowy Depozyt Papierów Wartościowych (KDPW) passed a resolution on registration in KDPW of the reduction of the nominal value of the shares from 1 EUR to 0.1 EUR by dividing the total number of AmRest shares (split) in a ratio 1:10. The effective date of split was scheduled for 3 October 2018.

On 3 October 2018 share split was executed. As result the total number of Company shares traded on the Warsaw Stock Exchange (the "WSE") increased to 212 138 930, each of a nominal value of 0.1 EUR.

IAS 33 "Earnings per share" contains requirements to restate prior periods' earnings per share (EPS) for events that change the number of shares outstanding without a corresponding change in resources, such as share split in AmRest.

Consequently the EPS presented in Interim Report for 9 months ended 30 September 2018 takes into account effect of share split register after reporting period, but before the report was authorized for issue.

Table below presents calculation of basic and diluted earnings per ordinary share for the 9 months period ended 30 September 2018 and 2017:

	9 months ended	
EPS calculation without effect of share split	**30 September 2018**	**30 September 2017** *(restated)*
Net profit attributable to shareholders of the parent (EUR millions)	31.3	32.6
Weighted average number of ordinary shares in issue	21 213 893	21 213 893
Weighted average number of ordinary shares for diluted earnings per share	21 213 893	21 213 893
Basic earnings per ordinary share (EUR)	1.47	1.54
Diluted earnings per ordinary share (EUR)	1.47	1.54
EPS calculation with the effect of share split		
Net profit attributable to shareholders of the parent (EUR millions)	31.3	32.6
Weighted average number of ordinary shares in issue	212 138 930	212 138 930
Weighted average number of ordinary shares for diluted earnings per share	212 138 930	212 138 930
Basic earnings per ordinary share (EUR)	0.15	0.15
Diluted earnings per ordinary share (EUR)	0.15	0.15

Tax inspections

Tax inspections in AmRest Sp. z o.o.

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

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

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

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

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

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

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

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

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

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

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

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

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

Once both amounts become due, there will be interests charged accordingly to the Tax Ordinance Act.

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

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

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

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

   On 17 October 2018 the Company received the decision issued by the Head of Lower Silesia Tax Office which confirmed that VAT settlements were in accordance with individual tax ruling obtained by the Company and no tax liability should arise.

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

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

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

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

   On 14 November 2018 the Company received the decision issued by the Head of Lower Silesia Tax Office which confirmed that VAT settlements were in accordance with individual tax ruling obtained by the Company and no tax liability should arise in this respect. Additionally, in August 2018 Company has received cash payments for VAT receivables related to described VAT settlements (with respective interests).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

j. On 23 February 2018 at AmRest Sp. z o.o. a tax inspection began regarding CIT for 2016. On 6 November 2018 the Company received result of tax audit, which is currently thoroughly analyzed. The correction of the corporate income tax settlements of the Company in respect to 2016 would be possible until 20 November 2018. If no correction is made, tax proceedings will be initiated.

Tax inspections in other group companies

a. On 17 January 2018 at AmRest Coffee Sp. z o.o. a tax inspection began regarding VAT returns for the period December 2012 – March 2013. On 18 July 2018 tax protocol has been issued and the Company submitted its reservation within due deadline. On 13 September 2018 the Company received a decision issued by the Head of the Lesser Poland Customs and the Tax Office in Cracow ("Head"), which questioned the correctness of output VAT settlement on a part of operational sales revenues. The Head claimed in his decision underestimated output VAT amounting to PLN 185 thousands (EUR 42 thousands). Once the amount becomes due, there will be interest charged accordingly to the Tax Ordinance Act. As at the date of publication of this Report the decision is not final and has not become enforceable. On 27 September 2018 the Company has submitted the appeal to the decision and as at the date of publication of this Report the Company has not received any response.

