AMREST HOLDINGS SE CAPITAL GROUP

Q3 2017 QUARTERLY REPORT

WROCLAW, NOVEMBER 21st, 2017

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A. Q3 2017 Financial Report Additional Information

1. Selected financial information

Selected financial data, including key items of the interim consolidated financial statements as at and for the 9-month period ended on September 30th:

	9 months 2017 in thousands PLN	9 months 2016 in thousands PLN	9 months 2017 in thousands EUR	9 months 2016 in thousands EUR
Total sales	3 746 251	2 992 845	877 301	686 774
Operating profit	221 293	200 865	51 823	46 093
Profit before tax	182 016	168 015	42 625	38 555
Net profit	141 344	139 953	33 100	32 115
Net profit attributable to non-controlling interests	2 477	1 483	580	340
Net profit attributable to equity holders of the parent	138 867	138 470	32 520	31 775
Cash flows from operating activities	365 342	304 693	85 556	69 919
Cash flows from investing activities	(473 362)	(400 334)	(110 852)	(91 865)
Cash flows from financing activities	296 331	92 326	69 395	21 186
Total cash flows, net	188 311	(3 315)	44 099	(761)
Total assets	3 809 898	3 165 758	884 152	734 174
Total liabilities and provisions	2 455 479	1 868 688	569 836	433 369
Long-term liabilities	765 469	1 172 765	177 640	271 977
Short-term liabilities	1 690 010	695 923	392 195	161 392
Equity attributable to shareholders of the parent	1 318 952	1 221 899	306 085	283 372
Non-controlling interests	35 467	75 171	8 231	17 433
Total equity	1 354 419	1 297 070	314 316	300 805
Share capital	714	714	166	166
Average weighted number of ordinary shares in issue	21 213 893	21 213 893	21 213 893	21 213 893
Average weighted number of ordinary shares for diluted earnings per shares	21 213 893	21 213 893	21 213 893	21 213 893
Basic earnings per share (PLN /EUR)	6.55	6.53	1.53	1.50
Diluted earnings per share (PLN /EUR)	6.55	6.53	1.53	1.50
Declared or paid dividend per share*	-	-	-	-

*In 2017 and 2016 no dividends were paid. In 2017 Group paid dividends for non-controlling shareholder of SCM Sp. z o.o. and SCM s.r.o. in the amount of PLN 3 138 thousand (in comparable period of 2016 PLN 1 078 thousand).

Assets and liabilities are translated into the Polish zloty at exchange rates quoted for the balance sheet date by the National Bank of Poland. Income and expenses are translated at exchange rates approximated to the rates quoted for the date of a given transaction.
The above selected financial data were translated into the euro in accordance with the following policies:

- Assets and liabilities – at mid exchange rates quoted by the National Bank of Poland for a given balance-sheet date;
- Items in the income statement – at exchange rates representing the arithmetic averages of the exchange rates quoted by the National Bank of Poland for the last day of each month in a given calendar quarter.

2. The Company has not published any forecasts of financial results.

3. Other 6 changes since last periodical report

Since the publication of the last semiannual consolidated report for the first half of 2017 (September 14th, 2017), there were no changes in the composition of the Management Board or Supervisory Board.

a) The Company's performance

Sales

The revenues of AmRest Group in Q3 2017 amounted to PLN 1 356 m, which represented a 17.1% growth over the year. Dynamic sales increase was primarily driven by maintained positive LFL trends in majority of the markets, accelerated pace of new openings (172 restaurants opened during the last 12 months) as well as continued M&A activities across the Europe. The revenues adjusted for major M&As (i.e. acquisition of Starbucks chain in Germany in May 2016, 15 KFC stores in Germany in Q1 2017, Pizza Hut Delivery in France in Q2 2017, Pizza Hut in Germany in Q3 2017 and 51% stake in pizzaportal.pl at the end of August 2017) amounted to PLN 1 163 m and were 15.7% higher that year ago.

Accumulated revenues of the Group for the first three quarters of 2017 stood at PLN 3 746 m, which was 25.2% above LY's results.

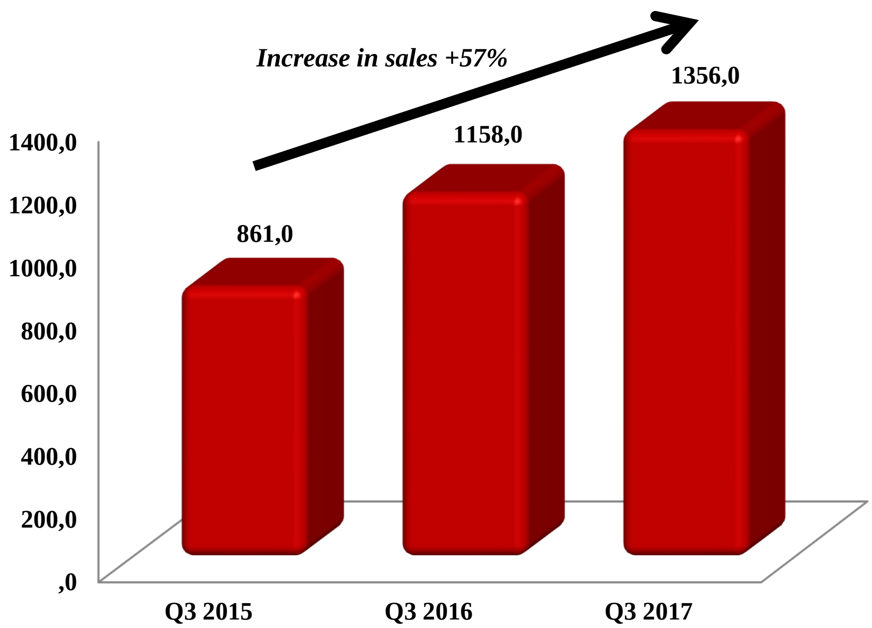
In Q3 2017 all divisions of AmRest reported a double-digit growth of sales. In Central and Eastern Europe ("CE"), revenues grew by 17.1% supported by stable single-digit LFL growth in Poland and double-digit LFL growth in Czech Republic and Hungary. AmRest continued dynamic expansion of existing portfolio in the region opening 101 new stores within last 12 months. The total balance of restaurants in the region amounted to 668 at the end of Q3 2017.

Revenues of Russian division grew by 12.5% in Q3 2017. While stable single-digit LFL trends continued, the network of restaurants expanded. AmRest opened 20 new stores in the last 12 months in Russia.

In the markets of Western Europe revenues increased by 19% in Q3 2017 (vs LY). This was primarily driven by positive LFL trends in Spain as well as further growth of scale in the region (31 new openings in the last 12 months and acquisition of 3 KFC stores in Madrid in July 2017). Additionally, recent M&A transactions in France and Germany contributed to a top line growth in Western Europe.

In China, a 15.2% growth of revenues was observed in Q3 2017. In the light of flat sales trends in comparable restaurants, the growth came mainly from new stores. In the last 12 months AmRest opened 12 Blue Frog restaurants in China.

Chart 1 AmRest Group's sales in Q3 2017 compared to previous years (in PLN million)



<u>Profitability</u>

Similar to previous years, Q3 2017 results of AmRest Group reflected consistent business growth and further profitability improvement. EBITDA of the Group exceeded PLN 200 m in Q3 2017, which represented a 24.8% as compared to previous year. EBITDA margin improved by 0.9pp and reached 14.8%. strong results for the quarter were primarily driven by further margins enhancement in core markets of AmRest, additionally supported by solid performance of recently acquired businesses in Western Europe. EBITDA of AmRest's core operations (excluding recent M&As: Starbucks, KFC and Pizza Hut in Germany, Pizza Hut in France and pizzaportal.pl) amounted to PLN 188 m in Q3 2017 and was 21% higher than year ago. EBITDA margin adjusted for mentions acquisitions stood at 16.2% in Q3 2017 (+0.7pp vs LY).

AmRest results in Q3 2017 to high extent were shaped by favorable trends in cost of sales, economies of scale in supply and relatively lower costs of rent. Abovementioned savings offset the impact of labor pressure in CE and growing G&A.

In CE EBITDA amounted to PLN 114 m in Q3 2017 and was 25.2% higher than year ago. The margin reached a record-high level of 16.6% (+1pp vs Q3 2016). Growing scale of the business, continued positive LFL trends across the brands and relatively lower food costs stood behind such a strong performance. In particular, the margins improved in Poland despite growing labor costs. In the meantime, Czech Republic and Hungary reported historically high EBITDA margins of 21% and 17.8% respectively.

Division of Western Europe generated close to PLN 70 m EBITDA in Q3 2017 (+32% vs LY) with margin growing by 1.6pp to 15.6%. In Spain EBITDA margin improved to 23.6% on the back of solid LFL growth and enhanced cost effectiveness. Importantly, the profit of German market in Q3 2017 also improved, as a result of integration efforts in acquired businesses. EBITDA margin in Germany doubled as compared to Q3 2016 and reached 6.2%. This was mostly driven by improved store economics of Starbucks chain in Germany.

Breakthrough results were achieved in Russia. Growing top line, successful openings of new restaurants and constant focus on cost efficiency improvement on a store-level, allowed for a 35.6% EBITDA growth in Q3 2017. EBITDA margin in Russia reached 15.2% and was 2.6pp higher than year ago.

Performance of Chinese business in Q3 2017 was driven by flattish LFL trends and relatively higher cost of sales as well as increased pre-opening expenses. As a result, EBITDA margin dropped by 2.8pp to 8.2% for the quarter. However, long-term profitability improvement trends encourage to further investing in development of Blue Frog chain in China.

Operating profit of the Group (EBIT) grew by 31.1% in Q3 2017 and reached PLN 119 m (EBIT margin improved by 0.9pp and stood at 8.8%). Enhanced by relatively lower financial costs, net profit for the quarter (attributable to parent shareholders) increased by 36.5% and amounted to PLN 85m. Net profit margin grew to 6.3%. Net debt at the end of Q3 2017 equaled PLN 1 203 m while leverage was at 1.99.

Chart 2 AmRest Group's EBITDA in Q3 2017 compared to previous years (in PLN million)

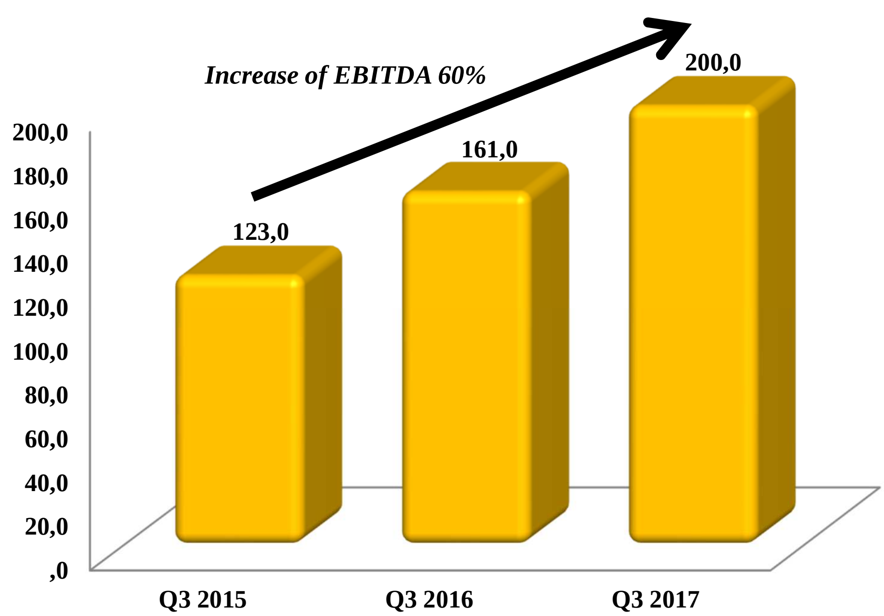


Table 1 Divisional split of revenues and EBITDA in the third quarter 2017 and 2016

PLN '000	Q3 2017			Q3 2016		
		Share	*Margin*		*Share*	*Margin*
Sales	**1 355 710**			**1 157 569**		
Poland	*411 929*	*30.4%*		*373 248*	*32.2%*	
Czech Republic	*153 094*	*11.3%*		*123 819*	*10.7%*	
Hungary	*78 215*	*5.8%*		*54 985*	*4.8%*	
Other CE	*43 140*	*3.2%*		*34 176*	*3.0%*	
Total CE	686 378	*50.6%*		586 228	*50.6%*	
Russia	140 809	*10.4%*		125 207	*10.8%*	
Spain	*247 282*	*18.2%*		216 103	*18.7%*	
Germany	*184 921*	*13.6%*		155 266	*13.4%*	
Other Western Europe	*14 955*	*1.1%*		4 442	*0.4%*	
Western Europe	447 158	*33.0%*		375 811	*32.5%*	
China	67 666	*5.0%*		58 736	*5.1%*	
Unallocated	13 699	*1.0%*		11 587	*1.0%*	
EBITDA	**200 328**		*14.8%*	**160 567**		13.9%
Poland	*60 532*		*14.7%*	*52 246*		*14.0%*
Czech Republic	*32 172*		*21.0%*	*24 787*		*20.0%*
Hungary	*13 959*		*17.8%*	*7 809*		*14.2%*
Other CE	*7 569*		*17.5%*	*6 417*		*18.8%*
Total CE	114 232		*16.6%*	91 259		*15.6%*
Russia	21 453		*15.2%*	15 825		*12.6%*
Spain	*58 405*		*23.6%*	*49 198*		*22.8%*
Germany	*11 499*		*6.2%*	*4 597*		*3.0%*
Other Western Europe	*(349)*		-	*(1 141)*		-
Western Europe	69 555		*15.6%*	52 654		*14.0%*
China	5 547		*8.2%*	6 481		*11.0%*
Unallocated	(10 459)		-	(5 652)		-
Adjusted EBITDA*	**209 501**		**15.5%**	**166 605**		14.4%
Poland	*63 134*		*15.3%*	*53 822*		*14.4%*
Czech Republic	*33 214*		*21.7%*	*25 170*		*20.3%*
Hungary	*14 838*		*19.0%*	*8 767*		*15.9%*
Other CE	*8 174*		*18.9%*	*7 053*		*20.6%*
Total CE	119 360		*17.4%*	94 812		*16.2%*
Russia	22 555		*16.0%*	16 306		*13.0%*
Spain	*60 238*		*24.4%*	50 759		*23.5%*
Germany	*11 804*		*6.4%*	4 599		*3.0%*
Other Western Europe	*(164)*		-	(1 141)		-
Western Europe	71 878		*16.1%*	54 217		*14.4%*
China	6 172		*9.1%*	6 922		*11.8%*
Unallocated	(10 464)		-	(5 652)		-
EBIT	**119 186**		***8.8%***	**90 924**		7.9%
Poland	*35 257*		*8.6%*	*29 844*		*8.0%*
Czech Republic	*23 417*		*15.3%*	*17 470*		*14.1%*
Hungary	*8 687*		*11.1%*	*4 184*		*7.6%*
Other CE	*3 312*		*7.7%*	*2 808*		*8.2%*
Total CE	70 673		*10.3%*	54 306		*9.3%*
Russia	12 759		*9.1%*	8 192		6.5%
Spain	*42 930*		*17.4%*	*36 745*		*17.0%*
Germany	*4 403*		*2.4%*	*(2 953)*		-
Other Western Europe	*(1 061)*		-	*(1 703)*		-
Western Europe	46 272		*10.3%*	32 089		*8.5%*
China	265		*0.4%*	2 253		*3.8%*
Unallocated	(10 783)		-	(5 916)		-

