



EUROCASH GROUP

CONSOLIDATED SEMI-ANNUAL REPORT 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.

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SELECTED CONSOLIDATED FINANCIAL DATA

	Non audited for the period from 01.01.2018 to 30.06.2018 PLN	Non audited for the period from 01.01.2017 to 30.06.2017 PLN	Non audited for the period from 01.01.2018 to 30.06.2018 EUR	Non audited for the period from 01.01.2017 to 30.06.2017 EUR
Sales	10 775 697 976	10 117 817 157	2 552 696 557	2 369 290 267
Operating profit (loss)	60 530 716	(46 542 849)	14 339 354	(10 898 944)
Profit (loss) before income tax	41 715 870	(63 891 932)	9 882 233	(14 961 580)
Profit (loss) for the on continued operations	17 500 004	(76 772 523)	4 145 643	(17 977 829)
Profit (loss) for the period	17 500 004	(76 772 523)	4 145 643	(17 977 829)
Net cash from operating activities	185 685 875	171 262 540	43 987 842	40 104 566
Net cash used in investing activities	(377 683 107)	(204 424 688)	(89 470 804)	(47 870 150)
Net cash used in financing activities	138 161 063	24 697 279	32 729 506	5 783 364
Net change in cash and cash equivalents	(53 836 168)	(8 464 869)	(12 753 457)	(1 982 219)
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)	0,15	(0,56)	0,04	(0,13)
Diluted EPS (in PLN / EUR)	0,15	(0,56)	0,04	(0,13)
Average PLN / EUR rate*			4,2213	4,2704
	Non audited as at 30.06.2018 PLN	Non audited as at 31.12.2017 PLN	Non audited as at 30.06.2018 EUR	Non audited as at 31.12.2017 EUR
Assets	6 498 175 250	5 979 922 099	1 489 860 430	1 433 724 640
Non-current liabilities	111 538 714	96 108 526	25 572 889	23 042 635
Current liabilities	5 448 448 765	4 853 808 173	1 249 185 795	1 163 731 610
Equity	938 187 771	1 030 005 400	215 101 745	246 950 394
Share capital	139 163 286	139 163 286	31 906 476	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)	6,34	6,94	1,45	1,66
Diluted book value per share (in PLN / EUR)	6,21	6,80	1,42	1,63
Declared or paid dividend (in PLN / EUR)	101 589 199	111 277 151	23 291 728	26 679 410
Declared or paid dividend per share (in PLN / EUR)	0,73	0,80	0,17	0,19
PLN / EUR rate at the end of the period**			4,3616	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 2Q 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.

**Independent Auditor's Report
on review of interim condensed consolidated financial statements**

To the Shareholders and Supervisory Board of Eurocash S.A.

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of Eurocash S.A. Group (the 'Group'), with its parent company Eurocash S.A. (the 'Company') located in Komorniki at. Wiśniowa 11 as of 30 June 2018, including the introduction to condensed interim consolidated financial statements, condensed consolidated income statement and condensed consolidated statement of comprehensive income for the period from 1 January 2018 to 30 June 2018, condensed consolidated statement of financial position as at 30 June 2018, condensed consolidated statement of cash flows and condensed consolidated statement of changes in equity for the period from 1 January 2018 to 30 June 2018, supplementary information to the condensed interim consolidated financial statements prepared for the period from 1 January 2018 to 30 June 2018 (the 'interim condensed consolidated financial statements').

The Company's Management is responsible for the preparation and presentation of the accompanying interim condensed consolidated financial statements in accordance with the requirements of International Accounting Standard 34 *Interim Financial Reporting* as adopted by the European Union.

Our responsibility is to express a conclusion on the accompanying interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with National Review Standard 2410 in the wording of the International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* ('standard'), adopted by the resolution no. 2041/37a/2018 of the National Council of Statutory Auditors of 5 March 2018. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with National Auditing Standards in the wording of the International Auditing Standards adopted by the resolution no. 2041/37a/2018 of the National Council of Statutory Auditors of 5 March 2018 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with the requirements of International Accounting Standard 34 *Interim Financial Reporting* as adopted by the European Union.

Warsaw, 28 August 2018

Key Certified Auditor

Robert Klimacki
certified auditor
no in the register: 90055

on behalf of
Ernst & Young Audyt Polska
spółka z ograniczoną odpowiedzialnością sp. k.
Rondo ONZ 1, 00-124 Warsaw
no on audit firms list: 130

EUROCASH S.A. GROUP

CONDENSED INTERIM

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 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, 28TH August 2018

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	<i>01.01-30.06.2018</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

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<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.06.2018	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 June 2018.

The consolidated statement of financial position has been prepared as at 30 June 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 June 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,
Paweł Musiał - Member of the Management Board.

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.06.2018	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 June 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:	01.01-30.06.2018	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 30.06.2018

	Non audited 2nd Quarter for the period from 01.04.2018 to 30.06.2018	Non audited 2 Quarters for the period from 01.01.2018 to 30.06.2018	Non audited 2nd Quarter for the period from 01.04.2017 to 30.06.2017 restated**	Non audited 2 Quarters for the period from 01.01.2017 to 30.06.2017 restated**
Sales	5 775 374 957	10 775 697 976	5 466 740 763	10 117 817 157
Sales of goods *	5 734 672 512	10 699 475 470	5 431 632 944	10 051 353 090
Sales of services *	39 647 856	74 280 643	33 740 309	64 180 812
Sales of materials	1 054 588	1 941 864	1 367 511	2 283 255
Costs of sales	(5 069 358 100)	(9 488 112 979)	(4 811 751 090)	(8 931 580 305)
Costs of goods sold *	(5 068 628 371)	(9 486 725 964)	(4 810 578 567)	(8 929 505 077)
Costs of materials sold	(729 728)	(1 387 015)	(1 172 523)	(2 075 227)
Gross profit (loss)	706 016 857	1 287 584 997	654 989 673	1 186 236 852
Selling expenses	(542 273 308)	(1 033 014 913)	(483 783 865)	(948 319 163)
General and administrative expenses	(93 095 777)	(185 805 788)	(97 312 803)	(185 979 370)
Profit (loss) on sales	70 647 772	68 764 296	73 893 005	51 938 319
Other operating income	12 081 360	23 763 766	14 538 107	35 842 890
Other operating expenses	(15 100 319)	(31 997 345)	(127 993 920)	(134 324 058)
Operating profit (loss)	67 628 813	60 530 716	(39 562 808)	(46 542 849)
Financial income	10 286 969	18 311 869	6 642 829	11 912 570
Financial costs	(16 821 797)	(33 610 933)	(13 094 315)	(26 580 908)
Share in profits (losses) of equity accounted investees	(2 092 865)	(3 515 782)	(1 722 343)	(2 680 746)
Profit (loss) before tax	59 001 119	41 715 870	(47 736 637)	(63 891 932)
Income tax expense	(22 973 408)	(24 215 866)	(14 073 714)	(12 880 591)
Profit (loss) for the period	36 027 711	17 500 004	(61 810 351)	(76 772 523)
Attributable to:				
Owners of the Company	36 778 142	20 951 991	(62 903 992)	(77 806 181)
Non-controlling interests	(750 430)	(3 451 987)	1 093 641	1 033 658
EARNINGS PER SHARE				
			PLN / share	PLN / share
Profit (loss) attributable to Owners of the Company			20 951 991	(77 806 181)
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			0,15	(0,56)
- diluted			0,15	(0,56)

* Note 1

** Note 3

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.06.2018	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 30.06.2018

	Non audited 2nd Quarter for the period from 01.04.2018 to 30.06.2018	Non audited 2 Quarters for the period from 01.01.2018 to 30.06.2018	Non audited 2nd Quarter for the period from 01.04.2017 to 30.06.2017	Non audited 2 Quarters for the period from 01.01.2017 to 30.06.2017
Profit (loss) for the period	36 027 711	17 500 004	(61 810 351)	(76 772 523)
Other comprehensive income for the period	1 042 215	(354 087)	548 839	(432 571)
Items that may be subsequently reclassified to profit or loss:				
- The result on hedge accounting with the tax effect:	1 042 215	(354 087)	548 839	(432 571)
Total comprehensive income for the period	37 069 926	17 145 917	(61 261 512)	(77 205 094)
Total Income				
Owners of the Company	37 820 357	20 597 904	(62 355 153)	(78 238 752)
Non-controlling interests	(750 430)	(3 451 987)	1 093 641	1 033 658
Total comprehensive income for the period	37 069 926	17 145 917	(61 261 512)	(77 205 094)

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.06.2018	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 30.06.2018

	Non audited	
	as at	as at
	30.06.2018	31.12.2017
<i>Assets</i>		
Non-current assets (long-term)	2 971 427 732	2 526 965 574
Goodwill	1 757 788 722	1 401 336 787
Intangible assets	343 919 745	347 086 180
Property, plant and equipment	802 088 087	678 989 707
Investment property	964 951	972 799
Investments in equity accounted investees	28 900 114	32 415 896
Other long-term investments	366 847	30 784 656
Long-term receivables	13 225 842	7 156 243
Deferred tax assets	23 793 350	26 316 764
Other long-term prepayments	380 075	1 906 541
Current assets (short-term)	3 526 747 518	3 452 956 525
Inventories	1 499 309 403	1 320 254 214
Trade receivables	1 718 387 605	1 682 841 291
Current tax receivables	5 468 327	11 584 927
Other short-term receivables	108 128 433	143 072 942
Other short-term financial assets	250 240	50 434 740
Short-term prepayments	46 439 330	42 168 063
Cash and cash equivalents	148 764 181	202 600 349
Total assets	6 498 175 250	5 979 922 099

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.06.2018	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 30.06.2018

