



EUROCASH

CONSOLIDATED QUARTERLY REPORT

3rd QUARTER 2018

TRANSLATORS' EXPLANATORY NOTE

The following document is a free translation of the report of the above-mentioned Polish Company.

In the event of any discrepancy in interpreting the terminology, the Polish version is binding.

CONTENTS

- I. SELECTED CONSOLIDATED FINANCIAL DATA**
- II. QUARTERLY ABBREVIATED CONSOLIDATED FINANCIAL STATEMENTS**
- III. SELECTED SEPARATE FINANCIAL DATA**
- IV. QUARTERLY ABBREVIATED SEPARATE FINANCIAL STATEMENTS**
- V. MANAGEMENT DISCUSSION OF THE FINANCIAL RESULTS FOR THE
3Q 2018**

SELECTED CONSOLIDATED FINANCIAL DATA

	Non audited for the period from 01.01.2018 to 30.09.2018 PLN	Non audited for the period from 01.01.2017 to 30.09.2017 PLN	Non audited for the period from 01.01.2018 to 30.09.2018 EUR	Non audited for the period from 01.01.2017 to 30.09.2017 EUR
Sales	17 031 883 584	15 658 522 620	4 007 784 922	3 670 453 721
Operating profit (loss)	112 031 595	11 610 125	26 362 236	2 721 485
Profit (loss) before income tax	78 955 761	(14 468 397)	18 579 138	(3 391 481)
Profit (loss) for the on continued operations	55 707 651	(39 152 858)	13 108 608	(9 177 670)
Profit (loss) for the period	55 727 692	(39 309 955)	13 113 324	(9 214 495)
Net cash from operating activities	301 134 373	283 717 486	70 860 149	66 505 118
Net cash used in investing activities	(414 565 686)	(285 275 874)	(97 551 753)	(66 870 414)
Net cash used in financing activities	64 006 779	(1 541 655)	15 061 482	(361 373)
Net change in cash and cash equivalents	(49 424 533)	(3 100 043)	(11 630 123)	(726 669)
Weighted average number of shares	139 163 286	139 153 763	139 163 286	139 153 763
Weighted average diluted number of shares	139 163 286	139 107 157	139 163 286	139 107 157
EPS (in PLN / EUR)	0,41	(0,30)	0,10	(0,07)
Diluted EPS (in PLN / EUR)	0,41	(0,30)	0,10	(0,07)
Average PLN / EUR rate*			4,2497	4,2661
	Non audited as at 30.09.2018 PLN	Non audited as at 31.12.2017 PLN	Non audited as at 30.09.2018 EUR	Non audited as at 31.12.2017 EUR
Assets	6 349 041 782	5 979 922 099	1 486 407 684	1 433 724 640
Non-current liabilities	106 010 412	96 108 526	24 818 657	23 042 635
Current liabilities	5 261 179 271	4 853 808 173	1 231 722 449	1 163 731 610
Equity	981 852 099	1 030 005 400	229 866 577	246 950 394
Share capital	139 163 286	139 163 286	32 580 251	33 365 290
Number of shares	139 163 286	139 163 286	139 163 286	139 163 286
Diluted number of shares	142 069 536	142 069 536	142 069 536	142 069 536
Book value per share (in PLN / EUR)	6,64	6,94	1,55	1,66
Diluted book value per share (in PLN / EUR)	6,50	6,80	1,52	1,63
Declared or paid dividend (in PLN / EUR)	104 607 262	111 277 151	24 490 158	26 679 410
Declared or paid dividend per share (in PLN / EUR)	0,75	0,80	0,18	0,19
PLN / EUR rate at the end of the period**			4,2714	4,1709

* Profit and loss items and cash flow items calculated on basis at a weighted average rate announced by the National Bank of Poland for 3Q 2018,

** Balance sheet items and book value per share have been converted using the official mid-rates announced by the National Bank of Poland prevailing on the balance sheet date.

*** Dividend for 2017 year was paid till 6 June 2018 for shareholders of Parent Company as at 16 May 2018.

EUROCASH S.A. GROUP

CONDENSED INTERIM

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 JANUARY 2018 TO 30 SEPTEMBER 2018

TRANSLATORS' EXPLANATORY NOTE

This document is a free translation of the Polish original.
The binding Polish original should be referred to in matters of interpretation.

KOMORNIKI, 8TH November 2018

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	<i>01.01-30.09.2018</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

CONTENTS

Introduction to condensed interim consolidated financial statements	3
1. Information about the Parent Entity.....	3
2. Bodies of the Parent Entity.....	3
Condensed consolidated income statement for the period from 01.01. to 30.09.2018	5
Condensed consolidated statement of comprehensive income for the period from 01.01. to 30.09.2018	6
Condensed consolidated statement of financial position as at 30.09.2018	7
Condensed consolidated statement of cash flows for the period from 01.01. to 30.09.2018	9
Condensed consolidated statement of changes in equity for the period from 01.01. to 30.09.2018	10
Supplementary information to the condensed interim consolidated financial statements prepared for the period from 01.01.2018 to 30.09.2018	11
1. General information	11
2. Notes to the Condensed interim consolidated financial statements prepared for the period from 01.01. to 30.09.2018	23

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2018	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

INTRODUCTION TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. INFORMATION ABOUT THE PARENT ENTITY

NAME

EUROCASH Spółka Akcyjna ("Company", "Parent Entity")

REGISTERED OFFICE

ul. Wiśniowa 11, 62-052 Komorniki

CORE BUSINESS

Non-specialized wholesale trade
(PKD 4690Z)

REGISTRATION COURT

District Court Poznań - Nowe Miasto and Wilda in Poznań, VIII Commercial Department of the National Court Register, KRS 0000213765

DURATION OF THE PARENT COMPANY

Indefinite

PERIOD COVERED BY THE FINANCIAL STATEMENTS

The reporting period is 1 January 2018 – 30 September 2018.

The consolidated statement of financial position has been prepared as at 30 September 2018 and the comparative figures are presented as at 31 December 2017.

Comparative data has been prepared in accordance to UE-approved IAS 34 – Interim financial reporting.

2. BODIES OF THE PARENT ENTITY

2.1. MANAGEMENT BOARD OF THE PARENT ENTITY

As at 30 September 2018 the Parent Entity's Management Board consisted of the following members:

Luis Manuel Conceicao do Amaral – President of the Management Board,
Rui Amaral – Member of the Management Board,
Arnaldo Guerreiro – Member of the Management Board,
Pedro Martinho – Member of the Management Board,
Katarzyna Kopaczewska – Member of the Management Board,
Jacek Owczarek – Member of the Management Board,
Przemysław Ciaś – Member of the Management Board,

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2018	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

2.2. SUPERVISORY BOARD OF THE PARENT ENTITY

As at 30 September 2018 the Parent Entity's Supervisory Board consisted of the following members:

João Borges de Assunção – President of the Supervisory Board,
Francisco José Valente Hipólito dos Santos – Member of the Supervisory Board,
Hans Joachim Körber – Member of the Supervisory Board,
Jacek Sz wajkowski – Member of the Supervisory Board,
Alicja Kornasiewicz – Member of the Supervisory Board.

2.3. CHANGES IN THE MANAGEMENT AND SUPERVISORY BOARD

On 22 March 2018, the Supervisory Board of Parent Entity took a resolution of appointing Mr. Paweł Musiał as a Member of the Management Board of the Parent Entity on 1 April 2018.

On 25 April 2018, with effect on the day of making the statement, Mr. Eduardo Aguinaga de Moraes resigned from the position of a Member of the Supervisory Board of the Parent Entity.

On 25 April 2018, Ms. Alicja Kornasiewicz was appointed as a Member of the Supervisory Board of the Parent Entity.

On 26 July 2018, Mr. Paweł Musiał resigned from the function of Member of the Management Board of the Parent Entity with effect on 31 July 2018.

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2018	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM 01.01. TO 30.09.2018

	Non audited 3rd Quarter for the period from 01.07.2018 to 30.09.2018	Non audited 3 Quarters for the period from 01.01.2018 to 30.09.2018	Non audited 3rd Quarter for the period from 01.07.2017 to 30.09.2017	Non audited 3 Quarters for the period from 01.01.2017 to 30.09.2017 <i>restated**</i>
Sales	6 256 185 609	17 031 883 584	5 576 269 015	15 658 522 620
Sales of goods *	6 215 679 616	16 915 155 086	5 542 179 326	15 557 442 013
Sales of services *	39 251 813	113 532 456	33 121 413	97 829 076
Sales of materials	1 254 180	3 196 043	968 276	3 251 531
Costs of sales	(5 471 135 489)	(14 959 248 468)	(4 948 016 843)	(13 844 033 597)
Costs of goods sold *	(5 470 250 382)	(14 956 976 346)	(4 947 269 353)	(13 841 210 879)
Costs of materials sold	(885 107)	(2 272 122)	(747 491)	(2 822 718)
Gross profit (loss)	785 050 120	2 072 635 117	628 252 171	1 814 489 023
Selling expenses	(625 845 560)	(1 658 860 473)	(481 568 479)	(1 429 887 642)
General and administrative expenses	(110 422 454)	(296 228 242)	(93 208 150)	(279 187 521)
Profit (loss) on sales	48 782 105	117 546 401	53 475 542	105 413 861
Other operating income	19 113 098	42 876 864	10 169 659	46 012 549
Other operating expenses	(16 394 325)	(48 391 670)	(5 492 228)	(139 816 285)
Operating profit (loss)	51 500 878	112 031 595	58 152 974	11 610 125
Financial income	9 424 370	27 736 239	5 002 719	16 915 290
Financial costs	(22 025 443)	(55 636 377)	(12 637 579)	(39 218 487)
Share in profits (losses) of equity accounted investees	(1 659 914)	(5 175 696)	(1 094 579)	(3 775 325)
Profit (loss) before tax	37 239 891	78 955 761	49 423 535	(14 468 397)
Income tax expense	987 797	(23 228 069)	(11 960 968)	(24 841 558)
Profit (loss) for the period	38 227 688	55 727 692	37 462 567	(39 309 955)
Net profit (loss) on continued operations	37 855 951	55 707 651	37 616 520	(39 152 858)
Net profit (loss) on discontinued operations	371 737	20 041	(153 953)	(157 097)
Attributable to:				
Owners of the Company	36 443 232	57 395 223	35 741 965	(42 064 215)
Non-controlling interests	1 784 456	(1 667 531)	1 720 602	2 754 260

EARNINGS PER SHARE

	PLN / share	PLN / share
Profit (loss) attributable to Owners of the Company	57 395 223	(42 064 215)
Weighted average number of shares	139 163 286	139 153 763
Weighted average diluted number of shares	139 163 286	139 107 157
Earnings per share		
- basic	0,41	(0,30)
- diluted	0,41	(0,30)

* Note 1

** Note 2

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2018	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 01.01. TO 30.09.2018

	Non audited 3rd Quarter for the period from 01.07.2018 to 30.09.2018	Non audited 3 Quarters for the period from 01.01.2018 to 30.09.2018	Non audited 3rd Quarter for the period from 01.07.2017 to 30.09.2017	Non audited 3 Quarters for the period from 01.01.2017 to 30.09.2017
Profit (loss) for the period	38 227 688	55 727 692	37 462 567	(39 309 955)
Other comprehensive income for the period	(190 312)	(544 398)	(245 812)	(678 384)
Items that may be subsequently reclassified to profit or loss:				
- The result on hedge accounting with the tax effect:	(190 312)	(544 398)	(245 812)	(678 384)
Total comprehensive income for the period	38 037 377	55 183 294	37 216 755	(39 988 339)
Total Income				
Owners of the Company	36 252 921	56 850 825	35 496 153	(42 742 599)
Non-controlling interests	1 784 456	(1 667 531)	1 720 602	2 754 260
Total comprehensive income for the period	38 037 377	55 183 294	37 216 755	(39 988 339)

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2018	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30.09.2018

	Non audited	
	as at	as at
	30.09.2018	31.12.2017
<i>Assets</i>		
Non-current assets (long-term)	2 985 655 441	2 526 965 574
Goodwill	1 776 698 205	1 401 336 787
Intangible assets	331 494 034	347 086 180
Property, plant and equipment	786 350 676	678 989 707
Investment property	961 027	972 799
Investments in equity accounted investees	27 240 200	32 415 896
Other long-term investments	657 458	30 784 656
Long-term receivables	13 337 913	7 156 243
Deferred tax assets	48 450 459	26 316 764
Other long-term prepayments	465 469	1 906 541
Current assets (short-term)	3 308 302 593	3 452 956 525
Inventories	1 378 178 258	1 320 254 214
Trade receivables	1 615 457 414	1 682 841 291
Current tax receivables	1 623 207	11 584 927
Other short-term receivables	121 163 885	143 072 942
Other short-term financial assets	15 000	50 434 740
Short-term prepayments	39 237 343	42 168 063
Cash and cash equivalents	152 627 487	202 600 349
Assets classified as held for sale	55 083 747	-
Total assets	6 349 041 782	5 979 922 099

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2018	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30.09.2018

	Non audited	
	as at	as at
	30.09.2018	31.12.2017
<i>Equity and liabilities</i>		
Equity	981 852 099	1 030 005 400
Equity attributable to Owners of the Company	924 157 081	966 333 484
Share capital	139 163 286	139 163 286
Reserve capital	1 379 530 766	1 460 760 315
Loss on valuation of hedging transactions	(7 028 175)	(6 483 777)
Option for purchase/selling the shares	(55 135 709)	(54 712 448)
Retained earnings	(532 373 086)	(572 393 893)
Accumulated profit / loss from previous years	(589 768 309)	(539 082 319)
Profit (loss) for the period	57 395 223	(33 311 574)
Non-controlling interests	57 695 017	63 671 916
Liabilities	5 319 625 937	4 949 916 699
Non-current liabilities	106 010 412	96 108 526
Long-term financial liabilities	3 133 974	4 932 920
Other long-term liabilities	64 641 200	58 148 822
Deferred tax liabilities	31 711 359	25 430 471
Employee benefits	5 575 142	6 484 166
Provisions	948 738	1 112 147
Current liabilities	5 213 615 525	4 853 808 173
Loans and borrowings	721 076 173	317 781 175
Short-term financial liabilities	36 940 817	249 437 574
Trade payables	4 040 714 668	3 940 899 244
Current tax liabilities	21 337 568	7 717 339
Other short-term payables	91 951 501	93 693 875
Current employee benefits	107 371 259	102 599 975
Provisions	194 223 537	141 678 990
Liabilities directly connected with assets held for sale	47 563 746	-
Total equity and liabilities	6 349 041 782	5 979 922 099
BOOK VALUE PER SHARE		
	Non audited	
	as at	as at
	30.09.2018	31.12.2017
Equity attributable to Owners of the Company	924 157 081	966 333 484
Number of shares	139 163 286	139 163 286
Diluted number of shares	142 069 536	142 069 536
Book value per share	6,64	6,94
Diluted book value per share	6,50	6,80

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2018	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD FROM 01.01. TO 30.09.2018

	Non audited 3 Quarters for the period from 01.01.2018 to 30.09.2018	Non audited 3 Quarters for the period from 01.01.2017 to 30.09.2017
<i>Cash flow from operating activities</i>		
Profit (loss) before tax	78 955 761	(14 468 397)
Adjustments for:	205 401 343	167 248 026
Depreciation and amortization	149 734 537	133 217 330
Share in profits (losses) of equity accounted investees	5 175 696	3 775 325
Valuation of motivational program	4 410 000	2 680 000
Gain (loss) on sale of property, plant and equipment	7 595 979	(1 017 890)
Dividends received	(597 821)	(882 010)
Interest expenses	46 555 986	32 327 500
Interest received	(7 473 033)	(2 852 228)
Operating cash before changes in working capital	284 357 105	152 779 629
Changes in inventory	57 313 858	(131 250 483)
Changes in receivables	68 576 733	35 761 035
Changes in payables	(42 471 810)	269 824 085
Changes in provisions and employee benefits	(1 691 692)	3 553 206
Other adjustments	-	214 170
Operating cash	366 084 194	330 881 642
Interest received	2 700 066	1 507 366
Interest paid	(39 383 688)	(26 022 096)
Income tax paid	(28 266 199)	(22 649 426)
Net cash from operating activities	301 134 373	283 717 486
<i>Cash flow from investing activities</i>		
Aquisition of intangible assets	(18 050 326)	(28 184 525)
Aquisition of property, plant and equipment tangible fixed assets	(114 785 216)	(117 077 408)
Proceeds from sale of property, plant and equipment	7 599 904	4 960 332
Income/expenses on other short-term financial assets	45 765 624	(21 815 585)
Dividends received	597 821	882 010
Aquisition of subsidiaries, net of cash acquired	(340 087 385)	(92 695 643)
Expenditures on the acquisition of subsidiaries	-	(2 211 457)
Loans granted	-	(30 000 000)
Interest received	4 393 893	866 400
Net cash used in investing activities	(414 565 686)	(285 275 874)
<i>Cash flow from financing activities</i>		
Proceeds from issue of share capital	-	2 543 150
Income/expenses for other financial liabilities	3 323 908	(1 024 693)
Issue of financial debt securities	(219 533 443)	79 000 000
Proceeds from loans and borrowings	407 829 910	69 942 517
Repayment of borrowings	(4 790 798)	(23 219 850)
Income/expenses for liabilities from financial leasing	(2 720 727)	(5 504 353)
Other interests	(3 591 382)	(3 134 489)
Interests on loans and borrowings	(11 903 428)	(8 866 785)
Dividends paid	(104 607 262)	(111 277 151)
Net cash used in financing activities	64 006 779	(1 541 655)
Net change in cash and cash equivalents	(49 424 533)	(3 100 043)
Cash and cash equivalents at the beginning of the period	202 600 349	161 871 104
Cash and cash equivalents at the end of the period	153 175 816	158 771 061

Condensed interim consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.09.2018	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM 01.01. TO 30.09.2018

	Share capital	Reserve capital	Option for purchase/selling the shares	Hedge reserve	Retained earnings	Equity attributable to Owners of the Company	Non-controlling interests	Total
<i>Changes in equity in the period from 01.01 to 30.09.2017 - non audited</i>								
Balance as at 01.01.2017 after changes	139 096 361	1 352 632 597	(69 189 100)	(6 310 705)	(330 578 771)	1 085 650 382	69 453 273	1 155 103 655
Total comprehensive income for the reporting period								
Owners of the Company	-	-	-	-	(42 064 215)	(42 064 215)	-	(42 064 215)
Non-controlling interests	-	-	-	-	-	-	2 754 260	2 754 260
Net profit presented directly in equity	-	-	-	(678 384)	-	(678 384)	-	(678 384)
Total comprehensive income for the period from 01.01. to 30.09.2017	-	-	-	(678 384)	(42 064 215)	(42 742 599)	2 754 260	(39 988 339)
Dividends paid	-	-	-	-	(101 589 199)	(101 589 199)	(9 473 109)	(111 062 308)
Transfer to reserve capital	-	101 731 493	-	-	(101 731 493)	-	-	-
Share options exercised	66 925	2 476 225	-	-	-	2 543 150	-	2 543 150
Settlement of acquisition and sale of shares	-	-	-	-	-	-	(60 117)	(60 117)
Other	-	-	-	-	(955 428)	(955 428)	-	(955 428)
Total contributions by and distributions to Owners of the Company	66 925	104 207 718	-	-	(204 276 119)	(100 001 477)	(9 533 226)	(109 534 703)
Balance as at 30.09.2017	139 163 286	1 456 840 315	(69 189 100)	(6 989 088)	(576 919 106)	942 906 307	62 674 307	1 005 580 615
<i>Changes in equity in the period from 01.01 to 30.09.2018 - non audited</i>								
Balance as at 01.01.2018	139 163 286	1 460 760 315	(54 712 448)	(6 483 777)	(572 393 893)	966 333 484	63 671 916	1 030 005 400
Total comprehensive income for the reporting period								
Owners of the Company	-	-	-	-	57 395 223	57 395 223	-	57 395 223
Non-controlling interests	-	-	-	-	-	-	(1 667 531)	(1 667 531)
Other comprehensive income	-	-	-	(544 398)	-	(544 398)	-	(544 398)
Total comprehensive income for the period from 01.01. to 30.09.2018	-	-	-	(544 398)	57 395 223	56 850 825	(1 667 531)	55 183 294
Dividends paid	-	(101 589 199)	-	-	-	(101 589 199)	(3 018 064)	(104 607 262)
Dividends declared	-	-	-	-	-	-	(1 292 457)	(1 292 457)
Transfer to reserve capital	-	15 949 649	-	-	(15 949 649)	-	-	-
Equity-settled share-based payment transactions	-	4 410 000	-	-	-	4 410 000	-	4 410 000
Option for purchase/selling the shares	-	-	(423 261)	-	-	(423 261)	-	(423 261)
Other	-	-	-	-	(1 424 768)	(1 424 768)	1 152	(1 423 616)
Total contributions by and distributions to Owners of the Company	-	(81 229 550)	(423 261)	-	(17 374 417)	(99 027 228)	(4 309 368)	(103 336 595)
Balance as at 30.09.2018	139 163 286	1 379 530 766	(55 135 709)	(7 028 175)	(532 373 086)	924 157 081	57 695 017	981 852 099

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2018	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

SUPPLEMENTARY INFORMATION TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS PREPARED FOR THE PERIOD FROM 01.01.2018 TO 30.09.2018

1. GENERAL INFORMATION

1.1. ISSUE OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

According to the resolution of the Management Board dated 8 November 2018, the consolidated financial statements of Eurocash Group for the period from 1 January 2018 to 30 September 2018 were authorized for publication.