**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) and indirect taxes - all material adjustments for 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.*

Table 2. Divisional split of revenues and EBITDA in the three quarters 2017 and 2016

PLN '000	**9 months ended September 30, 2017**			**9 months ended September 30, 2016**		
		Share	*Margin*		*Share*	*Margin*
Sales	**3 746 251**			**2 992 845**		
Poland	*1 142 427*	*30.5%*		*1 031 397*	*34.5%*	
Czech Republic	*415 030*	*11.1%*		*350 457*	*11.7%*	
Hungary	*212 467*	*5.7%*		*152 072*	*5.1%*	
Other CE	*118 584*	*3.1%*		*92 535*	*3.1%*	
Total CE	1 888 508	*50.4%*		1 626 461	*54.3%*	
Russia	428 791	*11.4%*		330 265	*11.0%*	
Spain	673 721	*18.0%*		*608 743*	*20.3%*	
Germany	483 837	*12.9%*		*210 767*	*7.0%*	
Other Western Europe	30 632	*0.8%*		*14 506*	*0.5%*	
Western Europe	1 188 190	*31.7%*		834 016	*27.9%*	
China	200 444	*5.4%*		169 069	*5.6%*	
Unallocated	40 318	*1.1%*		33 034	*1.1%*	
EBITDA	**466 341**		*12.4%*	**403 732**		13.5%
Poland	*143 187*		*12.5%*	*138 653*		*13.4%*
Czech Republic	*81 920*		*19.7%*	*67 370*		*19.2%*
Hungary	*37 658*		*17.7%*	*22 875*		*15.0%*
Other CE	*21 422*		*18.1%*	*15 638*		*16.9%*
Total CE	284 187		*15.0%*	244 536		*15.0%*
Russia	50 861		*11.9%*	38 431		*11.6%*
Spain	*146 662*		*21.8%*	125 728		*20.7%*
Germany	*(7 403)*		-	3 430		*1.6%*
Other Western Europe	*(3 860)*		-	(2 391)		-
Western Europe	135 399		*11.4%*	126 767		*15.2%*
China	21 231		*10.6%*	10 879		*6.4%*
Unallocated	(25 337)		-	(16 881)		-
Adjusted EBITDA*	**492 683**		*13.2%*	**419 891**		14.0%
Poland	*148 893*		*13.0%*	*136 702*		*13.3%*
Czech Republic	*84 006*		*20.2%*	*68 375*		*19.5%*
Hungary	*39 244*		*18.5%*	*24 185*		*15.9%*
Other CE	*22 766*		*19.2%*	*16 594*		*17.9%*
Total CE	294 909		*15.6%*	245 856		*15.1%*
Russia	53 845		*12.6%*	41 349		*12.5%*
Spain	*150 358*		*22.3%*	*129 104*		*21.2%*
Germany	*(7 058)*		-	*5 600*		*2.7%*
Other Western Europe	*(3 601)*		-	*(2 391)*		-
Western Europe	139 699		*11.8%*	132 313		*15.9%*
China	23 583		*11.8%*	12 657		*7.5%*
Unallocated	(19 353)		-	(12 284)		-
EBIT	**221 293**		5.9%	**200 865**		6.7%
Poland	*67 323*		*5.9%*	*67 609*		*6.6%*
Czech Republic	*58 867*		*14.2%*	*46 107*		*13.2%*
Hungary	*22 433*		*10.6%*	*12 311*		*8.1%*
Other CE	*11 319*		*9.5%*	*5 893*		*6.4%*
Total CE	159 942		*8.5%*	131 920		*8.1%*
Russia	20 315		*4.7%*	14 980		*4.5%*
Spain	*104 364*		*15.5%*	*85 749*		*14.1%*
Germany	*(31 889)*		-	*(6 913)*		-
Other Western Europe	*(8 227)*		-	*(4 038)*		-
Western Europe	64 248		*5.4%*	74 798		*9.0%*
China	2 874		*1.4%*	(3 561)		-
Unallocated	(26 086)		-	(17 272)		-

** 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) and indirect taxes - all material adjustments for 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.*

Table 3 Reconciliation of adjusted Net Profit and EBITDA in the third quarter 2017 and 2016

in thousands PLN		**9 months ended September 30, 2017**	*% of sales*	**3 months ended September 30, 2017**	*% of sales*	**9 months ended September 30, 2016**	*% of sales*	**3 months ended September 30, 2016**	*% of sales*	**Q3YTDoQ3YTD change**	*% of change*	**Q3oQ3 change**	*% of change*
Restaurant sales		*3 519 343*	*93.9*	*1 269 001*	*93.6*	*2 802 657*	*93.6*	*1 089 487*	*94.1*	*716 686*	*25.6*	*179 514*	*16.5*
Franchise and other sales		*226 908*	*6.1*	*86 709*	*6.4*	*190 188*	*6.4*	*68 082*	*5.9*	*36 720*	*19.3*	*18 627*	*27.4*
Total sales		**3 746 251**		**1 355 710**		**2 992 845**		**1 157 569**		***753 406***		***198 141***	
Profit/(loss) for the period		**141 344**	***3.8***	**85 803**	***6.3***	**139 953**	***4.7***	**64 791**	***5.6***	**1 391**	***1.0***	**21 012**	***32.4***
+	*Finance costs*	*41 402*	*1.1*	*12 322*	*0.9*	*34 993*	*1.2*	*13 396*	*1.2*	*6 409*	*18.3*	*(1 074)*	*(8.0)*
-	*Finance income*	*(2 125)*	*(0.1)*	*(695)*	*(0.1)*	*(2 175)*	*(0.1)*	*(1 104)*	*(0.1)*	*50*	*(2.3)*	*409*	*(37.0)*
-	*Income from associates*	*-*	*0.0*	*-*	*0.0*	*32*	*0.0*	*21*	*0.0*	*(32)*	*(100.0)*	*(21)*	*(100.0)*
+	*Income tax expense*	*40 672*	*1.1*	*21 756*	*1.6*	*28 062*	*0.9*	*13 820*	*1.2*	*12 610*	*44.9*	*7 936*	*57.4*
+	*Depreciation and Amortisation*	*237 918*	*6.4*	*80 760*	*6.0*	*196 032*	*6.6*	*69 756*	*6.0*	*41 886*	*21.4*	*11 004*	*15.8*
+	*Impairment losses*	*7 130*	*0.2*	*382*	*0.0*	*6 835*	*0.2*	*(113)*	*0.0*	*295*	*4.3*	*495*	*(438.1)*
EBITDA		**466 341**	***12.4***	**200 328**	***14.8***	**403 732**	***13.5***	**160 567**	***13.9***	**62 609**	***15.5***	**39 761**	***24.8***
+	*Start-up expenses**	*20 257*	*0.5*	*9 077*	*0.7*	*14 699*	*0.5*	*6 038*	*0.5*	*5 558*	*37.8*	*3 039*	*50.3*
+	*M&A related expenses***	*1 660*	*0.0*	*96*	*0.0*	*2 168*	*0.1*	*-*	*n/a*	*(508)*	*(23.4)*	*96*	*n/a*
+ / -	*Effect of SOP exercise method modification****	*4 425*	*0.1*	*-*	*0.0*	*4 597*	*0.2*	*-*	*n/a*	*(172)*	*(3.7)*	*-*	*n/a*
+ / -	*Indirect taxes adjustments*****	*-*	*0.0*	*-*	*0.0*	*(5 305)*	*(0.2)*	*-*	*0.3*	*5 305*	*(100.0)*	*-*	*n/a*
Adjusted EBITDA		**492 683**	***13.2***	**209 501**	***15.5***	**419 891**	***14.0***	**166 605**	***14.4***	**72 792**	***17.3***	**42 896**	***25.7***

* *Start-Up expenses – all material operating expenses incurred in connection with new stores opening prior the opening.*

** *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 - is a difference in accounting cost of employee benefits accounted under cash settled versus equity settled option plan*

**** *Indirect taxes - all material adjustments for 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.*

b) Transactions or agreements resulting in related party transactions and other significant events since issuing last financial report (August 14th, 2017)

On October 5th, 2017 the Extraordinary General Meeting of AmRest adopted a resolution on the approval of the international transfer of the registered office to Spain and amendment to the Statute as well as the approval of the adaptation to Spanish regulations and the adoption of Spanish nationality. The General Meeting, after examination of the Transfer Proposal and Management Report Justifying the Transfer both dated July 28th 2017, approved the transfer of the seat from Plac Grunwaldzki 25-27, Wrocław (Republic of Poland) to calle Enrique Granados, 6, 28224, Pozuelo de Alarcón, Madrid (Spain) and amended the Company statute by derogating the current text in force and approve the new wording which is adapted to the nature of the Company as a European public limited-liability company domiciled in Spain.

The General Meeting, resolved to approve the Company's adaptation to Spanish law and, hence, its adoption of the Spanish nationality. To these effects, among others the follow matters were approved:

- New Regulations of the Company's General Shareholders' Meeting, the wording of which is adapted to the nature of the Company as a European public limited-liability company domiciled in Spain:

- Modification of the Company's administration system: the change of current administration system (made up of a management body and a supervisory board, based on a two tier system) to a one tier system, establishing a "board of directors" (in Spanish: consejo de administración) comprised of 7 directors, as the Company's administrative body and dismissal of all members of the management board and the supervisory board.

- Appointment of following people as members of the Company's board of directors, for the 4-year period established in the new Statute:

Mr. José Parés Gutiérrez

Mr. Carlos Fernández González

Mr. Luis Miguel Álvarez Pérez

Mr. Henry McGovern

Mr. Steven Kent Winegar Clark

Mr. Pablo Castilla Repáraz

Mr. Mustafa Ogretici

The Company's adaptation to Spanish law, will apply from the date when the Commercial Registry of Madrid registers the Company as a Spanish-registered Societas Europaea and, therefore, the registered office's transfer becomes effective.

Furthermore, the General Meeting resolved to authorize the Company's Management Board, with express powers of sub-delegation, to perform, acting jointly by at least two members of the Management Board, all and every legal and factual act that is necessary or appropriate to ensure the proper execution of any actions that are necessary or merely convenient to take in the jurisdiction of Spain for the complete execution of the resolutions and the transfer of domicile.

4. Risk factors

The Management Board of AmRest is responsible for the risk management system and the internal control system as well as for reviewing these systems for operating efficiency. These systems help identify and manage risks which may prevent the execution of the long-term objectives of AmRest. However, having these systems in place does not ensure complete elimination of the risk of fraud and violation of the law. The Management Board of AmRest performed a review, an analysis and a ranking of risks to which the Company is exposed. The main current risks and threats have been summarized in this section. AmRest reviews and improves its risk management and internal control systems on an on-going basis.

a) Factors remaining outside the Company's control

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

b) Dependency on the franchisor

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

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

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

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

c) Dependency on joint venture partners

AmRest opens Starbucks restaurants through joint venture Companies in Poland, the Czech Republic and Hungary, based on a partnership as part of joint venture agreements. Therefore, some decisions as part of the joint business activities will be dependent on the partners' consent.

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

d) No exclusive rights

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

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

e) Rental agreements and continuation options

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

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

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

f) Risk related to the consumption of food products

Consumer preferences may change in connection with doubts arising as to the healthful properties of chicken which is the main ingredient in KFC menu, or as a result of unfavourable information being circulated by the mass media concerning the quality of the products, diseases caused by them and damages to health as a result of eating in AmRest restaurants and restaurants of other franchisees of KFC, Pizza Hut, Burger King, Starbucks,

La Tagliatella, Blue Frog and KABB, and as a result of revealing unfavourable data prepared by the government or a given market sector concerning the products served in AmRest restaurants and restaurants of other franchisees of KFC, Pizza Hut, Burger King, Starbucks, La Tagliatella, Blue Frog and KABB, health-related issues and issues related to the functioning patterns of one or more restaurants run both by AmRest and the competition. The above-mentioned risk is limited by using the highest quality ingredients in AmRest restaurants, which come from reliable and reputable suppliers, compliance with strict quality control and hygiene standards and the use of top modern equipment and processes which ensure the absolute safety of the meals.

g) Risk related to keeping key personnel in the Company

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

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

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

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

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

j) Risk related to developing new brands

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

k) Risk related to opening restaurants in new countries

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

l) Currency risk

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

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

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

n) Risk of increased financial costs

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

o) Liquidity risk

The Company is exposed to the risk of lack of financing at the moment of maturity of bank loans and bonds. As at September 30th, 2017, the Company had enough short-term assets, including cash and promised credit limits, to fulfil is liabilities due in the next 12 months.

p) Risk of economic slowdowns

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

q) Risk related to seasonality of sales

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

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

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

5. Sureties in respect of loans or guarantees issued by the Group during the period covered by this quarterly report (till the publication date) whose value represent 10% or more of the Company's equity.

Few entities from the Group provided the surety. For details please refer to point 10 in section B.

6. As at the date of release of this quarterly report no court arbitration or administrative proceedings whose single or aggregate value exceeds 10% of the Company's equity were pending against the Company.