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

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

   On 18 October 2016 the Company received the letter from the tax office extending the tax audit by including financial year 2016 during course of which the acquisition of the Company by AmRest has been completed. According to the received letter, tax audit shall cover the following tax settlements: (1) separate and uniform determination of the income tax base including trade tax base and tax losses, (2) VAT, (3) trade taxes, (3) separate determination of the trade tax loss carryforwards, (4) separate and uniform determination of the withholding taxes and corporate income taxes.

c. On 26 June 2017 AmRest Topco France SAS has received the letter from the tax office notifying about tax inspection regarding tax settlements for 2014 and 2015 and in respect to VAT returns submitted until 30.11.2016. On 21 September 2017 the Company was informed about the extension of the inspection by including the verification of the books for the period closing on 30.11.2016. On 11 July 2018 the Company received tax notification letter for which the relevant response has been submitted within deadline in Semptember 2018. . The tax auditor sent his answer on 24 September 2018. On 19 October 2018 the Company answered to the tax auditor and asked for an hierarchical administrative appeal. AmRest Topco France SAS will meet the tax auditor director on 27 November 2018 to defend its position on the tax adjustment proposal. As at the date of publication of this Report the proceedings has not been finalized.

d. On 18 October 2017 AmRest Delco France SAS has received the letter from the tax office notifying about tax inspection regarding the settlements for the years closed at 31.12.2014, 31.12.2015, 31.12.2016 and VAT returns submitted for the period from 01.01.2017 to 31.08.2017. On 11 July 2018 the Company received tax notification letter for which the relevant response has been submitted within deadline in September 2018. The tax auditor sent his answer on 24 September 2018. On 19 October 2018, the Company answered to the tax auditor and asked for an hierarchical administrative appeal. AmRest Declo France SAS will meet the tax auditor director on 27 November 2018 to defend its position on the tax adjustment proposal. As at the date of publication of this Report the proceedings has not been finalized.

e. 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.

f. 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.

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

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

Subsequent events

Significant subsequent events after 30 September 2018 till the date of publication of this Report:

- Share split execution (3 October 2018) as described in the note Earnings per ordinary share (page 41),
- Share capital increase through a private placement in an effective amount (including nominal amount and share issue premium) of 70 million euros. The effective date of share capital increase is 15 October 2018, when all funds were received and deed granted before a public notary,
- Grant of the Tranche F under the Credit Agreement resulting in committing Tranche F of the credit facility in the amount of EUR 190 million. Amendment to the credit agreement was signed on 1 October 2018 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". Tranche F will be dedicated to finance acquisitions and general purposes of the AmRest Group.
- On 31 October 2018 AmRest Group obtained control over Sushi Shop Group SAS. The purchase price based on Enterprise Value (on the cash-free and debt-free basis) was estimated at 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.

Part C. Condensed Separate Interim Report for 9 months ended 30 September 2018

(all figures in EUR millions unless stated otherwise)

Interim separate income statement for 9 months ended 30 September 2018

	9 months ended	
	30 September 2018	**30 September 2017** *(restated*)*
Revenues	10.8	6.3
Personnel expenses	(0.5)	(0.4)
Other operating expenses	(1.1)	(0.5)
Amortization and depreciation	-	-
Results from operating activities	**9.2**	**5.4**
Finance income	0.6	2.3
Finance expenses	(4.2)	(3.0)
Exchange rates gains and losses	1.6	(1.9)
Impairment and gains/(losses) on disposal of financial instruments	(1.8)	(1.6)
Net finance income (expense)	**(3.8)**	**(4.2)**
Profit/(loss) before income tax	**5.4**	**1.2**
Income tax expense	0.6	0.7
Profit/(loss) for the period	**6.0**	**1.9**

** The restatement was described in Annex to the Interim Report for 9 months ended 30 September 2018.*

Interim separate statement of recognized income and expense for 9 months ended 30 September 2018

	9 months ended	
	30 September 2018	**30 September 2017** *(restated*)*
Profit for the period	**6.0**	**1.9**
Currency translation adjustment	0.1	4.9
Total recognized income and expenses for the period	**6.1**	**6.8**

** The restatement was described in Annex to the Interim Report for 9 months ended 30 September 2018.*

(all figures in EUR millions unless stated otherwise)

