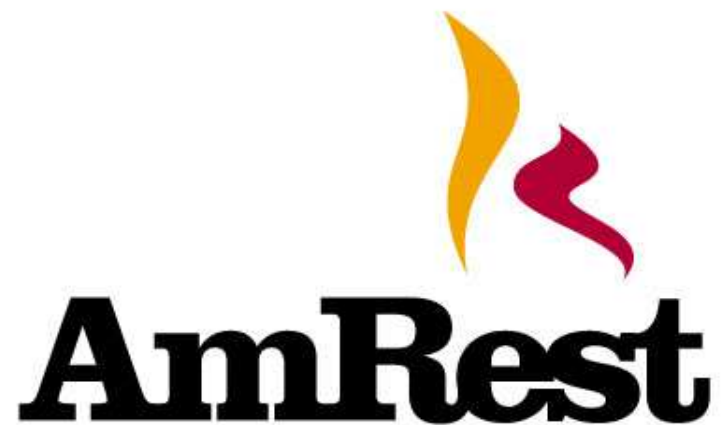


AmRest Holdings SE

**Interim Condensed Separate Financial Statements
as at and for the six months ended
June 30, 2017**



AmRest Holdings SE
Interim Condensed Separate Financial Statements as at and for the six months ended June 30, 2017.

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AmRest Holdings SE**Interim Condensed Separate Financial Statements as at and for the six months ended June 30, 2017.****Interim Separate Income Statement
for the 6 months ended June 30, 2017**

<i>In thousands of Polish Zloty</i>	Noty	Six months ended June 30, 2017	Six months ended June 30, 2016
General and administrative expenses (G&A)		(1 729)	(782)
Other operating costs	9	(6 605)	(1 700)
Other operating income	9	27 058	15 749
Finance income	9	5 103	5 121
Finance cost	9	(9 926)	(6 187)
Profit before tax		13 901	12 201
Income tax expense	10	1 293	(68)
Profit for the period		15 194	12 133
Basic profit per share in Polish zloty	14	0,72	0,57
Diluted profit per share in Polish zloty	14	0,72	0,57

The Interim Separate Income Statement has to be analyzed jointly with the notes which constitute an integral part of these Interim Condensed Separate Financial Statements. Quarterly information is available in Directors' Report for the first half of the 2017.

**Interim Separate Statement of Comprehensive Income
for the 6 months ended June 30, 2017**

<i>In thousands of Polish Zloty</i>	Six months ended June 30, 2017	Six months ended June 30, 2016
Profit for the period	15 194	12 133
Other comprehensive income	-	-
Other comprehensive income for the period, net of tax	-	-
Total comprehensive income for the period	15 194	12 133

The Interim Separate Statement of Comprehensive Income has to be analyzed jointly with the notes which constitute an integral part of these Interim Condensed Separate Financial Statements. Quarterly information is available in Directors' Report for the for the first half of the 2017.

AmRest Holdings SE**Interim Condensed Separate Financial Statements as at and for the six months ended June 30, 2017.****Interim Separate Statement of Financial Position
as at June 30, 2017**

<i>In thousands of Polish Zloty</i>	Note	30.06.2017	31.12.2016
Assets			
Other intangible assets		191	316
Investment in associates	2	1 004 966	898 093
Other non-current financial assets	3	206 413	174 314
Deferred tax asset	10	728	-
Total non-current assets		1 212 298	1 072 723
Trade and other receivables	5	6 399	42 554
Income tax receivables	5	455	-
Other current assets		243	79
Other financial assets	3	8 659	8 963
Cash and cash equivalents	8	2 686	11 139
Total current assets		18 442	62 735
Total assets		1 230 740	1 135 458
Equity			
Share capital		714	714
Reserves	7	699 790	733 667
Retained Earnings	7	116 904	101 710
Total Equity attributable to shareholders of the parent		817 408	836 091
Liabilities			
Deferred tax liabilities	10	18	372
Trade and other payables	6	7 797	11 255
Other non-current finance liabilities	4	249 703	279 483
Total non-current liabilities		257 518	291 110
Trade and other payables	6	15 357	7 918
Other financial liabilities		140 457	8
Liabilities from income tax		-	331
Total current liabilities		155 814	8 257
Total liabilities		413 332	299 367
Total equity and liabilities		1 230 740	1 135 458

The Interim Separate Statement of Financial Position has to be analyzed jointly with the notes which constitute an integral part of these Interim Condensed Separate Financial Statements.

AmRest Holdings SE**Interim Condensed Separate Financial Statements as at and for the six months ended June 30, 2017.****Interim Separate Statement of Cash Flows for the 6 months ended June 30, 2017***In thousands of Polish Zloty*

	Six months ended June 30, 2017	Six months ended June 30, 2016
Cash flows from operating activities		
Profit/(loss) before tax	13 901	12 201
Adjustments for:		
Amortization of intangible assets	125	131
Interest expense, net	2 045	944
Unrealized foreign exchange differences	2 000	(165)
Change in receivables	24 106	(3 352)
Change in other current assets	(164)	(87)
Change in payables and other liabilities	7 439	(84)
The result of realized options	(26 510)	(15 749)
Income taxes paid	(574)	740
Interest paid	(5 843)	(5 819)
Interest received	4 192	4 664
Impairment on investments	3 963	-
Other	164	96
Net cash provided by operating activities	24 844	(6 480)
Cash flows from investing activities		
Proceeds from repayment of loans given	34 200	-
Expense on loans given	(67 640)	-
Expense for increasing assets in related parties	(113 801)	(3 600)
Acquisition of fixed assets	-	(25)
Net cash used in investing activities	(147 241)	(3 625)
Cash flows from financing activities		
Proceeds from share issuance (employees options)	49 933	33 595
Expense on acquisition of own shares	(45 745)	(11 016)
Proceeds on issue debt securities	110 271	-
Commission for issue debt securities	(515)	-
Net cash provided by/(used in) financing activities	113 944	22 579
Net change in cash and cash equivalents	(8 453)	12 474
Balance sheet in cash and cash equivalents	(8 453)	12 474
Cash and cash equivalents, beginning of period	11 139	14 012
Cash and cash equivalents, end of period	2 686	26 486

The Interim Separate Cash Flow has to be analyzed jointly with the notes which constitute an integral part of these Interim Condensed Separate Financial Statements.

AmRest Holdings SE

Interim Condensed Separate Financial Statements as at and for the six months ended June 30, 2017.