7. During the period covered by this quarterly report, the Company did not issue, redeem and repay any debt securities.

8. Dividends paid during the period covered by these financial statements.

During the period covered by these financial statements the Group has paid the dividend to non-controlling interest shareholders of SCM Sp. z o. o. and SCM s.r.o. in the value of PLN 3 138 thousand.

9. Information on the activities of the AmRest Group

AmRest Holdings SE ('the Company') was established in the Netherlands in October 2000 as a joint-stock company. On September 19th, 2008, the Commercial Chamber in Amsterdam registered the change in the legal status of the Company to a European Company (Societas Europaea) and of its name to AmRest Holdings SE. On December 22nd, 2008. the District Court for Wroclaw - Fabryczna in Wroclaw registered the new office of AmRest in the National Court Register. The address of the Company's current registered office is: pl. Grunwaldzki 25-27, Wroclaw (50-365), Poland. The Court also registered amendments to the Company's Memorandum of Association related to the transfer of the registered office of AmRest to Poland.

AmRest is the first public Company in Poland operating in the form of a European Company. The purpose of transforming AmRest into the European Company was to increase its operating effectiveness and reduce operating and administrative expenses. Following the fact of transfer into European Company and transfer of Company registered head office to Poland, the functional currency of AmRest holdings SE since January 1st, 2009 is polish zloty (PLN).

AmRest with its subsidiaries in the financial report will be called as "Group".

The Group's interim consolidated financial statements for the 9 months ended September 30th, 2017 cover the Company, its subsidiaries and the Group's shares in associates.

These interim consolidated condensed financial statements were approved by the Company's Management Board on November 21st, 2017.

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 Czech), Hungary, Russia, Romania, Serbia, Croatia, Bulgaria, Slovakia, Germany, Austria, Spain and France, on the basis of franchises granted. In Spain, France, Germany and Portugal the Group operates its own brands La Tagliatella, Trastevere and Il Pastificio. This business is based on the franchise agreements signed with non-related companies and own restaurants. It is supported by the central kitchen which produces and delivers products to the whole network of own brands. In China the Group operates its own brands Blue Frog and KABB. Additionally in 2017, Blue Frog brand was expanded by opening its first Blue Frog restaurants in Europe (in Madrid and Wroclaw).

As at the date of release of this quarterly report, that is November 21st, 2017 the Group operates 1 567 restaurants.

On April 27th, 2005, the shares of AmRest Holdings SE were quoted for the first time on the Warsaw Stock Exchange ('WSE').

As for September 30th, 2017 the Company's largest shareholders was FCapital Dutch B.V. (the subsidiary of Finaccess Capital, S.A. de C.V) having 53.78% shares and voting rights.

The Group operates its restaurants mainly on a franchise basis. The table below shows the terms and conditions of cooperation with franchisers of particular brands operated by AmRest.

Brand	*KFC, Pizza Hut Dine-In*	*Pizza Hut Express, Delivery*	*Burger King*	*Starbucks*
Type of cooperation	franchise agreement	franchise agreement	franchise agreement	joint venture 1)/franchise agreement 2)
Franchiser/ Partner	KFC, PH Europe Sarl (US Branch)	PH Europe Sarl (US Branch)	Burger King Europe GmbH	Starbucks Coffee International. Inc./Starbucks Coffee EMEA B.V., Starbucks Manufacturing EMEA B.V.
Area covered by the agreement	Poland, Czech, Hungary, Bulgaria, Serbia, Russia, Croatia, Spain, Germany	Poland, Czech, Hungary, Slovakia, Slovenia, Bulgaria, Serbia, Russia, Croatia, France	Poland, Czech, Bulgaria	Poland, Czech, Hungary, Romania, Bulgaria, Gremany, Slovakia
Term of agreement	10 years, possibility of extension for a further 10 years	10 years, possibility of extension for a further 10 years and next 5 years	Poland, Czech, Bulgaria – 20 years or 10 years	15 years, possibility of extension for a further 5 years
Preliminary fee	up to USD 50.1 thousand 3)	USD 25.1 thousand 3)	USD 50 thousand or USD 25 thousand	USD 25 thousand
Franchise fee	6% of sales revenues4)	6% of sales revenues 4)	5% of sales revenues	6% of sales revenues
Marketing costs	5% of sales revenues	up to 6% of sales revenues 4)	5% of sales revenues 5)	amount agreed annually between the parties
Additional provisions	In Germany the right to grant a license to third parties 6)	The right to grant a license to third parties 6)		

Explanations:

1) Starbucks – the AmRest Group took up 82%. and Starbucks 18% of the share capital of the newly-established joint venture companies in Poland, Czech Republic and Hungary. In the ninth year Starbucks will have 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.
2) 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 one of the operators on this market.
3) The fee is revalorized at the beginning of each calendar year by the inflation rate .
4) Preliminary franchise fees and marketing costs might be changed if certain conditions set in the agreement are met.
5) Marketing expenses for the Burger King brand amount to 2.5% of the sales revenues over the first 2 years of operation, 2% in the 3rd year and 5% in consecutive years of operation.
6) On August 16th, 2016 AmRest informed about signing on August 15th, 2016 the Master Franchise Agreement ("MFA") and Development Agreement ("DA") (collectively: the "Agreements") with Pizza Hut Europe Sarl (US Branch) ("PH Europe"). The Agreements determine the rights and license to develop, own and operate Pizza Hut restaurants in countries of Central and Eastern Europe: Poland, Czech Republic, Hungary, Bulgaria, Serbia, Croatia, Slovakia and Slovenia. The provisions of the Agreements apply from October 1st, 2016.
   According to the MFA, AmRest, as a master-franchisee, obtained the right to granting the license to the third parties to operate Pizza Hut Express and Pizza Hut Delivery restaurants (sub-franchise), while ensuring a certain share of restaurants operated directly by the Company.

The MFA was granted for initial period of 10 years with an option of further prolongations upon the fulfillment of certain terms and conditions. The DA was concluded for a period of 5 years and will be prolonged for another 5 years on terms and conditions to be determined by the parties.
In order to facilitate the growth of scale of Pizza Hut business, PH Europe will introduce an incentive mechanism reducing certain fees incurred by AmRest under the MFA ("Reduced Fees"), provided that the Company meets certain development obligations specified in the DA.
Upon entry into force of the Agreements AmRest is required to open and operate Pizza Hut Express and Delivery restaurants in accordance with the development schedule setting the minimum number of openings in the subsequent years of the Agreements' term. If AmRest fails to meet the development obligations, PH Europe will have the right to increase the Reduced Fees and change terms or terminate the MFA and/or DA. The Company's intention is to open about 300 Pizza Hut restaurants within 5 years.

In the opinion of the Management Board of AmRest there is a great potential for growing Pizza Hut brand in Central and Eastern Europe. Master-franchisee right will contribute to strengthening AmRest's leadership position of restaurant operator in the region and drive the value creation for AmRest's shareholders.

On July 31st, 2017 AmRest Holdings SE ("AmRest", the "Company") signed an Asset Purchase Agreement ("APA") between AmRest DE Sp. z o.o. & Co. KG (subsidiary of AmRest, "Buyer") and Pizza Hut Delivery Germany GmbH ("Seller"). As a result the Buyer acquired two Pizza Hut delivery restaurants in Dusseldorf. The purchase price amounted to EUR 1 (approx. PLN 4).
Additionally, AmRest and AmRest Kft. (subsidiary of AmRest) signed on July 31st, 2017 the Master Franchise Agreement ("MFA") with Yum Restaurants International Holdings, LLC ("Yum"). The MFA comes into force on August 1st, 2017. According to the MFA AmRest becomes the master-franchisee for 67 Pizza Hut Dine in, Express and Delivery restaurants currently operated by multiple sub-franchisees in the German market. The Company, as the exclusive master-franchisee, gained the right to granting the license to the third parties to operate Pizza Hut Dine in, Express and Delivery restaurants (sub-franchise) in Germany, while ensuring a certain share of restaurants operated directly by the Company. The MFA was granted for initial period of 10 years with an option of further prolongations upon the fulfillment of certain terms and conditions.
Upon entry into force of the MFA AmRest will be required to open and operate Pizza Hut Dine in, Express and Delivery restaurants in accordance with the development schedule setting the minimum number of openings in the subsequent years of the MFA's term. If AmRest fails to meet the development obligations, Yum will have the right to increase the Reduced Fees and change the terms or terminate the MFA. The Company's intention is to open more than 150 Pizza Hut restaurants in the German market within 5 years.

Due to possessing own brands, which are the subject of franchise agreements with third parties. the Group required the determination of following accounting principles:

- generally the franchise agreement covers a 10 year period and provides an option of extension for another 10 (for agreements signed after 2006) or 5 years (for agreements signed before 2006). Some franchise agreements were signed for the period from 9 to 20 years.
- revenues of the Group consist of sales by Company operated restaurants and fees from franchisees and license are recognized when payment is rendered at the time of sale;
- fees for using own brand paid by franchisees to the Group as a 6% from the sales (continued fees) are recognized as earned;
- intangible assets, covering relationships with franchise clients. recognized during the acquisition process are amortized within the average period of the contractual relationship with franchise clients and own brand is treated as non-amortized asset due to infinite useful life.
- Own brands systematically as at the purchase date are analyzed from the point of depreciation and amortization periods as well as brands' materiality and growth potential. Currently:
    - La Tagliatella brand is treated as not amortized asset due to indefinite useful life.
    - Blue Frog brand is treated as amortized asset in 20-year period.

As at September 30th, 2017, the Group comprised the following subsidiaries:

Company name	Seat	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, China	AmRest Holdings SE	100.00%	December 2012
Bigsky Hospitality Group Ltd	Hong Kong, China	AmRest China Group PTE Ltd	100.00%	December 2012
New Precision Ltd	Apia, Samoa	AmRest China Group PTE Ltd	100.00%	December 2012
Horizon Group Consultants (BVI)	Road Town, Tortola, BVI	AmRest China Group PTE Ltd	100.00%	December 2012
Kai Fu Restaurant Managment (Shanghai) Co., Ltd	Shanghai, China	Blue Frog Food&Beverage Management Ltd	100.00%	December 2016
		Restaurant activity		
AmRest Sp. z o.o.	Wroclaw, Poland	AmRest Holdings SE	100.00%	December 2000
AmRest s.r.o.	Prague, Czech	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.	0.17% 99.83%	July 2007
AmRest Coffee s.r.o.	Prague, Czech	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.	Belgrad, Serbia	AmRest Sp. z o.o. ProFood Invest GmbH	60.00% 40.00%	October 2007
Restauravia Food S.L.U.	Madrid, Spain	Restauravia Grupo Empresarial S.L.	100.00%	April 2011
Pastificio Service S.L.U.	Lleida, Spain	Restauravia Grupo Empresarial S.L.	100.00%	April 2011
Pastificio Restaurantes S.L.U.	Lleida, Spain	Pastificio Service S.L.U.	100.00%	April 2011
Pastificio S.L.U.	Lleida, Spain	Pastificio Service S.L.U.	100.00%	April 2011
AmRest Adria d.o.o.	Zagreb, Croatia	AmRest Sp. z o.o.	100.00%	October 2011
AmRest Restaurant Management Co. Ltd*	Shanghai, China	AmRest HK Ltd	100.00%	November 2012
AmRest GmbH**	Cologne, Germany	AmRestavia S.L.U.	100.00%	March 2012
AmRest SAS	Lyon, France	AmRestavia S.L.U.	100.00%	April 2012
AmRest Adria 2 d.o.o.	Ljubljana, Slovenia	AmRest Sp. z o.o	100.00%	August 2012

Company name	Seat	Parent/non-controlling undertaking	Owner-ship interest and total vote	Date of effective control
Frog King Food&Beverage Management Ltd	Szanghai, China	Bigsky Hospitality Group Ltd	100.00%	December 2012
Blue Frog Food&Beverage Management Ltd	Szanghai, China	New Precision Ltd	100.00%	December 2012
Shanghai Kabb Western Restaurant Ltd	Szanghai, China	Horizon Group Consultants (BVI)	100.00%	December 2012
AmRest Skyline GMBH	Cologne, Germany	AmRestavia S.L.U.	100.00%	October 2013
Kai Zhen Food and Beverage Management (Shanghai) Ltd	Shanghai, China	BlueFrog Food&Beverage Management Ltd	100.00%	March 2014
AmRest Cofee EOOD	Sofia, Bulgaria	AmRest Sp. z o.o.	100.00%	June 2015
AmRest Coffee S.r.l.	Bucharest, Romania	AmRest Sp. z o.o.	100.00%	June 2015
AmRest Coffee SK s.r.o.	Bratislava, Slovakia	AmRest s.r.o. AmRest Sp. z o.o.	99.00% 1.00%	December 2015
AmRest Coffee Deutschland Sp. z o.o. & Co. KG	Munich, Germany	AmRest Kaffee Sp. z o.o. AmRest Capital Zrt	85.00% 15.00%	May 2016
AmRest DE Sp. z o.o. & Co. KG	Berlin, Germany	AmRest Kaffee Sp. z o.o.	100.00%	December 2016
The Grill Concept S.L.U.	Lleida, Spain	Pastificio Service S.L.U.	100.00%	December 2016
LTP La Tagliatella Portugal, Lda	Lisbon, Portugal	AmRest TAG S.L.U. AmRestavia S.L.U.	74.00% 26.00%	February 2017
AmRest AT GmbH	Vienna, Austria	AmRest Sp. z o.o.	100.00%	March 2017
AmRest Topco SAS	Paris, France	AmRest Holdings SE	100.00%	May 2017
AmRest Delco SAS	Paris, France	AmRest Topco SAS	100.00%	May 2017
AmRest Opco SAS	Paris, France	AmRest Holdings SE	100.00%	July 2017
		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	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

Company name	Seat	Parent/non-controlling undertaking	Owner-ship interest and total vote	Date of effective control
Supply services for restaurants operated by the Group				
SCM s.r.o.	Prague, Czech	SCM Sp. z o.o.	90.00%	March 2007
		Ondrej Razga	10.00%	
SCM Sp. z o.o.	Warsaw, Poland	AmRest Sp. z o.o.	51.00%	October 2008
		R&d Sp. z o.o.	43.80%	
		Beata Szfarczyk-Cylny	5.00%	
		Zbigniew Cylny	0.20%	
Activita Sp. z o.o.****	Warsaw, Poland	SCM Sp. z o.o.	100.00%	October 2014

*On November 10th, 2017 AmRest Restaurant Management (Shanghai) Co., Ltd has been closed.
** On November 25th, 2016 Amrestavia, S.L.U., the sole shareholder of AmRest GmbH, has decided to liquidate this company. The liquidation process has not been finished until the date of these financial statements.
*** On September 5th, 2017 Amrestavia, S.L.U., the sole shareholder of La Tagliatella Financing Kft, has decided to liquidate this company. The liquidation process has not been finished until the date of these financial statements.
**** On October 5th, 2017 the Register of Businesses maintained by the District Court for the City of Warsaw, XII Business Department of the National Court Register entered the change of the company's name from 'Activita' to 'SCM DUE'.