Interim separate balance sheet as at 30 September 2018

	30 September 2018	31 December 2017 *(restated*)*
Assets		
Intangible assets	0.1	0.1
Investments and loans in group companies	368.2	339.5
Non-current financial investments	25.0	-
Deferred tax assets	-	0.3
Total non-current assets	**393.3**	**339.9**
Trade and other receivables	0.4	3.0
Investments and loans in group companies	10.6	2.1
Cash and cash equivalents	0.8	24.4
Total current assets	**11.8**	**29.5**
Total assets	**405.1**	**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	(12.9)	(10.6)
Profit/(loss) for the period	6.0	10.6
Other equity instruments	(6.9)	(8.8)
Currency translation reserve	(6.7)	(6.8)
Total equity	**200.8**	**195.1**
Liabilities		
Provisions	1.3	2.2
Non-current financial liabilities	186.5	134.4
Loans from related parties	10.5	-
Total non-current liabilities	**198.3**	**136.6**
Current financial liabilities	0.8	36.1
Trade and other payables	5.2	1.6
Total current liabilities	**6.0**	**37.7**
Total liabilities	**204.3**	**174.3**
Total equity and liabilities	**405.1**	**369.4**

** The restatement was described in Annex to the Interim Report for 9 months ended 30 September 2018.*

(all figures in EUR millions unless stated otherwise)

Interim separate statement of cash flows for 9 months ended 30 September 2018

	9 months ended	
	30 September 2018	**30 September 2017** *(restated*)*
Cash flows from operating activities		
Profit before tax	**5.4**	**1.2**
Adjustments:	**(7.1)**	**(2.1)**
Impairment losses	1.8	1.6
Valuation allowances	(0.1)	-
Share based payments adjustment and dividends from subsidiaries	(10.8)	(6.3)
Finance income	(0.6)	(2.3)
Finance expenses	4.2	3.0
Exchange gains/losses	(1.6)	1.9
Changes in operating assets and liabilities	**6.2**	**3.3**
Trade and other receivables	6.5	4.9
Other current assets	0.1	(0.3)
Trade and other payables	(0.4)	(1.3)
Other cash flows from operating activities	**0.8**	**0.4**
Interest paid	(5.6)	(1.4)
Income tax payment	(1.5)	(0.1)
Interest received	-	1.9
Dividends from subsidiaries	8.4	-
Other	(0.5)	-
Net cash provided by operating activities	**5.3**	**2.8**
Cash flows from investing activities		
Proceeds from investment loans and borrowings	3.4	8.0
Investment in other financial assets	(25.0)	-
Payments for Investments in group companies	(32.1)	(98.2)
Net cash used in investing activities	**(53.7)**	**(90.2)**
Cash flows from financing activities		
Disposals of own shares (employees options)	0.7	12.9
Acquisition of own shares (employees option)	(6.6)	(15.2)
Proceeds from debt with financial Institutions	85.5	-
Proceeds from debt with group companies	10.5	-
Proceeds on issue debt securities and other financial instruments	-	99.8
Redemption of debt securities	(65.3)	-
Net cash provided by/(used in) financing activities	**24.8**	**97.5**
Net change in cash and cash equivalents	**(23.6)**	**10.1**
Cash and cash equivalents in balance sheet	(23.6)	10.1
Cash and cash equivalents at the beginning of the period	**24.4**	**2.5**
Translations differences	-	-
Cash and cash equivalents as at the end of the period	**0.8**	**12.6**

** The restatement was described in Annex to the Interim Report for 9 months ended 30 September 2018.*

(all figures in EUR millions unless stated otherwise)

Interim separate statement of changes in equity for 9 months ended 30 September 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	**0.2**	**189.1**	**21.4**	**(10.6)**	**10.6**	**(8.8)**	**(6.8)**	**195.1**
Total recognised income and expense	-	-	-	-	6.0	-	0.1	6.1
Share capital increase from share premium	21.0	(21.0)	-	-	-	-	-	-
Transactions on own shares and equity holdings (net)	-	-	-	(2.3)	-		-	(2.3)
Employee stock option plan – proceeds from employees – for shares disposal	-	-	-	-	-	0.7	-	0.7
Employee stock option plan – value of unexercised employee benefits	-	-	-	-	-	1.2	-	1.2
Transfer of profit or loss to reserves	-	-	10.6	-	(10.6)	-	-	-
As at 30 September 2018	**21.2**	**168.1**	**32.0**	**(12.9)**	**6.0**	**(6.9)**	**(6.7)**	**200.8**
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	-	-	-	-	1.9	-	4.9	6.8
Transactions on own shares and equity holdings (net)	-	-	-	(6.6)	-		-	(6.6)
Employee stock option plan – proceeds from employees – for shares disposal	-	-	-	-	-	12.9	-	12.9
Employee stock option plan – value of unexercised employee benefits	-	-	-	-	-	(17.6)	-	(17.6)
Transfer of profit or loss to reserves	-	-	10.5	-	(10.5)	-	-	-
Other equity movements	-	-	(0.1)	-	-	-	-	(0.1)
As at 30 September 2017 *(restated*)*	**0.2**	**189.1**	**21.4**	**(9.1)**	**1.9**	**(7.9)**	**(12.4)**	**183.2**