According to the information included in the report no. 1/2018 dated 15 January 2018 sent to the Polish Financial Supervision Authority, Eurocash S.A. issues its interim consolidated financial statements on 9 November 2018.

Eurocash S.A. is a listed company and its shares are publicly traded.

1.2. STATEMENT OF COMPLIANCE

These condensed interim consolidated financial statements of Eurocash S.A. Group have been prepared in accordance with IAS 34 - Interim Financial Reporting, approved by European Union. These condensed interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements of Eurocash S.A. Group as at and for the year ended 31 December 2017, which is available on the website www.grupaeurocash.pl.

1.3. PRESENTATION CURRENCY, ROUNDINGS

These consolidated interim financial statements are presented in PLN, which is the Parent Entity's functional and presentation currency. All financial information presented in PLN has been rounded to the nearest PLN (unless it is otherwise indicated).

1.4. USE OF ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements in conformity with UE IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, incomes and expenses. Estimates and underlying assumptions are made based on historical experience and other factors accepted as reasonable in given circumstances, and the results of estimates and judgements are a basis for the determination of the carrying value of assets and liabilities not resulting directly from other sources. Actual results may differ from those estimates. The range of significant judgments, estimates and assumptions was presented in the financial statements for 2017 year and in the current period has not changed.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised or in the current period and any future periods affected, if a change in estimates relates to both the current and future periods.

As at the reporting date, the group analyzed goodwill for potential impairment. The analysis showed no indications of impairment of goodwill as at 30 September 2018.

1.5. COMPARABILITY OF FINANCIAL STATEMENTS

Accounting principles as well as calculation methods applied in the preparation of these condensed interim consolidated financial statements remained unchanged in comparison to the ones applied in the last annual consolidated financial statements for the financial year

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2018	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

ended 31st December 2017, excluding the application of new or amended standards and interpretations applicable to annual periods beginning on 1 January 2018 and later.

1.6. IMPACT OF NEW STANDARDS AND INTERPRETATIONS ON THE FINANCIAL STATEMENTS OF THE GROUP

Implementation of IFRS 9

IFRS 9 „Financial Instruments” effective for the financial years beginning on or after 1 January 2018 with the possibility of earlier adoption.

IFRS 9 requires all the financial assets, within the scope of IAS 39, to be measured at an amortized cost or fair value. Debt investments held within a business model whose objective is to obtain the appropriate cash flow, consisting of a fixed basic payment amount and interest - are measured at an amortized cost at the end of subsequent reporting periods. All other debt investments and equity investments are measured at fair value at the end of subsequent reporting periods. In addition, changes in fair value of capital investments that are not held for trading may be presented in other comprehensive income, while in the income statement, it is recognized only as dividend. The decision is irreversible.

The Group does not expect the new standard to have a significant impact on the Group's financial statements.

Implementation of IFRS 15

The impact of IFRS 15 “Revenue from contracts with customers” on the Group's financial statements is presented in Note 1 to the condensed semi-annual consolidated financial statements.

Implementation of IFRS 16

IFRS 16 „Leases” effective for the financial years beginning on or after 1 January 2019.

IFRS 16 establishes rules for the recognition, valuation, presentation and disclosures relating to the lease. All leasing transactions result in obtaining the lessee's right to use the assets and liabilities arising from the obligation to pay. Thus, IFRS 16 abolishes the distinction between operating leases and finance leases and introduces a model of accounting by the lessee. The lessee will be required to include:

- assets and liabilities for all leases entered a period of over 12 months, except when the asset is a low value;
- depreciation of leased assets separately from the interest on the lease liability in the financial statements.

Detailed analysis of the impact of the new standard on the financial statements of the Company has not yet been completed, the analysis is still in progress.

Other

a. IFRIC Interpretation 22 Foreign Currency Transaction and Advance Considerations

The Interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advances consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt in advance consideration.

This Interpretation does not have any impact on the condensed semi-annual consolidated financial.

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2018	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

b. Amendments to IAS 40 Transfers of Investment Property

The amendments clarify when an entity should transfer property, including property under construction for development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

These amendments do not have any impact on the condensed semi-annual consolidated financial.

c. Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transaction

The IASB issued amendments to IFRS 2 Share-based Payment that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transactions; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled.

These amendments do not have any impact on condensed semi-annual consolidated financial.

d. Amendments to IFRS 4 Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts

The amendments allow entities that carry out insurance activity to postpone the date of entry into force of IFRS 9 by 1 January 2021. The effect of such postponement is that the entities concerned may continue to prepare financial statements in accordance with the applicable standard, i.e. IAS 39.

These changes do not apply to the Group.

e. Amendments to IAS 28 Investments in Associates and Joint Ventures as a part of Amendments resulting from the review of IFRSs 2014-2016

The amendments clarify that an entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit and loss under IFRS 9. If an entity, that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interest in subsidiaries. This selection is made separately for each investment entity associate or joint venture, at the later of the date on which a) the investment entity associate or joint venture is initially recognised; b) the associate or joint venture becomes an investment entity; c) the investment entity associate or joint venture becomes a parent.

These amendments do not have any impact on condensed semi-annual consolidated financial.

f. Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards as part of amendments resulting from the review of IFRSs 2014-2016

Short-term exemptions in paragraphs E3-E7 of IFRS 1 were deleted because they have not served their intended purpose.

These amendments do not have any impact on the condensed semi-annual consolidated financial.

The Group did not decide to apply earlier any standard, interpretation or amendment that was published but has not yet entered into force due to European Union regulations.

Condensed interim consolidated financial statements of EUROCASH Group.

Financial statements period:	01.01-30.09.2018	Presentation currency:	Polish zloty (PLN)
------------------------------	------------------	------------------------	--------------------

Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		
----------------------	--	--	--

1.7. INFORMATION ABOUT THE PARENT ENTITY AND THE GROUP

Eurocash Spółka Akcyjna is the Parent Entity, registered in the District Court Poznań - Nowe Miasto and Wilda in Poznań, VIII Commercial Department of the National Court Register; registration number: KRS 00000213765; located in Komorniki, ul. Wiśniowa 11.

The core business activity of the Parent Entity is non-specialized wholesale trade (PKD 4690Z).

Shares of Eurocash S.A. are traded on Warsaw Stock Exchange.

Eurocash Group comprises Eurocash S.A. and subsidiaries.

Condensed interim consolidated financial statements of EUROCASH Group.

Financial statements period:	01.01-30.09.2018	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Entities comprising the Eurocash capital group and associates as at 30.09.2018

No	1	2	3	4	5	6	7	8
Unit	Eurocash S.A.	Eurocash Serwis Sp. z o.o.	Eurocash Franczyza Sp. z o.o.	Eurocash Trade 1 Sp. z o.o.	Eurocash Trade 2 Sp. z o.o.	Eurocash VC2 Sp. z o.o. w likwidacji	Premium Distributors Sp. z o.o.	Przedsiębiorstwo Handlu Spożywczego Sp. z o.o.
address	ul .Wiśniowa 11 62-052 Komorniki	ul .Wiśniowa 11 62-052 Komorniki	ul .Wiśniowa 11 62-052 Komorniki	ul .Wiśniowa 11 62-052 Komorniki	ul .Wiśniowa 11 62-052 Komorniki	ul .Wiśniowa 11 62-052 Komorniki	ul. Bokserska 66a 02-690 Warszawa	ul .Wiśniowa 11 62-052 Komorniki
core of activity	PKD 4690Z	PKD 4635Z	PKD 8299Z	PKD 4634A	PKD 4634A	PKD 7740Z	PKD 4634A	PKD 4690Z
registration court	District Court Poznań - Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register KRS 0000213765	District Court Poznań - Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register KRS 0000519553	District Court Poznań - Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register KRS 0000259846	District Court Poznań - Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register KRS 0000329002	District Court Poznań - Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register KRS 0000329037	District Court Poznań - Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register KRS 0000529945	District Court Warszawa, XIII Commercial Division of the National Court Register KRS 0000287947	District Court Zielona Góra, VIII Commercial Division of the National Court Register KRS 0000203619
nature of relationship	Parent company	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary
applied consolidation method	Full	Full	Full	Full	Full	Full	Full	Full
date of aquisition	n/a	31.03.2006	10.07.2006	06.04.2009	06.04.2009	03.11.2014	02.08.2010	02.08.2010
ownership interest	n/a	75,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%
voting rights (in %)	n/a	75,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%

Condensed interim consolidated financial statements of EUROCASH Group.

Financial statements period:	01.01-30.09.2018	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Entities comprising the Eurocash capital group and associates as at 30.09.2018 (continued)

No	9	10	11	12	13	14	15	16
Unit	DEF Sp. z o.o.	Detal Podlasie Sp. z o.o.	Lewiatan Podlasie Sp. z o.o.	Euro Sklep S.A.	Ambra Sp. z o.o.	Lewiatan Śląsk Sp. z o.o.	Lewiatan Orbita Sp. z o.o.	Lewiatan Kujawy Sp. z o.o.
address	ul. Handlowa 6 15-399 Białystok	ul. Sokóleńska 9 15-865 Białystok	Porosły 70A 16-070 Choroszcz	ul. Bystrzańska 94a 43-309 Bielsko-Biała	ul. Hutnicza 7 43-502 Czechowice-Dziedzice	ul. Lenartowicza 39 41-219 Sosnowiec	ul. Lubelska 33/15 10-410 Olsztyn	ul. Polna 4-8 87-800 Włocławek
core of activity	PKD 4639Z	PKD 4711Z	PKD 7010Z	PKD 4711Z	PKD 4645Z	PKD 7022Z	PKD 4690Z	PKD 4711Z
registration court	District Court Białystok, XII Commercial Division of the National Court Register KRS 0000048125	District Court Białystok, XII Commercial Division of the National Court Register KRS 0000033766	District Court Białystok, XII Commercial Division of the National Court Register KRS 0000508176	District Court Bielsko Biała, VIII Commercial Division of the National Court Register KRS 0000012291	District Court Katowice- Wschód, VIII Commercial Division of the National Court Register KRS 0000254307	District Court Katowice- Wschód, VIII Commercial Division of the National Court Register KRS 0000175768	District Court Olsztyn, VIII Commercial Division of the National Court Register KRS 0000039244	District Court Toruń, VII Commercial Division of the National Court Register KRS 0000109502
nature of relationship	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary
applied consolidation method	Full	Full	Full	Full	Full	Full	Full	Full
date of acquisition	21.12.2011	21.12.2011	18.03.2014	21.12.2011	21.12.2011	21.12.2011	21.12.2011	21.12.2011
ownership interest	100%	100%	100%	100%	100%	100%	100%	100%
voting rights (in %)	100%	100%	100%	100%	100%	100%	100%	100%

Condensed interim consolidated financial statements of EUROCASH Group.

Financial statements period:	01.01-30.09.2018	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Entities comprising the Eurocash capital group and associates as at 30.09.2018 (continued)

No	17	18	19	20	21	22	23	24
Unit	Lewiatan Wielkopolska Sp. z o.o.	Lewiatan Opole Sp. z o.o.	Lewiatan Zachód Sp. z o.o.	Lewiatan Podkarpacie Sp. z o.o.	Lewiatan Holding S.A.	Lewiatan Północ Sp. z o.o.	Eurocash Detal Sp. z o.o.	PayUp Polska S.A.
address	Os. Winiary 54 60-665 Poznań	ul. Światowida 2 45-325 Opole	ul. Przemysłowa 5 73-110 Stargard Szczeciński	ul. Krakowska 47 39-200 Dębica	ul. Kilińskiego 10 87-800 Włocławek	ul. I Dywizji Wojska Polskiego nr 98 84-230 Rumia	ul. Wiśniowa 11 62-052 Komorniki	ul. Wiśniowa 11 62-052 Komorniki
core of activity	PKD 7740Z	PKD 7740Z	PKD 6419Z	PKD 8299Z	PKD 7740Z	PKD 4639Z	PKD 4690Z	PKD 6120Z
registration court	District Court Poznań - Nowe Miasto i Wilda, VIII Commercial Division of the National Court Register KRS 0000133384	District Court Opole, VIII Commercial Division of the National Court Register KRS 0000043199	District Court Szczecin Centrum, XIII Commercial Division of the National Court Register KRS 0000017136	District Court Rzeszów, XII Commercial Division of the National Court Register KRS 0000186622	District Court Toruń, VII Commercial Division of the National Court Register KRS 0000089450	District Court Gdańsk- North in Gdańsk, VII Commercial Division of the National Court Register KRS 0000322297	District Court Poznań - Nowe Miasto i Wilda in Poznań, VIII Commercial Division of the National Court Register, KRS 0000499437	District Court Poznań - Nowe Miasto i Wilda in Poznań, VIII Commercial Division of the National Court Register KRS 0000299000
nature of relationship	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary
applied consolidation method	Full	Full	Full	Full	Full	Full	Full	Full
date of aquisition	21.12.2011	21.12.2011	21.12.2011	28.06.2013	21.12.2011	21.12.2011	18.11.2013	06.05.2014
ownership interest	100%	100%	100%	100%	67%	100%	100%	100%
voting rights (in %)	100%	100%	100%	100%	71%	100%	100%	100%

Condensed interim consolidated financial statements of EUROCASH Group.

Financial statements period:	01.01-30.09.2018	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Entities comprising the Eurocash capital group and associates as at 30.09.2018 (continued)

No	25	26	27	28	29	30	31	32
Unit	Eurocash Convenience Sp. z o.o.	Kontigo Sp. z o.o.	Inmedio Sp. z o.o.	Eurocash VC3 Sp. z o.o.	ABC na kołach Sp. z o.o.	Duży Ben Sp. z o.o.	Firma Rogala Sp. z o.o.	4Vapers Sp. z o.o.
address	ul. Wiśniowa 11 62-052 Komorniki	ul. Wiśniowa 11 62-052 Komorniki	ul. Al.Jerozolimskie 174 02-486 Warszawa	ul. Taśmowa 7 02-677 Warszawa	ul. Wiśniowa 11 62-052 Komorniki	ul. Wiśniowa 11 62-052 Komorniki	ul. Grunwaldzka 59 38-350 Bobowa	ul. Wiśniowa 11 62-052 Komorniki
core of activity	PKD 7010Z	PKD 7010Z	PKD 4617Z	PKD 7740Z	PKD 5621Z	PKD 4711Z	PKD 4711Z	PKD 4635Z
registration court	District Court Poznań - Nowe Miasto i Wilda in Poznań, VIII Commercial Division of the National Court Register KRS 0000509266	District Court Poznań - Nowe Miasto i Wilda in Poznań, VIII Commercial Division of the National Court Register KRS 0000510241	District Court Warszawa, XII Commercial Division of the National Court Register KRS 0000525507	District Court Warszawa, XIII Commercial Division of the National Court Register KRS 0000560795	District Court Poznań - Nowe Miasto i Wilda in Poznań, VIII Commercial Division of the National Court Register KRS 0000586936	District Court Poznań - Nowe Miasto i Wilda in Poznań, VIII Commercial Division of the National Court Register KRS 0000577163	District Court Kraków- Śródmieście in Kraków, XII Commercial Division of the National Court Register KRS 0000576321	District Court Poznań - Nowe Miasto i Wilda in Poznań, VIII Commercial Division of the National Court Register KRS 0000625487
nature of relationship	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary
applied consolidation method	Full	Full	Full	Full	Full	Full	Full	Full
date of aquisition	05.03.2014	17.04.2014	01.12.2014	11.05.2015	29.12.2015	22.07.2015	29.01.2016	20.06.2016
ownership interest	100%	100%	51%	100%	100%	100%	50%	100%
voting rights (in %)	100%	100%	51%	100%	100%	100%	50%	100%

Condensed interim consolidated financial statements of EUROCASH Group.

Financial statements period:	01.01-30.09.2018	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Entities comprising the Eurocash capital group and associates as at 30.09.2018 (continued)

No	33	34	35	36	37	38	39	40
Unit	Eurocash Nieruchomości Sp. z o.o.	Eurocash Food Sp. z o.o.	Sushi to go Sp. z o.o.	Sushi 2 go Sp. z o.o.	Detal Finanse Sp. z o.o.	Polska Dystrybucja Alkoholi Sp. z o.o.	FHC-2 Sp. z o.o.	Madas Sp. z o.o.
address	ul. Wiśniowa 11 62-052 Komorniki	ul. Wiśniowa 11 62-052 Komorniki	ul. Piękna 24/26A 00-549 Warszawa	ul. Ks. Juliana Chrościckiego 93/105 02-414 Warszawa	ul. Wiśniowa 11 62-052 Komorniki	ul. Sempołowska 4 95-200 Pabianice	Ul Tysiąclecia 1 38- 400 Krosno	Ul Tysiąclecia 1 38- 400 Krosno
core of activity	PKD 7022Z	PKD 7022Z	PKD 1013Z	PKD 8299Z	PKD 6920Z	PKD 4634A	PKD 4711Z	PKD 4711Z
registration court	District Court Poznań - Nowe Miasto i Wilda in Poznań, VIII Commercial Division of the National Court Register KRS 0000567562	District Court Warszawa, XII Commercial Division of the National Court Register KRS 0000605658	District Court Warszawa, XII Commercial Division of the National Court Register KRS 0000492021	District Court Warszawa, XIII Commercial Division of the National Court Register KRS 0000584888	District Court Poznań - Nowe Miasto i Wilda in Poznań, VIII Commercial Division of the National Court Register KRS 0000618542	District Court Łódź - Śródmieście in Łódź, XX Commercial Division of the National Court Register KRS 0000124474	District Court Rzeszów, XII Commercial Division of National Court Register KRS 0000241137	District Court Rzeszów, XII Commercial Division of National Court Register KRS 0000243880
nature of relationship	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary
applied consolidation method	Full	Full	Full	Full	Full	Full	Full	Full
date of aquisition	04.05.2015	04.05.2015	22.06.2016	22.06.2016	15.03.2016	30.12.2016	16.12.2016	16.12.2016
ownership interest	100,00%	100%	51%	74%	100%	100%	50%	50%
voting rights (in %)	100,00%	100%	51%	74%	100%	100%	50%	50%

Condensed interim consolidated financial statements of EUROCASH Group.