The Group's office is in Wroclaw, Poland. On September 30th, 2016 the restaurants operated by the Group were located in Poland, Czech, Hungary, Slovakia, Russia, Bulgaria, Romania, Serbia, Croatia, Spain, Germany, Austria, France, Portugal and China.

10. Pursuant to the information available to the Company, as at the date of release of this quarterly report, that is November 21st, 2017. the following shareholders submitted information on holding directly or indirectly (through subsidiaries) 5% or more of the total vote at the General Shareholders Meeting of AmRest Holdings SE ("AmRest"):

Shareholder	Number of shares	% share in capital	Number of votes at the Shareholders' Meeting	% of votes
FCapital Dutch B. V.*	11 409 697	53.78	11 409 697	53.78
Gosha Holding S.à.r.l**	2 463 511	11.61	2 463 511	11.61
Nationale-Nederlanden OFE***	2 034 893	9.59	2 034 893	9.59
Other Sahreholders	5 305 792	25.01	5 305 792	25.01

* FCapital Dutch B. V. is the dominant entity of FCapital Lux (previously Cullinan S.à.r.l.) (holding 4 682 907 AmRest shares) and the subsidiary of Finaccess Capital, S.A. de C.V. Grupo Finacces SAPI de CV is the directly dominant entity of Finaccess Capital, S.A. de C.V. and a subsidiary of Grupo Far-Luca, S.A. de C.V. The directly dominant person of Grupo Far-Luca, S.A. de C.V., Mr. Carlos Fernández González, is the Supervisory Board member of AmRest.
** Gosha Holding S.à.r.l. is a person closely associated with Mr. Henry McGovern and Mr. Steven Kent Winegar, members of AmRest's Supervisory Board.
*** The previous name: ING OFE.

11. Changes in the shareholding structure

Changes in the shareholding with respect to the shareholders holding over 5% of votes at the General Meeting of Shareholders

Since the publication of the previous periodical report (September 14th, 2017) there were no changes in the shareholding structure of AmRest other than those described below:

On September 16th, 2017 the Management Board of AmRest informed that it received on September 15th, 2017 a notification from:

1. FCapital Lux S.à.r.l. (hereinafter referred as the "FC Lux"),
2. FCapital Dutch, B.V. (hereinafter referred as the "FCapital"),
3. Inmobiliaria Tabga, S.A. de C.V. (hereinafter referred as the "Tabga"),
4. Finaccess Capital, S.A. de C.V. (hereinafter referred as the "Finaccess"),
5. Grupo Finaccess S.A.P.I. de C.V. (hereinafter referred as the "Grupo Finaccess"),
6. Grupo Far-Luca, S.A. de C.V. (hereinafter referred as the "Grupo Far-Luca"),
7. Carlos Fernández–González (hereinafter referred as "Mr. Fernández"),

that on September 15th, 2017 FC Lux sold 1 711 455 shares of AmRest representing app. 8.07 % of the total number of shares of the Company, which entitle to exercise 1 711 455 votes at the Company's General Meeting of Shareholders, constituting app. 8.07% of total number of votes at the Company's General Meeting of Shareholders.

Prior to the sale, FC Lux held 6 394 362 shares of the Company representing 30.14% of the total number of shares of the Company, which entitle to exercise 6 394 362 votes at the Company's General Meeting of Shareholders, constituting app. 30.14% of total number of votes at the Company's General Meeting of Shareholders.

Prior to the sale, FCapital as a direct dominant entity of FC Lux, held 13 121 152 shares of the Company representing app. 61.85% of the total number of shares of the Company, which entitle to exercise 13 121 152 votes at the Company's General Meeting of Shareholders, constituting app. 61.85% of total number of votes at the Company's General Meeting of Shareholders, out of which:

(i) it directly held 6 726 790 shares of the Company representing app. 31.71% of the total number of shares of the Company, which entitle to exercise 6 726 790 votes at the Company's General Meeting of Shareholders, constituting app. 31.71% of total number of votes at the Company's General Meeting of Shareholders;

(ii) it indirectly (through FC Lux) held 6 394 362 shares of the Company representing app. 30.14% of the total number of shares of the Company, which entitle to exercise 6 394 362 votes at the Company's General Meeting of Shareholders, constituting app. 30.14% of total number of votes at the Company's General Meeting of Shareholders.

Prior to the sale, Tabga, Finaccess, Grupo Finaccess, Grupo Far Luca and Mr. Fernandez, as indirect dominant entities of FC Lux, held indirectly 13 121 152 shares of the Company representing app. 61.85% of the total number of shares of the Company, which entitle to exercise 13 121 152 votes at the Company's General Meeting of Shareholders, constituting app. 61.85% of total number of votes at the Company's General Meeting of Shareholders.

After the sale, FC Lux held 4 682 907 shares of the Company representing app. 22.07% of the total number of shares of the Company, which entitle to exercise 4 682 907 votes at the Company's General

Meeting of Shareholders, constituting app. 22.07% of total number of votes at the Company's General Meeting of Shareholders.

After the sale, FCapital as a direct dominant entity of FC Lux held 11 409 697 shares of the Company representing app. 53.78% of the total number of shares of the Company, which entitle to exercise 11 409 697 votes at the Company's General Meeting of Shareholders, constituting app. 53.78% of total number of votes at the Company's General Meeting of Shareholders, out of which:

(i) it directly held 6 726 790 shares of the Company representing app. 31.71% of the total number of shares of the Company, which entitle to exercise 6 726 790 votes at the Company's General Meeting of Shareholders, constituting app. 31.71% of total number of votes at the Company's General Meeting of Shareholders;

(ii) it indirectly (through FC Lux) held 4 682 907 shares of the Company representing app. 22.07% of the total number of shares of the Company, which entitle to exercise 4 682 907 votes at the Company's General Meeting of Shareholders, constituting app. 22.07% of total number of votes at the Company's General Meeting of Shareholders.

After the sale, Tabga, Finaccess, Grupo Finaccess, Grupo Far Luca and Mr. Fernandez, as indirect dominant entities of FC Lux, held indirectly 11 409 697 shares of the Company representing app. 53.78% of the total number of shares of the Company, which entitle to exercise 11 409 697 votes at the Company's General Meeting of Shareholders, constituting app. 53.78% of total number of votes at the Company's General Meeting of Shareholders.

FC Lux notified that it did not have any controlled entities.

FCapital further notified that its controlled entities, other than FC Lux, did not hold any shares of the Company.

Tabga, Finaccess, Grupo Finaccess, Grupo Far-Luca and Mr. Fernández further notified that, with respect of each of them, their controlled entities, other than FC Lux and FCapital, did not hold any shares of the Company.

Additionally, FC Lux, FCapital, Tabga, Finaccess, Grupo Finaccess, Grupo Far-Luca and Mr. Fernández informed that there were no persons or entities referred to in Article 87 section 1 point 3 c) of the Act on public offering, conditions governing the introduction of financial instruments to organized trading and public companies dated July 29th 2005 ("POA").

Furthermore, FC Lux informed that it did not hold, acquired or disposed any instruments referred to in Article 69b.1 of the POA and in aggregate was only authorized to exercise votes from 4 682 907 shares of the Company representing 22.07% of the total number of shares of the Company, which entitle to exercise 4 682 907 votes at the Company's General Meeting of Shareholders, constituting app. 22.07% of total number of votes at the Company's General Meeting of Shareholders.

Also FCapital, Tabga, Finaccess, Grupo Finaccess, Grupo Far-Luca and Mr. Fernández informed that, with respect of each of them, they did not hold, acquired or disposed any instruments referred to in Article 69b.1 of the POA and in aggregate they only held votes from 11 409 697 shares of the Company representing app. 53.78% of the total number of shares of the Company, which entitle to exercise 11 409 697 votes at the Company's General Meeting of Shareholders, constituting app. 53.78% of total number of votes at the Company's General Meeting of Shareholders.

On September 20th, 2017 the Management Board of AmRest informed that it received on September 19th, 2017 a notification from:

1. Gosha Holding S.à.r.l. (hereinafter referred as the "Gosha");
2. PCMMM S.à r.l. (hereinafter referred as the "PCMMM");
3. Metropolitan Properties International Sp. z o.o. (hereinafter referred as the "MPI");
4. Małgorzata McGovern (hereinafter referred as "Ms. McGovern");
5. Steven Winegar (hereinafter referred as "Mr. Winegar");

that on September 15th, 2017, as a result of a transaction executed outside the regulated market Gosha purchased 1 711 455 shares of AmRest representing app. 8.07% of the total number of shares of the Company, which entitle to exercise 1 711 455 votes at the Company's General Meeting of Shareholders, constituting app. 8.07% of total number of votes at the Company's General Meeting of Shareholders (the "Transaction") and, as a result, Gosha increased its share in the total amount of votes at the Company's General Meeting of Shareholders to more than 10%.

Prior to the Transaction Gosha held 1 042 056 shares of the Company representing app. 4.91% of the total number of shares of the Company, which entitle to exercise 1 042 056 votes at the Company's General Meeting of Shareholders, constituting app. 4.91% of total number of votes at the Company's General Meeting of Shareholders.

After execution of the Transaction Gosha held 2 753 511 shares of the Company representing app. 12.98% of the total number of shares of the Company, which entitle to exercise 2 753 511 votes at the Company's General Meeting of Shareholders, constituting app. 12.98% of total number of votes at the Company's General Meeting of Shareholders.

Furthermore, as a result of the transaction Gosha dominant entities i.e. PCMMM direct Gosha dominant entity, MPI (direct PCMMM dominant entity) and indirect Gosha dominant entity, Ms. McGovern and Mr. Winegar (ultimate dominant entities) indirectly acquired 1 711 455 shares of the Company representing app. 8.07% of the total number of shares of the Company, which entitle to exercise 1 711 455 votes at the Company's General Meeting of Shareholders, constituting app. 8.07% of total number of votes at the Company's General Meeting of Shareholders and, as a result, indirectly increased their share in the total amount of votes at the Company's General Meeting of Shareholders to more than 10%.

Prior to the Transaction Gosha dominant entities held 1 042 056 shares of the Company representing app. 4.91% of the total number of shares of the Company, which entitle to exercise 1 042 056 votes at the Company's General Meeting of Shareholders, constituting app. 4.91% of total number of votes at the Company's General Meeting of Shareholders.

After execution of the Transaction Gosha dominant entities held 2 753 511 shares of the Company representing app. 12.98% of the total number of shares of the Company, which entitle to exercise 2 753 511 votes at the Company's General Meeting of Shareholders, constituting app. 12.98% of total number of votes at the Company's General Meeting of Shareholders.

Gosha notified that it did not have any controlled entities.

PCMMM notified that its controlled entities, other than Gosha, did not hold any shares of the Company.

MPI notified that its controlled entities, other than Gosha, did not hold any shares of the Company.

Ms. McGovern and Mr. Winegar notified that their controlled entities, other than Gosha, did not hold any shares of the Company.

Additionally, Gosha, PCMMM, MPI, Ms. McGovern and Mr. Winegar informed that, with respect of each of them, there were no persons or entities referred to in Article 87 section 1 point 3 c) of the Act on public offering, conditions governing the introduction of financial instruments to organized trading and public companies dated July 29th 2005 ("POA").

Furthermore, Gosha, PCMMM, MPI, Ms. McGovern and Mr. Winegar inform that, with respect of each of them, they did not hold, acquired or disposed any instruments referred to in Article 69b.1 of the POA. In aggregate they held, directly or indirectly, 2 753 511 shares of the Company representing app. 12.98% of the total number of shares of the Company, which entitle to exercise 2 753 511 votes at the Company's General Meeting of Shareholders, constituting app. 12.98% of total number of votes at the Company's General Meeting of Shareholders.

On October 16th, 2017 the Management Board of AmRest informed that it received a request pursuant to Art. 48 of the Act of March 4th 2005 on European Economic Interest Grouping and the European Company to buy-back 550 000 shares from one shareholder - Nationale-Nederlanden Otwarty Fundusz Emerytalny represented by Nationale-Nederlanden Powszechne Towarzystwo Emerytalne S.A. who voted against Resolution No. 3 of the Extraordinary General Meeting of AmRest Holdings SE of October 5th, 2017 on the approval of the international transfer of the registered office to Spain and amendment to the Statute.

On October 20th, 2017 the Management Board of AmRest informed that it received on October 20th, 2017 it an offer from FCapital Lux S.à.r.l., („FCapital Lux") to acquire all the shares being a subject to buy-back from the shareholders who voted against the Resolution No. 3 of the Extraordinary General Meeting of the Company of October 5th, 2017 on the approval of the international transfer of the registered office to Spain and amendment to the Statute, and requested the buy-back of their shares.

The Management Board of AmRest confirmed that pursuant to Art. 18.4 of the Act of March 4th 2005 on European Economic Interest Grouping and the European Company (the "Act on SE"), FCapital Lux transferred the total purchase price for 550 000 shares (PLN 361.65 per share) to the Company's bank account.

Due to the offer filed by FCapital Lux, there is no longer a risk that the Company will be obliged to buy-out shares due to lack of offers.

On November 10th, 2017 the Management Board of AmRest informed that within the deadline envisaged by the relevant provisions of law i.e. until November 9th, 2017, it did not receive any more offers of acquisition of the shares being a subject to buy-back from the shareholders who voted against the abovementioned Resolution No. 3 of the Extraordinary General Meeting of the Company and requested the buy-back of their shares.

Consequently, FCapital Lux S.à.r.l is the only entity, which submitted its offer to buy all 550 000 shares from Nationale-Nederlanden Otwarty Fundusz Emerytalny and transferred the amount equal to the price for all shares to the Company's bank account.