Interim Separate Statement of Changes in Equity for the 6 months ended June 30, 2017

<i>in thousands of Polish Zloty</i>	Issued capital	Own shares	Reserves	Retained Earnings	Total Equity
As at January 1, 2016	714	(21 212)	765 315	55 911	800 728
Comprehensive Income					
Profit/(loss) for the period	-	-	-	12 133	12 133
Total comprehensive Income	-	-	-	9 273	9 273
Transaction with non-controlling shareholders	-	-	-	12 133	12 133
Transaction with shareholders					
Employee stock option plan – value of employee benefits exercised in the period	-	-	9 576	-	9 576
Employee stock option plan – proceeds from employees for disposed shares	-	-	4 882	-	4 882
Employee stock option plan – value of unexercised employee benefits	-	-	9 830	-	9 830
Transfer of own shares	-	27 799	(27 799)	-	-
Purchase of own shares	-	(11 016)	-	-	(11 016)
Total of transactions with shareholders	-	16 763	(3 511)	-	13 272
As at June 30, 2016	714	(4 429)	761 804	68 044	826 133
As at January 1, 2017	714	(11 123)	744 790	101 710	836 091
Comprehensive Income					
Profit/(loss) for the period	-	-	-	15 194	15 194
Total comprehensive Income	-	-	-	15 194	15 194
Transactions with shareholders					
Change in share option plan for employees	-	-	(24 946)	-	(24 946)
Transfer of own shares	-	36 814	-	-	36 814
Purchase of own shares	-	(45 745)	-	-	(45 745)
Total of transactions with shareholders	-	(8 931)	(24 946)	-	(33 877)
As at June 30, 2017	714	(20 054)	719 844	116 904	817 408

The Interim Separate Statement of Changes in Equity has to be analyzed jointly with the notes which constitute an integral part of these Interim Condensed Separate Financial Statements.

AmRest Holdings SE

Notes to the Interim Condensed Separate Financial Statements (in PLN thousands unless stated otherwise)

1 Company overview and significant accounting policies

(a) Background

AmRest Holdings SE (“the Company”, “AmRest”, “Equity holders of the parent”) was established in the Netherlands in October 2000 as a joint-stock company. On September 19, 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 22, 2008, the District Court for Wrocław-Fabryczna in Wrocław registered the new registered office of AmRest in the National Court Register. The address of the Company’s registered office is: pl. Grunwaldzki 25-27, Wrocław (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 a 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 1, 2009 is Polish zloty (PLN).

The Company’s core activity is direct management of the following entities (“the Group”):

- AmRest Sp. z o.o. (Poland), the entity being a parent in an international group comprising of entities located in Poland, as well as in Russia (OOO AmRest) and USA (AmRest, LLC),
- AmRest s.r.o. (The Czech Republic),
- AmRest EOOD (Bulgaria),
- AmRest Acquisition Subsidiary Inc. (Malta),
- AmRest HK Ltd (China),
- Blue Horizon Hospitality Group PTE Ltd. (China), the entity being a parent in a group, comprising of entities located in China,
- AmRest FSVC LLC (USA),
- AmRest Topco France (France),
- AmRest Opco SAS (France).

The principal activity of the subsidiaries is operating Kentucky Fried Chicken (“KFC”), Pizza Hut, Burger King and Starbucks restaurants through its subsidiaries in Poland, the Czech Republic (further Czech), Slovakia, Hungary, Russia, Serbia, Croatia, Bulgaria, Romania, Germany, France and Spain, on the basis of franchises granted. In Spain, France and Germany 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.

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

Before April 27, 2005, the Company’s co-shareholders and entities exercising their rights from the shares held in the Company were International Restaurants Investments, LLC (“IRI”) with its registered office in the United States of America, and Kentucky Fried Chicken Poland Holdings BV (“KFC BV”) with its registered office in the Netherlands. The co-shareholders held 50% shares each and had the same proportion of voting rights before the Company was first quoted on the stock exchange. IRI was a company controlled by American Retail Concepts, Inc. with its registered office in the United States of America (“ARC”), and KFC BV was a company controlled by YUM! Brands, Inc. (“YUM!”) with its registered office in the USA.

In connection with the flotation of the Company on WSE, YUM! sold all its shares in the Company and is no more a shareholder or a related entity. Also when the Company was floated on WSE, IRI sold part of the shares held.

AmRest Holdings SE

Notes to the Interim Condensed Separate Financial Statements (in PLN thousands unless stated otherwise)

On April 22, 2010 share subscription agreement was signed between AmRest Holdings S.E, and WP Holdings VII B.V., following which on May 24, 2010 WP Holdings VII B.V. obtained 4 726 263 shares of the Company from new emission at emission price of PLN 65 for total value of PLN 307.2 million. At June 10, 2010 was registered by the registry court in Wroclaw the increase in the share capital of the Company by the amount of EUR 47 262.63 (PLN 195 374.26). Additionally during 12 months from the date on which the described above emission shares were registered by the registry court proper for the Company's registered office, the WP Holdings VII B.V. will have an option to subscribe for additional shares in up to two instalments to the extent that its shareholding does not exceed 33% of the post-issuance share capital. The issuance price for the additional shares subscription was PLN 75 per share. On March 25, 2011, WP subscribed for 2 271 590 shares with the issuance price of PLN 75 per share. After decrease by all costs concern capital issue the growth was PLN 168 926 thousand.

As at June 30, 2017, FCapital Dutch B.V. was the largest shareholder of AmRest and held 61.85% of its shares and voting rights. The parent entity of the Group on the top level is 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.

These Interim Condensed Separate Financial Statements were authorized by the Management Board on September 14, 2017.

(b) Representations on compliance of the financial statements with the International Financial Accounting Standards

These Interim Condensed Separate Financial Statements as at and for the 6 months ended June 30, 2017 have been prepared in accordance with the IAS 34 Interim Financial Reporting.

These Interim Condensed Separate Financial Statements do not include all information or disclosures which are required in the annual financial statements and they should be read together with the Separate Financial Statements as at December 31, 2016.

Accounting policies on which bases the Interim Condensed Separate Financial Statements prepared for the 6 months ended June 30, 2017 and Separate Financial Statements for the year ended December 31, 2016 are consistent, except standards, changes in standards and interpretations which are mandatory for reporting periods beginning after January 1, 2017.

No new standards and amendments to standards went into force in 2017. Before the issuance date of this financial statements were published by IASB numerous standards and interpretations, which have not entered into force, but some of them were approved for use by European Commission. The Company did not decide to for early adoption of any of these standards.

From the date of issue of annual separate financial statements the following standards and interpretations were published:

- **IFRS 17 - Insurance Contracts**

IFRS 17 - Insurance Contracts was issued by International Accounting Standards Board on 18 may 2017 and is effective for annual periods beginning on or after 1 January 2019.

- **IFRIC 23 - Uncertainty over Income Tax Treatments**

IFRIC 23 clarifies the accounting for uncertainties in income taxes, described in IAS 12. IFRIC 23 is effective for annual reporting periods beginning on or after 1 January 2019.

The Company considers those changes will not have a significant impact on the separate financial statements.

AmRest Holdings SE

Notes to the Interim Condensed Separate Financial Statements (in PLN thousands unless stated otherwise)

(c) Basis of preparation of financial statements

The interim condensed separated financial statements are presented in Polish zloty (PLN), rounded up/down to full thousands.

The interim condensed financial statements were prepared on the historical cost excluding valuation of derivative instruments and investment properties to their fair value.

The preparation of the IFRS interim condensed financial statements requires the Management of the Company to make certain assumptions and estimates which are reflected in the accounting policy and that affect the reported amounts of assets and liabilities and reported revenues and expenses during the period. The results of the estimates and the respective assumptions being the result of experience and various factors deemed to be justified in given circumstances are the basis for assessing the values of assets or liabilities which do not result directly from other sources. The actual financial results may differ from the adopted estimates.