	Non audited	
	as at	as at
	30.06.2018	31.12.2017
<i>Equity and liabilities</i>		
Equity	938 187 771	1 030 005 400
Equity attributable to Owners of the Company	881 893 071	966 333 484
Share capital	139 163 286	139 163 286
Reserve capital	1 377 081 149	1 460 760 315
Loss on valuation of hedging transactions	(6 837 864)	(6 483 777)
Option for purchase/selling the shares	(59 676 889)	(54 712 448)
Retained earnings	(567 836 612)	(572 393 893)
Accumulated profit / loss from previous years	(588 788 603)	(539 082 319)
Profit (loss) for the period	20 951 991	(33 311 574)
Non-controlling interests	56 294 701	63 671 916
Liabilities	5 559 987 479	4 949 916 699
Non-current liabilities	111 538 714	96 108 526
Long-term financial liabilities	3 817 210	4 932 920
Other long-term liabilities	65 937 278	58 148 822
Deferred tax liabilities	35 220 780	25 430 471
Employee benefits	5 585 796	6 484 166
Provisions	977 650	1 112 147
Current liabilities	5 448 448 765	4 853 808 173
Loans and borrowings	790 001 672	317 781 175
Short-term financial liabilities	39 152 073	249 437 574
Trade payables	4 215 999 642	3 940 899 244
Current tax liabilities	8 683 431	7 717 339
Other short-term payables	117 628 372	93 693 875
Current employee benefits	108 346 716	102 599 975
Provisions	168 636 860	141 678 990
Total equity and liabilities	6 498 175 250	5 979 922 099
BOOK VALUE PER SHARE		
	Non audited	
	as at	as at
	30.06.2018	31.12.2017
Equity attributable to Owners of the Company	881 893 071	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	6,34	6,94
Diluted book value per share	6,21	6,80

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.06.2018	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 30.06.2018

	Non audited 2 Quarters for the period from 01.01.2018 to 30.06.2018	Non audited 2 Quarters for the period from 01.01.2017 to 30.06.2017 restated ***
<i>Cash flow from operating activities</i>		
Profit (loss) before tax	41 715 870	(63 891 932)
Adjustments for:	115 787 833	103 882 079
Depreciation and amortization	96 110 054	89 904 099
Share in profits (losses) of equity accounted investees	3 515 782	2 680 746
Valuation of motivational program	2 940 000	670 000
Gain (loss) on sale of property, plant and equipment	5 719 131	(454 685)
Interest expenses	13 423 401	12 883 596
Interest received	(5 920 535)	(1 801 677)
Operating cash before changes in working capital	157 503 704	39 990 147
Changes in inventory	(63 574 888)	(217 793 208)
Changes in receivables	10 643 138	(116 537 028)
Changes in payables	115 777 229	475 808 882
Changes in provisions and employee benefits	941 819	12 996 562
Other adjustments	(483 351)	(65 840)
Operating cash	220 807 651	194 399 516
Interest received	1 605 591	1 045 513
Interest paid	(14 057 925)	(8 473 929)
Income tax paid	(22 669 441)	(15 708 561)
Net cash from operating activities	185 685 875	171 262 540
<i>Cash flow from investing activities</i>		
Aquisition of intangible assets	(14 022 650)	(17 035 696)
Aquisition of property, plant and equipment tangible fixed assets	(79 659 081)	(74 712 702)
Proceeds from sale of property, plant and equipment	6 839 531	3 639 745
Income/expenses on other short-term financial assets	45 978 075	(21 884 449)
Aquisition of subsidiaries, net of cash aquired	(340 087 385)	(92 695 643)
Expenditures on the acquisition of subsidiaries	-	(2 211 457)
Interest received	3 268 404	475 513
Net cash from investing activities	(377 683 107)	(204 424 688)
<i>Cash flow from financing activities</i>		
Proceeds from issue of share capital	-	2 543 150
Income/expenses for other financial liabilities	3 567 757	(608 153)
Income/expenses for short term debt securities	(219 533 443)	25 800 000
Proceeds from loans and borrowings	481 405 046	135 623 015
Repayment of borrowings	(13 953 996)	(23 219 850)
Income/expenses for liabilities from financial leasing	(795 965)	(3 792 836)
Other interests	(3 728 565)	(2 878 513)
Interests on loans and borrowings	(7 210 572)	(7 180 335)
Dividends paid	(101 589 199)	(101 589 199)
Net cash used in financing activities	138 161 063	24 697 279
Net change in cash and cash equivalents	(53 836 168)	(8 464 869)
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	148 764 181	153 406 235

*** change of the presentation of interest due to the factoring in the amount of PLN 10,0 million

Condensed interim consolidated financial statements of EUROCASH Group.

Financial statements period:	01.01-30.06.2018	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 30.06.2018

	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 30.06.2017 - 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	-	-	-	-	(77 806 181)	(77 806 181)	-	(77 806 181)
Non-controlling interests	-	-	-	-	-	-	1 033 658	1 033 658
Net profit presented directly in equity	-	-	-	(432 571)	-	(432 571)	-	(432 571)
Total comprehensive income for the period from 01.01. to 30.06.2017	-	-	-	(432 571)	(77 806 181)	(78 238 752)	1 033 658	(77 205 094)
Dividends paid	-	-	-	-	(101 589 199)	(101 589 199)	-	(101 589 199)
Dividends declared	-	-	-	-	-	-	(9 473 109)	(9 473 109)
Transfer to reserve capital	-	101 692 801	-	-	(101 692 801)	-	-	-
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	-	-	-	-	(955 457)	(955 457)	-	(955 457)
Total contributions by and distributions to Owners of the Company	66 925	104 169 026	-	-	(204 237 457)	(100 001 505)	(9 533 226)	(109 534 731)
Balance as at 30.06.2017	139 163 286	1 456 801 623	(69 189 100)	(6 743 276)	(612 622 409)	907 410 124	60 953 705	968 363 830
<i>Changes in equity in the period from 01.01 to 30.06.2018 - 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	-	-	-	-	20 951 991	20 951 991	-	20 951 991
Owners of the Company	-	-	-	-	-	-	(3 451 987)	(3 451 987)
Non-controlling interests	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	(354 087)	-	(354 087)	-	(354 087)
Total comprehensive income for the period from 01.01. to 30.06.2018	-	-	-	(354 087)	20 951 991	20 597 904	(3 451 987)	17 145 917
Dividends declared	-	-	-	-	-	-	(3 926 381)	(3 926 381)
Dividends paid	-	(101 589 199)	-	-	-	(101 589 199)	-	(101 589 199)
Transfer to reserve capital	-	14 970 032	-	-	(14 970 032)	-	-	-
Equity-settled share-based payment transactions	-	2 940 000	-	-	-	2 940 000	-	2 940 000
Option for purchase/selling the shares	-	-	(4 964 441)	-	-	(4 964 441)	-	(4 964 441)
Other	-	-	-	-	(1 424 678)	(1 424 678)	1 152	(1 423 526)
Total contributions by and distributions to Owners of the Company	-	(83 679 167)	(4 964 441)	-	(16 394 710)	(105 038 318)	(3 925 228)	(108 963 546)
Balance as at 30.06.2018	139 163 286	1 377 081 149	(59 676 889)	(6 837 864)	(567 836 612)	881 893 070	56 294 701	938 187 771

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.06.2018	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 30.06.2018

1. GENERAL INFORMATION

1.1. ISSUE OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

According to the resolution of the Management Board dated 28 August 2018, the consolidated financial statements of Eurocash Group for the period from 1 January 2018 to 30 June 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 29 August 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.eurocash.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 June 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:	01.01-30.06.2018	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.

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.

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	<i>01.01-30.06.2018</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

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:	01.01-30.06.2018	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 30.06.2018

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:	01.01-30.06.2018	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 30.06.2018 (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:	01.01-30.06.2018	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 30.06.2018 (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 Pólnoc 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 acquisition	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:	01.01-30.06.2018	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 30.06.2018 (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:	01.01-30.06.2018	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 30.06.2018 (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 to go Sp. z o.o. Sp. k.	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:	01.01-30.06.2018	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 30.06.2018 (continued)

No	41	42	43	44	45	46	47	48	49
Unit	Zagloba 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. Czerniowieckiej 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:	01.01-30.06.2018	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 30.06.2018 (continued)

No	50	51	52	53	54	55
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
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
core of activity	PKD 8559B	PKD 4711Z	PKD 6820Z	PKD 6420Z	PKD 6831Z	-
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
nature of relationship	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary
applied consolidation method	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
ownership interest	100%	100%	100%	100%	100%	100%
voting rights (in %)	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.

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Financial statements period:	01.01-30.06.2018	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 30.06.2018

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%

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Financial statements period:	01.01-30.06.2018	Presentation currency:	Polish zloty (PLN)
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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 30.06.2018

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

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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>

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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	292 854 706
Non-current liabilities	42 116 882
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	6 923 424
Employee benefits	707 987
Current liabilities	250 737 824
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	7 392 736
Total liabilities	292 854 706
Net assets	(7 175 828)
Net assets acquired (100 %)	(7 175 828)
Goodwill on acquisition	356 451 934
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.

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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 42,7 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 336,1 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 181,4 million and revenues from sale of services by PLN 642,1 million.

	The amount in the approved report for the period from 01.01.2017 to 30.06.2017	Correction for the period from 01.01.2017 to 30.06.2017	The corrected amount for the period from 01.01.2017 to 30.06.2017
Sales	11 277 563 554	(1 159 746 397)	10 117 817 157
Sales of goods	10 569 001 632	(517 648 543)	10 051 353 090
Sales of services	706 278 667	(642 097 855)	64 180 812
Sales of materials	2 283 255	-	2 283 255
Costs of sales	(10 061 106 515)	1 129 526 210	(8 931 580 305)
Costs of goods sold	(9 969 849 017)	1 040 343 940	(8 929 505 077)
Costs of services sold	(89 182 270)	89 182 270	-
Costs of materials sold	(2 075 227)	-	(2 075 227)
Gross profit (loss)	1 216 457 039	(30 220 187)	1 186 236 852
Selling expenses	(936 417 177)	(11 901 986)	(948 319 163)
General and administrative expenses	(185 401 145)	(578 225)	(185 979 370)
Profit (loss) on sales	94 638 718	(42 700 399)	51 938 319
Other operating income	38 300 045	(2 457 156)	35 842 890
Other operating expenses	(179 481 612)	45 157 554	(134 324 058)
Operating profit (loss)	(46 542 849)	(0)	(46 542 849)

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NOTE 4. 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., 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 To Go Sp. z o.o. Sp. k., 4vapers Sp. z o.o., Domelius, „Koja-Mila spółka akcyjna” spółka jawna, 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.