Changes in the number of shares held by members of AmRest Management and Supervisory Boards

During the period since the publication of the previous periodical report (September 14th, 2017) following changes occurred with respect to AmRest shares and stock options held by the members of the Management and Supervisory Boards of AmRest.

According to the best knowledge of AmRest, following members of Management Board owned in this reporting period the Issuer's shares: Mr. Wojciech Mroczyński, Mrs. Oksana Staniszewska, Mr. Olgierd Danielewicz, Mr. Mark Chandler and Mr. Jacek Trybuchowski.

As at September 14th, 2017 Mr. Wojciech Mroczyński held 1 355 shares of the Company with a total nominal value of EUR 13.55. On September 30th, 2017 (and simultaneously on the date of publication of this report) he holds the same amount of the Company's shares.

As at September 14th, 2017 Mr. Olgierd Danielewicz held 25 047 shares of the Company with a total nominal value of EUR 250.47. On September 30th, 2017 (and simultaneously on the date of publication of this report) he holds the same amount of the Company's shares.

As at September 14th, 2017 Mr. Mark Chandler held 1 379 shares of the Company with a total nominal value of EUR 13.79. On September 30th, 2017 (and simultaneously on the date of publication of this report) he holds the same amount of the Company's shares.

As at September 14th, 2017 Mr. Jacek Trybuchowski held 44 954 shares of the Company with a total nominal value of EUR 449.54. On September 30th, 2017 (and simultaneously on the date of publication of this report) he holds the same amount of the Company's shares.

Pursuant to the information available to the Company, the only Supervisory Board member, who own directly the Issuer's shares is Mr. Henry McGovern.

As at September 14th, 2017 Mr. Henry McGovern held directly 7 234 shares of the Company with a total nominal value of EUR 72.34. On September 30th, 2017 (and simultaneously on the date of publication of this report) he holds directly the same amount of the Company's shares.

As at September 14th, 2017 Gosha Holdings S.a.r.l. – the closely associated person of Mr. Henry McGovern and Mr. Steven Kent Winegar held 1 042 056 AmRest shares with a total nominal value of EUR 10 420.56. On September 30th, 2017 Gosha Holdings S.a.r.l. held 2 553 511 the Company's shares with a total nominal value of EUR 25 535.11. As at the date of publication of this report Gosha Holdings S.a.r.l. holds 2 463 511 AmRest shares with a total nominal value of EUR 24 635.11.

As at September 14th, 2017 FCapital Dutch B.V. – the closely associated person of Mr. Carlos Fernández González (the Company's Supervisory Board member) held 13 121 152 AmRest shares with a total nominal value of EUR 131 211.52. On September 30th, 2017 (and simultaneously on the date of publication of this report) FCapital Dutch B.V. held 11 409 697 the Company's shares with a total nominal value of EUR 114 096.97.

Transactions on AmRest shares executed by persons having access to confidential information since issuing last financial report (September 14th, 2017)

On October 16th, 2017 AmRest informed that it received on the same day a notice from Mrs. Maria Elena Pato-Castel, La Tagliatella President, being a person discharging managerial responsibilities in the Company, about:

- a purchase of 11 542 AmRest shares executed on October 12th, 2017. The shares were transferred free of charge as a result of exercising AmRest management options. The transaction was executed outside the regulated marked,

- a sale of 370 AmRest shares at the price of PLN 366.00 per share executed on October 13th, 2017. The transaction was executed at the Warsaw Stock Exchange.

On October 19th, 2017 AmRest informed that it received on the same day a notice from Mrs. Maria Elena Pato-Castel, La Tagliatella President, being a person discharging managerial responsibilities in the Company, about:

- a sale of 2 000 AmRest shares at the price of PLN 359.15 per share executed on October 17th, 2017,

- a sale of 3 419 AmRest shares at the price of PLN 358.61 per share executed on October 18th, 2017.

The transactions were executed at the Warsaw Stock Exchange.

Transactions on AmRest shares concluded for the purpose of executing the management option plan are presented in table below.

The commencement of the purchase of treasury shares occurred on the basis of Resolution No. 7 of the General Meeting of the Company of May 19th, 2015 concerning the authorization for the Management Board to acquire treasury shares in the Company and the establishment of reserve capital.

In the period between issuing last financial report (September 14th, 2017) and the day of publication of this report AmRest purchased a total of 36 336 own shares for a total price of approximately PLN 13 067 322. During the same period, the Company disposed a total of 16 387 own shares to entitled participants of the stock options plans.

conclusion date	settlement date	purchase/ sale	number of purchased/ sold shares	average purchase/ sale price of shares	Nominal value of shares [EUR]	% of the share capital of the Company	number of votes at GSM	total number of shares	total number of votes at GSM	% of the total number of votes in the Company
19.09.2017	19.09.2017	S	632	0.00	0.01	0.0030	632	101 188	101 188	0.4770
19.09.2017	21.09.2017	P	3 099	358.90	0.01	0.0146	3 099	104 287	104 287	0.4916
20.09.2017	22.09.2017	P	1 731	364.62	0.01	0.0082	1 731	106 018	106 018	0.4998
21.09.2017	25.09.2017	P	1 464	364.37	0.01	0.0069	1 464	107 482	107 482	0.5067
03.10.2017	03.10.2017	S	1 448	0.00	0.01	0.0096	2 028	105 454	105 454	0.4971
			100	81.00	0.01					
			180	81.82	0.01					
			180	130.90	0.01					
			120	223.50	0.01					
04.10.2017	04.10.2017	S	867	0.00	0.01	0.0041	867	104 587	104 587	0.4930
04.10.2017	06.10.2017	P	3 600	359.78	0.01	0.0170	3 600	108 187	108 187	0.5100
05.10.2017	09.10.2017	P	3 200	359.12	0.01	0.0151	3 200	111 387	111 387	0.5251
06.10.2017	10.10.2017	P	3 400	360.55	0.01	0.0160	3 400	114 787	114 787	0.5411
09.10.2017	09.10.2017	S	206	0.00	0.01	0.0010	206	114 581	114 581	0.5401
10.10.2017	10.10.2017	S	39	0.00	0.01	0.0002	39	114 542	114 542	0.5399
05.07.2017	05.07.2017	S	11 723	0.00	0.01	0.0559	11 863	102 679	102 679	0.4840
			140	223.50	0.01					
16.10.2017	18.10.2017	P	3 200	364.93	0.01	0.0151	3 200	105 879	105 879	0.4991
17.10.2017	17.10.2017	S	272	0.00	0.01	0.0013	272	105 607	105 607	0.4978
17.10.2017	19.10.2017	P	1 240	358.76	0.01	0.0058	1 240	106 847	106 847	0.5037
18.10.2017	18.10.2017	S	360	81.82	0.01	0.0017	360	106 487	106 487	0.5020
18.10.2017	20.10.2017	P	3 200	358.57	0.01	0.0151	3 200	109 687	109 687	0.5171
19.10.2017	19.10.2017	S	120	223.50	0.01	0.0006	120	109 567	109 567	0.5165
23.10.2017	25.10.2017	P	1 441	342.32	0.01	0.0068	1 441	111 008	111 008	0.5233
24.10.2017	26.10.2017	P	1 253	338.96	0.01	0.0059	1 253	112 261	112 261	0.5292
25.10.2017	27.10.2017	P	2	338.96	0.01	0.00001	2	112 263	112 263	0.5292
26.10.2017	30.10.2017	P	210	351.90	0.01	0.0010	210	112 473	112 473	0.5302
27.10.2017	31.10.2017	P	79	355.69	0.01	0.0004	79	112 552	112 552	0.5306
07.11.2017	09.11.2017	P	1 500	367.01	0.01	0.0071	1 500	114 052	114 052	0.5376
08.11.2017	10.11.2017	P	2 064	364.66	0.01	0.0097	2 064	116 116	116 116	0.5474
09.11.2017	13.11.2017	P	1 654	363.89	0.01	0.0078	1 654	117 770	117 770	0.5552
10.11.2017	14.11.2017	P	916	354.91	0.01	0.0043	916	118 686	118 686	0.5595
13.11.2017	15.11.2017	P	283	363.38	0.01	0.0013	283	118 969	118 969	0.5608
16.11.2017	20.11.2017	P	2 300	358.26	0.01	0.0108	2 300	121 269	121 269	0.5716
17.11.2017	21.11.2017	P	500	365.00	0.01	0.0024	500	121 769	121 769	0.5740

B. Interim Consolidated Financial Statements for the quarter ended September 30th, 2017

1. Statement on the Accounts' Compliance with International Financial Reporting Standards

These consolidated interim financial statements were prepared in accordance with the International Financial Reporting Standards (the "IFRS") and their interpretations adopted by the International Accounting Standards Board (the "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).

2. Seasonality of Production and Markets

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 operating days in February and fewer people dining out. The next quarter in terms of sales is the second quarter, in which the restaurants achieve better results thanks to improving weather and a positive effect of the beginning of the holiday season in June. The highest sales are achieved at the end of the third and at the beginning of the fourth quarter. Very good performance in the third quarter is attributable to the increased tourist traffic. Autumn is traditionally a season when people tend to dine out more frequently, which translates into higher sales. An important time in the last three months of the year is the pre-Christmas period, when particularly high sales are reported by the restaurants situated in shopping centers.

3. Form of Presentation of the Consolidated Financial Statements and Type and Value of Changes in the Applied Estimates

Amounts in these consolidated interim financial statements are presented in the Polish zloty (PLN), rounded off to full thousands.

These financial statements were prepared based on the historical cost convention, except financial assets and liabilities (including derivative instruments) which are subject to measurement at fair value through profit or loss.

The preparation of financial statements in compliance with the International Financial Reporting Standards requires the Management Board 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 these financial statements. 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.

Estimates and their underlying assumptions are reviewed on an on-going basis. Any adjustments of the accounting estimates are recognized in the period in which the adjustments were made, on condition that they concern this period only, or in the period in which they were made and in the future periods, if they concern both the current and future periods.

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, and adjustment to the valuation of deferred tax assets. During the period covered by these financial statements, there were no material changes in the value of estimates disclosed in the previous reporting periods.

The accounting policies have been applied consistently in all periods presented in these consolidated financial statements. The accounting policies were applied consistently by all members of the Group.

4. Adjustments

In the first half of 2017, the Group finalized acquisition accounting for AmRest Coffee Deutschland Sp. z o. o. & Co. KG. The adjustments that were introduced based on the verification of fair value of acquired assets and liabilities also impacted value of goodwill previously established under the provisional acquisition of Starbucks in Germany.

As a consequence, comparative data, and relevant explanatory notes, presented in these consolidated financial statements were restated.

Introduced adjustments did not materially affect the comparative data presented in these interim financial statements for the consolidated statement of comprehensive income; cash flows from operating, investing and financing activities in the consolidated cash flow statement; and earnings per share, hence those data were not restated.

Schedules of effects of above mentioned adjustments and the reconciliation between data published for the year ended December 31st, 2016 and reported in current period statements as data for the year ended December 31st, 2016 are presented below.

Consolidated annual statement of financial position as at December 31st, 2016

In thousands of Polish zloty	According to the published financial statement	Adjustment	After adjustment
Assets			
Property, plant and equipment	1 343 738		1 343 738
Goodwill	769 063	8 445	777 508
Intangible assets	604 139	13 188	617 327
Investment property	22 152		22 152
Investments in associates	888		888
Other non-current assets	62 503		62 503
Deferred tax assets	49 674	(4 840)	44 834
Total non-current assets	**2 852 157**	**16 793**	**2 868 950**
Inventories	82 086		82 086
Trade and other receivables	99 384		99 384
Corporate income tax receivables	12 797		12 797
Other current assets	102 898		102 898
Cash and cash equivalents	291 641		291 641
Total current assets	**588 806**	**-**	**588 806**
Total assets	**3 440 963**	**16 793**	**3 457 756**
Equity			
Share capital	714		714
Reserves	648 886		648 886
Retained earnings	655 020		655 020
Translation reserve	4 413		4 413
Equity attributable to shareholders of the parent	**1 309 033**	**-**	**1 309 033**
Non-controlling interests	**67 577**	**-**	**67 577**
Total equity	**1 376 610**	**-**	**1 376 610**
Liabilities			
Interest-bearing loans and borrowings	1 039 033		1 039 033
Finance lease liabilities	7 880		7 880
Employee benefit liability	19 850		19 850
Provisions	23 717	18 629	42 346
Deferred tax liability	117 818		117 818
Other non-current liabilities	8 429		8 429
Total non-current liabilities	**1 216 727**	**18 629**	**1 235 356**
Interest-bearing loans and borrowings	223 255		223 255
Finance lease liabilities	1 636		1 636
Trade and other accounts payable	614 929	(1 836)	613 093
Income tax liabilities	7 806		7 806
Total current liabilities	**847 626**	**(1 836)**	**845 790**
Total liabilities	**2 064 353**	**16 793**	**2 081 146**
Total equity and liabilities	**3 440 963**	**16 793**	**3 457 756**

5. Segment Reporting

Operating Segments

AmRest as a Group of dynamic developing entities running operations at many markets and various restaurant business segments is under constant analysis of Executive Committee. This Committee 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 Executive Committee during making strategic decisions. Executive Committee verifies group performance while deciding of owned resources allocations in breakdown of AmRest Group for divisions.

Due to the acquisition of a company operating Starbucks coffeehouses in Germany and effect of Group management structure changes initialised on the turn of 2015 and 2016, Group has revised names and a way of reporting segment aggregation continuously based on geographical criterium. The approach is current valid solution for strategic analysis and capital allocation decision making process by Executive Committee. As for the balance sheet date Executive Committee defines segments in presented below layout.

Segment	**Description**
Central and Eastern Europe (CEE)	KFC, Pizza Hut, Starbucks, Burger King restaurant operations Poland, Czech, Hungary, Bulgaria, Croatia, Romania, Austria, Slovakia and Serbia.
Western Europe	KFC, La Tagliatella, Blue Frog and Pizza Hut restaurant operations in Spain, France, Portugal together with supply chain and franchise activity. La Tagliatella, Pizza Hut, Starbucks and KFC operations in Germany.
China	Blue Frog and KABB restaurant operations in China.
Russia	KFC and Pizza Hut restaurant operations in Russia.
Unallocated	Consolidation adjustments, asset and liability balances non-allocated to segments (covering borrowings and lease liabilities), transactions of: SCM sp. z o.o. and its subsidiaries, Restaurant Partner Polska, AmRest Holdings SE, a subsidiary located in the Ukraine and USA, AmRest Capital Zrt, AmRest Finance Zrt and AmRest Finance S.L. and financial costs and incomes, share profit of associates, income tax, net income from continued operation, total net income.