** The restatement was described in Annex to the Interim Report for 9 months ended 30 September 2018.*

Modifications of the information presented for comparative purposes

AmRest Holdings SE ("AmRest" or "Company") informs that on 14 March 2018 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 Separate Financial Statements have been prepared in accordance with Spanish Accounting Standards harmonized 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 has made the correspondent adjustments retrospectively calculating the effects from the earlier reporting period from which information is available.

The effects of the adjustments are identified in the Annex to the Interim Report for 9 months ended 30 September 2018.

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 September 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 euro (EUR) is considered 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).

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 at amortized cost, recognizing 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 valuation corrections 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 corrections as well as, where appropriate, their reversal are recognized in the abbreviated profit and loss account.

Investments in the equity of group companies, jointly controlled entities and associates

Group companies are those over which the Company exercises control, either by exercising effective control or by virtue of agreements with the other shareholders. Joint ventures are companies which are jointly controlled with third parties. Associates are companies in which there is significant influence, but not control or joint control with third parties.

They are valued at their cost minus, where applicable, the accumulated amount of the corrections 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 corrections are made for the difference between their book value and the recoverable amount, understood 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, corrected for the tacit capital gains existing on the valuation date. The value correction and, if applicable, its reversal is recorded in the abbreviated profit and loss account for the year in which it occurs.

Financial Investments

The company classify Financial Investments in Equity instruments that intends to hold for an unspecified period and that do not comply with the requirements to be classified in other categories of financial assets; as available for sale. These investments are recorded under "Non-current assets," unless it is probable and feasible that they will be sold within 12 months. They are initially measured at fair value; which in the absence of evidence to the contrary is the transaction price plus directly attributable transaction cost.

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

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.

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.

Contributions received as a result of joint account contracts and similar agreements shall be measured at cost plus or minus the gain or loss, respectively, attributable to the nontrustee ventures.

Nonetheless, 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.

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.

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 September 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.

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.

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 in presented in the turnover of the Company.

Share Base Payments transactions

The fair value of work performed by the employees for a consideration payable in options increases costs. The total amount which has to 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 recognized 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 recognized 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 recognized 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.

Annex to the Interim Report for 9 months ended 30 September 2018

Explanation for the modifications of the comparatives in the Condensed Consolidated Interim Report for 9 months ended 30 September 2018

In 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 presentation currency of the Group from PLN to EUR. At the end of the day, taking into account among others matters listed below, the Group decided to change its presentation currency into EUR, as currency that better responds to needs to users of consolidated financial reports

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

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

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

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

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

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

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

Condensed Consolidated Income Statement – effect of change of the currency

	9 months ended	
	30 September 2017 Published PLN thousands	**30 September 2017** Restated EUR millions
Continuing operations		
Restaurant sales	3 519 343	825.5
Franchise and other sales	226 908	53.2
Total revenue	**3 746 251**	**878.7**
Company operated restaurant expenses:		
Food and material	(1 022 088)	(239.7)
Payroll and employee benefits	(854 939)	(200.5)
Royalties	(178 413)	(41.9)
Occupancy and other operating expenses	(1 069 334)	(250.8)
Franchise and other expenses	(141 635)	(33.2)
General and administrative (G&A) expenses	(276 385)	(64.9)
Impairment losses	(7 130)	(1.7)
Total operating costs and losses	**(3 549 924)**	**(832.7)**
Other operating income	**24 966**	**5.9**
Profit from operations	**221 293**	**51.9**
Finance costs	(41 402)	(9.7)
Finance income	2 125	0.5
Income from associates	-	-
Profit before tax	**182 016**	**42.7**
Income tax	(40 672)	(9.5)
Profit for the period	**141 344**	**33.2**
Profit attributable to:		
Non-controlling interests	2 477	0.6
Equity holders of the parent	138 867	32.6
Profit for the period	**141 344**	**33.2**