Financial statements period:	01.01-30.09.2018	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Entities comprising the Eurocash capital group and associates as at 30.09.2018 (continued)

No	41	42	43	44	45	46	47	48	49
Unit	Zagłoba Sp. z o.o.	ECA Detal Sp. z o.o.	Eko Holding S.A.	Ledi Sp. z o.o.	Jim Sp. z o.o.	Foodmakers Logistics Sp. z o.o.	Eurocash VC6 Sp. z o.o.	EC VC7 Sp. z o.o.	Cerville Investments Sp. z o.o.
address	ul. Stara Huta 7 32-500 Chrzanów	ul. Sempołowskiej 4 95-200 Pabianice	ul. R. Chomicza 13C Nowa Wieś Wrocławska 55-080 Kąty Wrocławskie	ul. R. Chomicza 13C Nowa Wieś Wrocławska 55-080 Kąty Wrocławskie	ul. R. Chomicza 13C Nowa Wieś Wrocławska 55-080 Kąty Wrocławskie	Al. Niepodległości 31 61-714 Poznań	ul. Wiśniowa 11 62-052 Komorniki	ul. Wiśniowa 11 62-052 Komorniki	ul. Czerniewieckiej 2B 02.705 Warszawa
core of activity	PKD 4634A	PKD 4725Z	PKD 4690Z	PKD 4711Z	PKD 7830Z	PKD 5210B	PKD 7320Z	PKD 4690Z	PKD 4110Z
registration court	District Court Kraków - Śródmieście in Kraków, XII Commercial Division of the National Court Register KRS 0000105078	District Court Łódź - Śródmieście in Łódź, XX Division of the National Court Register KRS 0000293684	District Court Wrocław - Fabryczna in Wrocław, IX Division of the National Court Register KRS 0000302877	District Court Wrocław - Fabryczna in Wrocław, IX Division of the National Court Register KRS 0000116761	District Court Wrocław - Fabryczna in Wrocław, IX Division of the National Court Register KRS 0000370167	District Court Poznań - Nowe Miasto i Wilda in Poznań, VIII Commercial Division of the National Court Register KRS 0000670394	District Court Poznań - Nowe Miasto i Wilda in Poznań, VIII Commercial Division of the National Court Register KRS 0000666485	District Court Poznań - Nowe Miasto i Wilda in Poznań, VIII Commercial Division of the National Court Register KRS 0000666652	District Court Warszawa, XIII Commercial Division of the National Court Register KRS 0000495219
nature of relationship	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary
applied consolidation method	Full	Full	Full	Full	Full	Full	Full	Full	Full
date of aquisition	30.12.2016	30.12.2016	04.01.2017	04.01.2017	04.01.2017	01.02.2017	18.01.2017	18.01.2017	13.12.2017
ownership interest	66%	100%	100%	100%	100%	50%	100%	100%	100%
voting rights (in %)	66%	100%	100%	100%	100%	50%	100%	100%	100%

Condensed interim consolidated financial statements of EUROCASH Group.

Financial statements period:	01.01-30.09.2018	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Entities comprising the Eurocash capital group and associates as at 30.09.2018 (continued)

No	50	51	52	53	54	55	56	57
Unit	Akademia Umiejętności Eurocash Sp. z o.o.	Mila S.A.	Investpol 700 Mila spółka akcyjna sp.j.	Mila Holding S.A.	"Koja-Mila Spółka Akcyjna" Sp. j.	Domelius Limited	ABC Sp. z o.o.	Groszek Sp. z o.o.
address	ul. Wiśniowa 11 62-052 Komorniki	ul. Świętokrzyska 22 88-100 Inowrocław	ul. Świętokrzyska 22 88-100 Inowrocław	ul. Świętokrzyska 22 88-100 Inowrocław	os. Na Stoku 1 31-701 Kraków	43 Demostheni Severi Avenue Nicosia, 1080 Cyprus	ul. Wiśniowa 11 62-052 Komorniki	ul. Wiśniowa 11 62-052 Komorniki
core of activity	PKD 8559B	PKD 4711Z	PKD 6820Z	PKD 6420Z	PKD 6831Z	-	PKD 7490Z	PKD 7490Z
registration court	District Court Poznań - Nowe Miasto i Wilda in Poznań, VIII Commercial Division of the National Court Register KRS 0000666485	District Court Poznań - Nowe Miasto i Wilda in Poznań, VIII Commercial Division of the National Court Register KRS 0000644111	District Court Bydgoszcz, VIII Commercial Division of the National Court Register KRS 0000550561	District Court Poznań - Nowe Miasto i Wilda in Poznań, VIII Commercial Division of the National Court Register KRS 0000666862	District Court Kraków- Śródmieście in Kraków, XI Commercial Division of the National Court Register KRS 0000303300	Company under Cypriot law	District Court Poznań - Nowe Miasto i Wilda in Poznań, VIII Commercial Division of the National Court Register KRS 0000746077	District Court Poznań - Nowe Miasto i Wilda in Poznań, VIII Commercial Division of the National Court Register KRS 0000745820
nature of relationship	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary
applied consolidation method	Full	Full	Full	Full	Full	Full	Full	Full
date of acquisition	18.01.2017	29.05.2018	29.05.2018	29.05.2018	29.05.2018	29.05.2018	18.07.2018	18.07.2018
ownership interest	100%	100%	100%	100%	100%	100%	100%	100%
voting rights (in %)	100%	100%	100%	100%	100%	100%	100%	100%

In addition, Inmedio Sp. z o.o. has subsidiary Inmedio Sp. z o.o. Sp. k., in which Inmedio Sp. z o.o. (as a general partner) holds 99.9999% of shares and Eurocash Franczyza Sp. z o.o. (as a limited partner) holds 0.0001% of shares.

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	<i>01.01-30.09.2018</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

Entities comprising the Eurocash capital group and associates as at 30.09.2018

No	1	2
Unit	FRISCO S.A.	Partnerski Serwis Detaliczny S.A.
address	ul. Omulewska 27 04-128 Warszawa	ul. Grażyny 15 02-548 Warszawa
core of activity	PKD 4791Z	PKD 6499Z
registration court	District Court Warszawa, XIII Commercial Division of the National Court Register KRS 0000401344	District Court Warszawa, XIII Commercial Division of the National Court Register KRS 0000280288
nature of relationship	Associate	Joint venture
method of ownership	Equity method	Equity method
ownership interest	44,03%	50%
voting rights (in %)	44,03%	50%

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2018	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

1.8. GOING CONCERN ASSUMPTION

These financial statements have been prepared on the assumption that the Group will continue as a going concern in the foreseeable future. As at the date of approval of these financial statements, there are no circumstances indicating the threat to the Group's continued operations.

2. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS PREPARED FOR THE PERIOD FROM 01.01. TO 30.09.2018

NOTE 1. IFRS 15 REVENUE FROM CONTRACTS WITH CUSTOMERS

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

The Group adopted IFRS 15 using the full retrospective method of adoption, i.e. with reclassification of comparative period.

NOTE 2. ACQUISITION OF SHARES IN A SUBSIDIARIES

1. Acquisition of 100% shares in Mila.

General information

On 29 May 2018, Eurocash purchased 100% of shares in the Cyprus-based company Domelius Limited, with its registered office in Nikozja and took over the control of Domelius and subsidiaries of Domelius, which are: Mila Holding S.A. (previously Grupa 700 market-Detal spółka z ograniczoną odpowiedzialnością S.K.A.), Mila S.A. (previously: Market-Detal spółka z ograniczoną odpowiedzialnością sp.j.) and Investpol 700 Mila spółka akcyjna spółka jawna oraz „Koja-Mila spółka akcyjna” spółka jawna.

GENERAL INFORMATION CONCERNING BUSINESS ACQUISITION OF THE UNITS

1. Name of acquired company	Mila Group
2. Acquisition date	29.05.2018
3. Acquisition cost	349 276 106

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2018	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Settlement of business acquisition

Due to the short period between the acquisition of the Company and the preparation of these condensed consolidated interim financial statements, these condensed consolidated interim financial statements present a initial settlement of the acquisition price of Mila shares. The Group is in the process of identification and measurement of assets acquired and liabilities assumed.

In the initial settlement of the purchase price, the net assets have been adopted due to the book value (corrected by the adjustments to the Eurocash Group policy); the purchase cost is the final price. The acquisition took place market conditions. The goodwill was recognized basing on the Group's business plans.

ACQUISITION COST

	as at
	29.05.2018
Cash	<u><u>349 276 106</u></u>

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2018	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

NET ASSETS ACQUIRED	Settlement of the acquisition as at 29.05.2018
<i>Assets</i>	
Non-current assets (long-term)	144 789 628
Intangible assets	11 436 026
Tangible fixed assets	125 662 084
Long-term receivables	7 447 826
Other long-term prepayments	243 692
Current assets (short-term)	140 889 250
Inventory	115 480 302
Trade receivables	6 898 959
Other short-term receivables	6 961 802
Short-term prepayments	2 233 434
Cash and cash equivalents	9 314 753
Total assets	285 678 878
<i>Equity nad liabilities</i>	
Liabilities	317 486 204
Non-current liabilities	36 339 123
Other long-term financial liabilities	991 609
Long-term loans and credits	30 796 210
Other long-term liabilities	2 697 653
Deferred tax liabilities	1 145 665
Employee benefits	707 987
Current liabilities	281 147 081
Short-term loans and credits	5 353 520
Other short-term financial liabilities	6 054 410
Trade liabilities	198 224 650
Other short-term liabilities	14 818 781
Current employee benefits	18 893 728
Other short-term provisions	37 801 993
Total liabilities	317 486 204
Net assets	(31 807 326)
Net assets acquired (100 %)	(31 807 326)
Goodwill on acquisition	381 083 432
Acquisition cost	349 276 106

The acquisition of the Mila Group had a significant impact on statement of cash flows in activities: operating (about PLN 130 million), investment (about PLN 134 million) and financial (about PLN 3 million).

The investment activity was also influenced by the purchase of the Mila Group in the amount of PLN 349 million.

Other differences result mainly from different recognition of each transactions for the purposes of the statement of financial position and statement of cash flows.

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2018	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

**NOTE 3.
INTENTION TO SELL 100% SHARES IN PAYUP POLSKA S.A.**

On 25 June 2018, The Management Board of Eurocash S.A. signed with Centrum Rozliczeń Elektronicznych Polskie E-Płatności S.A. letter of intent regarding the commencement of negotiations regarding the purchase by the Buyer from the Issuer of 100% of shares in PayUp Polska S.A. with its registered office in Komorniki.

The price for the 100% stake in PayUp Polska was set at PLN 110 million, although the final sale price might change depending of achievement of agreed financial parameters.

Conclusion of the final contract is conditional upon the fulfillment of the conditions precedent agreed in the Preliminary Agreement, in particular, consent of the President of the Office of Competition and Consumer Protection for the concentration.

Due to the significant part of the Group's operations provided by PayUp Polska S.A. and its operational separation, the Management Board recognized the operations of the Company as discontinued operations as at 30 September 2018. Therefore, the assets and liabilities of PayUp Polska S.A. were presented as assets held for sale and liabilities related directly to assets held for sale as at 30 September 2018. Revenues and costs of PayUp Polska S.A. were presented as profit (loss) from discontinued operations in the consolidated statement of comprehensive income for the periods of 3 and 9 months ended on 30 September 2018. In accordance with the requirements of International Financial Reporting Standard 5 Assets held for sale and discontinued operations, comparative data for the periods of 3 and 9 months ended 30 September 2017 have been restated.

PayUp Polska S.A. income statement including consolidation adjustments:

	for the period from 01.01.2018 to 30.09.2018	for the period from 01.01.2017 to 30.09.2017
Sales	13 380 101	12 145 951
Sales of services	13 380 101	12 145 951
Gross profit (loss)	13 380 101	12 145 951
Selling expenses	(4 236 679)	(4 023 913)
General and administrative expenses	(8 418 929)	(7 887 812)
Profit (loss) on sales	724 493	234 226
Other operating income	90 842	98 231
Other operating expenses	(369 247)	(243 903)
Operating profit (loss)	446 087	88 553
Financial income	356	1 671
Financial costs	(402 222)	(263 706)
Profit (loss) before tax	44 221	(173 482)
Income tax expense	(24 180)	16 385
Profit (loss) for the period	20 041	(157 097)

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2018	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

PayUp Polska S.A. net assets including consolidation adjustments:

	as at
	30.09.2018
Assets	
<hr/>	
Non-current assets (long-term)	23 296 958
Goodwill	5 722 015
Intangible assets	4 276 102
Property, plant and equipment	11 347 667
Long-term receivables	53 632
Deferred tax assets	1 897 543
<hr/>	
Current assets (short-term)	31 786 789
Trade receivables	28 105 349
Other short-term receivables	3 050 564
Short-term prepayments	82 548
Cash and cash equivalents	548 328
Total assets	55 083 747
<hr/>	
Liabilities	47 563 746
Non-current liabilities	17 886
Employee benefits	17 886
Current liabilities	47 545 860
Trade liabilities	41 839 888
Other short-term payables	4 265 953
Current employee benefits	760 348
Provisions	679 671

PayUp Polska S.A. statement of cash flows

	for the period
	from 01.01.2018
	to 30.09.2018
Cash flow from discontinued operations	
Net cash from operating activities	<u>445 994</u>
Net cash used in investing activities	<u>(3 941 217)</u>
Net cash used in financing activities	<u>4 261 879</u>

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2018	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

NOTE 4. RESTATEMENT OF COMPARATIVE DATA

The restatement is related to the transfer of costs related to current assets from other operating expenses to the costs of goods sold in the amount of PLN 74,6 million.

The restatement of comparative data is related also to the change in the recognition of revenues from the sale of goods and services and their cost in connection with the application of IFRS 15 and has no impact on the operating result of the Group. The change in the presentation concerns mainly the issue of determining the remuneration of the client and remuneration of the intermediary and determining the sale of separate goods and services.

In valuating the agency model, the following criteria from IFRS 15 are taken:

- main responsibility for fulfilling the promise to provide a good or service,
- the risk of storing the stock,
- the ability to freely determine the prices of goods or services.

As a result of the change in the presentation on this account, revenues from the sale of goods were adjusted by PLN 560,4 million.

In accordance with IFRS 15, the Group identifies liabilities to perform the service and determines whether individual transactions with a given contractor constitute separate goods or services.

As a result of the change in presentation on this account, revenues from the sale of goods were adjusted by PLN 281,38 million and revenues from sale of services by PLN 964,8 million.

	The amount in the approved report for the period from 01.01.2017 to 30.09.2017	Correction for the period from 01.01.2017 to 30.09.2017	The corrected amount for the period from 01.01.2017 to 30.09.2017
Sales	17 465 139 199	(1 806 616 579)	15 658 522 620
Sales of goods	16 399 246 823	(841 804 810)	15 557 442 013
Sales of services	1 062 640 845	(964 811 769)	97 829 076
Sales of materials	3 251 531	-	3 251 531
Costs of sales	(15 595 121 954)	1 751 088 358	(13 844 033 597)
Costs of goods sold	(15 455 110 636)	1 613 899 758	(13 841 210 879)
Costs of services sold	(137 188 600)	137 188 600	-
Costs of materials sold	(2 822 718)	-	(2 822 718)
Gross profit (loss)	1 870 017 245	(55 528 222)	1 814 489 023
Selling expenses	(1 411 542 778)	(18 344 864)	(1 429 887 642)
General and administrative expenses	(278 415 436)	(772 085)	(279 187 521)
Profit (loss) on sales	180 059 032	(74 645 170)	105 413 861
Other operating income	46 012 549	-	46 012 549
Other operating expenses	(214 461 456)	74 645 170	(139 816 285)
Operating profit (loss)	11 610 125	0	11 610 125

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2018	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

NOTE 5. OPERATING SEGMENTS

Starting in 2018, the Eurocash Management Board has decided to change the presentation of segments. The main change was the connection of an independent wholesale and integrated wholesale into one segment, which was called "Wholesale".

As a result of the analysis conducted by the Eurocash Group, the Group presents the following segments, which correctly show the diverse of the activity:

- *Wholesale* - The segment includes wholesale operations carried out by the following distribution formats and companies: Eurocash Cash & Carry, Eurocash Alkohole, Eurocash Serwis Sp. z o.o., PayUp Polska S.A., Eurocash Trade 1 Sp. z o.o., EC VC7 Sp. z o.o. and Polska Dystrybucja Alkoholi Sp. z o.o. as well as sales transacted by those distribution formats whose clients have long-term agreements with Eurocash Group, e.g. franchise systems or clients from the HoReCa segment, as well as operations of such a franchise systems as: Lewiatan, Groszek and Euro Sklep. The segment involves the operations of the following companies: Eurocash S.A., Euro Sklep S.A., Lewiatan Śląsk Sp. z o.o., Detal Podlasie Sp. z o.o., Lewiatan Podlasie Sp. z o.o., Lewiatan Holding S.A., Lewiatan Zachód Sp. z o.o., Lewiatan Wielkopolska Sp. z o.o., Lewiatan Kujawy sp. z o.o., Lewiatan Opole Sp. z o.o., Lewiatan Orbita Sp. z o.o., Lewiatan Północ Sp. z o.o., Lewiatan Podkarpacie Sp. z o.o. Moreover, this segment includes sales transacted by the Eurocash Gastronomia format, as well as sales realized by Eurocash Dystrybucja under entity Eurocash S.A. and sales realized by DEF Sp. z o.o. and Ambra Sp. z o.o.,
- *Retail* - retail sale of Eurocash Group companies within the following entities: Inmedio Sp. z o.o., Firma Rogala Sp. z o.o., FHC-2 Sp. z o.o., Madas Sp. z o.o., EKO Holding S.A., Mila S.A., Investpol 700 Mila spółka akcyjna sp.j., and Mila Holding S.A., Domelius, „Koja-Mila spółka akcyjna” spółka jawna, as well as mark Delikatesy Centrum,
- *Projects* – this operating segment comprises the Group's new projects and retail formats in their initial phase of development, operating as the following entities: Eurocash Convenience Sp. z o.o., Kontigo Sp. z o.o, Eurocash Detal Sp. z o.o., ABC na kołach Sp. z o.o., Duży Ben Sp. z o.o., Sushi 2Go Sp. z o.o., 4vapers Sp. z o.o., as well as new projects developed by Eurocash S.A. e.g. project of distribution of fresh products.
- *Other* – sales realized by Eurocash Trade 2 Sp. z o.o., Eurocash VC2 Sp. z o.o., Eurocash VC3 Sp. z o.o. Detal Finanse Sp. z o.o., Akademia Umiejętności Eurocash Sp. z o.o. and the Group's general and administrative expenses not allocated to any operating segment.

There are varying levels of relationships between the segments in the Group. These relationships include mutual sales of merchandise, provision of marketing services, logistics, administrative support, and other services. The accounting policies of each specific reporting segment are the same as the policies of the whole Group.

Eurocash Group operates only in the territory of Poland which, considering the economic conditions and business risks, can be treated as a uniform territory.

In the FMCG wholesale sector, sales in the first quarter of the year are traditionally lower than in the remaining quarters. Highest sales are generated in the summer season, to flatline in Q4.

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	<i>01.01-30.09.2018</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

Basic information about each reportable segment is shown below.