The estimates and the assumptions on which they are based are subject to current verification. The adjustment of accounting estimates is recognized in the period in which it was made, on condition that it only relates to that period, or in the period in which it was made, and in future periods, if it relates both to the current and future periods.

The accounting policies described above have been applied consistently in all the financial years covered by the interim condensed separated financial statements, except for those instances where changes were made in connection to new standards and interpretations were applied.

(d) Going concern assumption

Information presented below should be read together with information provided in Note 12 and 16, describing accordingly: loan and bonds liabilities and commitments and contingencies, and significant post balance sheet events after June 30, 2017.

Interim Condensed Separate Financial Statements for the period of 6 months ended June 30, 2017 were prepared in accordance with going concern assumption by the Entity in foreseeable future, what assumes realization of assets and liabilities throughout the normal terms of business operations. Interim Condensed Separate Financial Statements does not account for adjustments, which would be essential in such events. As at the date of Interim Condensed Separate Financial Statements issuance in assessment made by Management Board Entity there are no circumstances indicating threats for business going concern of the Entity and any related party in AmRest Group as well.

2 Investments in subsidiaries

The table below presents the number and value of the shares owned by the Company in its subsidiaries as at June 30, 2017 and as at December 31, 2016.

	June 30, 2017		December 31, 2016	
	Interest ownership	Value of Shares	Interest ownership	Value of Shares
AmRest Sp. z o.o. (Poland) ^(a)	100,00%	587 548	100,00%	590 513
AmRest s.r.o. (Czech Republic)	100,00%	33 573	100,00%	33 573
AmRest Acquisition Subsidiary (Malta)	100,00%	146 962	100,00%	146 962
AmRest EOOD	100,00%	14 388	100,00%	14 388

AmRest Holdings SE

Notes to the Interim Condensed Separate Financial Statements (in PLN thousands unless stated otherwise)

(Bulgaria)				
AmRest Topco France ^(b)	100,00%	53 993	-	-
AmRest Opco SAS	100,00%	42	-	-
AmRest China Group PTE Ltd. (China) ^(c)	100,00%	168 460	67,56%	112 657
Total		1 004 966	-	898 093

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

(b) On May 16, 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 17, 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 6, 2017 Blue Horizon Hospitality PT LTD was renamed AmRest China Group PTE Ltd.

3 Other financial assets

As at June 30, 2017 and December 31, 2016, the balances of other financial assets were as follows:

Other long-term financial assets	June 30, 2017	December 31, 2016
Loans given	206 413	174 314
Total of other long-term financial assets	206 413	174 314
Other short-term financial assets	June 30, 2017	December 31, 2016
Loans given	8 659	8 963
Total of other short-term financial assets	8 659	8 963

The Entity provided subsidiaries with the loans specified as below:

Borrower	- AmRest Sp. z o.o.
Loan amount	- 350 000 thousands PLN
The balance of loans as at June 30, 2017	- 140 200 thousands PLN
Interest rate	- 3M WIBOR + margin

The loan agreement was signed on October 18, 2010. In accordance with the agreement the interest will be paid on the quarterly basis. The change of the compound interest rate will be executed on the first day of each quarter. The principal amount of the loan with all accrued interest will be repaid till December 31, 2018. In the period from January to June 2017 PLN 34 200 thousands of principal amount of the loan was repaid.

AmRest Holdings SE

Notes to the Interim Condensed Separate Financial Statements (in PLN thousands unless stated otherwise)

Borrower	- AmRest Sp. z o.o.
Loan amount	- 20 000 thousands EUR
The balance of loans as at June 30, 2017	- 5 650 thousands PLN
Interest rate	- 3M EURIBOR + margin

The loan agreement was signed on June 5, 2017. In accordance with the agreement the interest will be paid on the quarterly basis. The change of the compound interest rate will be executed on the first day of each quarter. The principal amount of the loan with all accrued interest will be repaid in 50% till June 5, 2019 and in 50% till June 5, 2020. In the period from January to June 2017 the principal amount of the loan with all accrued interest was not repaid.

Borrower	- AmRest HK Ltd.
Loan amount	- 1 000 thousands USD
Interest rate	- 3M LIBOR + margin

The loan agreement was signed on November 19, 2012. By June 30, 2017 the principal amount of the loan with all accrued interest was not repaid. The company recognized an impairment in the value of the loan including accrued interest.

Borrower	- AmRest HK Ltd.
Loan amount	- 210 thousands USD
Interest rate	- 3M LIBOR + margin

The loan agreement was signed on September 5, 2013. By June 30, 2017 the principal amount of the loan with all accrued interest was not repaid. The company recognized an impairment in the value of the loan including accrued interest.

Borrower	- AmRest China Group PTE Ltd.
Loan amount	- 1 085 thousands USD
Interest rate	- fixed

The loan agreement was signed on June 24, 2014. In accordance with the agreement the interest will be calculated and paid on a quarterly basis till 25-th day of the last month of the quarter. The principal amount of the loan was to be paid back till Jun 24, 2015. By June 30, 2017 the principal amount of the loan with all accrued interest was not repaid.

Borrower	- AmRest China Group PTE Ltd.
Loan amount	- 844 thousands USD
Interest rate	- fixed

The loan agreement was signed on March 25, 2015. In accordance with the agreement the interest will be calculated and paid on a quarterly basis till 25-th day of the last month of the quarter. The principal amount of the loan was

AmRest Holdings SE

Notes to the Interim Condensed Separate Financial Statements (in PLN thousands unless stated otherwise)

to be paid back till March 25, 2016. By June 30, 2017 the principal amount of the loan with all accrued interest was not repaid.

Borrower - AmRest China Group PTE Ltd.
Loan amount - 3 000 thousands USD
Interest rate - fixed

The loan agreement was signed on January 9, 2017. In accordance with the agreement the interest will be calculated and paid on a quarterly basis till 25-th day of the last month of the quarter. The principal amount of the loan with all accrued interest will be repaid till January 9, 2019. By June 30, 2017 the principal amount of the loan with all accrued interest was not repaid.

Borrower - AmRest Acquisition Subsidiary Inc.
Loan amount - 150 thousands EUR
The balance of loans as at June 30, 2017 – 33 thousand EUR
Interest rate - 3M EURIBOR + margin

The loan agreement was signed on December 22, 2016. In accordance with the agreement the interest will be paid on the quarterly basis. The principal amount of the loan with all accrued interest will be repaid till December 31, 2018. In the period from January to June 2017 the principal amount of the loan with all accrued interest was not repaid.

Borrower - AmRest Coffee Deutschland Sp. z o.o. & Co.KG
Loan amount - 10 000 thousands EUR
The balance of loans as at June 30, 2017 – 6 500 thousand EUR
Interest rate - 3M EURIBOR + margin

The loan agreement was signed on April 20, 2017. In accordance with the agreement the interest will be paid on the quarterly basis. The principal amount of the loan with all accrued interest will be repaid in 50% till April 20, 2019 and in 50% till April 20, 2020. In the period from January to June 2017 the principal amount of the loan with all accrued interest was not repaid.