Condensed Consolidated Statement of Comprehensive income – effect of change of the currency

	9 months ended	
	30 September 2017 Published PLN thousands	**30 September 2017** Restated EUR millions
Net profit	**141 344**	**33.2**
Other comprehensive incomes:		
Exchanges differences on translation of foreign operations	(70 834)	(8.9)
Net investment hedges	13 289	3.0
Income tax concerning net investment hedges	(2 525)	(0.6)
Total items that may be reclassified subsequently to profit or loss	(60 070)	(6.5)
Other comprehensive income net of tax	**(60 070)**	**(6.5)**
Total comprehensive income	**81 274**	**26.7**
Attributable to:		
Shareholders of the parent	88 043	28.4
Non-controlling interests	(6 769)	(1.7)

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

	31 December 2017				
	Published PLN thousands	**Adjustment 1** EUR millions	**Adjustment 2** EUR millions	**Adjustment 3** EUR millions	**Restated** EUR millions
Assets					
Property, plant and equipment	1 690 155	404.6	-	(0.7)	403.9
Goodwill	909 310	217.7	-	0.1	217.8
Other intangible assets	612 690	146.7	-	1.2	147.9
Investment properties	22 152	5.3	-	-	5.3
Other non-current assets	95 853	22.9	-	-	22.9
Deferred tax assets	59 302	14.2	-	0,1	14.3
Total non-current assets	**3 389 462**	**811.4**	**-**	**0.7**	**812.1**
Inventories	93 628	22.4	-	-	22.4
Trade and other receivables	162 004	38.8	-	(0.2)	38.6
Corporate income tax receivables	4 174	1.0	-	-	1.0
Other current assets	121 571	29.1	-	-	29.1
Cash and cash equivalents	548 248	131.2	-	-	131.2
Total current assets	**929 625**	**222.5**	**-**	**(0.2)**	**222.3**
Total assets	**4 319 087**	**1 033.9**	**-**	**0.5**	**1 034.4**
Equity					
Share capital	714	0.2	-	-	0.2
Reserves	606 366	145.2	7.1	-	152.3
Retained earnings	837 301	200.4	(9.6)	-	190.8
Translation reserve	(133 917)	(32.1)	2.5	-	(29.6)
Equity attributable to shareholders of the parent	**1 310 464**	**313.7**	**-**	**-**	**313.7**
Non-controlling interests	35 184	8.4	-	0.5	8.9
Total equity	**1 345 648**	**322.1**	**-**	**0.5**	**322.6**
Liabilities					
Interest-bearing loans and borrowings	1 811 975	433.8	-	-	433.8
Finance lease liabilities	7 001	1.7	-	-	1.7
Employee benefits liability	12 488	3.0	-	-	3.0
Provisions	39 543	9.4	-	-	9.4
Deferred tax liability	114 242	27.3	-	-	27.3
Other non-current liabilities	24 508	5.9	-	-	5.9
Total non-current liabilities	**2 009 757**	**481.1**	**-**	**-**	**481.1**
Interest-bearing loans and borrowings	157 880	37.8	-	-	37.8
Finance lease liabilities	1 777	0.4	-	-	0.4
Trade and other accounts payable	779 839	186.7	-	-	186.7
Corporate income tax liabilities	24 186	5.8	-	-	5.8
Total current liabilities	**963 682**	**230.7**	**-**	**-**	**230.7**
Total liabilities	**2 973 439**	**711.8**	**-**	**-**	**711.8**
Total equity and liabilities	**4 319 087**	**1 033.9**	**-**	**0.5**	**1 034.4**

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

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

Adjustment 3 – final recognition of PPA for KFC business in Germany and PH business in France (described in Condensed Consolidated Financial Statements for 6 months ended 30 June 2018) and acquisition of Restaurant Partner Polska Sp.z o.o. (described in Business Combinations note).