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Basic information about each reportable segment is shown below.

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

	Wholesale	Retail	Projects	Other	Exclusions	Total
Sales	9 309 269 809	2 369 337 387	340 979 583	510 935	(1 244 399 738)	10 775 697 976
External sales	8 621 064 234	1 815 908 900	338 583 811	141 030	-	10 775 697 976
Inter-segmental sales	688 205 575	553 428 487	2 395 771	369 905	(1 244 399 738)	-
Operating profit	107 550 341	19 470 147	(28 458 971)	(38 030 800)	-	60 530 716
Finance income						18 311 869
Finance costs						(33 610 933)
Share in losses of companies consolidated with the equity method						(3 515 782)
Profit before income tax						41 715 870
Income tax						(24 215 866)
Net profit (loss)						17 500 004

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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 JUNE 2017 (restated)

	Wholesale	Retail	Projects	Other	VAT settlements	Exclusions	Total
Sales	8 783 789 253	1 977 691 915	248 762 735	134 520		(892 561 266)	10 117 817 157
External sales	8 132 122 534	1 738 090 648	247 469 455	134 520		-	10 117 817 157
Inter-segmental sales	651 666 719	239 601 267	1 293 280	-		(892 561 266)	-
Operating profit	88 348 676	44 836 180	(27 026 455)	(38 300 388)	(114 400 861)	-	(46 542 849)
Finance income							11 912 570
Finance costs							(26 580 908)
Share in losses of companies consolidated with the equity method							(2 680 746)
Profit before income tax							(63 891 932)
Income tax							(12 880 591)
Net profit (loss)							(76 772 523)

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

**NOTE 5.
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 6.
TRANSACTIONS WITH SUBSIDIARIES**

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

**NOTE 7.
ITEMS NOT INCLUDED IN THE STATEMENT OF FINANCIAL POSITION**

CONTINGENCIES AS AT 30 JUNE 2018

	Beneficiary	Title	Currency	as at	as at
				30.06.2018	31.12.2017
1	Bank 1	Surety for the obligations due to the "Franchise partners financing program" for the Franchisee Delkatesy Centrum	PLN	6 739 723	7 653 291
				6 739 723	7 653 291

* debt value as at balance sheet date

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

	The Issuer	Title	Currency	as at 30.06.2018	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	7 389 554	6 986 764
4	Bank 4	Security for rent liabilities	PLN*	32 230 278	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	1 942 717	457 889
8	Bank 8	Security payments to suppliers	PLN	82 151 500	113 219 000
9	Bank 9	Security payments to suppliers	PLN*	2 506 366	4 170 900
10	Bank 10	Security payments to suppliers	PLN	46 000 000	-
11	Bank 11	Security for rent liabilities	PLN	1 519 565	-
12	Bank 12	Security payments to suppliers	PLN	4 345 000	-
13	Bank 13	Security for rent liabilities	PLN	7 216 384	-
14	Bank 14	Security for liabilities due to Agency agreement	PLN	361 200	-
15	Bank 15	Security payments to suppliers	PLN	3 520 000	-
				193 302 663	172 981 837

* - Guarantee in EUR is translated into PLN at the average exchange rate of NBP:
as at 30.06.2018: 1 EUR = 4,3616 PLN,
as at 29.12.2017: 1 EUR = 4,1709 PLN.

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COLLATERALS

SECURITIES RELATED TO ASSETS AS AT 30 JUNE 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	1 440 855
Bank 4 security on the agreement	Deposit on inventories (stores)	12 200 000
Bank 4 security on the agreement	Deposit on shop equipment	12 200 000

* security nominal value

NOTE 8.

FINANCE RISK MANAGEMENT

As at 30 June 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 June 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 9.

FAIR VALUE OF FINANCIAL INSTRUMENTS

As at 30 June 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.

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NOTE 10.

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.

According to the signing of a two bond issue contracts, the Group is required to maintain certain financial ratios at a defined level. In the audited period, the Group performed all the regulations of the agreements and there was no violation.

NOTE 11.

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

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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.

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 June 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 June 2018, the audit was not completed.

NOTE 12.

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

Eurocash Group continues to audit the VAT settlements by companies of the Eurocash Group as there exists a suspicion that potential irregularities could appear also in other companies of the Group. 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 13.

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.

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NOTE 14.

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.

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SIGNATURES OF THE MANAGEMENT BOARD MEMBERS

Position	Name and surname	Date	Signature
President of the Management Board	Luis Amaral	28 th August 2018	
Member of the Management Board Chief Executive Officer	Rui Amaral	28 th August 2018	
Member of the Management Board	Arnaldo Guerreiro	28 th August 2018	
Member of the Management Board	Pedro Martinho	28 th August 2018	
Member of the Management Board Human Resources Director	Katarzyna Kopaczewska	28 th August 2018	
Member of the Management Board Financial Director	Jacek Owczarek	28 th August 2018	
Member of the Management Board	Przemysław Ciaś	28 th August 2018	

SELECTED SEPARATE FINANCIAL DATA

	Non audited for the period from 01.01.2018 to 30.06.2018 PLN	Non audited for the period from 01.01.2017 to 30.06.2017 PLN	Non audited for the period from 01.01.2018 to 30.06.2018 EUR	Non audited for the period from 01.01.2017 to 30.06.2017 EUR
Net sales	7 114 971 189	6 488 221 139	1 685 492 902	1 519 347 400
Operating profit (loss)	80 790 437	(82 743 690)	19 138 758	(19 376 098)
Profit (loss) before tax	71 419 081	(68 974 213)	16 918 741	(16 151 698)
Net Profit (loss) on continued operations	55 303 776	(75 971 086)	13 101 124	(17 790 157)
Net profit (loss)	55 303 776	(75 971 086)	13 101 124	(17 790 157)
Net operating cash flow	220 383 834	365 611 157	52 207 575	85 615 202
Net investment cash flow	(344 991 207)	(197 677 809)	(81 726 294)	(46 290 233)
Net financial cash flow	60 195 180	(182 820 551)	14 259 868	(42 811 107)
Net change in cash and cash equivalents	(64 412 192)	(14 887 204)	(15 258 852)	(3 486 138)
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)	0,40	(0,55)	0,09	(0,13)
Diluted EPS (in PLN / EUR)	0,40	(0,55)	0,09	(0,13)
Average PLN / EUR rate*			4,2213	4,2704
	Non audited as at 30.06.2018 PLN	Non audited as at 31.12.2017 PLN	Non audited as at 30.06.2018 EUR	Non audited as at 31.12.2017 EUR
Assets	5 600 639 063	5 322 938 556	1 284 079 022	1 276 208 626
Long-term liabilities	94 598 871	87 317 132	21 689 030	20 934 842
Short-term liabilities	4 551 630 031	4 237 511 754	1 043 568 881	1 015 970 595
Equity	954 410 161	998 109 670	218 821 112	239 303 189
Share capital	139 163 286	139 163 286	31 906 476	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)	6,86	7,17	1,57	1,72
Diluted book value per share (in PLN / EUR)	6,72	7,03	1,54	1,68
Dividend paid (in PLN / EUR) ***	101 589 199	101 589 199	23 291 728	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**			4,3616	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 2Q 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.

**Independent Auditor's Report
on review of interim condensed financial statements**

To the Shareholders and Supervisory Board of Eurocash S.A.

Introduction

We have reviewed the accompanying condensed interim separate financial statements of Eurocash S.A (the 'Company') with registered office located in Komorniki, at Wiśniowa 11 as of 30 June 2018, including the introduction to condensed interim separate financial statements, condensed separate income statement and condensed separate statement of comprehensive income for the period from 1 January 2018 to 30 June 2018, condensed separate statement of financial position as at 30 June 2018, condensed separate statement of cash flows and condensed separate statement on changes in equity in the period from 1 January 2018 to 30 June 2018, supplementary information to the condensed interim separate financial statements prepared for the period from 1 January 2018 to 30 June 2018 (the 'interim condensed financial statements').

The Company's Management is responsible for the preparation and presentation of the accompanying interim condensed financial statements in accordance with the requirements of International Accounting Standard 34 *Interim Financial Reporting* as adopted by the European Union.

Our responsibility is to express a conclusion on the accompanying interim condensed financial statements based on our review.

Scope of review

We conducted our review in accordance with National Review Standard 2410 in the wording of the International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* ('standard'), adopted by the resolution no. 2041/37a/2018 of the National Council of Statutory Auditors of 5 March 2018. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with National Auditing Standards in the wording of the International Auditing Standards adopted by the resolution no. 2041/37a/2018 of the National Council of Statutory Auditors of 5 March 2018 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with the requirements of International Accounting Standard 34 *Interim Financial Reporting* as adopted by the European Union.

Warsaw, 28 August 2018

Key Certified Auditor

Robert Klimacki
certified auditor
no in the register: 90055

on behalf of
Ernst & Young Audyt Polska
spółka z ograniczoną odpowiedzialnością sp. k.
Rondo ONZ 1, 00-124 Warsaw
no on audit firms list: 130

EUROCASH S.A.

**CONDENSED INTERIM
SEPARATE FINANCIAL STATEMENTS**

FOR THE PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 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, 28th August 2018

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.06.2018</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

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<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.06.2018</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 June 2018.