Borrower - AmRest TopCo France SAS
Loan amount - 5 000 thousands EUR
The balance of loans as at June 30, 2017 – 900 thousand EUR
Interest rate - 3M EURIBOR + margin

The loan agreement was signed on May 22, 2017. In accordance with the agreement the interest will be paid on the quarterly basis. The principal amount of the loan with all accrued interest will be repaid in 50% till May 22, 2019 and in 50% till May 22, 2020. In the period from January to June 2017 the principal amount of the loan with all accrued interest was not repaid.

AmRest Holdings SE

Notes to the Interim Condensed Separate Financial Statements (in PLN thousands unless stated otherwise)

The table below presents the change of loan value during the six months period ended June 30, 2017:

As at January 1, 2017	183 277
Including:	
Short – term loans	8 963
Long – term loans	174 314
Change of loan value during the six months period ended June 30, 2017:	
Loans granted (actual receipts)	67 640
Accrued interest	4 953
WHT tax on accrued interest	(31)
Loan repayment (actual receipts)	(34 200)
Interest repayment (actual receipts)	(4 072)
Impairment of interest on the loan	(118)
Exchange rate differences	(2 377)
As at June 30, 2017	215 072
Including:	
Short – term loans	8 659
Long – term loans	206 413

Loans are not secured. The fair value of the loans presented above does not differ significantly from its carrying value. The balances of loans are presented in Note 11.

4 Finance Liabilities

Borrowings from related parties

Both at December 31, 2016 and June 30, 2017 Entity did not have borrowings from related parties.

Liabilities to third parties

On December 7, 2009 AmRest Holdings SE signed with RBS Bank (Poland) S.A. and Bank Pekao S.A. agreement for bonds issuance (“5years bonds”), on the basis of which was released option program for corporate bonds of AmRest, allowing to issue 15 000 bonds in total nominal value of PLN 150 million. Agreement was signed for agreed period till July 9, 2015 with period extension options till repayment of all issued bonds.

On August 22, 2012 AmRest Holdings SE signed with RBS Bank (Poland) SA and Bank Pekao SA an agreement for bonds issuance (“5years bonds”), on the basis of which was released option program for corporate bonds of AmRest.

On June 18, 2013 bonds in the amount of PLN 140 million were issued under the new agreement. The issue is part of a plan to diversify financing sources of AmRest. Bonds are issued with variable interest rate 6M WIBOR increased by a margin and are due on June 30, 2018. Interest is paid on semi-annual basis (June 30 and December 30), beginning December 30 2013. Group is required to maintain certain financial ratios (net debt/EBITDA, equity/total assets, EBITDA/interest charge) at levels agreed in the Emission Terms dated June 18, 2013. There are no additional securities on the bond issue.

AmRest Holdings SE

Notes to the Interim Condensed Separate Financial Statements (in PLN thousands unless stated otherwise)

On September 10th 2014 AmRest made an early redemption of bonds for the total value of PLN 131,5m. At the same time, AmRest issued 14 000 bonds in the total nominal value of PLN 140m with maturity date September 10th 2019. The bonds have a variable interest rate of 6M WIBOR increased by margin. The interest is paid semi-annually (on June 30th and December 30th). Group is required to maintain certain financial ratios (net debt/EBITDA, equity/total assets, EBITDA/interest charge) at levels agreed in the Emission Terms dated September 10, 2014. There are no additional securities on the bond issue.

On December 30th 2014 AmRest made a redemption of bonds that reached maturity date on Dec 30th 2014 with the face value of PLN 18,5m. At the end of 2015 AmRest has two bond issues outstanding: PLN 140m with maturity date June 30th 2018 and PLN 140m maturing on Sept 10th 2019.

On April 7th, 2017 AmRest issued Schuldscheindarlehen (“SSD”) in the amount of EUR 26m. The role of the Lead Arranger and Paying Agent was entrusted to Erste Group Bank AG and CaixaBank S.A. acted as Co-lead Arranger. The issue was aimed at diversifying financing sources and also allowed to diversify interest rate structure of debt. SSD were issued on a fixed interest rate with EUR 17m maturing on April 7th, 2022 and 9m maturing on April 5th, 2024.

As at June, 30 2017 the payables concerning bonds issued and Schuldscheindarlehen (SSD) are PLN 390 160 thousand.

Bonds were issued for the financing of Group investment activities.

The table below presents the change of bonds liabilities value during the six months period ended June 30, 2017:

As at January 1, 2017	279 491
Including:	
Short – term	8
Long – term	279 483
The change of bonds liabilities value during the six months period ended June 30, 2017	
Cost of issuing bonds	164
Income on issue debt securities SSD	110 271
Accrued interest on bonds	5 872
Accrued interest on SSD	584
Interest paid	(5 843)
Exchange rate differences of valuation	(379)
As at June 30, 2017	390 160
Including:	
Short – term	140 457
Long – term	249 703

AmRest Holdings SE

Notes to the Interim Condensed Separate Financial Statements (in PLN thousands unless stated otherwise)

5 Trade and other receivables

As at June 30, 2017 and December 31, 2016 Company has receivables of following characteristics:

Receivables descriptions	June 30, 2017	December 31, 2016
Receivables from related party – AmRest Sp. z o.o. cash pooling	-	21 640
Receivables from re-invoicing SOP/MIP – AmRest s.r.o.	312	-
Receivables from re-invoicing SOP/MIP – AmRest Coffee Sp. z o.o.	66	-
Receivables from re-invoicing SOP/MIP – AmRest Sp. z o.o.	3 583	18 216
Receivables from re-invoicing SOP/MIP – AmRest Kft.	209	-
Receivables from re-invoicing SOP/MIP – AmRest d.o.o.	29	-
Receivables from re-invoicing SOP/MIP – Restauravia Food S.L.U.	198	2
Receivables from re-invoicing SOP/MIP – AmRestavia S.L.U.	1 436	-
Receivables from re-invoicing SOP/MIP – Pastificio Service S.L.U.	208	-
Receivables from re-invoicing SOP/MIP – AmRest Adria D.O.O.	25	-
Receivables from related party employees	159	2 615
Tax receivables	455	81
Other receivables	174	-
Total of receivables as at given date	6 854	42 554

6 Trade and other payables

As at June 30, 2017 and December 31, 2016 Company has trade and other payables of following characteristics:

Short-term payables descriptions	June 30, 2017	December 31, 2016
Liabilities for cash pool – AmRest Sp. z o.o.	13 759	-
Liabilities for accounting services, legal services – AmRest Sp. z o.o.	-	44
Liabilities for services for Supervisory Board - AmRest Coffee Sp. z o.o.	1	-
Liabilities resolution of the capital increase – AmRest HK Limited	102	102
Liabilities for the management services – AmRest LLC	82	93
Trade payable to third parties	94	5 609
Other liabilities	1 319	2 070
Total of payables as at given date	15 357	7 918

In period end on June 30, 2017, following changes in Employee share option plans have occurred:

Employee share option plan 2

In January 2017 part of options was modified, after receiving from some employees a unilateral statement about resignation from cash settlement possibility in relation to option granted in previous periods. Employee option

AmRest Holdings SE

Notes to the Interim Condensed Separate Financial Statements (in PLN thousands unless stated otherwise)

plan 2 comprises of both equity-settled options and cash-settled options. As a result of modification of some options from cash-settled into equity-settled, a reclassification was performed from liabilities into equity in amount of PLN 2.287 thousands. As at June 30, 2017 liability of PLN 7.797 thousands was recognized. As at December 31, 2016 liability amounted to PLN 11.255 thousands.