Condensed consolidated statement of cash flow – effect of change of the currency

	9 months ended	
	30 September 2017 Published* PLN thousands	**30 September 2017** Restated EUR millions
Cash flows from operating activities		
Profit before tax from continued operations	182 016	42.8
Adjustments for:		
Amortization	29 529	6.9
Depreciation	208 389	48.9
Interest expense, net	29 164	6.8
Unrealized foreign exchange (gain)/loss	2 925	0.7
(Gain)/loss on disposal of fixed assets	2 205	0.5
Impairment of property, plant and equipment and intangibles	6 496	1.5
Share based payments expenses	17 580	4.1
Other	(350)	-
Working capital changes:		
(Increase)/decrease in receivables	(11 366)	(2.7)
(Increase)/decrease in inventories	(300)	(0.1)
(Increase)/decrease in other assets	986	0.2
Increase/(decrease) in payables and other liabilities	(54 422)	(12.5)
Increase/(decrease) in other provisions and employee benefits	(14 487)	(3.5)
Income taxes (paid)/returned	(9 825)	(2.3)
Net cash provided by operating activities	**388 540**	**91.3**
Cash flows from investing activities		
Net cash outflows on acquisition	(98 904)	(23.3)
Proceeds from the sale of property, plant and equipment, and intangible assets	575	0.1
Prepayment for the acquisition of restaurants	(19 140)	(4.5)
Acquisition of property, plant and equipment	(341 903)	(80.2)
Acquisition of intangible assets	(13 990)	(3.3)
Net cash used in investing activities	**(473 362)**	**(111.2)**
Cash flows from financing activities		
Proceeds from share transfers (employees options)	4 028	0.9
Expense on acquisition of treasury shares (employees options)	(64 684)	(15.2)
Expense on settlement of employee stock option in cash	(3 872)	(0.9)
Proceeds from loans and borrowings	601 539	141.3
Repayment of loans and borrowings	(176 358)	(41.4)
Interest paid	(25 302)	(6.0)
Interest received	2 104	0.5
Dividends paid to non-controlling interest owners	(3 138)	(0.7)
Transactions with non-controlling interest	(60 619)	(13.4)
Proceeds/(repayment) of finance lease payables	(565)	(0.1)
Net cash provided by financing activities	**273 133**	**65.0**
Net change in cash and cash equivalents	**188 311**	**45.1**
Effect of foreign exchange rate movements	6 594	1.8
Balance sheet change of cash and cash equivalents	194 905	46.9
Cash and cash equivalents, beginning of period	291 641	66.1
Cash and cash equivalents, end of period	**486 546**	**113.0**

** Data in Q3 2017 was presented in different order, however the amounts have not been changed.*

Explanation for the modifications of the comparatives in the Separate Interim Report for 9 months ended 30 September 2018

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

As a consequence of the change of domicile of the Company and as per the provisions established in the paragraph 3 of the Spanish General Accounting Plan the Separate Financial Statements have been prepared in accordance with Spanish Accounting Standards harmonized 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 (IFRSs) and the Spanish regulations and has made the correspondent adjustments retrospectively calculating the effects from the earlier reporting period from which information is available.

The financial statements as of September 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 are recognised in the equity. The financial statements as of December 2017 and September 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.

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.

Interim Separate income statement and statement of recognized income and expense

	9 months ended 30 September 2017			
	Published PLN thousands	**Adjustment 1** EUR millions	**Adjustment 2** EUR millions	**Restated** EUR millions
General and administrative (G&A) expenses	(4 347)	(1.0)	1.0	-
Other operating costs	(6 953)	(1.6)	1.6	-
Other operating income	27 502	6.3	(6.3)	-
Finance income	9 617	2.3	(2.3)	-
Finance costs	(20 633)	(4.8)	4.8	-
Net profit before tax	**5 186**	**1.2**	**(1.2)**	**-**
Income tax	3 022	0.7	(0.7)	-
Net profit for the period	**8 208**	**1.9**	**(1.9)**	**-**
Revenues	-	-	6.3	6.3
Personnel Expenses	-	-	(0.4)	(0.4)
Other Operating expenses	-	-	(0.5)	(0.5)
Amortization and depreciation	-	-	-	-
Results from operating activities	**-**	**-**	**5.4**	**5.4**
Finance Income	-	-	2.3	2.3
Finance Expenses	-	-	(3.0)	(3.0)
Exchange rates gains and losses	-	-	(1.9)	(1.9)
Impairment and gains/(losses) on disposal of financial instruments	-	-	(1.6)	(1.6)
Net finance income (expense)	**-**	**-**	**(4.2)**	**(4.2)**
Profit/(loss) before income tax	**-**	**-**	**1.2**	**1.2**
Income tax expense	-	-	0.7	0.7
Profit/(loss) for the period	**-**	**-**	**1.9**	**1.9**
Net profit for the period	**8 208**	**1.9**	**(1.9)**	**-**
Other comprehensive incomes net	-	-	-	-
Total comprehensive incomes	**8 208**	**1.9**	**(1.9)**	**-**
Profit for the period	**-**	**-**	**1.9**	**1.9**
Currency translation adjustment	-	-	4.9	4.9
Total recognised income and expenses for the period	**-**	**-**	**6.8**	**6.8**