The separate statement of financial position has been prepared as at 30 June 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 June 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,
Paweł Musiał – Member of the Management Board.

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.06.2018</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 June 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:	01.01-30.06.2018	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 30.06.2018

	Non audited 2nd Quarter for the period from 01.04.2018 to 30.06.2018	Non audited 2 Quarters for the period from 01.01.2018 to 30.06.2018	Non audited 2nd Quarter for the period from 01.04.2017 to 30.06.2017 restated **	Non audited 2 Quarters for the period from 01.01.2017 to 30.06.2017 restated **
Sales *	3 762 687 681	7 114 971 189	3 511 739 250	6 488 221 139
Sales of goods *	3 740 447 796	7 073 316 584	3 492 067 373	6 450 638 276
Sales of services *	22 239 886	41 654 605	19 671 877	37 582 863
Costs of sales *	(3 311 950 495)	(6 293 093 139)	(3 097 425 015)	(5 751 270 023)
Cost of goods and services sold *	(3 311 950 495)	(6 293 093 139)	(3 097 425 015)	(5 751 270 023)
Gross profit (loss)	450 737 186	821 878 050	414 314 235	736 951 116
Selling expenses	(315 215 334)	(617 780 994)	(295 996 435)	(573 599 588)
General and administrative expenses	(63 982 158)	(127 192 240)	(65 903 740)	(129 344 334)
Profit (loss) on sales	71 539 694	76 904 816	52 414 060	34 007 194
Other operating income	9 294 012	17 900 246	6 955 598	17 551 015
Other operating expenses	(9 515 080)	(14 014 624)	(132 926 625)	(134 301 899)
Operating profit (loss)	71 318 626	80 790 437	(73 556 967)	(82 743 690)
Financial income	13 736 314	19 563 769	32 347 386	37 559 163
Financial costs	(15 277 678)	(28 935 126)	(11 370 519)	(23 789 686)
Profit (loss) before tax	69 777 262	71 419 081	(52 580 100)	(68 974 213)
Income tax expense	(14 741 990)	(16 115 305)	(9 537 763)	(6 996 873)
Profit (loss) for the period	55 035 272	55 303 776	(62 117 862)	(75 971 086)

NET EARNINGS PER SHARE

	PLN / share	PLN / share
Net profit (loss)	55 303 776	(75 971 086)
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	0,40	(0,55)
- diluted	0,40	(0,55)

* Note 2

** Note 3

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.06.2018</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 30.06.2018

	Non audited 2nd Quarter for the period from 01.04.2018 to 30.06.2018	Non audited 2 Quarters for the period from 01.01.2018 to 30.06.2018	Non audited 2nd Quarter for the period from 01.04.2017 to 30.06.2017	Non audited 2 Quarters for the period from 01.01.2017 to 30.06.2017
Profit (loss) for the period	55 035 272	55 303 776	(62 117 862)	(75 971 086)
Other comprehensive income (loss) for the period	1 042 215	(354 087)	548 839	(432 571)
Items that may be subsequently reclassified to profit or loss:				
- The result on hedge accounting with the tax effect:	1 042 215	(354 087)	548 839	(432 571)
Total comprehensive income (loss) for the period	56 077 487	54 949 689	(61 569 023)	(76 403 657)

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.06.2018</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 FINANCIAL POSITION AS AT 30.06.2018

	Non audited as at 30.06.2018	as at 31.12.2017
<i>Assets</i>		
Non-current assets (long-term)	3 229 741 736	2 901 783 317
Goodwill	862 819 840	862 819 840
Intangible assets	527 639 482	537 898 915
Property, plant and equipment	449 763 084	460 893 534
Investment real property	964 951	972 799
Investments in subsidiary companies	1 302 537 049	953 265 943
Investments in associates and joint ventures	40 586 757	40 586 757
Other long-term investments	42 600 268	42 293 906
Long-term receivables	2 219 900	2 012 691
Other long-term prepayments	610 404	1 038 932
Current assets (short-term)	2 370 897 327	2 421 155 239
Inventories	926 553 479	888 688 306
Trade receivables	1 314 863 269	1 258 480 286
Current tax assets	2 271 561	18 659 162
Other short-term receivables	41 819 490	58 719 957
Other short-term investments	3 646 233	51 335 537
Short-term prepayments	30 472 413	29 588 917
Cash and cash equivalents	51 270 882	115 683 074
Total assets	5 600 639 063	5 322 938 556

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-30.06.2018	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 30.06.2018

	Non audited as at 30.06.2018	as at 31.12.2017
<i>Equity and liabilities</i>		
Equity	954 410 161	998 109 670
Share capital	139 163 286	139 163 286
Reserve capital	677 260 006	847 622 292
Hedging reserve	(6 837 864)	(6 483 777)
Retained earnings	144 824 733	17 807 869
Accumulated profit (loss) from previous years	89 520 957	89 520 957
Profit (loss) for the period	55 303 776	(71 713 088)
Liabilities	4 646 228 902	4 324 828 886
Non-current liabilities	94 598 871	87 317 132
Other long-term financial liabilities	343 347	693 162
Other long-term liabilities	903 500	903 500
Deferred tax liabilities	90 069 790	82 997 612
Employee benefits	3 282 234	2 722 858
Current liabilities	4 551 630 031	4 237 511 754
Loans and borrowings	1 083 694 548	691 467 746
Short-term financial liabilities	30 099 234	245 956 170
Trade liabilities	3 207 005 089	3 061 015 686
Other short-term payables	52 347 824	53 782 691
Current employee benefits	61 243 032	68 730 494
Provisions	117 240 305	116 558 967
Total equity and liabilities	5 600 639 063	5 322 938 556

BOOK VALUE PER SHARE

	as at 30.06.2018	as at 31.12.2017
Book value	954 410 161	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	6,86	7,17
Diluted book value per share	6,72	7,03

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-30.06.2018	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 30.06.2018

	Non audited 2 Quarters for the period from 01.01.2018 to 30.06.2018	Non audited 2 Quarters for the period from 01.01.2017 to 30.06.2017
<i>Cash flow from operating activities</i>		restated ***
Profit (loss) before income tax	71 419 081	(68 974 213)
Adjustments for:	77 898 611	52 610 987
Depreciation and amortization	57 984 368	55 871 447
Equity-settled shared share-based payment transactions	2 940 000	-
(Gain) loss on sale of property, plant and equipment	4 277 664	10 926 305
Interest expenses	16 725 424	14 222 159
Interest received	(4 028 846)	(2 121 233)
Dividend and remission of sales income	-	(26 287 691)
Operating cash before changes in working capital	149 317 692	(16 363 226)
Changes in inventories	(37 863 572)	(101 349 436)
Changes in receivables	(31 492 459)	(35 023 463)
Changes in payables	166 310 772	510 977 399
Changes in provisions and employee benefits	(7 033 450)	17 335 115
Operating cash	239 238 983	375 576 389
Interest received	1 562 876	1 015 632
Interest paid	(13 964 735)	(7 999 292)
Income tax paid	(6 453 289)	(2 981 572)
Net cash from operating activities	220 383 834	365 611 157
<i>Cash flow from investing activities</i>		
Acquisition of intangible assets	(10 543 093)	(15 085 349)
Proceeds from sale of intangible assets	2 838	-
Acquisition of property, plant and equipment	(35 207 478)	(47 613 428)
Proceeds from sale of property, plant and equipment	5 336 126	1 070 687
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	(349 276 106)	(106 636 972)
Loans granted	(3 448 687)	(11 803 647)
Repayment received of granted loans	1 079 771	5 701 896
Interest received	1 299 798	716 047
Net cash from investing activities	(344 991 207)	(197 677 809)
<i>Cash flows from financing activities</i>		
Proceeds from issue of share capital	-	2 543 150
Income/expenses for other financial liabilities	3 567 757	(608 153)
Income/expenses for short term debt securities	(219 533 443)	25 800 000
Proceeds from loans and borrowings	481 228 118	133 102 584
Repayment of borrowings	(88 839 865)	(228 593 774)
Payment of finance lease liabilities	(678 210)	(729 947)
Other interest	(3 519 461)	(2 515 844)
Interests on loans and borrowings	(10 440 518)	(10 229 369)
Dividends paid	(101 589 199)	(101 589 199)
Net cash used in financing activities	60 195 180	(182 820 551)
Net change in cash and cash equivalents	(64 412 192)	(14 887 204)
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	51 270 882	78 136 915

*** change of the presentation of interest due to the factoring in the amount of PLN 7,0 million

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.06.2018</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 30.06.2018

	Share capital	Reserve capital	Hedge reserve	Retained earnings	Total
<i>Changes in equity in the period from 01.01 to 30.06.2017 - 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 30.06.2017	-	-	-	(75 971 086)	(75 971 086)
Other comprehensive income for the period 01.01 to 30.06.2017	-	-	(432 571)	-	(432 571)
Total comprehensive income for the period from 01.01. to 30.06.2017	-	-	(432 571)	(75 971 086)	(76 403 657)
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 30.06.2017	139 163 286	843 702 292	(6 743 276)	13 549 871	989 672 174
<i>Changes in equity in the period from 01.01. to 30.06.2018 - 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 30.06.2018	-	-	-	55 303 776	55 303 776
Other comprehensive income for the period 01.01 to 30.06.2018	-	-	(354 087)	-	(354 087)
Total comprehensive income for the period from 01.01. to 30.06.2018	-	-	(354 087)	55 303 776	54 949 689
Dividends	-	(101 589 199)	-	-	(101 589 199)
Equity-settled share based payment transactions	-	2 940 000	-	-	2 940 000
Retained earnings	-	(71 713 088)	-	71 713 088	-
Total transaction with Owners of the Company recognized directly in equity	-	(170 362 287)	-	71 713 088	(98 649 199)
Balance as at 30.06.2018	139 163 286	677 260 006	(6 837 864)	144 824 733	954 410 161

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.06.2018</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 30.06.2018

1. GENERAL INFORMATION

1.1. ISSUE OF THE FINANCIAL STATEMENT

According to the resolution of the Management Board dated 28 August 2018, the separate financial statements of Eurocash S.A. for the period from 1 January 2018 to 30 June 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 June 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.eurocash.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:	<i>01.01-30.06.2018</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

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

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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.