For equity-settled options as at June 30, 2017 a provision of PLN 14 999 thousands was recognized in reserve capital (modification described above included). As at June 30, 2016 this provision amounted to PLN 14.043 thousands.

Employee share option plan 3

As at June 30, 2017 the amount of PLN 5.433 thousands was presented in equity. As at December 31, 2016 PLN 7.399 thousands were presented in equity.

Employee share option plan 4

In January 2017 the Company introduced share-based Employee Option Plan, thinking of its selected employees. The whole number of shares which are attributed to the options is determined by the Management Board. Moreover, the number of options granted to employees is limited to 750 000 options in the period from 1 January 2017 till 31 December 2019. In accordance with the provisions of the Plan, the Company, following approval by the Management Board, is entitled to determine, apart from other issues, the employees authorized to participate in the Plan and the number of options granted and the dates for their granting. The option exercise price will be in principle equal to the market price of the Company's shares as at the date of awarding the option, and the vesting period will be 3 to 5 years. As at June 30, 2017 the amount of PLN 273 thousands were recognized in reserve capital for this program.

Employee share option plan 5

In January 2017 the Company introduced share-based Employee Option Plan, thinking of its selected employees. The whole number of shares which are attributed to the options is determined by the Supervisory Board, however, it may not exceed 1 000 000 shares. In accordance with the provisions of the Plan, the Supervisory Board of Group, on request of the Management Board, is entitled to determine, apart from other issues, the employees authorized to participate in the Plan and the number of options granted and the dates for their granting. The option exercise price will be in principle equal to the market price of the Company's shares as at the date of preceding the day of awarding the option, and the vesting period will be 3 to 5 years. The option exercise price will increase by 11% each of three years. As at June 30, 2017 the amount of PLN 1.244 thousands were recognized in reserve capital for this program.

The value of liabilities due to salaries and employee benefits as at June 30, 2017 and as at December 31, 2016. Are presented in the table below:

	June 30, 2017	December 31, 2016
Liability for Employee share option plan 2	7 797	11 255
	7 797	11 255

7 Equity

Share capital

As described in Note 1a, on April 27, 2005, the shares of AmRest Holdings SE commenced trading on the Warsaw Stock Exchange ("WSE") in Warsaw, Poland.

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

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As at June 30, 2017, the Company held 21 213 893 issued, fully paid-up shares. The Company's target capital is 500 000 shares. Nominal value of one share is 1 eurocent (0.01 euro).

Pursuant to the information available to the Company, as at the date of release of these Interim Condensed Separate Financial Statements, that is September 14, 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:

Shareholders	Shares amount	Share in Equity%	Shares amount at AGM	Share at AGM%
FCapital Dutch B.V.*	13 121 152	61.85%	13 121 152	61.85%
Nationale-Nederlanden OFE	2 034 893	9.59%	2 034 893	9.59%
Other shareholders	6 057 848	28.56%	6 057 848	28.56%

* FCapital Dutch B. V. is the dominant entity of FCapital Lux (previously Cullinan S.à.r.l.) (holding 6 394 362 AmRest shares) and the subsidiary of Finaccess Capital, S.A. de C.V. Grupo Finaces SAPI de CV is the directly dominant entity of Finaccess Capital, S.A. de C.V. and a subsidiary of Grupo Far-Luca, S.A. de C.V. The directly dominant person of Grupo Far-Luca, S.A. de C.V., Mr. Carlos Fernández González, is the Supervisory Board member of AmRest.

Other supplementary capital

Structure of the reserved capital is as follows:

	June 30, 2017	December 31, 2016
Share premium	786 911	786 911
The provision for stock option program 2	14 999	14 043
The provision for stock option program 3	6 677	7 399
The value of exercised options	(60 338)	(35 158)
Non-refundable capital deposit without additional share issue, made by shareholders of the Entity before entry on WSE	6 191	6 191
Functional currency translation	(31 219)	(31 219)
Net profit for treasury shares for the period 2012-2014	(3 424)	(3 424)
Purchase of treasury shares	(20 054)	(11 123)
Other	47	47
Total supplementary capital	699 790	733 667

Retained earnings

Retained Earnings of Entity according to 16th resolution of Annual Shareholders Meeting dated June 10, 2011 includes also reserve fund in value of PLN 50,000 thousands for purchase of treasury shares only for share option redemption to every existing and future employee and managerial motivational stock option plans, including Management Board members of Group entities. In 2017 year (as it was disclosed in statement of changes in equity) were realized transaction on treasury shares for existing stock option plans amounting PLN (8 931) thousand (respectively 10 089 TPLN in 2016).

According to the 5th resolution of Annual Shareholders Meeting dated June 28, 2017. The company decided that the profit for the financial year 2016 in the amount of 45 799 TPLN will be allocated to supplementary capital.

The company decided to presenting in the separate financial statements the results of previous year in retained earnings, which, in accordance with the resolutions of the General Meeting of Shareholders shall be applied to other categories of capital.

AmRest Holdings SE

Notes to the Interim Condensed Separate Financial Statements
(in PLN thousands unless stated otherwise)

8 Cash and cash equivalents

Cash and cash equivalents as at June 30, 2017 and December 31, 2016 are presented in table below:

	June 30, 2017	December 31, 2016
Cash at bank	2 686	11 139
	2 686	11 139

Reconciliation of working capital changes as at June 30, 2017 and June 30, 2016 is presented in the table below:

Six months ended June 30, 2017	The balance sheet change	Elimination of share option plan settlements of the for employees	Other liabilities and paid Invoices for intangible assets	Working capital changes
Change in trade receivables	36 155	(12 049)	-	24 106
Change in other assets	(164)	-	-	(164)
Change in payables and other liabilities	118 103	(326)	(110 338)	7 439

Six months ended June 30, 2016	The balance sheet change	Elimination of share option plan settlements of the for employees	Other liabilities and paid Invoices for intangible assets	Working capital changes
Change in trade receivables	36	(3 388)	-	(3 352)
Change in other assets	(87)	-	-	(87)
Change in payables and other liabilities	(11 496)	11 569	(157)	(84)

The other differences in working capital change (receivables and liabilities) result from corporate income tax only.