Adjustment 1 - data translated with the exchange rate of ECB PLN/EUR 4.2651 and divided by 1000.

Adjustment 2 - conversion from IFRSs to Spanish GAAP.

Interim Separate balance sheet

	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
Investment 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**
Trade and other payables	6 548	1.6	-	-	-	1.6
Current financial liabilities	150 820	36.1	-	-	-	36.1
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 statement of cash flows – effect of the changes in the accounting policy

	9 months ended 30 September 2017			
	Published* PLN thousands	**Adjustment 1** EUR millions	**Adjustment 2** EUR millions	**Restated** EUR millions
Cash flows from operating activities				
Profit before tax	**5 186**	**1.2**	**-**	**1.2**
Adjustments:	(10 284)	(2.4)	0.3	(2.1)
Amortization	154	-	-	-
Impairment loss	4 253	1.0	0.6	1.6
Share based payment adjustment	(26 951)	(6.3)	-	(6.3)
Finance Income and Expense net	4 071	1.0	(1.0)	-
Finance income	-	-	(2.3)	(2.3)
Finance expenses	-	-	3.0	3.0
Exchange gains/losses	9 118	2.1	(0.2)	1.9
Other	(929)	(0.2)	0.2	-
Changes in operating assets and liabilities	**15 147**	**3.6**	**(0.3)**	**3.3**
Trade and other receivables	20 883	4.9	-	4.9
Other current assets	(70)	-	(0.3)	(0.3)
Trade and other payables	(5 666)	(1.3)	-	(1.3)
Other Cash Flows from Operating Activities	**1 823**	**0.4**	**-**	**0.4**
Interest paid	(5 843)	(1.4)	-	(1.4)
Income tax paid or returned	(481)	(0.1)	-	(0.1)
Interest received	8 147	1.9	-	1.9
Net cash provided by operating activities	**11 872**	**2.8**	**-**	**2.8**
Cash flows from investing activities				
Expense on investments in related parties	(123 080)	(28.9)	28.9	-
Expense on loans given	(295 657)	(69.3)	69.3	-
Payments for Investments in group companies	-	-	(98.2)	(98.2)
Proceeds from repayment of loans	34 200	8.0	-	8.0
Net cash used in investing activities	**(384 537)**	**(90.2)**	**-**	**(90.2)**
Cash flows from financing activities				
Disposals of own shares (employees options)	54 941	12.9	-	12.9
Acquisition of own shares (employees option)	(64 684)	(15.2)	-	(15.2)
Proceeds on issue debt securities and other financial instruments	427 259	100.2	(0.4)	99.8
Commission for issue debt securities	(1 667)	(0.4)	0.4	-
Net cash provided by/(used in) financing activities	**415 849**	**97.5**	**-**	**97.5**
Net change in cash and cash equivalents	**43 184**	**10.1**		**10.1**
Balance sheet in cash and cash equivalents	**43 184**	**10.1**	**-**	**10.1**
Cash and cash equivalents. beginning of period	11 139	2.5		2.5
Translations differences	-	-	-	-
Cash and cash equivalents. end of period	**54 323**	**12.6**	**-**	**12.6**

** Data in Q3 2017 was presented in different order, however amounts has not been changed.*

Adjustment 1 - translated with the exchange rate of ECB PLN/EUR 4.2651 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 4.3042.

Adjustment 2 - reclassifications for presentation purposes under Spanish GAAP .

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

Madrid, 15 November 2018