REVENUES AND PROFITS BY BUSINESS SEGMENTS IN THE PERIOD FROM 01 JANUARY 2018 TO 30 SEPTEMBER 2018

	Wholesale	Retail	Projects	Other	Exclusions	Total
Sales	14 502 609 355	3 936 588 694	510 586 084	1 869 060	(1 919 769 608)	17 031 883 584
External sales	13 425 397 948	3 099 017 068	506 434 244	1 034 325	-	17 031 883 584
Inter-segmental sales	1 077 211 407	837 571 626	4 151 840	834 735	(1 919 769 608)	-
Operating profit	211 862 804	5 896 959	(35 793 502)	(69 934 665)	-	112 031 595
Finance income						27 736 239
Finance costs						(55 636 377)
Share in losses of companies consolidated with the equity method						(5 175 696)
Profit before income tax						78 955 761
Income tax						(23 228 069)
Net profit (loss)						55 727 692

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	<i>01.01-30.09.2018</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

Due to the change in the presentation of business segments, the comparative data for 2017 have been transformed to the current form.

REVENUES AND RESULTS BY BUSINESS SEGMENTS IN THE PERIOD FROM 01 JANUARY 2017 TO 30 SEPTEMBER 2017 (restated)

	Wholesale	Retail	Projects	Other	VAT settlements	Exclusions	Total
Sales	13 593 991 563	3 096 298 000	397 754 378	210 330	-	(1 429 731 651)	15 658 522 620
External sales	12 576 828 775	2 685 942 832	395 540 683	210 330	-	-	15 658 522 620
Inter-segmental sales	1 017 162 788	410 355 168	2 213 695	-	-	(1 429 731 651)	-
Operating profit	159 674 885	61 745 585	(39 826 593)	(55 582 891)	(114 400 861)	-	11 610 125
Finance income							16 915 290
Finance costs							(39 218 487)
Share in losses of companies consolidated with the equity method							(3 775 325)
Profit before income tax							(14 468 397)
Income tax							(24 841 558)
Net profit (loss)							(39 309 955)

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2018	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

**NOTE 6.
OTHER EXPLANATORY NOTES**

The main reasons for changes in each positions in the statement of financial position are due to the purchase of the Mila Group (details in Note 2).

Other main changes relate to the sale of financial instruments, taking short-term loans and borrowings and repayment of bonds.

In the income statement, the Wholesale segment and the revenues of the Mila Group had a positive impact on the sales volume.

**NOTE 7.
TRANSACTIONS WITH SUBSIDIARIES**

Transactions with subsidiaries did not differ from transactions concluded in previous reporting periods and were concluded on market conditions.

**NOTE 8.
ITEMS NOT INCLUDED IN THE STATEMENT OF FINANCIAL POSITION**

CONTINGENCIES AS AT 30 SEPTEMBER 2018

	Beneficiary	Title	Currency	as at	as at
				30.09.2018	31.12.2017
1	Bank 1	Surety for the obligations due to the "Franchise partners financing program" for the Franchisee Delkatesy Centrum	PLN	5 937 291	7 653 291
				5 937 291	7 653 291

* debt value as at balance sheet date

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	<i>01.01-30.09.2018</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

BANK GUARANTEES AS AT 30 SEPTEMBER 2018 - SECURITIES FOR RENT LIABILITIES

	The Issuer	Title	Currency	as at 30.09.2018	as at 31.12.2017
1	Bank 1	Security payments to suppliers	PLN	3 000 000	16 000 000
2	Bank 2	Security for liabilities due to Agency agreement	PLN	200 000	200 000
3	Bank 3	Security for rent liabilities	PLN	4 679 407	6 986 764
4	Bank 4	Security for rent liabilities	PLN*	31 827 823	28 627 184
5	Bank 5	Security for excise duty	PLN	300 000	2 700 000
6	Bank 6	Security for using of the national roads	PLN	620 100	620 100
7	Bank 7	The liabilities of the promotion lottery	PLN	1 965 828	457 889
8	Bank 8	Security payments to suppliers	PLN	82 151 500	113 219 000
9	Bank 9	Security payments to suppliers	PLN*	4 271 400	4 170 900
10	Bank 10	Security payments to suppliers	PLN	46 000 000	-
11	Bank 11	Security for rent liabilities	PLN	8 359 438	-
12	Bank 12	Security payments to suppliers	PLN	4 960 710	-
				188 336 206	172 981 837

* - Guarantee in EUR is translated into PLN at the average exchange rate of NBP:
as at 28.09.2018: 1 EUR = 4,2714 PLN,
as at 29.12.2017: 1 EUR = 4,1709 PLN.

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2018	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

COLLATERALS

SECURITIES RELATED TO ASSETS AS AT 30 SEPTEMBER 2018

Title	Secured property	Amount secure in PLN
Bank 1 security on the credit line agreement *	Deposit on inventories Eurocash S.A.	90 000 000
Securing a framework agreement to provide bank guarantees Bank 2 *	Deposit on inventories Eurocash Serwis Sp. z o.o.	80 000 000
Bank 3 security on the credit line agreement *	Deposit on inventories Eurocash S.A.	88 000 000
Security on the consolidated loan agreement to the amount 700.000.000 PLN *	Deposit on inventories Eurocash Serwis Sp. z o.o.	9 547 300
Security on the consolidated loan agreement to the amount 700.000.000 PLN *	Deposit on inventories Eurocash Franczyza Sp. z o.o.	3 800 000
Financial leasing agreements (due to net value of fixed assets at the balance sheet date)	Ownership of fixed assets in financial leasing	1 344 791
Bank 4 security on the LKW agreement	Deposit on inventories (stores)	12 200 000
Bank 4 security on the LKW agreement	Deposit on shop equipment	12 200 000

* security nominal value

NOTE 9.

FINANCE RISK MANAGEMENT

As at 30 September 2018, there was a surplus of current liabilities of the Group over its current assets in the amount of PLN 1.9 billion which is typical for the industry in which the Eurocash Group provides the activity, in which a significant part of sales is made on cash conditions, stock levels are minimized and suppliers provide deferred payment terms. At the same time, the Group is developing the retail network by involving its own funds and from external financing sources. The financial plans of the Management Board indicate that the Group will maintain liquidity. Conditions related to credit agreements are being monitored, as at the balance sheet date, 30 September 2018, the terms of loan agreements were not broken. In addition, the Group has not used credit limits. Considering the above, as at the date of approval of these separate financial statements, there are no circumstances indicating a threat of a loss of financial liquidity by the Group.

NOTE 10.

FAIR VALUE OF FINANCIAL INSTRUMENTS

As at 30 September 2018, the fair value of financial instruments approximated their carrying value. The Group implements interest rate risk security instruments (IRS), which are measured at their fair value. For these IRSs, the fair value was qualified to level 2 of the hierarchy - fair value is determined based on the values observed on the market yet not being direct market quotes (e.g. determined by direct or indirect reference to similar instruments existing on the market). In connection with the applied hedge accounting, the effect of valuation is recognized in other comprehensive income.

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2018	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

NOTE 11.

DEBT IN THE RESULT OF BOND ISSUE

On 20 June 2013, Eurocash issued bonds with a total nominal value of PLN 140 million within the framework of the bonds program dated 22 April 2013. The program enables the possibility of issuing a total amount of PLN 500 million. The rate of interest for the Bonds shall be determined on the basis of WIBOR for six-month deposits plus the bank's margin. Bonds redemption date is June 20, 2018. The bonds were secured with sureties granted by subsidiaries, up to the amount of PLN 168 million. Bonds liabilities are presented in the Group's statement of financial position, under Short-term payables.

According to the assumptions, on 20 June 2018, all bonds issued in this program were bought back. On the same day, the holders of bonds also received interest payments for the last interest period of the program.

NOTE 12.

UNCERTAIN TAX TREATMENT

Regulations regarding VAT, corporate profits tax and social security contributions are subject to frequent changes. These changes result in there being little point of reference and few established precedents that may be followed. The binding regulations also contain uncertainties, resulting in differences in opinion regarding the legal interpretation of tax regulations both between government bodies, and between government bodies and companies.

Tax and other settlements (e.g. customs or foreign currency settlements) may be subject to inspection by administrative bodies authorised to impose high penalties and fines, and any additional taxation liabilities calculated as a result must be paid together with high interest. The above circumstances mean that tax exposure is greater in Poland than in countries that have a more established taxation system.

Accordingly, the amounts shown in the financial statements may change at a later date as a result of the final decision of the tax authorities.

In the previous reporting periods, companies within the Group carried out transactions and participated in restructuring processes, which may be the subject of analysis and control of tax authorities.

On 15 July 2016, amendments were made to the Tax Ordinance to introduce the provisions of General Anti-Avoidance Rule (GAAR). GAAR are targeted to prevent origination and use of factitious legal structures made to avoid payment of tax in Poland. GAAR define tax evasion as an activity performed mainly with a view to realising tax gains, which is contrary, under given circumstances, to the subject and objective of the tax law. In accordance with GAAR, an activity does not bring about tax gains, if its modus operandi was false. Any instances of (i) unreasonable division of an operation (ii) involvement of agents despite lack of economic rationale for such involvement, (iii) mutually exclusive or mutually compensating elements, as well as (iv) other activities similar to those referred to earlier may be treated as a hint of artificial activities subject to GAAR. New regulations will require considerably greater judgment in assessing tax effects of individual transactions.

The GAAR clause should be applied to the transactions performed after clause effective date and to the transactions which were performed prior to GAAR clause effective date, but for which after the clause effective date tax gains were realised or continue to be realised. The implementation of the above provisions will enable Polish tax authority challenge such arrangements realised by tax remitters as restructuring or reorganization.

The Group accounts for current and deferred tax assets and liabilities based on the requirements of IAS 12 Income taxes, based on taxable profit (tax loss), taxable base, carry-forward of unused tax losses and carry-forward of unused tax credits, and tax rates, while considering the assessment of uncertainty related to tax settlements. If uncertainty exists as to whether and to what extent tax authority will accept individual tax treatments of made transactions, the Group discloses these settlements while accounting for uncertainty assessment.

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2018	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

On 19 June 2017 a report from the tax control was delivered to Eurocash S.A. in which the tax authorities questioned the possibility of making depreciation write-offs concerning the values of certain trademarks. The tax depreciation costs amounted in the year 2011 to PLN 41 million.

Based on the external experts' tax analysis on 5 July 2017 the Company subjected its response to the tax report.

On 28 September 2017, the Head of the Customs and Revenue Office for Wielkopolska Region in Poznań issued a decision to Eurocash S.A., in which he stated in the case above that the Company had an understatement of tax liability for 2011 of PLN 8 million. On the basis of an external legal expert analysis, on 17 October 2017, the Company appealed against this decision. It mentions a number of arguments for the correctness of the tax settlements made by the Company, including confirmation of the correctness of the settlements through the positive interpretations of tax law. As a result, as at 30 September 2018, the Management Board of the Company has no confirmation for creating of any provisions due to these interpretations.

On 28 February 2018, the Head of the Customs and Revenue Office for Wielkopolska Region in Poznań initiated an audit of corporate income tax for 2016. As at 30 September 2018, the audit was not completed.

NOTE 13.

THE DAMAGE SUFFERED BY THE COMPANY AS A RESULT OF THE ACTIVITIES OF EXTERNAL ENTITIES PARTICIPATING IN THE VAT FRAUD MECHANISM

The audit of VAT settlements by the Eurocash Group companies did not reveal any irregularities of a nature identical to the irregularities disclosed in 2017. Despite the above, taking into account the turnover of the remaining companies of the Group, gained on transactions concerning intra-Community delivery of goods, the risks associated with such potential irregularities are not material.

Eurocash S.A. stopped execution of such transactions concerning intra-Community delivery of goods.

On 30 January 2018, the Prosecutor of the Regional Prosecutor's Office in Poznań commenced the investigation of the notification of 24 August 2017.

NOTE 14.

SIGNIFICANT EVENTS DURING THE PERIOD COVERED BY THE FINANCIAL STATEMENTS

1. Payment of the dividend for the year 2017

On 6 June 2018, in accordance with the decision of the Ordinary General Meeting of Eurocash SA, a dividend of PLN 0.73 per share was paid out of the reserve capital. The total amount of the paid dividend was PLN 101,589.198.78.

2. Eurocash Group files application for approval for concentration in connection with planned acquisition of stake in Partner sp. z o.o.

On 21 June 2018, Eurocash has filed an application with the Office of Competition and Consumer Protection (UOKiK) for an approval for concentration in connection with a planned acquisition of shares in Partner Sp. z o.o., based in Lipno. The company operates 26 Lewiatan-branded stores.

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	<i>01.01-30.09.2018</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

NOTE 15.

IMPORTANT EVENTS AFTER THE PERIOD COVERED BY THE FINANCIAL STATEMENTS

There were no significant events after the period covered by the financial statements, influencing the activity of the Group.

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2018	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

SIGNATURES OF THE MANAGEMENT BOARD MEMBERS

Position	Name and surname	Date	Signature
Member of the Management Board Financial Director	Jacek Owczarek	8 th November 2018	
Member of the Management Board	Katarzyna Kopaczewska	8 th November 2018	

SELECTED SEPARATE FINANCIAL DATA

	Non audited for the period from 01.01.2018 to 30.09.2018 PLN	Non audited for the period from 01.01.2017 to 30.09.2017 PLN	Non audited for the period from 01.01.2018 to 30.09.2018 EUR	Non audited for the period from 01.01.2017 to 30.09.2017 EUR
Net sales	11 064 953 965	10 107 314 518	2 603 702 371	2 369 216 502
Operating profit (loss)	144 611 378	(56 008 017)	34 028 609	(13 128 623)
Profit (loss) before tax	122 696 761	(48 493 519)	28 871 864	(11 367 178)
Net Profit (loss) on continued operations	94 346 015	(59 142 702)	22 200 630	(13 863 412)
Net profit (loss)	94 346 015	(59 142 702)	22 200 630	(13 863 412)
Net operating cash flow	270 431 015	228 970 262	63 635 319	53 672 033
Net investment cash flow	(366 197 948)	(214 185 072)	(86 170 306)	(50 206 294)
Net financial cash flow	30 248 924	(20 849 373)	7 117 896	(4 887 221)
Net change in cash and cash equivalents	(65 518 009)	(6 064 183)	(15 417 090)	(1 421 482)
Weighted average number of shares	139 163 286	139 153 763	139 163 286	139 153 763
Weighted average diluted number of shares	139 163 286	139 107 157	139 163 286	139 107 157
EPS (in PLN / EUR)	0,68	(0,43)	0,16	(0,10)
Diluted EPS (in PLN / EUR)	0,68	(0,43)	0,16	(0,10)
Average PLN / EUR rate*			4,2497	4,2661
	Non audited as at 30.09.2018 PLN	Non audited as at 31.12.2017 PLN	Non audited as at 30.09.2018 EUR	Non audited as at 31.12.2017 EUR
Assets	5 462 666 847	5 322 938 556	1 278 893 770	1 276 208 626
Long-term liabilities	94 599 377	87 317 132	22 147 160	20 934 842
Short-term liabilities	4 373 335 381	4 237 511 754	1 023 864 630	1 015 970 595
Equity	994 732 088	998 109 670	232 881 980	239 303 189
Share capital	139 163 286	139 163 286	32 580 251	33 365 290
Number of shares	139 163 286	139 163 286	139 163 286	139 163 286
Diluted number of shares	142 069 536	142 069 536	142 069 536	142 069 536
Book value per share (in PLN / EUR)	7,15	7,17	1,67	1,72
Diluted book value per share (in PLN / EUR)	7,00	7,03	1,64	1,68
Dividend paid (in PLN / EUR) ***	101 589 199	101 589 199	23 783 584	24 356 661
Dividend paid per share (in PLN / EUR)	0,73	0,73	0,17	0,18
PLN / EUR rate at the end of the period**			4,2714	4,1709

* Profit and loss items and cash flow items calculated on basis at a weighted average rate announced by the National Bank of Poland for 3Q 2018.

** Balance sheet items and book value per share have been converted using the official mid-rates announced by the National Bank of Poland prevailing on the balance sheet date.

*** Dividend for 2017 year was paid till 6 June 2018 for shareholders of Parent Company as at 16 May 2018.

EUROCASH S.A.

**CONDENSED INTERIM
SEPARATE FINANCIAL STATEMENTS**

FOR THE PERIOD FROM 1 JANUARY 2018 TO 30 SEPTEMBER 2018

TRANSLATORS' EXPLANATORY NOTE

The following document is a free translation of the report of the above-mentioned Polish Company.
In the event of any discrepancy in interpreting the terminology, the Polish version is binding.

KOMORNIKI, 8th November 2018

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.09.2018</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

CONTENTS

Introduction to condensed interim separate financial statements	3
1. Information about the company	3
2. Bodies of the company	3
Condensed separate income statement for the period from 01.01.2018 to 30.09.2018	5
Condensed separate statement of comprehensive income for the period from 01.01.2018 to 30.09.2018	6
Condensed separate statement of financial position as at 30.09.2018	7
Condensed separate statement of cash flows for the period from 01.01.2018 to 30.09.2018.....	9
Condensed separate statement on changes in equity in the period from 01.01.2018 to 30.09.2018.....	10
Supplementary information to the condensed interim separate financial statements prepared for the period from 01.01.2018 to 30.09.2018	11
1. General information	11
2. Notes to condensed interim separate financial statements prepared for the period from 01.01.2018 to 30.09.2018	14

▪

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.09.2018</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

INTRODUCTION TO CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

1. INFORMATION ABOUT THE COMPANY

NAME

EUROCASH Spółka Akcyjna

REGISTERED OFFICE

ul. Wiśniowa 11, 62-052 Komorniki

CORE BUSINESS

Non-specialized wholesale trade
(PKD 4690Z)

REGISTRY COURT

District Court Poznań - Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register,
Registration number: KRS 0000213765

DURATION OF THE COMPANY

Indefinite

PERIOD COVERED BY THE FINANCIAL STATEMENTS

The reporting period is 1 January 2018 – 30 September 2018.

The separate statement of financial position has been prepared as at 30 September 2018 and the comparative data has been prepared as at 31 December 2017.

2. BODIES OF THE COMPANY

2.1. MANAGEMENT BOARD

As at 30 September 2018 the Company's Management Board consisted of the following members:

Luis Manuel Conceicao do Amaral – President of the Management Board,
Rui Amaral – Member of the Management Board,
Arnaldo Guerreiro – Member of the Management Board,
Pedro Martinho – Member of the Management Board,
Katarzyna Kopaczewska – Member of the Management Board,
Jacek Owczarek – Member of the Management Board,
Przemysław Ciaś – Member of the Management Board,

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.09.2018</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

2.2. SUPERVISORY BOARD

As at 30 September 2018 the Company's Supervisory Board consisted of the following members:

João Borges de Assunção – President of the Supervisory Board,
Francisco José Valente Hipólito dos Santos – Member of the Supervisory Board,
Hans Joachim Körber – Member of the Supervisory Board,
Jacek Szwajcowski – Member of the Supervisory Board,
Alicja Kornasiewicz – Member of the Supervisory Board.

2.3. CHANGES IN THE MANAGEMENT AND SUPERVISORY BOARD

On 22 March 2018, the Supervisory Board of Parent Entity took a resolution of appointing Mr. Paweł Musiał as a Member of the Management Board on 1 April 2018.

On 25 April 2018, with effect on the day of making the statement, Mr. Eduardo Aguinaga de Moraes resigned from the position of a Member of the Supervisory Board of the Parent Entity.

On 25 April 2018, Ms. Alicja Kornasiewicz was appointed as a Member of the Supervisory Board of the Parent Entity.

On 26 July 2018, Mr. Paweł Musiał resigned from the function of Member of the Management Board with effect on 31 July 2018.