9 Finance income and expenses and other operating income and expenses

Finance income and expenses

	Six months ended June 30, 2017	Six months ended June 30, 2016
Interest income	5 103	4 989
Other financial income	-	13
Net exchange rate gains	-	119
Finance income, total	5 103	5 121
Interest expense	(6 536)	(5 819)
Other financial expenses	(679)	(368)
Net exchange rate losses	(2 711)	-
Finance expenses, total	(9 926)	(6 187)

AmRest Holdings SE

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Other operating income and expenses

	Six months ended June 30, 2017	Six months ended June 30, 2016
The result on the disposal of treasury shares transactions (incentive program SOP / MIP) *	26 509	15 749
Revenues from re-invoicing	15	-
Write-down of liability	534	-
Other operating income, total	27 058	15 749
Impairment of loans granted	(118)	(109)
Impairment of investments	(3 963)	-
Impairment of receivables	(2 524)	(1 591)
Other operating expenses, total	(6 605)	(1 700)

* The result on the execution of stock option by employees of subsidiaries consist of the following items:

- revenues from re-invoicing of services based on own shares to affiliated companies in the amount of 36 495 TPLN, reduced by the amount 9 986 TPLN the value of the costs arising from the share option plan (options granted to employees of subsidiaries).

10 Income Tax

	Six months ended June 30, 2017	Six months ended June 30, 2016
Corporate income tax - current period	-	(111)
Change in deferred tax assets/liabilities	(1 293)	179
Income tax recognized in the income statement	(1 293)	68

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. After the offset, the following amounts are disclosed in the separate financial statements:

	June 30, 2017	December 31, 2016
Deferred tax asset to be recovered within 12 months	-	229
Deferred tax asset to be recovered more than 12 months	1 152	-
Deferred tax asset:	1 152	229
	June 30, 2017	December 31, 2016
Deferred tax liabilities to be used within 12 months	442	601
Deferred tax liabilities:	442	601

Temporary differences after the offset accounted for in the calculation of deferred tax relate to the following items:

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Notes to the Interim Condensed Separate Financial Statements (in PLN thousands unless stated otherwise)

	June 30, 2017	December 31, 2016
Intangible assets	15	22
Other financial assets	427	-
Other financial liabilities	(230)	579
Trade and other payables	(194)	(17)
Tax loss carried forwards	(728)	(212)
Deferred tax asset	(728)	-
Deferred tax liabilities	18	372

11 Related party transaction

As at June 30, 2017 the Group of which the Company is a parent consisted of the following subsidiaries (direct and indirect):

Company name	Seat	Parent/non-controlling undertaking	Owner- ship interest and total vote	Date of effective control
Holding activity				
AmRest Acquisition Subsidiary Inc.	Birkirara, 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.	16.52%	April 2011
		AmRest TAG S.L.U.	83.48%	
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.	82.00%	March 2007
		Starbucks Coffee International, Inc.	18.00%	
AmRest EOOD	Sofia, Bulgaria	AmRest Holdings SE	100.00%	April 2007
OOO AmRest	Saint Petersburg, Russia	AmRest Acquisition Subsidiary Inc.	0.17%	July 2007
		AmRest Sp. z o.o.	99.83%	

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Notes to the Interim Condensed Separate Financial Statements (in PLN thousands unless stated otherwise)

Company name	Seat	Parent/non-controlling undertaking	Owner-ship interest and total vote	Date of effective control
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
AmRest LLC	Wilmington, USA	AmRest Sp. z o.o.	100.00%	July 2008
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 Restaurant Management Co. Ltd	Shanghai, China	AmRest HK Ltd	100.00%	November 2012
AmRest Adria d.o.o.	Zagreb, Croatia	AmRest Sp. z o.o.	100.00%	October 2011
AmRest GmbH*	Cologne, Germany	AmRestavia S.L.U.	100.00%	March 2012
AmRest SAS	Lyon, France	AmRestavia S.L.U.	100.00%	April 2012
AmRest Adria 2 d.o.o.	Ljubljana, Slovenia	AmRest Sp. z o.o.	100.00%	August 2012
Frog King Food&Beverage Management Ltd	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
	Financial services for the Group			
AmRest Capital Zrt	Budapest, Hungary	AmRest Sp. z o.o.	100.00%	November 2011

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Company name	Seat	Parent/non-controlling undertaking	Owner-ship interest and total vote	Date of effective control
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
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.	Chotomow, Poland	AmRest Sp. z o.o.	51.00%	October 2008
		R&d Sp. z o.o.	43.80%	
		Beata 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 25, 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 5, 2017 Amrestavia, S.L.U., the sole shareholder of La Tagliatella Financing Kft, has decided to liquidate this company.

The Group's office is in Wroclaw, Poland. On June 30, 2017 the restaurants operated by the Group were located in Poland, Czech, Hungary, Slovakia, Russia, Bulgaria, Romania, Serbia, Croatia, Spain, Germany, France and China.

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Loans granted to related entities	June 30, 2017	December 31, 2016
AmRest Sp. z o.o.	163 935	174 200
AmRest Acquisition Subsidiary Inc.	142	-
AmRest China Group PTE Ltd.	19 528	8 963
AmRest Coffee Deutschland	27 648	-
AmRest Topco France	3 819	-
AmRest FSVC LLC	-	114
	215 072	183 277

Trade and other receivables from related entities	June 30, 2017	December 31, 2016
AmRest Sp. z o.o.	3 583	39 856
AmRest Coffee Sp. z o.o.	66	-
AmRest s.r.o.	312	-
AmRest Kft	209	-
AmRest d.o.o.	29	-
Restauravia Food S.L.U.	198	2
Pastificio Service S.L.U.	208	-
AmRest Adria d.o.o.	25	-
AmRestavia S.L.U.	1 436	-
Related party employees	159	2 616
	6 225	42 474

Trade and other payables to related entities	June 30, 2017	December 31, 2016
AmRest Sp. z o.o.	13 759	44
AmRest Coffee Sp. z o.o.	1	-
AmRest LLC	82	93
AmRest HK Ltd.	102	102
	13 944	239

Other operating income - Expenses charged to related entities	Six months ended June 30, 2017	Six months ended June 30, 2016
AmRest Sp. z o.o. *	20 421	22 730
AmRest Coffee Sp. z o. o.	402	389
AmRest s.r.o.	515	257
AmRest LLC	-	1 847
AmRest FSVC LLC	2 525	-
SCM Sp. z o.o.	105	98
Restauravia Food S.L.U	338	2
Pastificio Service S.L.U.	207	-
AmRestavia S.L.U.	1 508	-
AmRest Adria d.o.o.	25	-
AmRest d.o.o.	29	-
AmRest Kft	434	-
AmRest DE Sp. z o.o. & Co. KG	13	-
	26 522	25 323

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* The result of other operating income consists of the following items:
-revenues from re-invoicing of services based on own shares in the amount of 30 407 TPLN, reduced by the amount 9 986 TPLN the value of the costs arising from the share option plan (options granted to employees of subsidiaries).