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- 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 30.06.2018

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 June 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 31 million.

The presentation of the loan write-down has also changed in the amount of PLN 11 million - from financial costs the position presented operating costs.

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.

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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.

As a result of the change in presentation on this account, revenues from the sale of goods were adjusted by PLN 130,5 million and revenues from sale of services by PLN 451,0 million.

	The amount in the approved report for the period from 01.01.2017 to 30.06.2017	Correction for the period from 01.01.2017 to 30.06.2017	The corrected amount for the period from 01.01.2017 to 30.06.2017
Sales	7 069 760 982	(581 539 843)	6 488 221 139
Sales of goods	6 581 167 386	(130 529 110)	6 450 638 276
Sales of services	488 593 596	(451 010 733)	37 582 863
Costs of sales	(6 301 391 666)	550 121 643	(5 751 270 023)
Cost of goods and services sold	(6 301 391 666)	550 121 643	(5 751 270 023)
Gross profit (loss)	768 369 316	(31 418 200)	736 951 116
Selling expenses	(573 599 588)	-	(573 599 588)
General and administrative expenses	(129 344 334)	-	(129 344 334)
Profit (loss) on sales	65 425 394	(31 418 200)	34 007 194
Other operating income	17 551 015	-	17 551 015
Other operating expenses	(154 622 660)	20 320 761	(134 301 899)
Operating profit (loss)	(71 646 251)	(11 097 439)	(82 743 690)
Financial income	37 559 163	-	37 559 163
Financial costs	(34 887 125)	11 097 439	(23 789 686)
Profit (loss) before income tax	(68 974 213)	0	(68 974 213)
Income tax expense	(6 996 873)	-	(6 996 873)
Profit (loss) for the period	(75 971 086)	0	(75 971 086)

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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

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June 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 June 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

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 June 2018, there was a surplus of current liabilities of the Company over its current assets in the amount of PLN 2.2 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 June 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.

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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.

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SIGNATURES OF THE MANAGEMENT BOARD MEMBERS

Position	Name and surname	Date	Signature
President of the Management Board	Luis Amaral	28 th August 2018	
Member of the Management Board Chief Executive Officer	Rui Amaral	28 th August 2018	
Member of the Management Board	Arnaldo Guerreiro	28 th August 2018	
Member of the Management Board	Pedro Martinho	28 th August 2018	
Member of the Management Board Human Resources Director	Katarzyna Kopaczewska	28 th August 2018	
Member of the Management Board Financial Director	Jacek Owczarek	28 th August 2018	
Member of the Management Board	Przemysław Ciaś	28 th August 2018	

REPORT OF THE MANAGEMENT BOARD

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.

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 To Go 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. The structure of the Eurocash Group and its affiliated companies

The diagram below presents the structure of the Eurocash Group and its subsidiaries as at June 30th 2018:

		Luis Amaral (through Politra B.V. s.a.r.l.) 44,0%		EUROCASH S.A.			
<i>Wholesale subsidiaries</i>		<i>Franchise (Wholesale)</i>		<i>Retail subsidiaries</i>		<i>Others</i>	
75%	Eurocash Serwis Sp. z o.o.	66,6%	Lewiatan Holding S.A.	51%	Inmedio Sp. z o.o.	44%	Frisco S.A.
100%	DEF Sp. z o.o.	100%	Lewiatan Podkarpacie Sp. z o.o.	100%	Eurocash Franczyza Sp. z o.o.	100%	Frisco.pl Sp. z o.o.
100%	AMBRA Sp. z o.o.	100%	Lewiatan Północ Sp. z o.o.	50%	Firma Rogala Sp. z o.o.	100%	Eurocash Trade 1 Sp. z o.o.
100%	Polska Dystrybucja Alkoholi Sp. z o.o.	100%	Lewiatan Kujawy Sp. z o.o.	50%	FHC-2 Sp. z o.o.	100%	Eurocash Trade 2 Sp. z o.o.
100%	ECA Detal Sp. z o.o.	100%	Lewiatan Wielkopolska Sp. z o.o.	50%	Madas Sp. z o.o.	100%	Premium Distributors Sp. z o.o.
66%	Zagłoba Sp. z o.o.	100%	Lewiatan Opole Sp. z o.o.	100%	EKO Holding S.A.	100%	Przedsiębiorstwo Handlu Spożywczego Sp. z o.o.
100%	PayUp Polska S.A.	100%	Lewiatan Orbita Sp. z o.o.	100%	Ledi Sp. z o.o.	100%	Eurocash VC2 Sp. z o.o.
100%	Cerville Investments Sp. z o.o.	100%	Lewiatan Zachód Sp. z o.o.	100%	Jim Sp. z o.o.	100%	Eurocash VC3 Sp. z o.o.
<i>Projects</i>		100%	Lewiatan Podlasie Sp. z o.o.	100%	Mila S.A.	100%	Eurocash Nieruchomości Sp. z o.o.
100%	Eurocash Detal Sp. z o.o.	100%	Lewiatan Śląsk Sp. z o.o.	100%	Investpol 700 Mila spółka akcyjna Sp. j.	100%	Detal Finanse Sp. z o.o.
100%	Kontigo Sp. z o.o.	100%	Detal Podlasie Sp. z o.o.	100%	Mila Holding S.A.	100%	Eurocash VC6 Sp. z o.o.
100%	Duży Ben Sp. z o.o.	100%	EURO SKLEP S.A.	100%	"Koja-Mila Spółka Akcyjna" Sp. j.	100%	EC VC7 Sp. z o.o.
100%	ABC na kołach Sp. z o.o.	50%	Partnerski Serwis Detaliczny S.A.	100%	Domelius Limited	100%	Akademia Umiejętności Eurocash Sp. z o.o.
100%	Eurocash Food Sp. z o.o.						
51%	Sushi To Go Sp. z o.o.						
74%	Sushi To Go Sp. z o.o. Sp. k.						
100%	4Vapers Sp. z o.o.						
100%	Eurocash Convenience Sp. z o.o.						
50%	Foodmakers Logistics Sp. z o.o.						

3. Summary of financial and operational results of Eurocash Group in 2Q 2018 and 1H 2018

Profit & loss account

Table 1: Eurocash Group: Summary of consolidated financial results for 2Q 2018

	2Q 2018	2Q 2017	Change %
PLN m			
Sales revenues (traded goods, materials)	5 775.37	5 466.74	5.65%
Gross profit (loss) on sales	706.02	654.99	7.79%
Gross profitability on sales (%)	12.22%	11.98%	0.24 p.p.
EBITDA normalized*	120.04	120.27	-0.19%
(Normalized EBITDA margin %)	2.08%	2.20%	-0.12 p.p.
One-off costs	3.0	114.40	-
EBITDA reported	117.03	5.87	1894.41%
(Reported EBITDA margin %)	2.03%	0.11%	1.92 p.p.
EBIT normalized*	70.64	74.84	-5.61%
EBIT reported	67.63	(39.56)	-270.94%
(Normalized EBIT margin %)	1.22%	1.37%	-0.15 p.p.
(Reported EBIT margin %)	1.17%	-0.72%	1.89 p.p.
Gross profit normalized*	62.01	66.66	-6.98%
Gross profit reported	59.00	(47.74)	-223.60%
Net profit normalized*	39.03	52.59	-25.78%
Net profit reported	36.03	(61.81)	-158.29%
(Normalized net profitability %)*	0.68%	0.96%	-0.15 p.p.
(Net profitability reported %)	0.62%	-1.13%	1.75 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.

Table 2: Eurocash Group: Summary of consolidated financial results for 1H 2018

	1H 2018	1H 2017	Change %
PLN m			
Sales revenues (traded goods, materials)	10 775.70	10 117.82	6.50%
Gross profit (loss) on sales	1 287.58	1 186.24	8.54%
Gross profitability on sales (%)	11.95%	11.72%	0.22 p.p.
EBITDA normalized*	159.65	157.76	1.20%
(Normalized EBITDA margin %)	1.48%	1.56%	-0.08 p.p.
One-off costs	3.0	114.40	-
EBITDA reported	156.64	43.36	261.25%
(Reported EBITDA margin %)	1.45%	0.43%	1.03 p.p.
EBIT normalized*	63.54	67.86	-6.37%
EBIT reported	60.53	(46.54)	-230.05%
(Normalized EBIT margin %)	0.59%	0.67%	-0.08 p.p.
(Reported EBIT margin %)	0.56%	-0.46%	1.02 p.p.
Gross profit normalized*	44.72	50.51	-11.46%
Gross profit reported	41.72	(63.89)	-165.29%
Net profit normalized*	20.51	37.63	-45.50%
Net profit reported	17.50	(76.77)	-122.79%
(Normalized net profitability %)*	0.19%	0.37%	-0.18 p.p.
(Net profitability reported %)	0.16%	-0.76%	0.92 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.

Consolidated sales of the Eurocash Group in 2Q 2018 amounted to PLN 5 775.37 m, which means an increase of 5.65% YoY. In 1H 2018, consolidated sales reached PLN 10 775.70 m compared to PLN 10 117.82 m in 1H 2017, which shows an increase of 6.50%. The total sales of the Eurocash Group, with the exception of the Mila chain of stores purchased on May 29th, 2018 (PLN 120.37 million in sales in the 2Q 2018), increased by 3.44% in the 2Q 2018 YoY and by 5.31% in the 1H 2018 YoY. Positive impact on the sales growth of the Eurocash Group it was related mainly to the Wholesale Segment, whose sales in the 2Q 2018 increased by 3.75% YoY and 5.33% YoY in the 1H 2018

The consolidated gross margin on sales amounted to 12.22% in 2Q 2018 and increased by 0.24% YoY. In 1H 2018, the gross margin on sales increased by 0.22% YoY and amounted to 11.95%. Gross margin excluding the consolidation of the Mila chain of stores (+ PLN 33.34 million) in the 2Q 2018 amounted to 11.90% and was lower by 0,08 p.p. YoY, while in the 1H 2018 it was 11.77% and was higher by 0.05 p.p. YoY.