The data relating to operating segments for the 9 months ended September 30th, 2017 and for the comparative period ended September 30th, 2016 are presented below (comparable period for balance sheet data is December 31st, 2016).

	CEE	Western Europe	Russia	China	Unallocated	Total
9 months ended September 30, 2017						
Revenue from external customers	1 888 508	1 188 190	428 791	200 444	40 318	3 746 251
Inter-segment revenue	-	-	-	-	-	-
Operating result, segment result	159 942	64 248	20 315	2 874	(26 086)	221 293
Finance income	-	-	-	-	2 125	2 125
Finance costs	-	-	-	-	(41 402)	(41 402)
Income tax	-	-	-	-	(40 672)	(40 672)
Profit for the period	-	-	-	-	141 344	141 344
Segment assets	1 271 158	1 761 226	427 628	200 509	149 377	3 809 898
Investments in associates	-	-	-	-	-	-
Total assets	1 271 158	1 761 226	427 628	200 509	149 377	3 809 898
Goodwill	34 761	603 047	88 941	85 738	7 190	819 677
Deferred tax assets	29 477	2 426	-	41	12 225	44 169
Segment liabilities	298 948	260 620	29 324	34 756	1 831 831	2 455 479
Depreciation	112 211	55 806	25 525	14 150	697	208 389
Amortization	15 256	11 651	1 442	925	255	29 529
Capital investment	186 296	154 482	48 286	17 281	4 649	410 994
Impairment of fixed assets	(3 299)	2 934	3 579	3 282	-	6 496
Impairment of trade receivables	31	500	-	-	(203)	328
Impairment of inventories	46	104	-	-	-	150
Impairment of other assets	-	156	-	-	-	156

	CEE	Western Europe	Russia	China	Unallocated	Total
3 months ended						
September 30, 2017						
Revenue from external customers	686 378	447 158	140 809	67 666	13 699	1 355 710
Inter-segment revenue	-	-	-	-	-	-
Operating result, segment result	70 673	46 272	12 759	265	(10 783)	119 186
Finance income	-	-	-	-	695	695
Finance costs	-	-	-	-	(12 322)	(12 322)
Share of profits of associates	-	-	-	-	-	-
Income tax	-	-	-	-	(21 756)	(21 756)
Profit for the period	-	-	-	-	85 803	85 803
Segment assets	1 271 158	1 761 226	427 628	200 509	149 377	3 809 898
Investments in associates	-	-	-	-	-	-
Total assets	1 271 158	1 761 226	427 628	200 509	149 377	3 809 898
Goodwill	34 761	603 047	88 941	85 738	7 190	819 677
Deferred tax assets	29 477	2 426	-	41	12 225	44 169
Segment liabilities	298 948	260 620	29 324	34 756	1 831 831	2 455 479
Depreciation	39 124	18 223	8 205	4 981	239	70 772
Amortization	5 003	4 109	489	301	86	9 988
Capital investment	68 604	46 336	17 896	7 110	3 841	143 787
Impairment of fixed assets	(84)	414	-	-	-	330
Impairment of trade receivables	(530)	443	-	-	(1)	(88)
Impairment of other assets	46	94	-	-	-	140

	CEE	Western Europe	Russia	China	Unallocated	Total
9 months ended						
September 30, 2016						
(balance sheet data as at December 31, 2016 after adjustment)						
Revenue from external customers	1 626 461	834 016	330 265	169 069	33 034	2 992 845
Inter-segment revenue	-	-	-	-	-	-
Operating result, segment result	131 920	74 798	14 980	(3 561)	(17 272)	200 865
Finance income	-	-	-	-	2 175	2 175
Finance costs	-	-	-	-	(34 993)	(34 993)
Share of profits of associates	-	-	-	-	(32)	(32)
Income tax	-	-	-	-	(28 062)	(28 062)
Profit for the period	-	-	-	-	139 953	139 953
Segment assets	1 155 144	1 622 630	349 756	208 186	121 152	3 456 868
Investments in associates	-	-	-	-	888	888
Total assets	1 155 144	1 622 630	349 756	208 186	122 040	3 457 756
Goodwill	35 639	550 964	95 848	94 146	911	777 508
Deferred tax assets	32 343	2 090	-	-	10 401	44 834
Segment liabilities	326 449	259 924	33 782	39 984	1 421 007	2 081 146
Depreciation	98 618	40 268	19 821	12 386	577	171 670
Amortization	13 283	8 936	1 040	895	208	24 362
Capital investment	152 506	149 539	38 369	13 033	1 189	354 636
Impairment of fixed assets	1 151	2 729	2 795	1 159	-	7 834
Impairment of trade receivables	(756)	-	(205)	-	(392)	(1 353)
Impairment of inventories	-	36	-	-	-	36
Impairment of other assets	320	-	-	-	(2)	318

	CEE	Western Europe	Russia	China	Unallocated	Total
3 months ended September 30, 2016						
(balance sheet data as at December 31, 2016 after adjustment)						
Revenue from external customers	586 228	375 811	125 207	58 736	11 587	1 157 569
Inter-segment revenue	-	-	-	-	-	-
Operating result, segment result	54 306	32 089	8 192	2 253	(5 916)	90 924
Finance income	-	-	-	-	1 104	1 104
Finance costs	-	-	-	-	(13 396)	(13 396)
Share of profits of associates	-	-	-	-	(21)	(21)
Income tax	-	-	-	-	(13 820)	(13 820)
Profit for the period	-	-	-	-	64 791	64 791
Segment assets	1 155 144	1 622 630	349 756	208 186	121 152	3 456 868
Investments in associates	-	-	-	-	888	888
Total assets	1 155 144	1 622 630	349 756	208 186	122 040	3 457 756
Goodwill	35 639	550 964	95 848	94 146	911	777 508
Deferred tax assets	32 343	2 090	-	-	10 401	44 834
Segment liabilities	326 449	259 924	33 782	39 984	1 421 007	2 081 146
Depreciation	32 616	16 892	7 249	3 935	198	60 890
Amortization	4 448	3 673	384	293	68	8 866
Capital investment	61 200	19 719	8 205	3 879	(2 946)	90 057
Impairment of trade receivables	(111)	-	-	-	-	(111)
Impairment of other assets	-	-	-	-	(2)	(2)

Value of assets and liabilities and results of given reporting segments have been established on the basis of Group accounting policies, compliant with policies applied for preparation of this financial statements.

Goodwill was allocated to given reporting segments.

6. Business combinations in third quarter 2017

On July 31st, 2017 AmRest Group signed the Master Franchise Agreement ("MFA") with Yum Restaurants International Holdings, LLC and acquired two Pizza Hut delivery restaurants based on the Asset Purchase Agreement ("APA") with Pizza Hut Delivery Germany GmbH. The purchase price amounted to EUR 1 (approx. PLN 4). Additionally, on August 1st, 2017 AmRest Group acquired 3 KFC restaurants, purchase price amounted to EUR 1.6 million (PLN 6.7 million).

On August 31st, 2017 AmRest Group took over the newly issued shares in Restaurant Partner Polska Sp. z o.o. (hereinafter referred to as RPP) – the operator of PizzaPortal.pl platform in Poland, and became its majority shareholder holding 51% of total number of RPP shares. The outstanding 49% of shares remained in the possession of Delivery Hero. The acquisition price for the 51% of shares in the RPP was agreed at PLN 10 million. In addition, the parties of Shareholders Agreement committed to make investment in the RPP in the amount of PLN 14 million (PLN 7 million each) in the first quarter of 2018.

The process of allocating the acquisition price to the purchased assets and acquired liabilities in the above mentioned transactions has not been completed due to the ongoing process of integration and verification of risks and assets portfolio. Particularly, the process of fair value estimation of property, plant and equipment and intangible assets (including among others, trademark, customer and restaurant database) has not been completed. Provisional values have been recognized based on statutory accounting records. The Group is also analyzing fair value of payables and provisions, including provisions for costs of future asset restorations or dismantling. According to that, fair values of assets and liabilities, purchase price, non-controlling interests (PLN 3.7 million) and goodwill (in total value of PLN 8.5 million) were presented provisionally.

7. Changes in Future and Contingent Liabilities

As in the previous reporting period, the Company’s future liabilities are derived from the Franchise Agreements and Development Agreement.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 Group’s annual consolidated financial statements and in the point 9 of Q3 2017 Financial Report Additional Information.

Interim consolidated income statement
for the 9 months and the quarter ended September 30, 2017

in thousands of Polish zloty	**9 months ended September 30, 2017**	**3 months ended September 30, 2017**	**9 months ended September 30, 2016**	**3 months ended September 30, 2016**
Continuing operations				
Restaurant sales	3 519 343	1 269 001	2 802 657	1 089 487
Franchise and other sales	226 908	86 709	190 188	68 082
Total sales	3 746 251	1 355 710	2 992 845	1 157 569
Company operated restaurant expenses:				
Food and material	(1 022 088)	(362 335)	(843 053)	(319 330)
Payroll and employee benefits	(854 939)	(294 276)	(645 344)	(255 390)
Royalties	(178 413)	(64 714)	(139 600)	(55 510)
Occupancy and other operating expenses	(1 069 334)	(372 780)	(848 515)	(325 701)
Franchise and other expenses	(141 635)	(53 722)	(122 602)	(43 469)
General and administrative (G&A) expenses	(276 385)	(95 670)	(202 648)	(71 817)
Impairment losses	(7 130)	(382)	(6 835)	113
Total operating costs and losses	(3 549 924)	(1 243 879)	(2 808 597)	(1 071 104)
Other operating income	24 966	7 355	16 617	4 459
Profit from operations	221 293	**119 186**	200 865	90 924
Finance costs	(41 402)	(12 322)	(34 993)	(13 396)
Finance income	2 125	695	2 175	1 104
Income from associates	-	-	(32)	(21)
Profit before tax	182 016	**107 559**	168 015	78 611
Income tax	(40 672)	(21 756)	(28 062)	(13 820)
Profit for the period	141 344	**85 803**	139 953	64 791
Profit attributable to:				
Non-controlling interests	2 477	551	1 483	2 340
Equity holders of the parent	138 867	85 252	138 470	62 451
Profit for the period	141 344	**85 803**	139 953	64 791
Basic earnings per share in Polish zloty	6.55	4.02	6.53	2.94
Diluted earnings per share in Polish zloty	6.55	4.02	6.53	2.94

Interim consolidated statement of comprehensive income
for the 9 months and the quarter ended September 30, 2017

in thousands of Polish zloty	**9 months ended September 30, 2017**	**3 months ended September 30, 2017**	**9 months ended September 30, 2016**	**3 months ended September 30, 2016**
Net profit	**141 344**	**85 803**	**139 953**	**64 791**
Other comprehensive incomes:				
Exchanges differences on translation of foreign operations	(70 834)	36 537	40 129	(46 508)
Net investment hedges	13 289	(22 200)	(2 478)	22 037
Income tax concerning net investment hedges	(2 525)	4 218	471	(4 187)
Total items that may be reclassified subsequently to profit or loss	(60 070)	18 555	38 122	(28 658)
Total items that will not be reclassified to income statement	-	-	-	-
Other comprehensive income for the period.	**(60 070)**	**18 555**	**38 122**	**(28 658)**
Total comprehensive income for the period	**81 274**	**104 358**	**178 075**	**36 133**
Attributable to:				
Shareholders of the parent	88 043	103 563	178 799	36 077
Non-controlling interests	(6 769)	795	(724)	56

Interim consolidated statement of financial position as at September 30, 2017 and December 31, 2016

In thousands of Polish zloty	September 30, 2017	September 30, 2016 (after adjustment)*
Assets		
Property, plant and equipment	1 462 615	1 343 738
Goodwill	819 677	777 508
Other intangible assets	590 484	617 327
Investment property	22 152	22 152
Investments in associates	-	888
Other non-current assets	89 280	62 503
Deferred tax assets	44 169	44 834
Total non-current assets	**3 028 377**	**2 868 950**
Inventories	80 809	82 086
Trade and other receivables	122 528	99 384
Corporate income tax receivables	956	12 797
Other current assets	90 682	102 898
Cash and cash equivalents	486 546	291 641
Total current assets	**781 521**	**588 806**
Total assets	**3 809 898**	**3 457 756**
Equity		
Share capital	714	714
Reserves	581 526	648 886
Retained earnings	793 887	655 020
Translation reserve	(57 175)	4 413
Equity attributable to shareholders of the parent	**1 318 952**	**1 309 033**
Non-controlling interests	**35 467**	**67 577**
Total equity	**1 354 419**	**1 376 610**
Liabilities		
Interest-bearing loans and borrowings	581 907	1 039 033
Finance lease liabilities	7 155	7 880
Employee benefit liability	9 385	19 850
Provisions	43 275	42 346
Deferred tax liability	114 642	117 818
Other non-current liabilities	9 105	8 429
Total non-current liabilities	**765 469**	**1 235 356**
Interest-bearing loans and borrowings	1 098 713	223 255
Finance lease liabilities	1 708	1 636
Trade and other accounts payable	572 891	613 093
Income tax liabilities	16 698	7 806
Total current liabilities	**1 690 010**	**845 790**
Total liabilities	**2 455 479**	**2 081 146**
Total equity and liabilities	**3 809 898**	**3 457 756**

** The adjustment resulted from final purchase price allocation process of StarbucksCoffee Deutschland Ltd.& Co. KG (currently AmRest Coffee Deutschland Sp. z o.o. & Co. KG.) described in note 4.*