General and administrative expenses – related entities	Six months ended June 30, 2017	Six months ended June 30, 2016
AmRest Sp. z o.o.	15	3
AmRest Coffee Sp. z o. o.	1	-
AmRest DE Sp. z o.o. & Co. KG	13	-
	29	3

Financial income form related entities	Six months ended June 30, 2017	Six months ended June 30, 2016
AmRest Sp. z o.o. – interest	4 156	4 517
AmRest HK Ltd. – interest	118	109
AmRest China Group PTE Ltd. - interest	516	211
AmRest Coffee Deutschland - interest	175	-
AmRest Topco France - interest	15	-
AmRest Acquisition Subsidiary Inc. - interest	2	-
	4 982	4 837

Transactions with the management/ Management Board, Supervisory Board

	Six months ended June 30, 2017	Six months ended June 30, 2016
Remuneration of the Management and Supervisory Boards paid by the Company's subsidiaries	5 887	5 998
Total remuneration of the Management Board and Supervisory Board	5 887	5 998

The Group's key employees also participate in an employee share option plan. The costs relating to the employee option plan in respect of management amounted to PLN 1 148 thousand and PLN 2 051 thousand respectively in the 6 month period ended June 30, 2017 and June 30, 2016.

	June 30, 2017	June 30, 2016
Number of options awarded	488 066	513 780
Number of available options	248 366	229 346
Fair value of options as at the moment of awarding	PLN 21 147 666	16 495 087

As at June 30, 2017 and as at June 30, 2016 there were no liabilities to former employees.

12 Loans and bonds liabilities and commitments and contingencies

On September 10th, 2013 a Credit Agreement („the Agreement”) between AmRest Holdings SE, AmRest Sp. z o.o and AmRest s.r.o. – jointly „the Borrowers” and Bank Polska Kasa Opieki S.A., Bank Zachodni WBK S.A., Rabobank Polska S.A. and ING Bank Śląski Polska S.A. – jointly „the Lenders” was signed.

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Based on the Agreement the Lenders granted to the Borrowers a credit facility in the approximated amount of EUR 250 million. The facility consists of four tranches: Tranche A, EUR 150 million, Tranche B, PLN 140 million, Tranche C, CZK 400 million and Tranche D granted as a revolving credit facility, PLN 200 million. The facility is dedicated for repayment of the obligations under the credit agreement signed October 11, 2010 along with further annexes, financing development activities of AmRest and working capital management. The facility shall be fully repaid by September 10, 2018. All Borrowers bear joint liability for any obligations resulting from the Agreement. Additionally, the following members of the group are guarantors of the facility: OOO AmRest, AmRest TAG S.L.U., AmRestavia S.L., Restauravia Grupo Empresarial S.L., Restauravia Food S.L.U., Pastificio Service S.L.U., AmRest Finance Zrt and AmRest Capital Zrt. These entities secure Borrowers' repayment of borrowings until final repayment.

The loan is provided at a variable interest rate. AmRest is required to maintain liquidity ratios (net debt/EBITDA, equity/total assets, EBITDA/interest) at agreed levels. In particular net debt/EBITDA ratio is to be held at below 3.5 level and AmRest is required not to distribute dividend payments if the mentioned ratio exceeds 3.0.

On May 6, 2016 an Annex to the Agreement was signed introducing an amended and restated version of the credit agreement („the Amended Agreement”). Based on the Amended Agreement, the Lenders granted the Borrowers an additional credit tranche (Tranche E) in the amount of EUR 50 million and increase revolving credit tranche (Tranche D) by PLN 100 million. The amount granted within Tranche E is dedicated to finance or refinance costs of M&A activities, while increased revolving credit is to finance working capital and capital expenditures.

On April 18th, 2017 another amendment to the Credit Agreement was signed – it increased revolving tranche by PLN 50m and granted a new tranche in the amount of EUR 40m (tranche F). In addition, uncommitted tranche (G) was added in the amount of EUR 50m. Both the revolving tranche as well as tranche F were dedicated to financing working capital and capital expenditures, while tranche G is to finance or refinance costs of M&A activities.

On April 7th, 2017 AmRest issued *Schuldscheindarlehen* (“SSD”) in the amount of EUR 26m. The role of the Lead Arranger and Paying Agent was entrusted to Erste Group Bank AG and CaixaBank S.A. acted as Co-lead Arranger. The issue was aimed at diversifying financing sources and also allowed to diversify interest rate structure of debt. SSD were issued on a fixed interest rate with EUR 17m maturing on April 7th, 2022 and 9m maturing on April 5th, 2024.

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

As at June 30, 2017 the Company had no contingent liabilities.

13 Financial instruments

Fair value estimation

As at financial statement publishing date fair value of financial instruments which are in turnover on active market bases on market quotation. Fair value of financial instruments which aren't in turnover on active market is calculated by using valuation techniques.

The Company uses different methods and assumes assumptions based on market conditions as at each balance sheet date. Fair value of financial assets and investment property available for sale, which aren't in turnover on active market, is calculated with using sector indexes and last available information concerning the investment. Fair value of currency exchange rate option and forwards is calculated based on valuation made by banks which issued the instrument.

The following fair value valuations concerning financial instruments were used by the Company:

- quoted prices (not adjusted) from active markets for the same assets and liabilities (Level 1),

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- input data different from quoted prices included in Level 1, which are observed for assets and liabilities directly (as prices) or indirectly (based on prices) (Level 2),
- input data for valuation of assets and liabilities, which don't base on possible to observe market data (input data not observed) (Level 3).

The table below presents financial instruments in the Company, which are not measured at fair value, in their book value and fair value, in division on classes and categories of assets and liabilities:

In thousands of Polish Zloty

Financial instrument	IAS 39 category	Fair value hierarchy	Notes	30.06.2017		31.12.2016	
				Fair value	Book value	Fair value	Book value
Other non-current financial assets	A	3	3	206 413	206 413	174 314	174 314
Other current financial assets	A	*	3	8 659	8 659	8 963	8 963
Trade and other receivables	A	*	5	6 399	6 399	42 554	42 554
Other current assets	A	*		243	243	79	79
Cash and cash equivalents	A	*	8	2 686	2 686	11 139	11 139
Non-current bonds liabilities	B	3	4	249 703	249 703	279 491	279 491
Current bonds liabilities	B	*	4	140 457	140 457	-	-
Trade and other payables	B	*	6	15 357	15 357	7 918	7 918

A - loans and receivables measured at amortized cost

B - financial liabilities measured at amortized cost

** It is assumed, that fair value almost equals the book value, therefore no fair value measurement techniques have been used to valuation of these items.*

Book values of short-term: receivables, other assets, payables, loans and liabilities are similar to their fair values due to short term capacity. According to the estimations of the Company, fair value of non-current assets and liabilities immaterially differ from their respective book value.

As at June 30 2017 the Company did not possess financial instruments measured at fair value.

As at June 30, 2017 the Company did not recognize the transfers between levels of fair value valuations.

The Company is exposed to a variety of financial risks: market risk (including currency and interest rate risk) and - to a limited extent - credit risk. The risk management program implemented by the Company is based on the assumption of the unpredictability of the financial markets and is used to maximally limit the impact of negative factors on the Company's financial results.

Risk management is carried out based on procedures approved by the Management Board.