The normalized consolidated EBITDA of Eurocash Group in the 2Q 2018 amounted to PLN 120.04 million compared to PLN 120.27 million in the 2Q 2017. In 1H 2018 EBITDA amounted to PLN 159.65 million, which means an increase by 1.20 % YoY (PLN 157.76 million in 1H 2017).

Eurocash Group normalized net profit in 2Q 2018 amounted to PLN 39.03 m compared to PLN 52.5 m in the 2Q 2017. In 1H 2018, net profit reached PLN 20.51 m compared to PLN 37.63 m in 1H 2017. The lower level of net profit 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 2Q 2018

PLN m	2Q 2018	2Q 2017	Change %
Wholesale	4 607.02	4 440.70	3.75%
Cash&Carry	1 207.02	1 173.74	2.83%
Tobacco	1 552.20	1 485.31	4.50%
Alcohol	549.54	599.96	-8.40%
Distribution	1 162.84	1 069.93	8.68%
Food Service	117.89	111.76	5.49%
Others	17.53	0.00	-
Retail	953.89	855.09	11.55%
Delikatesy Centrum	352.84	359.18	-1.76%
Inmedio	107.78	102.56	5.09%
Delikatesy Centrum Own	178.87	172.30	3.82%
EKO	194.03	221.07	-12.23%
Mila	120.37	0.00	-
Projects	173.77	135.84	27.92%
Eurocash Group	5 734.67	5 431.63	5.58%

Table 4: Eurocash Group: Sales of goods dynamics by distribution format for 1H 2018

PLN m	1H 2018	1H 2017	Change %
Wholesale	8 589.94	8 155.35	5.33%
Cash&Carry	2 171.54	2 127.76	2.06%
Tobacco	2 883.57	2 743.91	5.09%
Alcohol	1 057.69	1 066.39	-0.82%
Distribution	2 220.87	2 018.10	10.05%
Food Service	223.50	199.19	12.20%
Others	32.77	0.00	-
Retail	1 771.29	1 648.64	7.44%
Delikatesy Centrum	695.47	692.59	0.42%
Inmedio	210.64	201.35	4.61%
Delikatesy Centrum Własne	354.41	332.28	6.66%
EKO	390.40	422.42	-7.58%
Mila	120.37	0.00	-
Projects	338.25	247.36	36.74%
Eurocash Group	10 699.48	10 051.35	6.45%

Wholesale:

- In 2Q 2018 external sales of goods in Wholesale segment amounted to PLN 4 607.02 m and increased by 3.75% comparing with 2Q 2017. In 1H 2018 sales amounted to PLN 8 589.94 m and increased by 5.33% YoY.
- EBITDA of the Wholesale segment amounted in 2Q 2018 to PLN 112.82 m while in 2Q 2017 it amounted to PLN 105.38 m, increased by 7.05%. EBITDA in 1H 2018 amounted to PLN 160.21 m comparing to PLN 142.05 m in 1H 2017, increased by 12.78%.
- LFL sales growth (same number of stores) in Eurocash Cash&Carry stores in 2Q 2018 amounted to positive 2.69% and 2.16% in 1H 2018. Higher LFL dynamics in Cash & Carry warehouses was last recorded 17 quarters earlier, i.e. in the 4th quarter of 2013.
- The number of Eurocash Cash&Carry stores at the end of 1H 2018 has not changed and amounted to 180
- The number of abc stores amounted to 8 453 at the end of 1H 2018.
- Number of partnership or franchise stores organized by companies belonging to Eurocash Group (Groszek, Euro Sklep, Lewiatan and PSD) amounted to 4 902 stores as of the end of 2Q 2018.
- Sales of cigarettes Tobacco & Impulse distribution format in terms of volume amounted in 2Q 2018 to 2 633 m pieces and increased by 5.50% YoY. In 1H 2017 sales exceeded the value of PLN 4 686 m units and increased by 4.58%.
- Sales of cigarettes in terms of value increased by 8.8% in 2Q 2018 and 7.4% in 1H 2018 YoY

Retail:

- Sales of goods realized by Retail segment in 2Q 2018 amounted to PLN 953.89 m and increased by 11.55% YoY. In 1H 2018 sales amounted to PLN 1 771.29 m and increased by 7.44% YoY. The impact on the growth of the retail segment was caused by the consolidation of the acquired Mila chain of stores, the sale of which in the period from the purchase date to 30 June 2018 amounted to PLN 120.37 million.

- EBITDA of the Retail segment amounted in 2Q 2018 to PLN 32.06 m comparing to PLN 41.21 m in 2Q 2017. In 1H 2018 EBITDA amounted to PLN 53.55 m comparing to PLN 74.25 m in 1H 2017. The decrease in the EBITDA of the retail segment was mainly related to the integration of the EKO chain of stores and the remodeling and renovation of EKO stores, which is associated with the closure of stores for the time of renovation and sale of products and promotional activities.
- LFL growth of wholesale sales realized by Eurocash to "Delikatesy Centrum" franchise stores amounted to 0.87% in 2Q 2018 and increased by 4.45% in 1H 2018.
- LFL growth of retail sales of "Delikatesy Centrum" stores amounted to -1.82% in the 2Q 2018 and +1.96% in 1H 2018. LFL decrease in the 2Q 2018 was attributable to the shift of the Easter period to the first quarter, while last year the Easter holidays took place in the second quarter.
- LFL dynamic of retail sales in 2Q 2018 amounted in Delikatesy Centrum own stores to -4.55% YoY and +0.02% in the 1H 2018 YoY. LFL dynamic of retail sales in 2Q 2018 amounted in Inmedio stores to +0.11% YoY and +1.43% in the 1H 2018 YoY.
- Number of total "Delikatesy Centrum" stores at the end of 1H 2018 amounted to 1274. Total amount of stores include 11 net openings in 2Q 2018 and 44 rebranded EKO stores. In 1H 2018 85 EKO stores was rebranded to Delikatesy Centrum format. At the end of the 1H 2018, 3 EKO stores operated under the Lewiatan brand and 70 stores operated under the EKO sign.
- Number of retail stores at the end of 2Q 2018 in Delikatesy Centrum own amounted to 125, 222 EKO stores (including 149 stores under Delikatesy Centrum brand and 3 Lewiatan stores) and Inmedio 450 stores.

Projects

- Sales of goods realized by Projects segment in 2Q 2018 amounted to PLN 173.77 m comparing to PLN 135.84 m in 2Q 2017. In 1H 2018 sales amounted to PLN 338.25 m comparing to 247.36 m in 1H 2017.
- The main driver of sales increase in Projects has been development of distribution of fresh products to franchise stores in Delikatesy Centrum chain. Additional sales coming from this project increased by PLN 34.81 million in the 2Q 2018 YoY and PLN 82.05 million YoY in the 1H 2018 and amounted to PLN 156.02 million and PLN 310.70 million, respectively.
- EBITDA contribution of Projects segment amounted in 2Q 2018 to PLN -11.97 m comparing to PLN -10.39 m in 2Q 2017. In 1H 2018 EBITDA amounted to PLN -26.53 m comparing to PLN -26.41 m in 1H 2017.

Others

- EBITDA of Others segment amounted in 2Q 2018 to PLN -15.88 m comparing to PLN -15.94 m in 2Q 2017. In 1H 2018 EBITDA amounted to PLN -30.89 m comparing to PLN -32.13 m in 1H 2017. Segment EBITDA was negatively influenced by one-off costs incurred in connection with the finalization of the acquisition of the Mila chain of stores, which in the first half of 2018 amounted to PLN 3.0 million.

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. Revenues from sales are also presented in a way that takes into account changes in connection with IFRS15.

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

1Q 2018 (PLN m)	Wholesale	Retail	Projects	Other	Total
Sales revenues (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 (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>

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

1Q YTD 2018 (PLN m)	Wholesale	Retail	Projects	Other	Total
Sales revenues (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 (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>

Table 7: Eurocash Group: Operating adjusted segments results in 2017

1Q 2017 (PLN m)	Wholesale	Retail	Projects	Other	VAT settlements	Total
Sales revenues (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>	-0.15%
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>	0.81%
2Q 2017 (PLN m)	Wholesale	Retail	Projects	Other	VAT settlements	Total
Sales revenues (traded goods)	4 440.70	855.09	135.84	0.00	0.00	5 431.63
EBIT	78.43	26.27	-10.68	-19.19	-114.40	-39.56
<i>(EBIT margin %)</i>	<i>1.77%</i>	<i>3.07%</i>	<i>-7.86%</i>	<i>0.00%</i>	<i>0.00%</i>	-0.73%
EBITDA	105.38	41.21	-10.39	-15.94	-114.40	5.87
<i>(EBITDA margin %)</i>	<i>2.37%</i>	<i>4.82%</i>	<i>-7.65%</i>	<i>0.00%</i>	<i>0.00%</i>	0.11%
3Q 2017 (PLN m)	Wholesale	Retail	Projects	Other	VAT settlements	Total
Sales revenues (traded goods)	4 515.43	915.04	147.86	0.00	0.00	5 578.33
EBIT	71.33	16.91	-12.80	-17.28	0.00	58.15
<i>(EBIT margin %)</i>	<i>1.58%</i>	<i>1.85%</i>	<i>-8.66%</i>	<i>0.00%</i>	<i>0.00%</i>	1.04%
EBITDA	97.41	31.40	-12.90	-14.45	0.00	101.47
<i>(EBITDA margin %)</i>	<i>2.16%</i>	<i>3.43%</i>	<i>-8.72%</i>	<i>0.00%</i>	<i>0.00%</i>	1.82%
4Q 2017 (PLN m)	Wholesale	Retail	Projects	Other	VAT settlements	Total
Sales revenues (traded goods)	4 054.82	872.37	156.13	0.00	0.00	5 083.32
EBIT	79.43	30.60	-13.25	-45.40	0.00	51.38
<i>(EBIT margin %)</i>	<i>1.96%</i>	<i>3.51%</i>	<i>-8.49%</i>	<i>0.00%</i>	<i>0.00%</i>	1.01%
EBITDA	107.14	47.62	-12.78	-40.50	0.00	101.48
<i>(EBITDA margin %)</i>	<i>2.64%</i>	<i>5.46%</i>	<i>-8.19%</i>	<i>0.00%</i>	<i>0.00%</i>	2.00%