Interim consolidated statement of cash flows for the 9 months ended September 30, 2017

in thousands of Polish zloty	**9 months ended September 30, 2017**	**9 months ended September 30, 2016**
Cash flows from operating activities		
Profit before tax from continued operations	182 016	168 015
Adjustments for:		
Share (profit)/loss of associates	-	32
Amortization	29 529	24 362
Depreciation	208 389	171 670
Interest expense, net	29 164	25 414
Unrealized foreign exchange (gain)/loss	2 925	1 839
(Gain)/loss on disposal of fixed assets	2 205	1 006
Impairment of property, plant and equipment and intangibles	6 496	7 833
Share based payments expenses	17 580	14 826
Working capital changes:		
(Increase)/decrease in receivables	(11 366)	31 657
(Increase)/decrease in inventories	(300)	(3 123)
(Increase)/decrease in other assets	986	(2 368)
Increase/(decrease) in payables and other liabilities	(54 422)	(85 747)
Increase/(decrease) in other provisions and employee benefits	(14 487)	(10 488)
Income taxes (paid)/returned	(9 825)	(21 405)
Interest paid	(25 302)	(24 435)
Interest received	2 104	1 926
Other	(350)	3 679
Net cash provided by operating activities	**365 342**	**304 693**
Cash flows from investing activities		
Proceeds related to the acquisition of subsidiaries	-	14 330
Payments for acquisition of subsidiaries	(98 904)	(155 147)
Proceeds from transactions with non-controlling interests	-	5 928
Proceeds from the sale of property, plant and equipment, and intangible assets	575	-
Prepayment for the acquisition of restaurants	(19 140)	-
Acquisition of property, plant and equipment	(341 903)	(253 439)
Acquisition of intangible assets	(13 990)	(12 006)
Net cash used in investing activities	**(473 362)**	**(400 334)**
Cash flows from financing activities		
Expense on acquisition of treasury shares (employees options)	(64 684)	(19 671)
Proceeds from share transfers (employees options)	4 028	6 584
Proceeds from loans and borrowings	601 539	197 707
Payment of cash-settled stock-based awards	(3 872)	(3 841)
Expense related to the acquisition of non-controlling interest	(60 619)	-
Repayment of borrowings	(176 358)	(86 973)
Dividend paid for non-controlling interests holders	(3 138)	(1 078)
Repayment of finance lease liabilities	(565)	(402)
Net cash provided by financing activities	**296 331**	**92 326**
Net change in cash and cash equivalents	**188 311**	**(3 315)**
Effect of foreign exchange rate movements	6 594	(3 710)
Balance sheet change of cash and cash equivalents	194 905	(7 025)
Cash and cash equivalents, beginning of period	291 641	317 871
Cash and cash equivalents, end of period	**486 546**	**310 846**

Interim consolidated statement of changes in equity for the 9 months ended September 30, 2017

		Reserved capital						
in thousands of Polish zloty	Issued capital	Treasury shares	Other reserved capital	Retained Earnings	Cumulative translation adjustments	**Total equity attributable to equity holders of the parent**	Non-controlling interest	**Total Equity**
As at January 1, 2016	**714**	**(21 212)**	**699 518**	**464 456**	**(110 447)**	**1 033 029**	**71 045**	**1 104 074**
COMPREHENSIVE INCOME								
Income/(loss) for the period	-	-	-	138 470	-	**138 470**	1 483	**139 953**
Currency translation differences	-	-	-	-	42 336	**42 336**	(2 207)	**40 129**
Net investment hedges valuation	-	-	(2 478)	-	-	**(2 478)**	-	**(2 478)**
Deferred tax related to net investment hedges	-	-	471	-	-	**471**	-	**471)**
Total Comprehensive Income	**-**	**-**	**(2 007)**	**138 470**	**42 336**	**178 799**	**(724)**	**178 075**
TRANSACTION WITH NON-CONTROLLING INTERESTS								
Equity attributable to non-controlling interests	-	-	-	-	-	-	5 928	**5 928**
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	(1 078)	**(1 078)**
Total transactions with non-controlling interests	**-**	**-**	**-**	**-**	**-**	**-**	**4 850**	**4 850**
TRANSACTION WITH SHAREHOLDERS								
Purchase of treasury shares	-	(19 671)	-	-	-	(19 671)	-	(19 671)
Treasury shares disposal	-	37 084	(37 084)	-	-	-	-	-
Employee stock option plan – value of employee benefits exercised in the period	-	-	11 767	-	-	11 767	-	11 767
Employee stock option plan – proceeds from employees for disposed shares	-	-	6 584	-	-	6 584	-	6 584
Employee stock option plan – value of unexercised employee benefits	-	-	9 831	-	-	9 831	-	9 831
Change of deferred tax related to unexercised employee benefits	-	-	1 560	-	-	1 560	-	1 560
Total transactions with equity holders	**-**	17 413	(7 342)	**-**	**-**	**10 071**	**-**	**10 071**
As at September 30, 2016	**714**	**(3 799)**	**690 169**	**602 926**	**(68 111)**	**1 221 899**	**75 171**	**1 297 070**
As at January 1, 2017	**714**	**(11 123)**	**660 009**	**655 020**	**4 413**	**1 309 033**	**67 577**	**1 376 610**
COMPREHENSIVE INCOME								
Income/(loss) for the period	-	-	-	138 867	-	**138 867**	2 477	**141 344**
Currency translation differences	-	-	-	-	(61 588)	**(61 588)**	(9 246)	**(70 834)**
Net investment hedges valuation	-	-	13 289	-	-	**13 289**	-	**13 289**
Deferred tax related to net investment hedges	-	-	(2 525)	-	-	**(2 525)**	-	**(2 525)**
Total Comprehensive Income	**-**	**-**	**10 764**	**138 867**	**(61 588)**	**88 043**	**(6 769)**	**81 274**
TRANSACTION WITH NON-CONTROLLING INTERESTS								
Equity attributable to non-controlling interests	-	-	(29 061)	-	-	**(29 061)**	(22 203)	**(51 264)**
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	(3 138)	**(3 138)**
Total transactions with non-controlling interests	**-**	**-**	**(29 061)**	**-**	**-**	**(29 061)**	**(25 341)**	**(54 402)**
TRANSACTION WITH SHAREHOLDERS								
Purchase of treasury shares	-	(64 684)	-	-	-	**(64 684)**	-	**(64 684)**
Treasury shares disposal	-	37 305	(37 305)	-	-	-	-	-
Employee stock option plan – value of employee benefits exercised in the period	-	-	9 283	-	-	**9 283**	-	**9 283**
Employee stock option plan – proceeds from employees for transferred shares	-	-	1 438	-	-	**1 438**	-	**1 438**
Employee stock option plan – value of unexercised employee benefits	-	-	3 160	-	-	**3 160**	-	**3 160**
Effect of modification of stock option plan	-	-	2 287	-	-	**2 287**	-	**2 287**
Change of deferred tax related to unexercised employee benefits	-	-	(547)	-	-	**(547)**	-	**(547)**
Total transactions with equity holders	-	(27 379)	(21 684)	-	-	**(49 063)**	-	**(49 063)**
As at September 30, 2017	**714**	**(38 502)**	**620 028**	**793 887**	**(57 175)**	**1 318 952**	**35 467**	**1 354 419**

8. Earnings per Ordinary Share

The basic and diluted earnings per ordinary share were computed as follows:

	9 months ended September 30, 2017	3 months ended September 30, 2017	9 months ended September 30, 2016	3 month ended September 30, 2016
Net profit attributable to shareholders of the parent (*in thousands of PLN)*	138 867	85 252	138 470	62 451
Weighted average number of ordinary shares in issue	21 213 893	21 213 893	21 213 893	21 213 893
Weighted average number of ordinary shares for diluted earnings per share	21 213 893	21 213 893	21 213 893	21 213 893
Basic earnings per ordinary share (PLN)	6.55	4.02	6.53	2.94
Diluted earnings per ordinary share (PLN)	6.55	4.02	6.53	2.94

As at September 30th, 2017 and 2016 Company has no availability to issue new shares to settle employee option plans. Settlements of employee options plans are available through treasury stocks in a secondary market or in cash.

9. Tax inspections

a) On May 24th, 2016 in AmRest Sp. z o.o. a tax inspection began regarding VAT returns for March 2016. On October 12th, 2017 the Company received a report of tax inspection, on October 25th, 2017 the Company submitted a complaint to that report. As at date of publication of these Financial Statements the inspection has not been finished.

b) On July 28th, 2016 in AmRest Sp. z o.o. a tax inspection began regarding VAT returns for 2014. On September 11th, 2017 the Company received a report of tax inspection issued by the Director of Lower Silesia Tax Office ("the Director"), which questioned the correctness of output VAT settlement for a part of operational sales revenues. The Director 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 service) and also inconsistency between the actual state described in the Company's individual binding tax rulings and the actual state.

   The Director claimed in his decision the tax liability amounting to PLN 4 335 thousand and the amount of the return received unduly of PLN 10 243 thousand. Once both amounts become due, there will be interests charged accordingly to the Tax Order Act. As at the date of publication of these Financial Statements the decision is not final and did not become enforceable.

   The Company does not agree with the claims raised by the Director. The circumstances of the case and the allegations of the Director have been thoroughly analyzed by the Company and its tax advisers, who found the Director'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.

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

   On October 10th, 2017 the Company received the response to submitted appeal that confirmed the Director's decision on that matter. In the next step the case will be analyzed by the Tax Administration Chamber.

Taking into account the above situation, at this time the Company does not intend to account for any provisions charging the Group's income statement.

c) On September 15th, 2016 in AmRest Sp. z o.o. a tax inspection began regarding VAT returns for the period from January to September 2013.

On October 2nd, 2017 the Company received a report of tax inspection issued by the Malopolska Customs and Tax Office in Cracow ("the Director"), which questioned the correctness of output VAT settlement for a part of operational sales revenues. The Director 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 service) and also inconsistency between the actual state described in the Company's individual binding tax rulings and the actual state.

The Director claimed in his decision the tax liability amounting to PLN 3 051 thousand and the amount of the return received unduly of PLN 11 196 thousand. Once both amounts become due, there will be interests charged accordingly to the Tax Order Act. As at the date of publication of these Financial Statements the decision is not final and did not become enforceable.

The Company does not agree with the claims raised by the Director. The circumstances of the case and the allegations of the Director have been thoroughly analyzed by the Company and its tax advisers, who found the Director'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.

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

On October 16th, 2017 the Company submitted an appeal referring to described above decision. Taking into account the above situation, at this time the Company does not intend to account for any provisions charging the Group's income statement.

d) On September 28th, 2016 in AmRest Sp. z o.o. the tax inspection began on VAT returns for 2012. On September 11th, 2017 the Company received a decision issued by the Director of Malopolska Customs and Tax Office in Cracow ("the Director"), which questioned the correctness of output VAT settlement on a part of operational sales revenues. The Director 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 service) and also inconsistency between the actual state described in the Company's individual binding tax rulings and the actual state.

The Director claimed in his decision the underestimated output VAT amounting to PLN 18 498 thousand. Once the amount becomes due, there will be interests charged accordingly to the Tax Order Act. As at the date of publication of these Financial Statements the decision is not final and did not become enforceable.

The Company does not agree with the claims raised by the Director. The circumstances of the case and the allegations of the Director have been thoroughly analyzed by the Company and its tax advisers, who found the Director's standpoint to be completely unjustified and against the law. In the opinion of the Company, the individual tax rulings issued by the Minister of Finance present a reliable and true actual state and consequently have protective power.

Additionally, the matter of applying 5% VAT rate to take away segment has been verified and confirmed by positive decisions issued by the Director of Lower Silesian Tax Office in 2014 (inspections for October, November and December 2013).

On October 16th, 2017 the Company received the response to submitted on September 15th, 2017 appeal that confirmed the Director's decision on that matter. In the next step the case will be analyzed by the Tax Administration Chamber.

On November 7th, 2017 the Company received the Director's of Lower Silesia Tax Office decision based on which the mentioned above decision of Director of Malopolska Customs and Tax Office become immediately enforceable. As a result on November 7th, 2017 the Company's bank account has been seized in order to cover tax liabilities consisting of VAT liability for July, August and September 2012 in mount of PLN 1 259 thousand, unduly received in December 2012 VAT return (for July 2012) in amount of PLN 515 thousand, interest accrued in amount of PLN 825 thousand and enforcement costs in amount of PLN 158 thousand.

On November 14th, 2017 the Company submitted an appeal to that decision and administrative action taken.

Taking into account the above situation, at this time the Company does not intend to account for any provisions charging the Group's income statement.

e) On November 3rd, 2016 in AmRest Sp. z o.o. a tax inspection began regarding VAT returns for August and September 2016. On March 10th, 2017 the Company received a report of tax inspection, on March 23rd, 2017 the Company submitted a complaint to that report. On May 8th, 2017 the Director of Lower Silesia Tax Office in Wrocław. As at date of publication of these Financial Statements the inspection has not been finished.

On September 14th, 2017 the Company received a report of tax inspection issued by the Director of Lower Silesia Tax Office ("the Director"), which questioned the correctness of output VAT settlement for a part of operational sales revenues. The Director 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 service) and also inconsistency between the actual state described in the Company's individual binding tax rulings and the actual state.

The Director claimed in his decision that the amount of tax difference to be refunded was exceeded by PLN 3 931 thousand and the amount to be carried over for August was exceeded by PLN 591 thousand and for September by PLN 1 108 thousand. Once both amounts become due, there will be interests charged accordingly to the Tax Order Act. As at the date of publication of these Financial Statements the decision is not final and did not become enforceable.

The Company does not agree with the claims raised by the Director. The circumstances of the case and the allegations of the Director have been thoroughly analyzed by the Company and its tax advisers, who found the Director'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.

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

On October 13th, 2017 the Company received the response to submitted on September 28th, 2017 appeal that confirmed the Director's decision on that matter. In the next step the case will be analyzed by the Tax Administration Chamber.Taking into account the above situation, at this time the Company does not intend to account for any provisions charging the Group's income statement.

f) In September 2016 AmRest Coffee Deutschland Sp. z o.o. & Co. KG has 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 the acquisition the business by AmRest. The company undertook to correct the VAT calculation for not lapsed periods and then prepare corrective VAT returns. Currently the Company expects a confirmation of proposed approach to possible tax returns from the German Tax Office. The maximum liability of this adjustments was estimated in amount of EUR 11 338 thousand. The Group recognized the above provision with corresponding asset related to right to compensation resulting from the acquisition agreement as at date of acquisition of AmRest Coffee Deutschland Sp. z o.o. & Co. KG.

g) On March 24th, 2017 at AmRest Sp. z o.o. a tax inspection began regarding VAT returns for December 2016. On October 12th, 2017 the Company has received the tax protocol and on October 25th, 2017 the Company has raised the qualifications. As at date of publication of these Financial Statements the inspection has not been finished.

h) On October 11th, 2016 at AmRest Sp. z o.o. a tax inspection began regarding VAT returns for period from January till July 2017. As at date of publication of these Financial Statements the inspection has not been finished.

i) On June 6th, 2017 at AmRest Kft. a tax inspection began regarding tax settlements during 2014 and 2015. On October 6th, 2017 the company received a tax protocol showing no significant issues.

j) On June 22nd, 2017 at AmRest Topco SAS a tax inspection began regarding tax settlements during 2014 and 2015. As at date of publication of these Financial Statements the inspection has not been finished.

k) On November 16th, 2017 at AmRest Holdings SE a tax inspection began regarding CIT for 2012. As at date of publication of these Financial Statements the inspection has not been finished.

l) On November 1st, 2017 at AmRest DE Sp. z o.o. & Co. KG a tax inspection began regarding VAT returns for August 2017. As at date of publication of these Financial Statements the inspection has not been finished.