Credit risk

Financial instruments that are exposed to the credit risk include cash and cash equivalents, receivables and loans. The Company invests cash and cash equivalents in highly reliable financial institutions. There is no significant concentration of credit risk in respect of trade and other receivables due to their level as at balance sheet date. As at June 30, 2017 maximum amount exposed to credit risk was PLN 269 156 thousand and consist of the intercompany receivables from loan granted to related party (Note 3). The Company did not recognize impairment of assets listed above as well as not did create any write-offs.

Interest rate risk

The loan granted to the subsidiary (Note 3) was based on a floating interest rate. As at June 30, 2017, the Company did not hedge against changes in cash flows resulting from interest rate fluctuations which have an impact on the results. The fair value of that instruments, does not differ significantly from its carrying value.

AmRest Holdings SE

Notes to the Interim Condensed Separate Financial Statements (in PLN thousands unless stated otherwise)

Foreign currency risk

The Company is exposed to the foreign currency risk mainly due to the receivables and payables valuation denominated in currencies other than functional currency of the Company. The exposure to foreign currency cash flow risk is not hedged as there is no impact on cash flows.

Liquidity risk

The Company does not provide any operating activities except of holding activity, which results in no need of constant access to the financing and control over timely liability payments. For the purpose of financing of investment activities of the Group, the Company issued bonds (Note 4) for the amount of PLN 280 million (nominal value). Details of this bonds is presented in Note 4.

Capital risk

The Entity manages capital risk to protect its ability to continue in operation, so as to enable it to realize returns for its shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce its cost.

The Entity monitors capital using the gearing ratio. The ratio is calculated as net debt to the value of capital involved. Net debt is calculated as the sum of borrowings (comprising loans and advances, and finance lease liabilities) net of cash and cash equivalents.

The gearing ratios at June 30, 2017 and December 31, 2016 were as follows

	June 30, 2017	December 31, 2016
Bonds obligations and other liabilities	413 332	299 367
Less: cash and cash equivalent	(2 686)	(11 139)
Net debt	410 646	288 228
Total equity	817 408	836 091
Capital involved	1 228 054	1 124 319
Debt ratio	33%	26%

Recent volatility in global and country financial markets

Management is unable to reliably estimate the effects on the Company's financial position of any further deterioration in the liquidity of the financial markets and the increased volatility in the currency and equity markets. Management believes it is taking all the necessary measures to support the sustainability and growth of the Company's business in the current circumstances.

14 Earnings per share

On December 1st, 2014, expired possibility for AmRest Holdings SE Exec to make capital increases to the amount of EUR 5 thousand the authorized capital (in accordance with paragraph 4.1 of the Articles of Association of the Company). This law was given the resolutions of the AGM of shareholders No. 13 of June 10th 2011. As at June 30st 2017, the Company is not possible potential issuance of shares for the clearance of the stock option schemes. Settlement of share option plans can be made in the form of shares or cash.

The basic and diluted earnings per ordinary share for the six months period of 2017 and 2016 was calculated as follows:

AmRest Holdings SE

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	Six months ended June 30, 2017	Six months ended June 30, 2016
Profit/(loss) for the period	15 194	12 133
Weighted average number of ordinary shares in issue	21 213 893	21 213 893
Weighted average number of ordinary shares in issue	21 213 893	21 213 893
Profit/(loss) per ordinary share		
Basic earnings per ordinary share	0,72	0,57
Diluted earnings per ordinary share	0,72	0,57

15 Collateral on borrowings

The loans incurred by the Company do not account for collateral set up on fixed assets and other assets owned by the Company. The Borrowers (AmRest Holding SE, AmRest Sp. z o.o. and AmRest s.r.o.) are jointly and severally responsible for paying the liabilities resulting from credit agreements. Additionally, Group companies – OOO AmRest, AmRest TAG S.L.U., AmRestavia S.L.U., Restauravia Grupo Empresarial S.L., Restauravia Food S.L.U., Pastificio Service S.L.U., AmRest Finance Zrt and AmRest Capital Zrt – granted guarantees to the financing banks. These companies guarantee that the Borrowers will discharge their obligations following from the credit agreement until the loan is repaid, i.e. September 10th, 2018.

16 Events after the balance sheet date

On July 3rd, 2017, as a result of the issue of Schuldscheindarlehen („SSD”) debt instrument, AmRest Holdings SE incurred liabilities for the total value of EUR 75 million (approximately PLN 318 million). SSD interest is fixed on the following tranches: EUR 45.5m - repayment due on July 1st, 2022 and EUR 20m - repayment due on July 3rd, 2024. EUR 9.5m tranche was issued with variable interest rate and repayment date of July 3rd, 2024.

The Management Board of AmRest Holdings SE (“AmRest”, the “Company”) informs about signing on July 12th, 2017 of the Framework Agreement between AmRest (“Buyer”) and KFC France SAS (“KFC France”, “Seller”). Under the terms of the Framework Agreement (i) Buyer will acquire 42 equity restaurants run by KFC France in the French market, and (ii) Seller and the Company would sign a Development Agreement and Standard KFC International Franchise Agreement for each restaurant. Estimated purchase price is expected at ca. EUR 39.9 million (ca. PLN 169 million). Final purchase price will be determined as at the day of the transaction closing.

It is the intention of the parties of the Framework Agreement that the closing of the transaction, including transfer of ownership of KFC business and payment of the purchase price, shall occur till end of the year 2017 (the “Completion”). The Completion is contingent upon some additional conditions, such as concluding additional agreements ensuring restaurants proper functioning after Completion, and lack of the material adverse change (“MAC”). According to the Development Agreement to be signed before the Completion, AmRest intends to open about 150 KFC restaurants in the French market by end of 2023.

The Management Board of AmRest Holdings SE („AmRest”, “the Company”) informed on July 27th, 2017 about a transfer proposal of the Company's registered office from Poland to Spain. The Transfer will not impact the current Company's listing on the Warsaw Stock Exchange S.A. The Company's share capital will not change either. However, the Company's Statute will be changed, and the rights and obligations of shareholders will be governed by Spanish law.

The Management Board of AmRest Holdings SE (“AmRest”, the “Company”) announces signing and closing (“Completion”) on July 31st, 2017 of an Asset Purchase Agreement (“APA”) between AmRest DE Sp. z o.o. &

AmRest Holdings SE

Notes to the Interim Condensed Separate Financial Statements (in PLN thousands unless stated otherwise)

Co. KG (subsidiary of AmRest, “Buyer”) and Pizza Hut Delivery Germany GmbH (“Seller”). As a result of the Completion 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.

On August 31st, 2017 the Shareholders Agreement (the “SHA”) with Delivery Hero GmbH, based in Berlin, Germany (“Delivery Hero”), being execution of the Investment Agreement (the “IA”) concluded by the Company, Delivery Hero and Restaurant Partner Polska Sp. z o.o., based in Łódź, Poland („RPP”) on March 31st, 2017.

As a result, AmRest took over the newly issued shares in 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 SHA committed to make investment in the RPP in the amount of PLN 14 million (PLN 7 million each) in the first quarter of 2018.