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

1Q YTD 2017 (PLN m)	Wholesale	Retail	Projects	Other	VAT settlements	Total
Sales revenues (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)	Wholesale	Retail	Projects	Other	VAT settlements	Total
Sales revenues (traded goods)	8 155.35	1 648.64	247.36	0.00	0.00	10 051.35
EBIT	88.35	44.84	-27.03	-38.30	-114.40	-46.54
<i>(EBIT margin %)</i>	<i>1.08%</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>1.74%</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)	Wholesale	Retail	Projects	Other	VAT settlements	Total
Sales revenues (traded goods)	12 670.78	2 563.68	395.22	0.00	0.00	15 629.68
EBIT	159.67	61.75	-39.83	-55.58	-114.40	11.61
<i>(EBIT margin %)</i>	<i>1.26%</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>1.89%</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)	Wholesale	Retail	Projects	Other	VAT settlements	Total
Sales revenues (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 adjusted segments results in 2016

1Q 2016 (PLN m)	Wholesale	Retail	Projects	Other	Total
Sales revenues (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)	Wholesale	Retail	Projects	Other	Total
Sales revenues (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)	Wholesale	Retail	Projects	Other	Total
Sales revenues (traded goods)	4 445.23	653.21	67.75	0.00	5 166.19
EBIT	85.06	27.52	-11.03	-20.47	81.08
<i>(EBIT margin %)</i>	<i>1.91%</i>	<i>4.21%</i>	<i>-16.28%</i>	<i>0.00%</i>	<i>1.57%</i>
EBITDA	114.44	37.45	-10.47	-18.19	123.24
<i>(EBITDA margin %)</i>	<i>2.57%</i>	<i>5.73%</i>	<i>-15.45%</i>	<i>0.00%</i>	<i>2.39%</i>
4Q 2016 (PLN m)	Wholesale	Retail	Projects	Other	Total
Sales revenues (traded goods)	3 887.14	601.32	101.59	0.00	4 590.05
EBIT	118.43	49.04	-14.10	-36.84	116.52
<i>(EBIT margin %)</i>	<i>3.05%</i>	<i>8.15%</i>	<i>-13.88%</i>	<i>0.00%</i>	<i>2.54%</i>
EBITDA	147.50	60.01	-13.88	-33.98	159.65
<i>(EBITDA margin %)</i>	<i>3.79%</i>	<i>9.98%</i>	<i>-13.66%</i>	<i>0.00%</i>	<i>3.48%</i>

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

1Q YTD 2016 (PLN m)	Wholesale	Retail	Projects	Other	Total
Sales revenues (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)	Wholesale	Retail	Projects	Other	Total
Sales revenues (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)	Wholesale	Retail	Projects	Other	Total
Sales revenues (traded goods)	12 330.15	1 795.41	169.76	0.00	14 295.32
EBIT	173.61	62.00	-27.43	-50.43	157.76
<i>(EBIT margin %)</i>	<i>1.41%</i>	<i>3.45%</i>	<i>-16.16%</i>	<i>0.00%</i>	<i>1.10%</i>
EBITDA	257.24	91.40	-25.91	-41.88	280.85
<i>(EBITDA margin %)</i>	<i>2.09%</i>	<i>5.09%</i>	<i>-15.26%</i>	<i>0.00%</i>	<i>1.96%</i>
4Q YTD 2016 (PLN m)	Wholesale	Retail	Projects	Other	Total
Sales revenues (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 flows for 2Q 2018

PLN m	2Q 2018	2Q 2017
Operating cash flow	240.42	255.91
<i>Gross profit (loss)</i>	59.00	(47.74)
<i>Depreciation</i>	49.40	45.43
<i>Change in working capital</i>	150.48	242.97
<i>Other</i>	(18.46)	15.25
Cash flow from investments	(337.93)	(65.39)
Cash flow from financing activities	(251.44)	(175.21)
Total cash flow	(348.95)	15.32

Table 12: Eurocash Group: Consolidated cash flows for 1H 2018

PLN m	1H 2018	1H 2017
Operating cash flow	185.69	171.26
<i>Gross profit (loss)</i>	41.72	(63.89)
<i>Depreciation</i>	96.11	89.90
<i>Change in working capital</i>	62.85	141.48
<i>Other</i>	(14.99)	3.77
Cash flow from investments	(377.68)	(204.42)
Cash flow from financing activities	138.16	24.70
Total cash flow	(53.84)	(8.46)

Total cash flow in 2Q 2018 amounted to PLN -348.95 m. while the operating cash flow reached PLN 240.42 m. In 1H 2018 total cash flow amounted to PLN -53.84 m and operational cash flow amounted to PLN 185.69 m.

Cash flow from investments amounted to PLN -337.93 m in 2Q 2018 and - PLN -377.68 m in 1H 2018 and was driven mainly by payment for acquired in 2Q 2018 company Mila. Cash flow from financing activities amounted to PLN -251.44 m in 2Q 2018 and PLN +138.16 m in 1H 2018. The cash flow from financing activities includes the payment of dividend in the amount of PLN 101.59 million.

Working capital

Table 13: Eurocash Group: Consolidated working capital ratios flow for 2Q 2018

Turnover in days	2Q 2018	2Q 2017
1. Inventories turnover	23.62	22.78
2. Trade receivables turnover	27.08	30.88
3. Trade liabilities turnover	75.68	74.95
4. Operating cycle (1+2)	50.70	53.65
5. Cash conversion (4-3)	(24.98)	(21.30)

Table 14: Eurocash Group: Consolidated working capital ratios flow for 1H 2018

Turnover in days	1H 2018	1H 2017
1. Inventories turnover	25.18	24.48
2. Trade receivables turnover	28.86	33.18
3. Trade liabilities turnover	80.43	80.31
4. Operating cycle (1+2)	54.05	57.66
5. Cash conversion (4-3)	(26.38)	(22.65)

Cash conversion in 2Q 2018 reached -24.98 days compared to -21.30 days in the second quarter of 2017. In 1H 2018, the cash conversion cycle was -26.38 compared to -22.65 days in 1H 2017. Improvement in the cash conversion cycle was significantly affected by the balance consolidation of the acquired Mila chain of stores (with consolidation of Mila revenues for only one month). Excluding consolidations of Mila, the cash conversion cycle improved in 2Q 2018 by 2.4 days, which was affected by an improvement in receivables turnover by 3.4 days, improvement in inventory turnover by 0.4 days and reduction of liability turnover by 1.4 days. In 1Q 2018, the cash conversion cycle excluding the consolidation of Mila improved by 2.3 days, which was affected by the improvement in receivables turnover by 4.2 days, inventory turnover improvement by 0.9 days and the reduction of liability turnover by 2.8 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 15: Eurocash Group: Selected consolidated balance sheet items

	PLN m	30.06.2018		31.12.2017	
Fixed assets		2 971.43	45.73%	2 526.97	42.26%
Current assets		3 526.75	54.27%	3 452.96	57.74%
Total assets		6 498.18	100.00%	5 979.92	100.00%
Equity		938.19	14.44%	1 030.01	17.22%
Liabilities and provisions		5 559.99	85.56%	4 949.92	82.78%
Total liabilities and equity		6 498.18	100.00%	5 979.92	100.00%

Net debt of Eurocash Group at the end of June 2018 amounted to PLN 684,21 m compared with PLN 485,98 m at the end of 1H 2017.

4. Summary of financial results of Eurocash S.A. in 2Q and 1H 2018

Profit & loss account

Table 16: Eurocash S.A.: Summary of financial results for 2Q 2018

	2Q 2018	2Q 2017	Change %
PLN m			
Sales revenues (traded goods, materials)	3 762.69	3 511.74	7.15%
Gross profit (loss) on sales	450.74	414.31	8.79%
Gross profitability on sales (%)	11.98%	11.80%	0.18 p.p.
EBITDA normalized*	103.30	68.71	-33.48%
(Normalized EBITDA margin %)	2.75%	1.96%	0.19 p.p.
One-off costs	3.00	114.40	-
EBITDA reported	100.30	(45.69)	-319.51%
(Reported EBITDA margin %)	2.67%	-1.30%	3.97 p.p.
EBIT normalized*	74.32	40.84	-45.04%
EBIT reported	71.32	(73.56)	-196.96%
(Normalized EBIT margin %)	1.98%	1.16%	0.81 p.p.
(Reported EBIT margin %)	1.90%	-2.09%	3.99 p.p.
Gross profit normalized*	72.78	61.82	-15.05%
Gross profit reported	69.78	(52.58)	-232.71%
Net profit normalized*	58.04	52.28	-9.91%
Net profit reported	55.04	(62.12)	-188.60%
(Normalized Net profitability* %)	1.54%	1.49%	0.05 p.p.
(Net profitability* %)	1.46%	-1.77%	3.23 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.