Condensed interim separate financial statements of EUROCASH S.A.			
Financial statements period:	01.01-30.09.2018	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONDENSED SEPARATE INCOME STATEMENT FOR THE PERIOD FROM 01.01.2018 TO 30.09.2018

	Non audited 3rd Quarter for the period from 01.07.2018 to 30.09.2018	Non audited 3 Quarters for the period from 01.01.2018 to 30.09.2018	Non audited 3rd Quarter for the period from 01.07.2017 to 30.09.2017 restated **	Non audited 3 Quarters for the period from 01.01.2017 to 30.09.2017 restated **
Sales *	3 949 982 776	11 064 953 965	3 619 093 379	10 107 314 518
Sales of goods *	3 929 177 052	11 002 493 636	3 599 286 462	10 049 924 737
Sales of services *	20 805 724	62 460 329	19 806 917	57 389 780
Costs of sales *	(3 491 431 932)	(9 784 525 071)	(3 232 076 197)	(8 983 346 220)
Cost of goods and services sold *	(3 491 431 932)	(9 784 525 071)	(3 232 076 197)	(8 983 346 220)
Gross profit (loss)	458 550 844	1 280 428 894	387 017 182	1 123 968 298
Selling expenses	(328 416 735)	(946 197 729)	(293 956 173)	(867 555 761)
General and administrative expenses	(71 361 164)	(198 553 404)	(66 079 888)	(195 424 222)
Profit (loss) on sales	58 772 945	135 677 761	26 981 121	60 988 315
Other operating income	7 240 662	25 140 907	7 083 226	24 634 241
Other operating expenses	(2 192 666)	(16 207 290)	(7 328 675)	(141 630 573)
Operating profit (loss)	63 820 940	144 611 378	26 735 673	(56 008 017)
Financial income	7 192 501	26 756 271	4 610 070	42 169 234
Financial costs	(19 735 762)	(48 670 887)	(10 865 049)	(34 654 735)
Profit (loss) before tax	51 277 680	122 696 761	20 480 694	(48 493 519)
Income tax expense	(12 235 441)	(28 350 746)	(3 652 311)	(10 649 184)
Profit (loss) for the period	39 042 239	94 346 015	16 828 383	(59 142 702)

NET EARNINGS PER SHARE

	PLN / share	PLN / share
Net profit (loss)	94 346 015	(59 142 702)
Weighted average number of shares	139 163 286	139 153 763
Weighted average diluted number of shares	139 163 286	139 107 157
Earnings per share		
- basic	0,68	(0,43)
- diluted	0,68	(0,43)

* Note 2

** Note 3

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.09.2018</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

CONDENSED SEPARATE STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 01.01.2018 TO 30.09.2018

	Non audited 3rd Quarter for the period from 01.07.2018 to 30.09.2018	Non audited 3 Quarters for the period from 01.01.2018 to 30.09.2018	Non audited 3rd Quarter for the period from 01.07.2017 to 30.09.2017	Non audited 3 Quarters for the period from 01.01.2017 to 30.09.2017
Profit (loss) for the period	39 042 239	94 346 015	16 828 383	(59 142 702)
Other comprehensive income (loss) for the period	(190 312)	(544 398)	(245 812)	(678 384)
Items that may be subsequently reclassified to profit or loss:				
- The result on hedge accounting with the tax effect:	(190 312)	(544 398)	(245 812)	(678 384)
Total comprehensive income (loss) for the period	38 851 928	93 801 617	16 582 571	(59 821 086)

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-30.09.2018	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONDENSED SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 30.09.2018

	Non audited as at 30.09.2018	as at 31.12.2017
<i>Assets</i>		
Non-current assets (long-term)	3 207 573 611	2 901 783 317
Goodwill	862 819 840	862 819 840
Intangible assets	523 235 280	537 898 915
Property, plant and equipment	442 321 663	460 893 534
Investment real property	961 027	972 799
Investments in subsidiary companies	1 291 441 999	953 265 943
Investments in associates and joint ventures	40 586 757	40 586 757
Other long-term investments	42 965 739	42 293 906
Long-term receivables	2 254 525	2 012 691
Other long-term prepayments	986 781	1 038 932
Current assets (short-term)	2 232 695 686	2 421 155 239
Inventories	838 919 388	888 688 306
Trade receivables	1 273 672 496	1 258 480 286
Current tax assets	-	18 659 162
Other short-term receivables	43 160 280	58 719 957
Other short-term investments	3 410 994	51 335 537
Short-term prepayments	23 367 463	29 588 917
Cash and cash equivalents	50 165 065	115 683 074
Fixed assets classified as held for sale	22 397 550	-
Total assets	5 462 666 847	5 322 938 556

Condensed interim separate financial statements of EUROCASH S.A.			
Financial statements period:	01.01-30.09.2018	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONDENSED SEPARATE STATEMENT OF THE FINANCIAL POSITION AS AT 30.09.2018

	Non audited as at 30.09.2018	as at 31.12.2017
<i>Equity and liabilities</i>		
Equity	994 732 088	998 109 670
Share capital	139 163 286	139 163 286
Reserve capital	678 730 006	847 622 292
Hedging reserve	(7 028 175)	(6 483 777)
Retained earnings	183 866 972	17 807 869
Accumulated profit (loss) from previous years	89 520 957	89 520 957
Profit (loss) for the period	94 346 015	(71 713 088)
Liabilities	4 467 934 759	4 324 828 886
Non-current liabilities	94 599 377	87 317 132
Other long-term financial liabilities	344 333	693 162
Other long-term liabilities	928 500	903 500
Deferred tax liabilities	90 044 310	82 997 612
Employee benefits	3 282 234	2 722 858
Current liabilities	4 373 335 381	4 237 511 754
Loans and borrowings	1 060 330 995	691 467 746
Short-term financial liabilities	29 987 295	245 956 170
Trade liabilities	3 072 159 033	3 061 015 686
Current tax liabilities	10 281 641	-
Other short-term payables	39 542 031	53 782 691
Current employee benefits	60 093 818	68 730 494
Provisions	100 940 569	116 558 967
Total equity and liabilities	5 462 666 847	5 322 938 556

BOOK VALUE PER SHARE

	as at 30.09.2018	as at 31.12.2017
Book value	994 732 088	998 109 670
Number of shares	139 163 286	139 163 286
Diluted number of shares	142 069 536	142 069 536
Book value per share	7,15	7,17
Diluted book value per share	7,00	7,03

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-30.09.2018	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONDENSED SEPARATE STATEMENT OF CASH FLOWS FOR THE PERIOD FROM 01.01.2018 TO 30.09.2018

	Non audited 3 Quarters for the period from 01.01.2018 to 30.09.2018	Non audited 3 Quarters for the period from 01.01.2017 to 30.09.2017
<i>Cash flow from operating activities</i>		
Profit (loss) before income tax	122 696 761	(48 493 519)
Adjustments for:	130 667 613	100 559 744
Depreciation and amortization	86 885 481	83 924 795
Equity-settled shared share-based payment transactions	4 410 000	2 680 000
(Gain) loss on sale of property, plant and equipment	5 429 494	12 126 608
Interest expenses	43 831 163	31 062 637
Interest received	(5 329 140)	(2 946 605)
Dividend and remission of sales income	(4 559 384)	(26 287 691)
Operating cash before changes in working capital	253 364 374	52 066 226
Changes in inventories	49 770 519	(35 612 645)
Changes in receivables	9 025 090	116 539 841
Changes in payables	14 257 271	118 319 244
Changes in provisions and employee benefits	(20 958 782)	(126 006)
Operating cash	305 458 473	251 186 659
Interest received	2 586 764	1 457 061
Interest paid	(31 160 933)	(20 691 886)
Income tax paid	(6 453 289)	(2 981 572)
Net cash from operating activities	270 431 015	228 970 262
<i>Cash flow from investing activities</i>		
Acquisition of intangible assets	(16 561 523)	(22 563 983)
Acquisition of property, plant and equipment	(44 476 429)	(72 153 192)
Proceeds from sale of property, plant and equipment	5 619 769	1 358 945
Income/expenses on other short-term financial assets	45 765 624	(21 815 585)
Acquisition of associates	-	(2 211 457)
Acquisition of subsidiaries, net of cash acquired	(360 578 606)	(106 636 972)
Loans granted	(3 218 537)	(23 039 541)
Repayment received of granted loans	857 718	5 765 195
Interest received	1 834 652	823 828
Dividends received and remission of sales income	4 559 384	26 287 691
Net cash from investing activities	(366 197 948)	(214 185 072)
<i>Cash flows from financing activities</i>		
Proceeds from issue of share capital	-	2 543 150
Income/expenses for other financial liabilities	3 323 908	(1 024 693)
Income/expenses for short term debt securities	(219 533 443)	79 000 000
Proceeds from loans and borrowings	384 528 546	29 910 163
Repayment of borrowings	(15 074 891)	(13 017 686)
Payment of finance lease liabilities	(839 521)	(1 085 101)
Other interest	(3 199 839)	(2 295 688)
Interests on loans and borrowings	(17 366 637)	(13 290 319)
Dividends paid	(101 589 199)	(101 589 199)
Net cash used in financing activities	30 248 924	(20 849 373)
Net change in cash and cash equivalents	(65 518 009)	(6 064 183)
Cash and cash equivalents at the beginning of the period	115 683 074	93 024 119
Cash and cash equivalents at the end of the period	50 165 065	86 959 936

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.09.2018</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

CONDENSED SEPARATE STATEMENT ON CHANGES IN EQUITY IN THE PERIOD FROM 01.01.2018 TO 30.09.2018

	Share capital	Reserve capital	Hedge reserve	Retained earnings	Total
<i>Changes in equity in the period from 01.01 to 30.09.2017 - non audited</i>					
Balance as at 1 January 2017	139 096 361	840 201 193	(6 310 705)	192 135 030	1 165 121 879
Total comprehensive income for the reporting period					
Profit (loss) for the period from 01.01. to 30.09.2017	-	-	-	(59 142 702)	(59 142 702)
Other comprehensive income for the period 01.01 to 30.09.2017	-	-	(678 384)	-	(678 384)
Total comprehensive income for the period from 01.01. to 30.09.2017	-	-	(678 384)	(59 142 702)	(59 821 086)
Dividends	-	-	-	(101 589 199)	(101 589 199)
Transfer to reserve capital	-	1 024 874	-	(1 024 874)	-
Share options exercised	66 925	2 476 225	-	-	2 543 150
Total transaction with Owners of the Company recognized directly in equity	66 925	3 501 099	-	(102 614 073)	(99 046 049)
Balance as at 30.09.2017	139 163 286	843 702 292	(6 989 088)	30 378 255	1 006 254 745
<i>Changes in equity in the period from 01.01. to 30.09.2018 - non audited</i>					
Balance as at 01 January 2018	139 163 286	847 622 292	(6 483 777)	17 807 869	998 109 670
Total comprehensive income for the reporting period					
Profit (loss) for the period from 01.01 to 30.09.2018	-	-	-	94 346 015	94 346 015
Other comprehensive income for the period 01.01 to 30.09.2018	-	-	(544 398)	-	(544 398)
Total comprehensive income for the period from 01.01. to 30.09.2018	-	-	(544 398)	94 346 015	93 801 617
Dividends	-	(101 589 199)	-	-	(101 589 199)
Equity-settled share based payment transactions	-	4 410 000	-	-	4 410 000
Retained earnings	-	(71 713 088)	-	71 713 088	-
Total transaction with Owners of the Company recognized directly in equity	-	(168 892 287)	-	71 713 088	(97 179 199)
Balance as at 30.09.2018	139 163 286	678 730 006	(7 028 175)	183 866 972	994 732 088

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.09.2018</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

SUPPLEMENTARY INFORMATION TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS PREPARED FOR THE PERIOD FROM 01.01.2018 TO 30.09.2018

1. GENERAL INFORMATION

1.1. ISSUE OF THE FINANCIAL STATEMENT

According to the resolution of the Management Board dated 8 November 2018, the separate financial statements of Eurocash S.A. for the period from 1 January 2018 to 30 September 2018 were authorised for publication.

Eurocash S.A. is a listed company and its shares are publicly traded.

1.2. STATEMENT OF COMPLIANCE

The condensed interim separate financial statements have been prepared in accordance with the International Accounting Standard IAS 34 - Interim Financial Reporting, as approved by the European Union.

These condensed interim financial statements should be read in conjunction with the condensed interim consolidated financial statements of Eurocash S.A. Group as at and for the period ended 30 September 2018, and the separate financial statements of Eurocash S.A. as at and for the year ended 31 December 2017, which are available on the website www.grupaeurocash.pl.

1.3. PRESENTATION CURRENCY, ROUNDINGS

These condensed interim separate financial statements are presented in PLN, which is the Company's functional and presentation currency. All financial information presented in PLN has been rounded to the nearest PLN (unless it is otherwise indicated).

1.4. USE OF ESTIMATES AND JUDGEMENTS

The preparation of the financial statements in conformity with UE IFRSs requires Management to make judgments, estimates and assumptions that affect the application of certain accounting policies and the reported amounts of assets, liabilities, incomes and expenses. Estimates and underlying assumptions are made based on historical experience and other factors accepted as reasonable in the given circumstances, and the results of estimates and judgements are a basis for the determination of the carrying value of assets and liabilities not resulting directly from other sources. Actual values may differ from those estimates. The extent of significant judgements, estimates and assumptions is presented in the 2017 financial statements and has not changed during the current financial period.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised or in the current period or any future periods affected, if a change in estimates relates to both the current and future periods.

1.5. COMPARABILITY OF FINANCIAL STATEMENTS

Accounting principles as well as calculation methods applied in the preparation of the financial statements remained unchanged in comparison to the ones applied in the last annual separate financial statements for the year ended 31 December 2017, excluding the application of new or amended standards and interpretations applicable to annual periods beginning on 1 January 2018 and later.

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-30.09.2018	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

1.6. GOING CONCERN ASSUMPTION

These financial statements have been prepared on the assumption that the Company will continue as a going concern in the foreseeable future. As at the date of approval of these financial statements, there are no circumstances indicating the threat to the Company's continued operations.

1.7. IMPACT OF NEW STANDARDS AND INTERPRETATIONS ON THE FINANCIAL STATEMENTS OF THE COMPANY

Implementation of IFRS 9

IFRS 9 „Financial Instruments” effective for the financial years beginning on or after 1 January 2018 with the possibility of earlier adoption.

IFRS 9 requires all the financial assets, within the scope of IAS 39, to be measured at an amortized cost or fair value. Debt investments held within a business model whose objective is to obtain the appropriate cash flow, consisting of a fixed basic payment amount and interest - are measured at an amortized cost at the end of subsequent reporting periods. All other debt investments and equity investments are measured at fair value at the end of subsequent reporting periods. In addition, changes in fair value of capital investments that are not held for trading may be presented in other comprehensive income, while in the income statement, it is recognized only as dividend. The decision is irreversible.

The Company does not expect the new standard to have a significant impact on the Group's financial statements

Implementation of IFRS 15

The impact of IFRS 15 “Revenue from contracts with customers” on the Company's financial statements is presented in Note 2 to the condensed semi-annual separate financial statements.

Implementation of IFRS 16

IFRS 16 „Leases” effective for the financial years beginning on or after 1 January 2019.

IFRS 16 establishes rules for the recognition, valuation, presentation and disclosures relating to the lease. All leasing transactions result in obtaining the lessee's right to use the assets and liabilities arising from the obligation to pay. Thus, IFRS 16 abolishes the distinction between operating leases and finance leases and introduces a model of accounting by the lessee. The lessee will be required to include:

- assets and liabilities for all leases entered a period of over 12 months, except when the asset is a low value;
- depreciation of leased assets separately from the interest on the lease liability in the financial statements.

Detailed analysis of the impact of the new standard on the financial statements of the Company has not yet been completed, The analysis is still in progress.

Other

a. IFRIC Interpretation 22 Foreign Currency Transaction and Advance Considerations

The Interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advances consideration. If there are multiple

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.09.2018</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt in advance consideration.

This Interpretation does not have any impact on the Company's consolidated financial statements.

b. Amendments to IAS 40 Transfers of Investment Property

The amendments clarifies when an entity should transfer property, including property under construction for development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet , the definition of investment property and there is evidence of change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

These amendments do not have any impact on the Company's consolidated financial statements.

c. Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transaction

The IASB issued amendments to IFRS 2 Share-based Payment that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transactions; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled.

These amendments do not have any impact on Company's consolidated financial statements.

d. Amendments to IFRS 4 Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts

The amendments allow entities that carry out insurance activity to postpone the date of entry into force of IFRS 9 by 1 January 2021. The effect of such postponement is that the entities concerned may continue to prepare financial statements in accordance with the applicable standard, i.e. IAS 39.

These changes do not apply to the Company.

e. Amendments to IAS 28 Investments in Associates and Joint Ventures as a part of Amendments resulting from the review of IFRSs 2014-2016

The amendments clarify that an entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit and loss under IFRS 9. If an entity, that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interest in subsidiaries. This selection is made separately for each investment entity associate or joint venture, at the later of the date on which a) the investment entity associate or joint venture is initially recognised; b) the associate or joint venture becomes an investment entity; c) the investment entity associate or joint venture becomes a parent.

These amendments do not have any impact on Company's consolidated financial statements.

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.09.2018</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

- f. Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards as part of amendments resulting from the review of IFRSs 2014-2016

Short-term exemptions in paragraphs E3-E7 of IFRS 1 were deleted because they have not served their intended purpose.

These amendments do not have any impact on the Company's consolidated financial statements.

2. **NOTES TO CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS PREPARED FOR THE PERIOD FROM 01.01.2018 TO 30.09.2018**

NOTE 1.

OTHER EXPLANATORY INFORMATION

These condensed interim separate financial statements should be read in conjunction with condensed interim consolidated financial statements of Eurocash S.A. Group prepared as at and for the period ended 30 September 2018.

NOTE 2.

IFRS 15 REVENUE FROM CONTRACTS WITH CUSTOMERS

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

The Entity adopted IFRS 15 using the full retrospective method of adoption, with adjusting the comparative data.

NOTE 3.

RESTATEMENT OF COMPARATIVE DATA

The restatement is related to the transfer of costs related to current assets from other operating expenses to the costs of goods sold in the amount of PLN 50 million.

The restatement of comparative data is related also to the change in the recognition of revenues from the sale of goods and services and their cost in connection with the application of IFRS 15 and has no impact on the operating result of the Company. The change in the presentation concerns mainly the issue of determining the remuneration of the client and remuneration of the intermediary and determining the sale of separate goods and services.

In accordance with IFRS 15, the Company identifies liabilities to perform the service and determines whether individual transactions with a given contractor constitute separate goods or services.

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-30.09.2018	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

As a result of the change in presentation on this account, revenues from the sale of goods were adjusted by PLN 204,5 million and revenues from sale of services by PLN 672,9 million.

	The amount in the approved report for the period from 01.01.2017 to 30.09.2017	Correction for the period from 01.01.2017 to 30.09.2017	The corrected amount for the period from 01.01.2017 to 30.09.2017
Sales	10 984 695 666	(877 381 148)	10 107 314 518
Sales of goods	10 254 434 889	(204 510 152)	10 049 924 737
Sales of services	730 260 776	(672 870 996)	57 389 780
Costs of sales	(9 810 488 901)	827 142 681	(8 983 346 220)
Cost of goods and services sold	(9 810 488 901)	827 142 681	(8 983 346 220)
Gross profit (loss)	1 174 206 764	(50 238 467)	1 123 968 298
Selling expenses	(867 555 761)	-	(867 555 761)
General and administrative expenses	(195 424 222)	-	(195 424 222)
Profit (loss) on sales	111 226 781	(50 238 467)	60 988 315
Other operating income	24 634 241	-	24 634 241
Other operating expenses	(191 869 040)	50 238 467	(141 630 573)
Operating profit (loss)	(56 008 017)	0	(56 008 017)
Financial income	42 169 234	-	42 169 234
Financial costs	(34 654 735)	-	(34 654 735)
Profit (loss) before income tax	(48 493 519)	0	(48 493 519)
Income tax expense	(10 649 184)	-	(10 649 184)
Profit (loss) for the period	(59 142 702)	0	(59 142 702)

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.09.2018</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

NOTE 4.