In Management Board's opinion there is no risk of occurrence of any additional material tax obligations.

10. Subsequent events

On October 2nd, 2017 Management Board of AmRest Holdings SE announces Completion of a Share Purchase Agreement between OOO AmRest (AmRest Russia), being 100% subsidiary of AmRest, and Svetlana Mikhailovna Popova aimed at acquisition by AmRest Russia of 21 KFC restaurants operating in the Russian market. As a result of the Completion AmRest Russia acquired KFC restaurants for the price of RUB 1 655 million (ca. PLN 105 million). All the approvals and conditions the Completion was contingent upon have been obtained and fulfilled.

On October 5th, 2017 The Management Board of AmRest Holdings SE singed a Senior Term and Revolving Facilities Agreement („the Credit Agreement") between AmRest, AmRest Sp. z o.o.(„AmRest Poland") and AmRest s.r.o. („AmRest Czech") – 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".

Based on the Credit Agreement, the Lenders grant to the Borrowers a credit facility in the approximate amount of EUR 430 million, about PLN 1 848 million (committed at signing, tranches A-D), which can be extended by additional amount of roughly EUR 145 million, about PLN 623 million (two uncommitted tranches – E and F). The facility shall be repaid by September 30th, 2022 and is dedicated for repayment of the obligations under the credit agreement signed on September 10th, 2013, financing of AmRest growth and working capital management. The following 4 tranches are committed at signing: Tranche A - EUR 250 million, Tranche B - PLN 300 million, Tranche C - CZK 300 million and Tranche D granted as a revolving credit facility - PLN 450 million. Additionally, facility comprises 2 Tranches that may be committed during term of the Credit Agreement, subject to Lender's approval: Tranche E, PLN 280 million, that may be dedicated to repayment of Polish bonds and Tranche F, PLN 350 million, that can be used for general corporate purposes.

All Borrowers bear joint liability for any obligations resulting from the Credit Agreement. Majority of the facility is provided at variable interest rate and a part of tranche A is provided on fixed rate.

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

In regards to credit agreement mentioned above the following Group entities provided surety: AmRest Kaffee sp. z o.o., AmRest Coffee Deutschland Sp. z o.o. & Co.KG, AmRest DE Sp. z o.o. & Co.KG, AmRest Capital ZRT., AmRest KFT, OOO AmRest, AmRest Tag, S.L.U., Amrestavia, S.L.U., Restauravia Grupo Empresarial, S.L., Restauravia Food, S.L.U., Pastificio Service, S.L.U. for the following banks Bank Polska Kasa Opieki S.A., Powszechna Kasa Oszczędności Bank Polski S.A., Česka Sporitelna A.S., ING Bank Śląski S.A. in amount of EUR 375 million, PLN 1 125 million, CZK 450 million till the date of debt payment however not later than October 5th, 2025.

C. Interim Stand-Alone Financial Statements for the quarter ended September 30th, 2017

1. Selected financial information

Selected financial data including key items of the stand-alone financial statements as at and for 9 months ended on September 30th, 2017 and September 30th, 2016:

	9 months 2017 in thousands PLN	9 months 2016 in thousands PLN	9 months 2017 in thousands EUR	9 months 2016 in thousands EUR
Total sales	-	-	-	-
Profit/(loss) from operations	16 202	16 484	3 760	3 823
Profit before tax	5 186	36 649	1 203	8 499
Net profit	8 208	36 675	1 905	8 505
Net cash provided by operating activities	11 872	(17 627)	2 755	(4 088)
Net cash used in investing activities	(384 537)	17 747	(89 238)	4 116
Net cash provided/ (used in) financing activities	415 849	22 906	96 505	5 312
Net cash flow, total	43 184	23 026	10 022	5 340
Total assets	1 526 275	1 144 182	354 198	265 348
Total liabilities and provisions	729 788	296 963	169 360	68 869
Long-term liabilities	582 067	290 317	135 079	67 328
Short-term liabilities	147 721	6 646	34 281	1 541
Total equity	796 487	847 219	184 838	196 479
Issued capital	714	714	166	166

* no dividends were paid in 2017 and in 2016

Assets and liabilities are translated into the Polish zloty at exchange rates quoted for the balance-sheet date by the National Bank of Poland. Income and expenses are translated at exchange rates approximated to the rates quoted for the date of a given transaction.

The selected financial data were translated into the euro in accordance with the following policies:

- Assets and liabilities – at mid exchange rates quoted by the National Bank of Poland for a given balance-sheet date;
- Items in the income statement – at exchange rates representing the arithmetic averages of the exchange rates quoted by the National Bank of Poland for the last day of each month in a given calendar quarter.

Interim stand-alone income statement
for the quarter ended September 30, 2017

in thousands of Polish Zloty	9 months ended September 30, 2017	3 months ended September 30, 2017	9 months ended September 30, 2016	3 months ended September 30, 2016
General and administrative expenses	(4 347)	(2 618)	(1 422)	(642)
Other operating cost	(6 953)	(348)	(1 961)	(55)
Other operating income	27 502	444	19 867	4 118
Finance income	9 617	4 514	29 304	24 303
Finance costs	(20 633)	(10 707)	(9 139)	(3 276)
Net profit/(loss) before tax	**5 186**	**(8 715)**	**36 649**	**24 488**
Income tax	3 022	1 729	26	94
Net profit/(loss) for the period	**8 208**	**(6 986)**	**36 675**	**24 542**

Interim stand-alone statement of comprehensive income
for the quarter ended September 30, 2017

in thousands of Polish Zloty	9 months ended September 30, 2017	3 months ended September 30, 2017	9 months ended September 30, 2016	3 months ended September 30, 2016
Net profit/(loss)	8 208	(6 986)	36 675	24 542
Other comprehensive incomes:				
Other comprehensive incomes net	-	-	-	-
Total comprehensive incomes	**8 208**	**(6 986)**	**36 675**	**24 542**

Interim stand-alone statement of financial position as of September 30, 2017 and December 31, 2016

in thousands of Polish Zloty	September 30, 2017	December 31, 2016
Assets		
Other intangible assets	162	316
Investments in associates	1 018 909	898 093
Other non-current financial assets	282 807	174 314
Deferred tax assets	2 346	-
Total non-current assets	**1 304 224**	**1 072 723**
Trade and other receivables	5 106	42 554
Income tax receivables	454	-
Other current assets	149	79
Other current financial assets	162 019	8 963
Cash and cash equivalents	54 323	11 139
Total current assets	**222 051**	**62 735**
Total assets	**1 526 275**	**1 135 458**
Equity		
Issued capital	714	714
Reserves	685 855	733 667
Retained earnings	109 918	101 710
Total equity	**796 487**	**836 091**
Liabilities		
Deferred tax liabilities	-	372
Trade and other payables	7 797	11 255
Other non-current financial liabilities	574 270	279 483
Total non-current liabilities	**582 067**	**291 110**
Other current financial liabilities	2 252	7 918
Trade and other accounts payable	145 469	8
Liabilities from income tax	-	331
Total current liabilities	**147 721**	**8 257**
Total liabilities	**729 788**	**299 367**
Total equity and liabilities	**1 526 275**	**1 135 458**

Interim stand-alone statement of cash flows for 9 months ended September 30, 2017

in thousands of Polish Zloty	**9 months ended September 30, 2017**	**9 months ended September 30, 2016**
Cash flows from operating activities		
Profit before tax	**5 186**	**36 649**
Adjustments:		
Amortization of intangible assets	154	199
Financial expense and income, net	4 071	(20 395)
Unrealized foreign exchange (gain)/loss	9 118	99
(Increase)/decrease in receivables	20 883	(16 200)
Increase/(decrease) in liabilities	(5 666)	(246)
The result on employee options	(26 951)	(19 861)
Change in other assets	(70)	(20)
Income tax paid / (returned)	(481)	737
Interest paid	(5 843)	(5 819)
Interest received	8 147	7 052
Impairment on investments	4 253	-
Other	(929)	178
Net cash provided by operating activities	**11 872**	**(17 627)**
Cash flows from investing activities		
Expense on investments in related parties	(123 080)	(3 980)
Expense on loans given	(295 657)	-
Proceeds from repayment of loans	34 200	-
Dividends received from subsidiaries	-	21 750
Acquisition of intangible assets	-	(23)
Net cash used in investing activities	**(384 537)**	**17 747**
Cash flows from financing activities		
Proceeds on issue debt securities	427 259	-
Commission for issue debt securities	(1 667)	-
Proceeds from shares transfer (employee options)	54 941	42 577
Expense on acquisition of treasury shares (employee options)	(64 684)	(19 671)
Net cash used in financing activities	**415 849**	**22 906**
Total net cash flows	**43 184**	**23 026**
Net change in cash and cash equivalents	43 184	23 026
Cash and cash equivalents, beginning of period	11 139	14 012
Cash and cash equivalents, end of period	**54 323**	**37 038**

Interim stand-alone statement of changes in equity for 9 months ended September 30, 2017

in thousands of Polish Zloty	Issued capital	Own shares	Share premium	Retained Earnings	**Total Equity**
As at January 1, 2016	***714***	***(21 212)***	***765 315***	***55 911***	***800 728***
Comprehensive Income					
Income for the period	-	-	-	36 675	**36 675**
Total Comprehensive Income	**-**	**-**	**-**	**36 675**	**36 675**
Transaction with shareholders					
Change in stock option plan for employees	-	-	(7 597)	-	**(7 597)**
Transfer of treasury shares	-	37 084	-	-	**37 084**
Purchase of treasury shares	-	(19 671)	-	-	**(19 671)**
Total transaction with shareholders	**-**	**17 413**	**(7 597)**	**-**	**9 816**
As at September 30, 2016	***714***	***(3 799)***	***757 718***	***92 586***	***847 219***
As at January 1, 2017	***714***	***(11 123)***	***744 790***	***101 710***	***836 091***
Comprehensive Income					
Income for the period	-	-	-	8 208	**8 208**
Total Comprehensive Income	**-**	**-**	**-**	**8 208**	**8 208**
Transaction with shareholders					
Change in share option plan for employees	-	-	(20 434)	-	**(20 434)**
Transfer of treasury shares	-	37 306	-	-	**37 306**
Purchase of treasury shares	-	(64 684)	-	-	**(64 684)**
Total transaction with shareholders	**-**	**(27 378)**	**(20 434)**	**-**	**(47 812)**
As at September 30, 2017	***714***	***(38 501)***	***724 356***	***109 918***	***796 487***

2. Selected information to the stand-alone financial statements

These interim financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union and issued by the International Accounting Standards Board. As at September 30th, 2017 there are no differences with regards to policies adopted by the Group and the International Financial Reporting Standards. The accounting policies used in the preparation of the stand-alone financial statements are consistent with those used in the annual financial statements for the year ended December 31st, 2016, except for the new accounting standards adopted as of January 1st, 2017.

The interim financial statements are presented in Polish zloty (PLN) which is the functional currency of AmRest Holdings SE since January 1st 2009.

3. Investments in subsidiaries

Details of investments in subsidiaries as at September 30th, 2017 and December 31st, 2016:

Name	September 30th, 2017		December 31st, 2016	
	Share in initial capital	Value of shares	Share in initial capital	Value of shares
AmRest Sp. z o.o. (Poland)[(a)]	100.00%	592 502	100.00%	590 513
AmRest s.r.o. (Czech Republic)	100.00%	33 573	100.00%	33 573
AmRest Acquisition Subsidiary (Malta)	100.00%	147 620	100.00%	146 962
AmRest EOOD (Bulgaria)	100.00%	14 388	100.00%	14 388
AmRest Topco SAS (France) [(b)]	100.00%	53 792	-	-
AmRest Opco SAS (France)	100.00%	42	-	-
AmRest China Group PTE Ltd. (China) [(c)]	100.00%	168 460	67.56%	112 657
Restaurant Partner Polska Sp. z o.o. [(d)]	51.00%	8 532	-	-
Total	**-**	**1 018 909**	**-**	**898 093**

(a) The value of investment in AmRest Sp. z o. o. in 2017 was increased by 14 218 TPLN and decreased by 12 229 TPLN by capitalized costs of the share option plan (share options granted to the employees of the subsidiaries).

(b) On May 16th, 2017 Company passed a resolution of purchase share from Top Brands NV in Pizza Topco France SAS and from that date became a sole owner for the company.

(c) On February 17th, 2017 Company passed a resolution of purchase share from Blue Horizon Hospitality Group LTD, Macau Jiu Jia Partners LP and Wintrust New Zealand Limited in Blue Horizon Hospitality PTE LTD which resulted additional 32.44% of shares and from that date became a sole owner of the company. On April 6th, 2017 Blue Horizon Hospitality PT LTD was renamed AmRest China Group PTE Ltd.

(d) On August 31st, 2017 Company passed a resolution of purchase shares from Delivery Hero GmbH in Restaurant Partner Polska Sp. z o. o. as a result of the agreement, AmRest Holdings SE acquired 51% of the shares.

Signatures of Members of the Board

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Mark Chandler
AmRest Holdings SE
Board Member

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Wojciech Mroczyński
AmRest Holdings SE
Board Member

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Oksana Staniszewska
AmRest Holdings SE
Board Member

____

Jacek Trybuchowski
AmRest Holdings SE
Board Member

____

Olgierd Danielewicz
AmRest Holdings SE
Board Member

Wroclaw, November 21st, 2017