Table 17: Eurocash S.A.: Summary of financial results for 1H 2018

	1H 2018	1H 2017	Change %
PLN m			
Sales revenues (traded goods, materials)	7 114.97	6 488.22	9.66%
Gross profit (loss) on sales	821.88	736.95	11.52%
Gross profitability on sales (%)	11.55%	11.36%	0.19 p.p.
EBITDA normalized*	141.77	87.53	-38.26%
(Normalized EBITDA margin %)	1.99%	1.35%	0.64 p.p.
One-off costs	3.00	114.40	-
EBITDA reported	138.77	(26.87)	-616.42%
(Reported EBITDA margin %)	1.95%	-0.41%	2.36 p.p.
EBIT normalized*	83.79	31.66	-62.22%
EBIT reported	80.79	(82.74)	-197.64%
(Normalized EBIT margin %)	1.18%	0.49%	0.69 p.p.
(Reported EBIT margin %)	1.14%	-1.28%	2.41 p.p.
Gross profit normalized*	152.21	45.43	-70.16%
Gross profit reported	71.42	(68.97)	-203.54%
Net profit normalized*	58.30	38.43	-34.09%
Net profit reported	55.30	(75.97)	-172.80%
(Normalized Net profitability* %)	0.82%	0.59%	0.23 p.p.
(Net profitability* %)	0.78%	-1.17%	1.95 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.

Sales of Eurocash S.A. in 2Q 2018 amounted to PLN 3 762.69 m and increased by 7.15%. In 1H 2018 sales reached PLN 7 114.97 m and increased by 9.66% YoY. Consolidated gross margin on sales realized by Eurocash S.A. in 2Q 2018 was at the higher level as in previous year and amounted to 11.98%. In 1H 2018 consolidated gross margin on sales amounted to 11.55%, which means increase by 0.19 p.p. YoY. In 2Q 2018 EBITDA normalized amounted to PLN 103.30 m, while in 1H 2018 it reached PLN 141.77 m. Net profit normalized in 2Q 2018 amounted to PLN 58.04 m and in 1H 2018 reached the level of PLN 58.30 m.

Cash flow

Table 18: Eurocash S.A.: Cash flow for 2Q 2018

	PLN m	2Q 2018	2Q 2018
Operating cash flow		258.49	304.73
<i>Gross profit (loss)</i>		69.78	(52.58)
<i>Depreciation</i>		28.98	27.87
<i>Change in working capital</i>		159.31	321.55
<i>Other</i>		0.43	7.89
Cash flow from investments		(328.09)	(43.07)
Cash flow from financing activities		(292.76)	(249.25)
Total cash flow		(362.35)	12.41

Table 19: Eurocash S.A.: Cash flow for 1H 2018

	PLN m	1H 2018	1H 2017
Operating cash flow		220.38	365.61
<i>Gross profit (loss)</i>		71.42	(68.97)
<i>Depreciation</i>		57.98	55.87
<i>Change in working capital</i>		96.95	374.60
<i>Other</i>		(5.97)	4.11
Cash flow from investments		(344.99)	(197.68)
Cash flow from financing activities		60.20	(182.82)
Total cash flow		(64.41)	(14.89)

Total cash flow of Eurocash S.A. in 2Q 2018 amounted to PLN -362.35 m. In 1H 2018 cash flow reached PLN -64.41 m.

Working capital

Table 20: Eurocash S.A.: Working capital ratios for 2Q 2018

Turnover in days	2Q 2018	2Q 2017
1. Inventories turnover	22.41	23.33
2. Trade receivables turnover	31.80	35.60
3. Trade liabilities turnover	88.12	92.42
4. Operating cycle (1+2)	54.21	58.93
5. Cash conversion (4-3)	(33.91)	(33.49)

Table 21: Eurocash S.A.: Working capital ratios for 1H 2018

Turnover in days	1H 2018	1H 2017
1. Inventories turnover	23.57	25.12
2. Trade receivables turnover	33.45	38.32
3. Trade liabilities turnover	92.24	99.00
4. Operating cycle (1+2)	57.02	63.44
5. Cash conversion (4-3)	(35.22)	(35.56)

Cash conversion in 2Q 2018 amounted to -33.91 days and in 1H 2018 -35.22 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 adjusted balance sheet items

PLN m	30.06.2018		31.12.2017	-
Fixed assets	3 229.74	57.67%	2 901.78	54.51%
Current assets	2 370.90	42.33%	2 421.16	45.49%
Total assets	5 600.64	100.00%	5 322.94	100.00%
Equity	954.41	17.04%	998.11	18.75%
Liabilities and provisions	4 646.23	82.96%	4 324.83	81.25%
Total liabilities and equity	5 600.64	100.00%	5 322.94	100.00%

5. 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 lessened by cash and cash equivalents

6. Major events and factors that influenced consolidated income or loss of Eurocash Group in 1H 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.

7. 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 Alkoholni 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.

Investment in strategical 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.

8. Major risks and threats related to the operational activities

External Factors

Macroeconomic situation. Purchasing power of the population

Economic slowdown, drop of the purchasing power and decrease in household expenditures for consumption may have a negative impact on the sales volume of the Company.

The structure of the FMCG retail distribution market in Poland

In 1H 2018, the traditional distribution channel was a significant form of FMCG retail distribution, representing the share of approx. 42%. Such a high share (against other European countries) results from a low concentration of population in a country as well as from poor housing conditions as small and medium-size shops located away from large conglomerates comprise the key customer group for Eurocash. Growth in the share of modern distribution will shrink a prospective market for the Eurocash Group's business.

The structure of the traditional FMCG distribution channel. Competition

According to the estimates compiled by the Eurocash Group, approx. 3000-4000 entities operate in the wholesale FMCG distribution market. Market consolidation and an entry of new strong players could have a negative impact on margin levels.

Internal Factors

IT systems

An efficient, uniform IT system allows for centralized and effective management of business processes, allowing for an exact analysis of profitability of particular products and particular discount stores, which guarantees high safety of the conducted business. Possible disturbances in the system operation would be a threat for the business of the Group.

New investments

The Eurocash Group wishes to be an active player in the process of market consolidation by way of acquiring FMCG warehouses. While taking over other enterprises, the Group faces numerous material risks connected to integration, achievement of synergies planned, or an inadequate assessment of the market potential.

Suppliers

Due to the range of products offered by the Eurocash Group and geographically diverse sales, key suppliers of the Group are numerous and as at 30th June 2018 comprised over 1 621 national and foreign entities.

Suppliers of branded products, comprised of key producers and importers of FMCG merchandise including tobacco products and alcoholic beverages, are selected mainly based on their market share, impact of the brand, the coverage of individual product segments, and regional diversification.

Due the nature of the FMCG market, as well as market competitiveness and lower sales volumes noted for tobacco products in Poland, the Group's operations does not depend on suppliers, as a result of which the risk related to contract termination or adverse changes in contractual terms could have a negative effect on business operations of Eurocash and its financial performance is limited.

9. Additional information

Explanations regarding seasonality

In FMCG wholesale sales are traditionally lower in 2Q, 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 June 2018 no shares have been issued.

On 30th June 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.

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 1H 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.

Table 23: Shareholders owning directly or indirectly – through dependent entities – at least 5 % of total number of votes at the general assembly

Shareholder	28.08.2018				11.05.2018			
	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%	11 465 953	8,24%	11 465 953	8,24%
Others	64 471 748	46,33%	64 471 748	46,33%	66 409 555	47,72%	66 409 555	47,72%
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..

Table 24: 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	
	28.08.2018	11.05.2018
Management Board members		
Luis Amaral (directly and indirectly)	61 287 778	61 287 778
Rui Amaral	347 025	347 025
Przemysław Cias	0	0
Arnaldo Guerreiro	325 500	325 500
Katarzyna Kopaczewska	330 000	330 000
Pedro Martinho	855 803	855 803
Paweł Musiał	not applicable	0
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 1H 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 1H 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 1H 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 is no other information which would be material to assess the staffing and financial situation of the Company.

10. Representations of the Management Board

Accuracy and reliability of the reports presented

The members of the Management Board of Eurocash S.A. represent that, according to their best knowledge:

- the abbreviated semi-annual consolidated financial statements and comparable data have been drawn up in accordance with the applicable accounting principles and give a true and fair view of the economic and financial position of Eurocash Group and of the results of its operations for the 1H 2018,
- the abbreviated semi-annual separate financial statements and comparable data have been drawn up in accordance with the applicable accounting principles and give a true and fair view of the economic and financial position of Eurocash and of the results of its operations for the 1H 2018.
- the report of the Management Board on the business activities of Eurocash Group for the 1H 2018 contains a true views of the development, achievements and position of Eurocash Group, including a description of main risks and threats.

Appointment of the entity qualified to audit financial statements

The Management Board of Eurocash S.A. acting under par.14 point 2 Statute of the Company, on 25th April 2018, chose Ernst & Young Audyt Polska Sp. z o.o. sp. k. with its registered office in Warsaw, entered by the National Chamber of Statutory Auditors on the list of entities authorized to audit financial statements under No. 130, on the external auditor to examine the company's financial statements for the year 2018.

The members of the Management Board of Eurocash S.A. represent that:

- Ernst & Young Audyt Polska sp. z o.o. sp. k., the entity qualified to audit financial statements, which reviewed the abbreviated semi-annual consolidated of Eurocash Group and the abbreviated semi-annual separate of Eurocash, has been appointed in compliance with the applicable laws and regulations. The entity and the auditors have met the prerequisites for giving an impartial and independent report from the review in accordance with the applicable provisions of the law.

Signatures of the Management Board Members:

Position	Name and surname	Date	Signature
President of the Management Board	Luis Amaral	28 th August 2018	
Management Board Member Chief Executive Officer	Rui Amaral	28 th August 2018	
Management Board Member	Przemysław Ciaś	28 th August 2018	
Management Board Member	Arnaldo Guerreiro	28 th August 2018	
Management Board Member Human Resources Director	Katarzyna Kopaczewska	28 th August 2018	
Management Board Member	Pedro Martinho	28 th August 2018	
Management Board Member Financial Director	Jacek Owczarek	28 th August 2018	