UNCERTAIN TAX TREATMENT

Regulations regarding VAT, corporate profits tax and social security contributions are subject to frequent changes. These changes result in there being little point of reference and few established precedents that may be followed. The binding regulations also contain uncertainties, resulting in differences in opinion regarding the legal interpretation of tax regulations both between government bodies, and between government bodies and companies.

Tax and other settlements (e.g. customs or foreign currency settlements) may be subject to inspection by administrative bodies authorised to impose high penalties and fines, and any additional taxation liabilities calculated as a result must be paid together with high interest. The above circumstances mean that tax exposure is greater in Poland than in countries that have a more established taxation system.

Accordingly, the amounts shown in the financial statements may change at a later date as a result of the final decision of the tax authorities.

In the previous reporting periods, companies within the Company carried out transactions and participated in restructuring processes, which may be the subject of analysis and control of tax authorities.

On 15 July 2016, amendments were made to the Tax Ordinance to introduce the provisions of General Anti-Avoidance Rule (GAAR). GAAR are targeted to prevent origination and use of factitious legal structures made to avoid payment of tax in Poland. GAAR define tax evasion as an activity performed mainly with a view to realising tax gains, which is contrary, under given circumstances, to the subject and objective of the tax law. In accordance with GAAR, an activity does not bring about tax gains, if its modus operandi was false. Any instances of (i) unreasonable division of an operation (ii) involvement of agents despite lack of economic rationale for such involvement, (iii) mutually exclusive or mutually compensating elements, as well as (iv) other activities similar to those referred to earlier may be treated as a hint of artificial activities subject to GAAR. New regulations will require considerably greater judgment in assessing tax effects of individual transactions.

The GAAR clause should be applied to the transactions performed after clause effective date and to the transactions which were performed prior to GAAR clause effective date, but for which after the clause effective date tax gains were realised or continue to be realised. The implementation of the above provisions will enable Polish tax authority challenge such arrangements realised by tax remitters as restructuring or reorganization.

The Company accounts for current and deferred tax assets and liabilities based on the requirements of IAS 12 Income taxes, based on taxable profit (tax loss), taxable base, carry-forward of unused tax losses and carry-forward of unused tax credits, and tax rates, while considering the assessment of uncertainty related to tax settlements. If uncertainty exists as to whether and to what extent tax authority will accept individual tax treatments of made transactions, the Company discloses these settlements while accounting for uncertainty assessment.

On 19 June 2017 a report from the tax control was delivered to Eurocash S.A. in which the tax authorities questioned the possibility of making depreciation write-offs concerning the values of certain trademarks. The tax depreciation costs amounted in the year 2011 to PLN 41 million.

Based on the external experts' tax analysis on 5 July 2017 the Company subjected its response to the tax report.

On 28 September 2017, the Head of the Customs and Revenue Office for Wielkopolska Region in Poznań issued a decision to Eurocash S.A., in which he stated in the case above that the Company had an understatement of tax liability for 2011 of PLN 8 million. On the basis of an external legal expert analysis, on 17 October 2017, the Company appealed against this decision. It mentions a number of arguments for the correctness of the tax settlements made by the Company, including confirmation of the correctness of the settlements through the positive interpretations of tax law. As a result, as at 30

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.09.2018</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

September 2018, the Management Board of the Company has no confirmation for creating of any provisions due to these interpretations.

On 28 February 2018, the Head of the Customs and Revenue Office for Wielkopolska Region in Poznań initiated an audit of corporate income tax for 2016. As at 30 September 2018, the audit was not completed.

NOTE 5.

THE DAMAGE SUFFERED BY THE COMPANY AS A RESULT OF THE ACTIVITIES OF EXTERNAL ENTITIES PARTICIPATING IN THE VAT FRAUD MECHANISM

The audit of VAT settlements by the Eurocash Group companies did not reveal any irregularities of a nature identical to the irregularities disclosed in 2017. Despite the above, taking into account the turnover of the remaining companies of the Group, gained on transactions concerning intra-Community delivery of goods, the risks associated with such potential irregularities are not material.

Eurocash S.A. stopped execution of such transactions concerning intra-Community delivery of goods.

On 30 January 2018, the Prosecutor of the Regional Prosecutor's Office in Poznań commenced the investigation of the notification of 24 August 2017.

NOTE 6.

OTHER EXPLANATORY NOTES

The main changes in statement of financial position are related to the sale of shares in other entities, that were classified as assets held for sale, short-term loans and borrowings and the repayment of bonds.

NOTE 7.

TRANSACTIONS WITH SUBSIDIARIES

Transactions with subsidiaries did not differ from transactions concluded in previous reporting periods and were concluded on market conditions.

NOTE 8.

FINANCE RISK MANAGEMENT

As at 30 September 2018, there was a surplus of current liabilities of the Company over its current assets in the amount of PLN 2.1 billion which is typical for the industry in which the Company provides the activity, in which a significant part of sales is made on cash conditions, stock levels are minimized and suppliers provide deferred payment terms. At the same time, the Company is developing the retail network by involving its own funds and from external financing sources. The financial plans of the Management Board indicate that the Company will maintain liquidity. Conditions related to credit agreements are being monitored, as at the balance sheet date, 30 September 2018, the terms of loan agreements were not broken. In addition, the Company has not used credit limits. Considering the above, as at the date of approval of these separate financial statements, there are no circumstances indicating a threat of a loss of financial liquidity by the Company.

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.09.2018</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

NOTE 9.

IMPORTANT EVENTS DURING THE PERIOD COVERED BY THE FINANCIAL STATEMENTS

1. Payment of the dividend for the year 2017

On 6 June 2018, in accordance with the decision of the Ordinary General Meeting of Eurocash S.A., a dividend of PLN 0.73 per share was paid out of the reserve capital. The total amount of the paid dividend was PLN 101,589,198.78.

NOTE 10.

SIGNIFICANT EVENTS AFTER THE PERIOD COVERED BY THE FINANCIAL STATEMENTS

There were no significant events after the period covered by the financial statements, influencing the activity of the Entity.

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.09.2018</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

SIGNATURES OF THE MANAGEMENT BOARD MEMBERS

Position	Name and surname	Date	Signature
Member of the Management Board Financial Director	Jacek Owczarek	8 th November 2018	
Member of the Management Board	Katarzyna Kopaczewska	8 th November 2018	

Management discussion of the financial results for 3Q 2018

1. Eurocash Group - overview

EUROCASH Group is one of the largest Fast Moving Consumer Goods (FMCG) distributors in Poland. Eurocash Group concentrates on wholesale supply of FMCG to a broad range of traditional retailers across the whole country in particular to independent retail stores throughout Poland. Additionally to ensure scale that support clients, Eurocash runs own retail stores.

In its business activity, Eurocash uses a range of distribution formats in different segments, which first and foremost include:

Wholesale – wholesale distribution formats:

- **Eurocash Distribution** consisting of:
 - active distribution companies (Eurocash S.A. after merger with Tradis Sp. z o.o., DEF Sp. z o.o., AMBRA Sp. z o.o.);
 - companies organizing or supporting franchise chains of retail shops: Euro Sklep S.A., Lewiatan Holding S.A., Lewiatan Podlasie Sp. z o.o., Lewiatan Śląsk Sp. z o.o., Lewiatan Zachód Sp. z o.o., Lewiatan Północ Sp. z o.o., Lewiatan Opole Sp. z o.o., Lewiatan Wielkopolska Sp. z o.o., Lewiatan Podkarpacie Sp. z o.o., Lewiatan Kujawy Sp. z o.o., Lewiatan Orbita Sp. z o.o.;
 - Detal Podlasie Sp. z o.o. (company operating retail stores in Lewiatan chain).
- **Cash&Carry** – a national network of discount Cash & Carry type warehouses under the “Eurocash Cash & Carry” brand, as part of which the loyalty program for the “abc” network of stores operates;
- **Tobacco & Impulse** – active distribution of tobacco products and fast moving consumer goods through Eurocash Serwis;
- **Alcohol Distribution** – wholesale and retail distribution of alcoholic beverages throughout Poland;
- **Eurocash Food Service** – supplies for restaurant chains, hotels and independent food outlets;
- **Other** - sales revenue of PayUp Polska S.A., Cerville Investments Sp. z o.o.

Retail – retail sales of Eurocash Group and wholesale sales of Eurocash to Delikatesy Centrum franchisees:

- **Delikatesy Centrum franchise stores** – a franchise system for retail stores operating under the brand “Delikatesy Centrum”;
- **Delikatesy Centrum own retail stores** – own retail stores operating by companies that Eurocash hold 50% of shares: Firma Rogala Sp. z o.o., FHC-2 Sp. z o.o., Madas Sp. z o.o.;
- **EKO** – own retail stores under brand Delikatesy Centrum and EKO operated by EKO Holding S.A.;
- **Mila** – own retail stores under brand Mila operated by Mila S.A.;
- **Inmedio** – press retail kiosks under Inmedio brand.

EUROCASH GROUP – CONSOLIDATED QUARTERLY REPORT (3Q 2018)	Page 2
REPORT OF THE MANAGEMENT BOARD	

Projects – sales revenue of new projects running by Eurocash S.A. and its subsidiaries: Eurocash Convenience Sp. z o.o., Kontigo Sp. z o.o., Eurocash Detal Sp. z o.o., ABC na kołach Sp. z o.o., Duży Ben Sp. z o.o., Sushi 2Go Sp. z o.o. Sp. k., 4Vapers Sp. z o.o. and sales of fresh product distribution to Delikatesy Centrum stores realized by Eurocash. S.A.

Others – sales revenue and costs of other companies through Eurocash Trade 1 Sp. z o.o., Eurocash Trade 2 Sp. z o.o., Eurocash VC2 Sp. z o.o., Eurocash VC3 Sp. z o.o. and Central Head Office costs consolidation not related to any of above segment.

The business of Eurocash Group is focused on the territory of Poland.

2. Summary of financial and operational results of Eurocash Group in 3Q 2018 and 3Q YTD 2018

Below we present the key financial and operational highlights for the Eurocash Group and for the following segments and distribution formats:

Profit & loss account

Table 1: Eurocash Group: Summary of consolidated financial results for 3Q 2018

	3Q 2018	3Q 2017	Change
PLN m			
Sales revenues (traded goods, materials)	6 256,19	5 576,27	12,19%
Gross profit (loss) on sales	785,05	628,25	24,96%
Gross profitability on sales (%)	12,55%	11,27%	1,28 p.p.
EBITDA	105,13	101,47	3,61%
(EBITDA margin %)	1,68%	1,82%	-0,14 p.p.
EBIT	51,50	58,15	-11,44%
(EBIT margin %)	0,82%	1,04%	-0,22 p.p.
Gross profit	37,24	49,42	-24,65%
Net Income	38,23	37,46	2,04%
(Net profitability %)	0,61%	0,67%	-0,06 p.p.

Table 2: Eurocash Group: Summary of consolidated financial results for 3Q YTD 2018

	3Q YTD 2018	3Q YTD 2017	Change %
PLN m			
Sales revenues (traded goods, materials)	17 031,88	15 658,52	8,77%
Gross profit (loss) on sales	2 072,64	1 814,49	14,23%
Gross profitability on sales (%)	12,17%	11,59%	0,58 p.p.
EBITDA normalized*	264,77	259,23	2,14%
(Normalized EBITDA margin %)	1,55%	1,66%	-0,11 p.p.
One-off costs	3,01	114,40	
EBITDA reported	261,77	144,83	80,74%
(Reported EBITDA margin %)	1,54%	0,92%	0,61 p.p.
EBIT normalized*	115,04	126,01	-8,71%
EBIT reported	112,03	11,61	864,95%
(Normalized EBIT margin %)	0,68%	0,80%	-0,12 p.p.
(Reported EBIT margin %)	0,66%	0,07%	0,58 p.p.
Gross profit normalized*	81,96	99,93	-17,98%
Gross profit reported	78,96	(14,47)	-645,71%
Net profit normalized*	58,73	75,09	-21,78%
Net profit reported	55,73	(39,31)	-241,76%
(Normalized net profitability %)*	0,34%	0,48%	-0,14 p.p.
(Net profitability reported)	0,33%	-0,25%	0,58 p.p.

* excluding the impact of one-off costs, which in 2018 were related to costs incurred in connection with the acquisition of the Mila chain of stores, while in 2017 they were related to the payment of collateral for potential VAT liabilities.

EUROCASH GROUP – CONSOLIDATED QUARTERLY REPORT (3Q 2018)	Page 4
REPORT OF THE MANAGEMENT BOARD	

Consolidated total sales of Eurocash Group in 3Q 2018 amounted to PLN 6 256.19 m and increased by 12,19% YoY. In 3Q YTD 2018 consolidated sales reached PLN 17 031.88 m comparing with PLN 15 658.52 m in the same period previous year. Sales growth was driven mainly by wholesale segment (PLN +307m in 3Q 2018 YoY and PLN +778m in 3Q YTD 2018 YoY) and consolidation of acquired Mila retail chain (PLN +345m in 3Q 2018 YoY and PLN +466m in 3Q YTD 2018 YoY).

Consolidated gross profitability amounted to 12.55% in 3Q 2018 and increased by 1.28 p.p YoY. In 3Q YTD 2018 gross profitability increased by 0.58 p.p. YoY and amounted to 12.17%. Increase of gross margin was attributable mainly to consolidation of acquired Mila chain.

Consolidated EBITDA in 3Q 2018 amounted to PLN 105.13 and increased by PLN 3.61%. After the first three quarters cumulatively normalized EBITDA amounted to PLN 264,77 m comparing with PLN 259.23 m previous year (an increase by 2.14%). EBITDA was driven mainly by wholesale segment and was partially off-set by retail segment being under reorganization and integration process.

The net profit in 3Q 2018 amounted to PLN 38.23 m comparing to PLN 37.46 m in 3Q 2017. In 3Q YTD 2018 normalized net profit reached PLN 58,73 m, which means 21.78% decrease YoY. The lower level of net profit for 3Q cumulatively was related to the increase of depreciation costs - mainly in the retail segment, increase in financial costs - due to the increase in debt and income tax - as a result of among others changes in legal regulations.

Sales by format

Table 3: Eurocash Group: Sales of goods dynamics by distribution format for 3Q 2018

PLN m	3Q 2018	3Q 2017	Change%
Wholesale	4 786,74	4 479,27	6,86%
Cash&Carry	1 244,91	1 195,96	4,09%
Tobacco	1 600,71	1 493,07	7,21%
Alcohol	571,81	579,56	-1,34%
Distribution	1 224,20	1 088,75	12,44%
Food Service	128,92	121,92	5,74%
Others	16,19	0,00	-
Retail	1 261,07	915,04	37,82%
Delikatesy Centrum	402,88	398,68	1,05%
Inmedio	116,42	110,92	4,96%
Delikatesy Centrum Own	191,91	188,00	2,08%
EKO	204,43	217,44	-5,98%
Mila	345,42	0,00	-
Projects	167,87	147,86	13,53%
Eurocash Group	6 215,68	5 542,18	12,15%

Table 4: Eurocash Group: Sales of goods dynamics by distribution format for 3Q YTD 2018

PLN m	3Q YTD 2018	3Q YTD 2017	Change %
Wholesale	13 376,68	12 598,54	6,18%
Cash&Carry	3 416,46	3 323,72	2,79%
Tobacco	4 484,28	4 200,89	6,75%
Alcohol	1 629,50	1 645,96	-1,00%
Distribution	3 445,06	3 106,86	10,89%
Food Service	352,42	321,11	9,75%
Others	48,97	0,00	-
Retail	3 032,36	2 563,68	18,28%
Delikatesy Centrum	1 098,35	1 091,28	0,65%
Inmedio	327,06	312,27	4,73%
Delikatesy Centrum Własne	546,33	520,27	5,01%
EKO	594,83	639,86	-7,04%
Mila	465,79	0,00	-
Projects	506,11	395,22	28,06%
Eurocash Group	16 915,16	15 557,44	8,73%

Wholesale:

- In 3Q 2018 external sales of goods in Wholesale segment amounted to PLN 4 786.74 m and increased by 6.86% comparing with 3Q 2017. In 3Q YTD 2018 sales amounted to PLN 13 376.68 m and increased by 6.18% YoY.
- EBITDA of the Wholesale segment amounted in 3Q 2018 to PLN 130.98 m while in 3Q 2017 it amounted to PLN 97.41 m. EBITDA in 3Q YTD 2018 amounted to PLN 291.19 m comparing to PLN 239.47 m in the same period of 2017.
- LFL sales growth (same number of stores) in Eurocash Cash&Carry stores in 3Q 2018 amounted to positive 3,78% and 2,76% in 3Q YTD 2018

- The number of Eurocash Cash&Carry stores at the end of 3Q 2018 amounted to 180.
- The number of abc stores amounted to 8 559 at the end of 3Q 2018.
- Number of partnership or franchise stores organized by companies belonging to Eurocash Group (Groszek, Euro Sklep, Lewiatan and PSD) amounted to 4 943 stores as of the end of 3Q 2018.
- Sales of cigarettes in Tobacco & Impulse distribution format in terms of volume amounted in 3Q 2018 to 2 744 m pieces and increased by 5.99% YoY.
- Sales of cigarettes in terms of value increased by 10.0% in 3Q 2018 and 8.3% in 3Q 2018 YoY

Retail:

- Sales of goods realized by Retail segment in 3Q 2018 amounted to PLN 1 261.07 m and increased by 37.82% YoY. In 3Q YTD 2018 sales amounted to PLN 3 032.36 m and increased by 18.28% YoY. Sales increase was attributable mainly to consolidation of acquired in May 2018 Mila chain (sales revenues PLN 345.42 m in 3Q and PLN 465.79m in 3Q YTD 2018)
- EBITDA of the Retail segment amounted in 3Q 2018 to PLN 9.29 m comparing to PLN 31.40 m in 3Q 2017. In 3Q YTD 2018 EBITDA amounted to PLN 62.84 m comparing to PLN 105.65 m in 3Q YTD 2017. The decrease in the EBITDA of the retail segment was mainly related to the integration of the EKO and Mila chain acquired in 2017 and 2018 respectively.
- LFL dynamics of wholesale sales realized by Eurocash to "Delikatesy Centrum" franchise stores amounted to -0.3% in 3Q 2018 and positive 2.7% in 3Q YTD 2018.
- LFL growth of retail sales of "Delikatesy Centrum" stores amounted to -2.0% in the 3Q 2018 and +0.5% in 3Q YTD 2018.
- LFL dynamics of retail sales in 3Q 2018 amounted in Inmedio stores to +2.57% YoY and +1.83% in the 3Q YTD 2018 YoY.
- Number of total small supermarkets amounted to 1 532 stores at the end of 3Q 2018 comparing to 1 326 in 3Q 2017. The number of stores includes 996 franchise stores, 127 own stores operated by Firma Rogala and FHC-2, 222 own stores operated by EKO Holding (183 under Delikatesy Centrum brand), and 187 stores operated by Mila under Mila brand.
- Total number of Inmedio newsagents amounted to 449 stores in comparison to 452 stores as of the end 3Q 2017.

Projects

- Sales of goods realized by Projects segment in 3Q 2018 amounted to PLN 167.87 m comparing to PLN 147.86 m in 3Q 2017. In 3Q YTD 2018 sales of goods amounted to PLN 506.11 m comparing to 395,22 m in 3Q YTD 2017.
- The main driver of sales increase in Projects has been development of distribution of fresh products to franchise stores in Delikatesy Centrum chain. Sales of Fresh Project in 3Q YTD 2018 amounted to PLN 452.49 m comparing to PLN 351.46 m in 3Q YTD 2017.
- Negative EBITDA contribution of Projects segment amounted in 3Q 2018 to PLN -6.22 m comparing to PLN -12.90 m in 3Q 2017. In 3Q YTD 2018 EBITDA amounted to PLN -32.45 m comparing to PLN -39.31 m.

Others

- EBITDA of Others segment in 3Q 2018 amounted to negative PLN 28.93 m comparing to negative PLN 14.45 m in 3Q 2017. In 3Q YTD 2018 EBITDA amounted to PLN -59.82 m comparing to PLN -46.58 m in 3Q YTD 2017. Other costs have been impacted among others by additional provisions on employees bonuses and costs related to compliance strengthening including GDPR, and IT systems and Quality Control developments

Operating segments

Due to changes in financial results presentation by operating segments in 2018, below we present quarter results of each segment for years 2016-2018 according to definition of segments implemented in 2018.

Table 5: Group Eurocash: Operating segments adjusted results in 1Q, 2Q and 3Q 2018

1Q 2018 (PLN m)	Wholesale	Retail	Projects	Other	Total
Sales revenues from traded goods	3 982,92	817,40	164,48	0,00	4 964,80
EBIT	21,08	6,03	-15,43	-18,78	-7,10
<i>(EBIT margin %)</i>	<i>0,53%</i>	<i>0,74%</i>	<i>-9,38%</i>	<i>0,00%</i>	<i>-0,14%</i>
EBITDA	47,39	21,49	-14,26	-15,01	39,61
<i>(EBITDA margin %)</i>	<i>1,19%</i>	<i>2,63%</i>	<i>-8,67%</i>	<i>0,00%</i>	<i>0,80%</i>
2Q 2018 (PLN m)	Wholesale	Retail	Projects	Other	Total
Sales revenues from traded goods	4 607,02	953,89	173,77	0,00	5 734,67
EBIT	86,47	13,44	-13,03	-19,25	67,63
<i>(EBIT margin %)</i>	<i>1,88%</i>	<i>1,41%</i>	<i>-7,50%</i>	<i>0,00%</i>	<i>1,18%</i>
EBITDA	112,82	32,06	-11,97	-15,88	117,03
<i>(EBITDA margin %)</i>	<i>2,45%</i>	<i>3,36%</i>	<i>-6,89%</i>	<i>0,00%</i>	<i>2,04%</i>
3Q 2018 (PLN m)	Wholesale	Retail	Projects	Other	Total
Sales revenues from traded goods	4 786,74	1 261,07	167,87	0,00	6 215,68
EBIT	104,31	-13,57	-7,33	-31,90	51,50
<i>(EBIT margin %)</i>	<i>2,18%</i>	<i>-1,08%</i>	<i>-4,37%</i>	<i>0,00%</i>	<i>0,83%</i>
EBITDA	130,98	9,29	-6,22	-28,93	105,13
<i>(EBITDA margin %)</i>	<i>2,74%</i>	<i>0,74%</i>	<i>-3,70%</i>	<i>0,00%</i>	<i>1,69%</i>

Table 6: Eurocash Group: Operating segments adjusted results in 1Q, 2Q and 3Q YTD 2018

1Q YTD 2018 (PLN m)	Wholesale	Retail	Projects	Other	Total
Sales revenues from traded goods	3 982,92	817,40	164,48	0,00	4 964,80
EBIT	21,08	6,03	-15,43	-18,78	-7,10
<i>(EBIT margin %)</i>	<i>0,53%</i>	<i>0,74%</i>	<i>-9,38%</i>	<i>0,00%</i>	<i>-0,14%</i>
EBITDA	47,39	21,49	-14,26	-15,01	39,61
<i>(EBITDA margin %)</i>	<i>1,19%</i>	<i>2,63%</i>	<i>-8,67%</i>	<i>0,00%</i>	<i>0,80%</i>
2Q YTD 2018 (PLN m)	Wholesale	Retail	Projects	Other	Total
Sales revenues from traded goods	8 589,94	1 771,29	338,25	0,00	10 699,48
EBIT	107,55	19,47	-28,46	-38,03	60,53
<i>(EBIT margin %)</i>	<i>1,25%</i>	<i>1,10%</i>	<i>-8,41%</i>	<i>0,00%</i>	<i>0,57%</i>
EBITDA	160,21	53,55	-26,23	-30,89	156,64
<i>(EBITDA margin %)</i>	<i>1,87%</i>	<i>3,02%</i>	<i>-7,75%</i>	<i>0,00%</i>	<i>1,46%</i>
3Q 2018 (PLN m)	Wholesale	Retail	Projects	Other	Total
Sales revenues from traded goods	13 376,68	3 032,36	506,11	0,00	16 915,16
EBIT	211,86	5,90	-35,79	-69,93	112,03
<i>(EBIT margin %)</i>	<i>1,58%</i>	<i>0,19%</i>	<i>-7,07%</i>	<i>0,00%</i>	<i>0,66%</i>
EBITDA	291,19	62,84	-32,45	-59,82	261,77
<i>(EBITDA margin %)</i>	<i>2,18%</i>	<i>2,07%</i>	<i>-6,41%</i>	<i>0,00%</i>	<i>1,55%</i>

Table 7: Eurocash Group: Operating segments results in 2017

1Q 2017 (PLN m)	Wholesale	Retail	Projects	Other	VAT settlements	Total
Sales revenues from traded goods	3 714,66	793,55	111,52	0,00	0,00	4 619,72
EBIT	9,92	18,56	-16,35	-19,11	0,00	-6,98
<i>(EBIT margin %)</i>	<i>0,27%</i>	<i>2,34%</i>	<i>-14,66%</i>	<i>0,00%</i>	<i>0,00%</i>	<i>-0,15%</i>
EBITDA	36,67	33,04	-16,03	-16,19	0,00	37,49
<i>(EBITDA margin %)</i>	<i>0,99%</i>	<i>4,16%</i>	<i>-14,37%</i>	<i>0,00%</i>	<i>0,00%</i>	<i>0,81%</i>
2Q 2017 (PLN m)						
Sales revenues from traded goods	4 404,61	855,09	135,84	0,00	0,00	5 395,54
EBIT	78,43	26,27	-10,68	-19,19	-114,40	-39,56
<i>(EBIT margin %)</i>	<i>1,78%</i>	<i>3,07%</i>	<i>-7,86%</i>	<i>0,00%</i>	<i>0,00%</i>	<i>-0,73%</i>
EBITDA	105,38	41,21	-10,39	-15,94	-114,40	5,87
<i>(EBITDA margin %)</i>	<i>2,39%</i>	<i>4,82%</i>	<i>-7,65%</i>	<i>0,00%</i>	<i>0,00%</i>	<i>0,11%</i>
3Q 2017 (PLN m)						
Sales revenues from traded goods	4 479,27	915,04	147,86	0,00	0,00	5 542,18
EBIT	71,33	16,91	-12,80	-17,28	0,00	58,15
<i>(EBIT margin %)</i>	<i>1,59%</i>	<i>1,85%</i>	<i>-8,66%</i>	<i>0,00%</i>	<i>0,00%</i>	<i>1,05%</i>
EBITDA	97,41	31,40	-12,90	-14,45	0,00	101,47
<i>(EBITDA margin %)</i>	<i>2,17%</i>	<i>3,43%</i>	<i>-8,72%</i>	<i>0,00%</i>	<i>0,00%</i>	<i>1,83%</i>
4Q 2017 (PLN m)						
Sales revenues from traded goods	4 127,07	872,37	156,13	0,00	0,00	5 155,56
EBIT	79,43	30,60	-13,25	-45,40	0,00	51,38
<i>(EBIT margin %)</i>	<i>1,92%</i>	<i>3,51%</i>	<i>-8,49%</i>	<i>0,00%</i>	<i>0,00%</i>	<i>1,00%</i>
EBITDA	107,14	47,62	-12,78	-40,50	0,00	101,48
<i>(EBITDA margin %)</i>	<i>2,60%</i>	<i>5,46%</i>	<i>-8,19%</i>	<i>0,00%</i>	<i>0,00%</i>	<i>1,97%</i>

Table 8: Eurocash Group: Operating segments results in 2017 YTD

1Q YTD 2017 (PLN m)	Wholesale	Retail	Projects	Other	VAT settlements	Total
Sales revenues from traded goods	3 714,66	793,55	111,52	0,00	0,00	4 619,72
EBIT	9,92	18,56	-16,35	-19,11	0,00	-6,98
<i>(EBIT margin %)</i>	<i>0,27%</i>	<i>2,34%</i>	<i>-14,66%</i>	<i>0,00%</i>	<i>0,00%</i>	<i>-0,15%</i>
EBITDA	36,67	33,04	-16,03	-16,19	0,00	37,49
<i>(EBITDA margin %)</i>	<i>0,99%</i>	<i>4,16%</i>	<i>-14,37%</i>	<i>0,00%</i>	<i>0,00%</i>	<i>0,81%</i>
2Q YTD 2017 (PLN m)						
2Q YTD 2017 (PLN m)	Wholesale	Retail	Projects	Other	VAT settlements	Total
Sales revenues from traded goods	8 119,26	1 648,64	247,36	0,00	0,00	10 015,26
EBIT	88,35	44,84	-27,03	-38,30	-114,40	-46,54
<i>(EBIT margin %)</i>	<i>1,09%</i>	<i>2,72%</i>	<i>-10,93%</i>	<i>0,00%</i>	<i>0,00%</i>	<i>-0,46%</i>
EBITDA	142,05	74,25	-26,41	-32,13	-114,40	43,36
<i>(EBITDA margin %)</i>	<i>1,75%</i>	<i>4,50%</i>	<i>-10,68%</i>	<i>0,00%</i>	<i>0,00%</i>	<i>0,43%</i>
3Q YTD 2017 (PLN m)						
3Q YTD 2017 (PLN m)	Wholesale	Retail	Projects	Other	VAT settlements	Total
Sales revenues from traded goods	12 598,54	2 563,68	395,22	0,00	0,00	15 557,44
EBIT	159,67	61,75	-39,83	-55,58	-114,40	11,61
<i>(EBIT margin %)</i>	<i>1,27%</i>	<i>2,41%</i>	<i>-10,08%</i>	<i>0,00%</i>	<i>0,00%</i>	<i>0,07%</i>
EBITDA	239,47	105,65	-39,31	-46,58	-114,40	144,83
<i>(EBITDA margin %)</i>	<i>1,90%</i>	<i>4,12%</i>	<i>-9,95%</i>	<i>0,00%</i>	<i>0,00%</i>	<i>0,93%</i>
4Q YTD 2017 (PLN m)						
4Q YTD 2017 (PLN m)	Wholesale	Retail	Projects	Other	VAT settlements	Total
Sales revenues from traded goods	16 725,60	3 436,05	551,35	0,00	0,00	20 713,00
EBIT	239,10	92,35	-53,08	-100,98	-114,40	62,99
<i>(EBIT margin %)</i>	<i>1,43%</i>	<i>2,69%</i>	<i>-9,63%</i>	<i>0,00%</i>	<i>0,00%</i>	<i>0,30%</i>
EBITDA	346,61	153,27	-52,09	-87,08	-114,40	246,31
<i>(EBITDA margin %)</i>	<i>2,07%</i>	<i>4,46%</i>	<i>-9,45%</i>	<i>0,00%</i>	<i>0,00%</i>	<i>1,19%</i>

Table 9: Eurocash Group: Operating segments results in 2016

1Q 2016 (PLN m)	Wholesale	Retail	Projects	Other	Total
Sales revenues from traded goods	3 662,87	598,06	42,89	0,00	4 303,83
EBIT	14,26	19,62	-7,66	-19,57	6,64
<i>(EBIT margin %)</i>	<i>0,39%</i>	<i>3,28%</i>	<i>-17,86%</i>	<i>0,00%</i>	<i>0,15%</i>
EBITDA	41,85	29,52	-7,05	-16,99	47,34
<i>(EBITDA margin %)</i>	<i>1,14%</i>	<i>4,94%</i>	<i>-16,43%</i>	<i>0,00%</i>	<i>1,10%</i>
2Q 2016 (PLN m)					
Sales revenues from traded goods	4 222,05	544,13	59,12	0,00	4 825,30
EBIT	74,30	14,86	-8,74	-10,38	70,04
<i>(EBIT margin %)</i>	<i>1,76%</i>	<i>2,73%</i>	<i>-14,78%</i>	<i>0,00%</i>	<i>1,45%</i>
EBITDA	100,94	24,43	-8,40	-6,71	110,26
<i>(EBITDA margin %)</i>	<i>2,39%</i>	<i>4,49%</i>	<i>-14,20%</i>	<i>0,00%</i>	<i>2,29%</i>
3Q 2016 (PLN m)					
Sales revenues from traded goods	4 366,99	653,21	67,75	0,00	5 087,95
EBIT	85,06	27,52	-11,03	-20,47	81,08
<i>(EBIT margin %)</i>	<i>1,95%</i>	<i>4,21%</i>	<i>-16,28%</i>	<i>0,00%</i>	<i>1,59%</i>
EBITDA	114,44	37,45	-10,47	-18,19	123,24
<i>(EBITDA margin %)</i>	<i>2,62%</i>	<i>5,73%</i>	<i>-15,45%</i>	<i>0,00%</i>	<i>2,42%</i>
4Q 2016 (PLN m)					
Sales revenues from traded goods	3 965,37	601,32	101,59	0,00	4 668,29
EBIT	118,43	49,04	-14,10	-36,84	116,52
<i>(EBIT margin %)</i>	<i>2,99%</i>	<i>8,15%</i>	<i>-13,88%</i>	<i>0,00%</i>	<i>2,50%</i>
EBITDA	147,50	60,01	-13,88	-33,98	159,65
<i>(EBITDA margin %)</i>	<i>3,72%</i>	<i>9,98%</i>	<i>-13,66%</i>	<i>0,00%</i>	<i>3,42%</i>

Table 10: Eurocash Group: Operating segments results in 2016 YTD

1Q YTD 2016 (PLN m)	Wholesale	Retail	Projects	Other	Total
Sales revenues from traded goods	3 662,87	598,06	42,89	0,00	4 303,83
EBIT	14,26	19,62	-7,66	-19,57	6,64
<i>(EBIT margin %)</i>	<i>0,39%</i>	<i>3,28%</i>	<i>-17,86%</i>	<i>0,00%</i>	<i>0,15%</i>
EBITDA	41,85	29,52	-7,05	-16,99	47,34
<i>(EBITDA margin %)</i>	<i>1,14%</i>	<i>4,94%</i>	<i>-16,43%</i>	<i>0,00%</i>	<i>1,10%</i>
2Q YTD 2016 (PLN m)					
Sales revenues from traded goods	7 884,92	1 142,20	102,01	0,00	9 129,13
EBIT	88,55	34,48	-16,40	-29,95	76,68
<i>(EBIT margin %)</i>	<i>1,12%</i>	<i>3,02%</i>	<i>-16,08%</i>	<i>0,00%</i>	<i>0,84%</i>
EBITDA	142,80	53,95	-15,44	-23,70	157,61
<i>(EBITDA margin %)</i>	<i>1,81%</i>	<i>4,72%</i>	<i>-15,14%</i>	<i>0,00%</i>	<i>1,73%</i>
3Q YTD 2016 (PLN m)					
Sales revenues from traded goods	12 251,92	1 795,41	169,76	0,00	14 217,08
EBIT	173,61	62,00	-27,43	-50,43	157,76
<i>(EBIT margin %)</i>	<i>1,42%</i>	<i>3,45%</i>	<i>-16,16%</i>	<i>0,00%</i>	<i>1,11%</i>
EBITDA	257,24	91,40	-25,91	-41,88	280,85
<i>(EBITDA margin %)</i>	<i>2,10%</i>	<i>5,09%</i>	<i>-15,26%</i>	<i>0,00%</i>	<i>1,98%</i>
4Q YTD 2016 (PLN m)					
Sales revenues from traded goods	16 217,29	2 396,73	271,35	0,00	18 885,37
EBIT	292,05	111,04	-41,53	-87,27	274,28
<i>(EBIT margin %)</i>	<i>1,80%</i>	<i>4,63%</i>	<i>-15,30%</i>	<i>0,00%</i>	<i>1,45%</i>
EBITDA	404,73	151,41	-39,79	-75,87	440,49
<i>(EBITDA margin %)</i>	<i>2,50%</i>	<i>6,32%</i>	<i>-14,66%</i>	<i>0,00%</i>	<i>2,33%</i>

Cash flow

Table 11: Eurocash Group: Consolidated cash flow for 3Q 2018

PLN m	3Q 2018	3Q 2017
Operating cash flow	115,45	112,45
<i>Gross profit (loss)</i>	37,24	49,42
<i>Depreciation</i>	53,62	43,31
<i>Change in working capital</i>	20,57	32,86
<i>Other</i>	4,01	(13,14)
Cash flow from investments	(36,88)	(80,78)
Cash flow from financing activities	(74,15)	(26,24)
Total cash flow	4,41	5,43

Table 12: Eurocash Group: Consolidated cash flow for 3Q YTD 2018

PLN m	3Q YTD 2018	3Q YTD 2017
Operating cash flow	301,13	283,72
<i>Gross profit (loss)</i>	78,96	(14,47)
<i>Depreciation</i>	149,73	133,22
<i>Change in working capital</i>	83,42	174,33
<i>Other</i>	(10,97)	(9,37)
Cash flow from investments	(414,57)	(285,28)
Cash flow from financing activities	64,01	(1,54)
Total cash flow	(49,42)	(3,10)

Total cash flow in 3Q 2018 amounted to positive PLN 4.41 m where the operating cash flow reached PLN 115.45m. In 3Q YTD 2018 total cash flow amounted to negative PLN 49.42 m and operating cash flow amounted to PLN 301.13 m.

Cash flow from investments amounted to PLN -36.88 m in 3Q 2018 and PLN -414.57 m in 3Q YTD 2018 and was driven by acquisitions of Mila in 2Q 2018. Cash flow from financing activities amounted to PLN – 74.15 m in 3Q 2018 and PLN 64.01 m in 3Q YTD 2018.

Working capital

Table 13: Eurocash Group: Consolidated working capital ratios flow for 3Q 2018

Turnover in days	3Q 2018	3Q 2017
1. Inventories turnover	20,27	21,16
2. Trade receivables turnover	23,76	27,97
3. Trade liabilities turnover	67,95	71,48
4. Operating cycle (1+2)	44,02	49,13
5. Cash conversion (4-3)	(23,92)	(22,35)

Table 14: Eurocash Group: Consolidated working capital ratios flow for 3Q YTD 2018

Turnover in days	3Q YTD 2018 r.	3Q YTD 2017 r.
1. Inventories turnover	22,09	22,36
2. Trade receivables turnover	25,89	29,56
3. Trade liabilities turnover	73,74	75,81
4. Operating cycle (1+2)	47,98	51,91
5. Cash conversion (4-3)	(25,76)	(23,89)

Cash conversion in 3Q 2018 reached -23.92 days comparing to -22.35 days previous year. In 3Q 2018 YTD cash conversion cycle amounted to -25.76 days comparing with -23.89 days in 3Q 2017 YTD.

Statement of the financial position

The volume of fixed and current assets, equity, liabilities and provisions for liabilities, as well as their share in the total value of assets is presented in the table below:

Table 15: Eurocash Group: Selected consolidated balance sheet items

PLN m	30.09.2018		31.12.2017	
Fixed assets	2 985,66	47,03%	2 526,97	42,26%
Current assets	3 308,30	52,11%	3 452,96	57,74%
Assets classified as held for sale	55,08	0,87%	-	0,00%
Total assets	6 349,04	100,00%	5 979,92	100,00%
Equity	981,85	15,46%	1 030,01	17,22%
Liabilities and provisions	5 367,19	84,54%	4 949,92	82,78%
Total liabilities and equity	6 349,04	100,00%	5 979,92	100,00%

Net debt of Eurocash Group at the end of 3Q 2018 amounted to PLN 608.52 m compared with PLN 464.25 m at the end of 3Q 2017.

3. Summary of financial results of Eurocash S.A. in 3Q and 3Q YTD 2018

Profit & loss account

Table 16: Eurocash S.A.: Summary of financial results for 3Q 2018

PLN m	3Q 2018	3Q 2017	Change%
Sales revenues (traded goods, materials)	3 949,98	3 619,09	9,14%
Gross profit (loss) on sales	458,55	387,02	18,48%
Gross profitability on sales (%)	11,61%	10,69%	0,92 p.p.
EBITDA	92,72	54,79	69,23%
(EBITDA margin %)	2,35%	1,51%	0,83 p.p.
EBIT	63,82	26,74	138,71%
(EBIT margin %)	1,62%	0,74%	0,88 p.p.
Gross profit	51,28	20,48	150,37%
Net Income	39,04	16,83	132,00%
(Net profitability %)	0,99%	0,46%	0,52 p.p.

Table 17: Eurocash S.A.: Summary of financial results for 3Q YTD 2018

PLN m	3Q YTD 2018	3Q YTD 2017	Change %
Sales revenues (traded goods, materials)	11 064,95	10 107,31	9,47%
Gross profit (loss) on sales	1 280,43	1 123,97	13,92%
Gross profitability on sales (%)	11,57%	11,12%	0,45 p.p.
EBITDA	231,50	27,92	729,24%
(EBITDA margin %)	2,09%	0,28%	1,82 p.p.
EBIT	144,61	(56,01)	-358,20%
(EBIT margin %)	1,31%	-0,55%	1,86 p.p.
Gross profit	122,70	(48,49)	-353,02%
Net Income	94,35	(59,14)	-259,52%
(Net profitability %)	0,85%	-0,59%	1,44 p.p.

Sales of Eurocash S.A. in 3Q 2018 amounted to PLN 3 949.98 m and increased by 9.14%. In 3Q YTD 2018 sales of Eurocash S.A. increased by 9.47% and amounted to PLN 11 064.95 m. Gross margin on sales realized by Eurocash amounted to 11.61% in 3Q 2018 and 11.57% in 3Q YTD 2018. In 3Q 2018 EBITDA amounted to PLN 92.72 m, while in 3Q YTD 2018 it reached PLN 231.50 m. Net profit in 3Q 2018 amounted to PLN 39.04 m and in 3Q YTD 2018 reached the level of PLN 94.35 m.

Cash flow

Table 18: Eurocash S.A.: Cash flow for 3Q 2018

PLN m	3Q 2018	3Q 2017
Operating cash flow	50,38	(136,38)
<i>Gross profit (loss)</i>	51,28	20,48
<i>Depreciation</i>	28,90	28,05
<i>Change in working capital</i>	(23,90)	(175,36)
<i>Other</i>	(5,90)	(9,55)
Cash flow from investments	(21,21)	(16,51)
Cash flow from financing activities	(30,28)	161,71
Total cash flow	(1,11)	8,82

Table 19: Eurocash S.A.: Cash flow for 3Q YTD 2018

PLN m	3Q YTD 2018	3Q YTD 2017
Operating cash flow	270,43	228,97
<i>Gross profit (loss)</i>	122,70	(48,49)
<i>Depreciation</i>	86,89	83,92
<i>Change in working capital</i>	73,05	199,25
<i>Other</i>	(12,20)	(5,71)
Cash flow from investments	(366,20)	(214,19)
Cash flow from financing activities	30,25	(20,85)
Total cash flow	(65,52)	(6,06)

Total cash flow of Eurocash S.A. in 3Q 2018 amounted to negative PLN 1.11 m and in 3Q YTD 2018 amounted to negative PLN 65.52 m.

Working capital

Table 20: Eurocash S.A.: Working capital ratios for 3Q 2018

Turnover in days	3Q 2018	3Q 2017
1. Inventories turnover	19,54	21,22
2. Trade receivables turnover	29,67	30,82
3. Trade liabilities turnover	80,95	81,27
4. Operating cycle (1+2)	49,20	52,03
5. Cash conversion (4-3)	(31,75)	(29,24)

Table 21: Eurocash S.A.: Working capital ratios for 3Q YTD 2017

Turnover in days	3Q YTD 2018	3Q YTD 2017
1. Inventories turnover	20,70	22,54
2. Trade receivables turnover	31,42	32,74
3. Trade liabilities turnover	85,72	86,76
4. Operating cycle (1+2)	52,12	55,29
5. Cash conversion (4-3)	(33,59)	(31,48)

Cash conversion in 3Q 2018 amounted to negative 31.75 days. In 3Q YTD 2018 cash conversion reached negative 33.59 days.

Statement of the financial position

The volume of fixed and current assets, equity, liabilities and provisions for liabilities, as well as their share in the total value of assets is presented in the table below:

Table 22: Eurocash S.A.: Selected balance sheet items

	PLN m	30.09.2018		31.12.2017	-
Fixed assets		3 207,57	58,72%	2 901,78	54,51%
Current assets		2 232,70	40,87%	2 421,16	45,49%
Fixed assets classified as held for sale		22,40	0,41%	-	0,00%
Total assets		5 462,67	100,00%	5 322,94	100,00%
Equity		994,73	18,21%	998,11	18,75%
Liabilities and provisions		4 467,93	81,79%	4 324,83	81,25%
Total liabilities and equity		5 462,67	100,00%	5 322,94	100,00%

4. Definitions of the financial ratios

Gross profit margin on sales:	ratio of gross sales profit to net sales revenue
EBITDA margin:	ratio of EBITDA (operating profit plus depreciation) to net sales revenue
Operating profit margin:	ratio of operating profit (EBIT) to net sales revenue
Net profit margin on sales:	ratio of net profit to net sales revenue
Inventories turnover:	the ratio of balance of stocks at the end of period to net sales for period, multiplied by the number of days in the period
Trade receivables turnover:	the ratio of balance of trade receivables at the end of period to net sales for period, multiplied by the number of days in the period
Trade liabilities turnover:	the ratio of balance of trade liabilities at end of period to costs of goods sold for period, multiplied by the number of days in the period
Operating cycle:	the sum of stocks turnover and receivables turnover
Cash conversion cycle:	the difference between operating cycle and liabilities turnover
Net debt:	the sum of long and short term loans, borrowings and financial liabilities less cash and cash equivalents

5. Major events and factors that influenced consolidated income or loss in 3Q 2018

Agreement to acquire entities controlling the MILA chain of stores

On 15th September 2017, Eurocash concluded the Preliminary Agreement with Argus Retail Holding Limited (company under Cypriot law), non-public closed-end investment fund Elbrus with its registered office in Warsaw, Robert Załęski and Stanisław Sosnowski of purchasing 100% of shares in the share capital of Domelius Limited (company under Cypriot law) with its registered office in Nicosia considered by the issuer, as well as taking over control on its subsidiary companies including: Mila Holding S.A. (previously Grupa 700 market-Detal spółka z o.o. S.K.A.), Mila S.A. (previously market-Detal spółka z o.o. sp.j.), Investpol 700 Mila spółka jawna and “Koja-Mila spółka akcyjna” spółka jawna.

On 29th May 2018 Eurocash S.A. acquired 100% of shares in the share capital of Domelius Limited (company under Cypriot law) with its registered office in Nicosia considered by the issuer, as well as taking over control on its subsidiary companies including: Mila Holding S.A. (previously Grupa 700 market-Detal spółka z o.o. S.K.A.), Mila S.A. (previously market-Detal spółka z o.o. sp.j.), Investpol 700 Mila spółka jawna and “Koja-Mila spółka akcyjna” spółka jawna.

Value of the transaction was settled on PLN 349,28 m, excluding some real estate which will not be taken over by Eurocash.

The takeover of the network of 187 Mila grocery stores operating in central Poland will enable the further development of the Eurocash Group and creation of a nationwide supermarket chain based on franchise and own stores.

Total sales revenues in the Mila network in 2017 reached approximately PLN 1.48 billion.

Cost optimization program

In 2017, the Eurocash Group initiated a medium-term program aimed at increasing cost effectiveness by reducing costs in areas such as Sales, General Management Costs and Other Operating Expenses. The total cost reduction potential may reach PLN 150 million by 2020. The planned effect of the cost reduction program may be partially reduced by an increase in the level of wages resulting from pressure on labor costs and inflation.

Information regarding dividends

In accordance with Resolution No. 6 adopted by the Annual General Meeting on 25th April 2018, persons who were shareholders of the Company on 16th May 2018, received a dividend of PLN 0.73 per one Company share. The total dividend paid on 6th June 2018 amounted to PLN 101,589,198.78

Apart of information provided in this report there are no other material factors which might influence the results of the Eurocash Group during the second of the year.

6. Development perspectives

External Factors

Growth in the FMCG market and its structure.

The Group expects further growth of modern distribution channels; its unfavourable impact on company's income will be compensated by growth of the FMCG market in absolute terms and consolidation in the traditional wholesale and retail market.

Fuel prices

Since a significant part of selling costs is logistics costs, strictly dependent on fuel prices, their significant changes may affect the Group's results.

Inflation.

Unexpected substantial changes in prices of food, beverages, alcohol and other FMCG products, as well as fuel prices affecting logistic expenses may influence the Group's profit and loss.

Labour costs.

Potential pressure on labour costs could in medium-term perspective negatively influence the Group's profit and loss. However, potential of growing wages and salaries impacts the whole Polish market. As the Group sales are realized in Poland, its competitive position should remain unchanged due to this factor.

Internal Factors

Integration of acquired companies

Due to the necessity of integrating acquired companies EKO Holding S.A., Mila S.A., FHC-2 Sp.z o.o., Madas Sp. z o.o. and Polska Dystrybucja Alkoholii Sp. z o.o. at the operational level, in the opinion of Eurocash S.A. Board full synergies associated with these transactions will be possible to reach within 3 years after the acquisition of control over these companies. Companies EKO Holding S.A., Mila S.A., FHC-2 Sp.z o.o., Madas Sp. z o.o. will be integrated within Delikatesy Centrum chain, and PDA Sp. z o.o. will be integrated within Eurocash Alkohole distribution format.

Development of Eurocash Retail segment

Eurocash Group continues expansion of the franchise chain Delikatesy Centrum and envisages opening of app. 900 new Delikatesy Centrum stores by 2023. Expansion of Delikatesy Centrum chain assumes three sources of growth:

1. Acquisitions of regional small supermarket chains,
2. Opening stores run by franchisees,
3. Opening of own retail stores (in cooperation with partners investing in real estate).

Total investment to be realized with Real Estate partners is estimated at app. PLN 1.0 – 2.0 bn. The expansion plan assumes achievement of the following operational parameters:

- Average stores size of 350 sqm (selling area),
- Average sales per sqm of app. 15 600 PLN p.a. in newly opened mature stores
- Average EBITDA margin of mature store should reach app. 6.4%.

The envisaged organizational structure of the Eurocash Retail segment, assumes, that it will consist of all companies operating retail stores such as Firma Rogala, FHC-2, Madas, EKO Holding S.A. and the Mila supermarket chain. Moreover, the target structure shall include also all wholesale and retail operations related to supply and support provided for retail stores operated by franchisees under Delikatesy Centrum brand. As a result Fresh Project shall be included in this segment by app. 2020.

As a result of new organization and investments, Eurocash Retail segment shall operate (pro-forma, including Mila chain) app. 1,527 proximity supermarket stores with consolidated sales of app. PLN 5.1 bn and app. PLN 7.4 bn retail sales including revenues of Delikatesy Centrum franchised and own stores.

EUROCASH GROUP – CONSOLIDATED QUARTERLY REPORT (3Q 2018)	Page 22
REPORT OF THE MANAGEMENT BOARD	

Investment in strategic growth projects

To remain competitiveness of independent retail stores in Poland Eurocash Group continues an investment in innovative projects: Duży Ben, abc on wheels, Kontigo, distribution of high quality fresh products and others. Results of these projects have negative impact on the Group profitability, however the Board recognizes necessity of such investment to assure the growth in 5 to 10 years. After successfully completed projects in previous years: Faktoria Win and PayUp, the Company decided to develop the Big Ben concept and make it available to franchisees and distribution project for high-quality fresh products to the customers of Eurocash Distribution.

Cost optimization program

In 2017, the Eurocash Group initiated a medium-term program aimed at increasing cost effectiveness by reducing costs in areas such as Sales, General Management Costs and Other Operating Expenses. The total cost reduction potential may reach PLN 150 million by 2020. The planned effect of the cost reduction program may be partially reduced by an increase in the level of wages resulting from pressure on labour costs and inflation.

Apart of information provided in this report there are no other material factors which might influence the results of the Eurocash Group during the next quarter of the year.

7. Additional information

Explanations regarding seasonality

In FMCG wholesale sales are traditionally lower in 1Q, then sales peak during summer period and stabilize in the 4Q.

Issuance redemption and repayment of debt and capital securities

In the period between 1st January 2018 and 30th September 2018 no shares have been issued.

On 30th September 2018 Eurocash total nominal value of issued bonds amounted to PLN 0.00 .

Changes in the basic management principles

Resignation of Member of the Supervisory Board

On 25th April 2018 Mr. Eduardo Aguinaga de Moraes resigned from function of Member of the Supervisory Board of Eurocash with effect on 25th April 2018.

EUROCASH GROUP – CONSOLIDATED QUARTERLY REPORT (3Q 2018)	Page 23
REPORT OF THE MANAGEMENT BOARD	

Appointment of Member of the Supervisory Board

On 25th April 2018, in connection to resignation of Mr. Eduardo Aguinaga de Moraes from function of Member of the Supervisory Board of Eurocash, Politra B.V.S.a.r.l. holding 44.04% of the Company share capital, informed the Company that by exercising in the right granted in paragraph 13.2 of the Company States, has appointed Mrs. Alicja Kornasiewicz as a Member of the Supervisory Board of Eurocash.

Appointment and Resignation of Member of the Management Board

On 22nd March 2018 Supervisory Board of Eurocash agreed the resolution regarding the appointment on 1st April 2018 Mr. Paweł Musiał on the function of Member of the Management Board of Company.

On 26th July 2018, Company received a notification from Mr. Paweł Musiał about resignation from the position of Member of the Management Board of Eurocash S.A. with effect as of 31st July 2018. The resignation did not contain information about its causes.

In 3Q 2018 there were no other major changes in the basic management principles.

The Board opinion on the possibilities to carry out previously published financial forecasts for a given year.

The Management Board of Eurocash S.A. has not published or does not intend to publish financial forecast for 2018.

Shareholders owning directly or indirectly – through dependent entities – at least 5 % of total number of votes at the general assembly.

Shareholder	08.11.2018				28.08.2018			
	Number of shares	Share in share capital (%)	Number of shares	Share in total number of votes	Number of shares	Share in share capital (%)	Number of shares	Share in total number of votes
Luis Amaral (directly and indirectly through Politra B.V. S.à.r.l.)	61 287 778	44,04%	61 287 778	44,04%	61 287 778	44,04%	61 287 778	44,04%
Azvalor Asset Management S.G.I.I.C. S.A.	13 403 760	9,63%	13 403 760	9,63%	13 403 760	9,63%	13 403 760	9,63%
Others	64 471 748	46,33%	64 471 748	46,33%	64 471 748	46,33%	64 471 748	46,33%
Total	139 163 286	100,00%	139 163 286	100,00%	139 163 286	100,00%	139 163 286	100,00%

*through Politra B.V.S.à.r.l..

Number of shares (or rights to shares) held by the members of the Management Board and Supervisory Board of Eurocash

	Shares or rights to acquire Eurocash shares	
	08.11.2018	28.08.2018
Management Board members		
Luis Amaral (directly and indirectly)	61 287 778	61 287 778
Rui Amaral	347 025	347 025
Przemysław Ciaś	1 000	0
Arnaldo Guerreiro	325 500	325 500
Katarzyna Kopaczewska	330 000	330 000
Pedro Martinho	875 803	855 803
Paweł Musiał	not applicable	not applicable
Jacek Owczarek	58 500	58 500
Supervisory Board members		
Joao Borges de Assuncao	0	0
Hans-Joachim Körber	0	0
Alicja Kornasiewicz	0	0
Francisco Santos	0	0
Jacek Szwajcowski	0	0

Information on legal suits

In the 3Q 2018 companies belonging to Eurocash Group were not involved in any other legal suit in any court, nor in a body competent for arbitration proceedings nor an administrative body, which total value would amount to at least 10% of equity.

Information concerning granting by the issuer or its subsidiary credit or loan surety or a guarantee

In the 3Q 2018 companies belonging to Eurocash Group did not grant any surety for a credit or a loan nor did it grant any guarantee of total value equivalent to 10% of the Eurocash equity.

Information concerning execution by the issuer or its subsidiary transaction with related parties

In the 3Q 2018 companies belonging to Eurocash Group did not execute transactions with related parties otherwise than in the ordinary course of business on an arm's length basis.

Other information significant to assess the issuer's situation or ability to satisfy liabilities by the issuer

Apart of information provided in this report, there are no other information which would be material to assess the staffing, and financial situation of the Company.

Factors that will affect the results achieved by the issuer

Agreement to acquire entities controlling the MILA chain of stores

On 15th September 2017, Eurocash concluded the Preliminary Agreement with Argus Retail Holding Limited (company under Cypriot law), non-public closed-end investment fund Elbrus with its registered office in Warsaw, Robert Załęski and Stanisław Sosnowski of purchasing 100% of shares in the share capital of Domelius Limited (company under Cypriot law) with its registered office in Nicosia considered by the issuer, as well as taking over control on its subsidiary companies including: Mila Holding S.A. (previously Grupa 700 market-Detal spółka z o.o. S.K.A.), Mila S.A. (previously market-Detal spółka z o.o. sp.j.), Investpol 700 Mila spółka jawna and "Koja-Mila spółka akcyjna" spółka jawna.

On 29th May 2018 Eurocash S.A. acquired 100% of shares in the share capital of Domelius Limited (company under Cypriot law) with its registered office in Nicosia considered by the issuer, as well as taking over control on its subsidiary companies including: Mila Holding S.A. (previously Grupa 700 market-Detal spółka z o.o. S.K.A.), Mila S.A. (previously market-Detal spółka z o.o. sp.j.), Investpol 700 Mila spółka jawna and "Koja-Mila spółka akcyjna" spółka jawna.

Value of the transaction was settled on PLN 349,28 m, excluding some real estate which will not be taken over by Eurocash.

The takeover of the network of 187 Mila grocery stores operating in central Poland will enable the further development of the Eurocash Group and creation of a nationwide supermarket chain based on franchise and own stores.

Total sales revenues in the Mila network in 2017 reached approximately PLN 1.48 billion.

Preliminary Agreement of selling a 100% stake in PayUp Polska

On 27th September 2018 Eurocash Group has signed a preliminary agreement to sell a 100% stake in PayUp Polska, which manages a network of payment terminals installed at retail stores across the country. The buyer is Polskie ePłatności – a portfolio company of private equity firm Innova Capital. The parties to the transaction have also signed an agreement on long-term cooperation, ensuring the continuity of payment services for Eurocash Group's customers.

The price for the 100% stake in PayUp Polska was set at PLN 110 million, although the final sale price might change depending of achievement of agreed financial parameters.

In 2017, PayUp Polska's revenue exceeded PLN 440 million, while EBITDA reached PLN 5.8 million.

The agreement is subject to approval from the President of the Office of Competition and Consumer Protection, among other things.

The parties to the transaction have also executed an agreement on cooperation and exclusivity for a five-year period. This ensures the continuity of financial services provided through POS terminals for Eurocash Group's customers.

Signatures of Management Board Members:

Position	Name and surname	Date	Signature
Management Board Member Financial Director	Jacek Owczarek	8 th November 2018	
Management Board Member Human Resources Director	Katarzyna Kopaczewska	8 th November 2018	