



PRESS RELEASE

In 2021, Rosinter's revenue^[1] increased by 58%, EBITDA^[2] increased by 17.5% to RUB 2.5 billion, and net profits amounted to RUB 95 million.

Moscow, 28 April 2022: Rosinter Restaurants Holding PJSC (Rosinter, Rosinter Restaurants, the Company), one of the largest restaurants holding companies in Russia (Moscow Exchange MICEX-RTS: stock ticker ROST) announces its operating and financial performance for 2021 in accordance with the International Financial Reporting Standards. These statements have been confirmed by the Company's auditor and prepared in accordance with IFRS 16 "Leases".

KEY FINANCIAL AND OPERATING RESULTS

- In 2021, Rosinter's revenue^[1] increased by 58% (to RUB 6,210 million) compared to 2020 gradual recovery of traffic after the lifting of the restrictions caused by COVID-19, as well as completing the action plans aimed at increasing operational performance and the service quality and updating the menu.
- EBITDA^[2] increased by RUB 370 million in 2021 compared to 2020, and amounted to RUB 2,478 million. In 2021, adjusted EBITDA^[3] increased up to RUB 661 million as compared to RUB 0.3 million in 2020 and RUB 480 million in pre-pandemic 2019 (increase by 37.6%).
- The Company's net profits for 2021 amounted to RUB 95 (amounted to RUB 18 million adjusted to IAS 17). The Company suffered a net loss of over RUB 450 million in pre-pandemic 2019.
- In 2021, Rosinter improved the restaurant EBITDA margin by 7 percentage points from 11.2% to 18.3% (compared to 2019) due to the brand reinforcement and cost optimization.

Margarita Kosteyeva, President of Rosinter Restaurants Holding PJSC, says:

"The public catering industry was affected by the negative factors caused by COVID-19 in 2021. The restoration of the guest traffic was hindered by the restrictions such as the introduction of QR codes, new waves of the pandemic, a serious personnel crisis, and others. The situation was aggravated also by the macroeconomic factors, specifically, limited purchasing power, rising food prices, reduction of tourism and passenger traffic.

According to analysts, in 2021 the Russian public catering market increased by 30% compared to 2020, yet remaining 20% lower than in 2019. The fastest recovery was observed in the socially inclusive formats - fast food chains, coffee shops, and delivery services. The restaurant segment and the segment of public catering in transportation hubs were the most affected. According to analyst estimates, in 2020 the segments fell by 49% and 53%, respectively.

Yet, even at those times so difficult for the industry, the Company not only significantly improved the key business indicators both in terms of revenues and profitability, but also intensified efforts in promoting its brands by launching its own initiatives.

In 2021, Rosinter Restaurants was managing a portfolio comprising 222 restaurants, including 128 corporate restaurants (own brands such as IL Patio, Shikari, Sushi Planet, Mama Russia, American Bar & Grill, and others, and licensed brands such as TGI FRIDAYS, Costa Coffee, McDonald's). Around 60 of them are in transportation hubs. The Company's franchise network covered 94 restaurants in Russia and abroad.

In 2021, Rosinter significantly updated the concepts of the key restaurant brands:

- IL Patio's creative team fully revised the brand's identity in accordance with the highest global standards. To satisfy young customers, the menu was re-conceived and upgraded in trend with today's Italian and global gastronomy. The logo and the interior design changed, too. Brightly-coloured and bustling Italian dining rooms were changed into a laconic modern interior appealing to different guest categories. The active efforts of the brand's team boosted EBITDA 1.3 times in city restaurants.
- TGI FRIDAYS hit a record high in EBITDA growth and in the increase of restaurant revenues. As compared to 2019, in 2021 EBITDA increased by 10%, and revenues - by 8.4%. The brand's team experimented with new dishes and promotional menu items, and most of them became the best sellers in their categories. Audience analysis revealed the necessity to change the strategy for attracting guests. Engaging interactive content and digital technologies formed the backbone of the brand's major communication.
- Japanese Sushi Planet restaurants also saw a global brand relaunch. The brand ideology was reconsidered to introduce new menu planning principles and sales structure patterns. Dish ranges and service were updated. The ambiance in the restaurants was improved by introducing new service standards, interior designs and brand identity. Everything's changed except the democratic prices and the devotion to the traditional Japanese cuisine in its modern interpretation. The first upgraded Sushi Planet launched by Rosinter's franchise partner already opened its doors in the Ostrov Mechty Mall in Moscow.
- Changes concerned also the pan-Asian concept of Shikari: the chain updated its menu focusing on upgrading the guest consumption model. A gastronomic tour through Asian countries remained the brand's main concept, and the top sellers include specialities that best illustrate it became. They steadily rank on top, on a par with popular rolls and tom yum soup. As a result, Shikari's EBITDA increased by 12% as compared to 2019.

In 2021, much was done to boost sales, update and re-engineer menus in city restaurants. Independent customer reviews improved, and the offer from the restaurant brands became up-to-date and popular, which is demonstrated by the results achieved. The company actively worked to promote the brands in the digital space. Rosinter managed to negotiate with landlords substantial discounts on fixed rental conditions, some restaurants started working according to the percentage of sales model. As more customers started working remotely, the Company did much to improve the delivery unit.

As a result, compared to pre-pandemic 2019, in 2021 the profit margins of city restaurants increased two-fold.

Due to the remaining restrictions, the situation in the transportation hubs where a large part of the Company's restaurants do business remains complicated. The traffic recovery is slow. Nevertheless, Rosinter increased EBITDA of its outlets in the transportation hubs by 8 percentage points by taking steps to improve operational performance and optimize business processes.

Of particular note is McDonald's brand. During 2021, Rosinter opened four new fast food outlets: at the Leningradsy train station in Moscow, and at the Moscow, Baltic and Finland train stations in Saint Petersburg. Those were the first outlets of the world-famous fast food chain to appear at the railway stations of Russia. Today, Rosinter Restaurants' portfolio comprises 9 McDonald's fast food outlets operating under a franchise license in the transportation hubs of Moscow and Saint Petersburg.

The Company continued its regional expansion strategy and extended its franchise network. In 2021, Rosinter's franchise partners held steady in Russia's regions and opened 10 new franchise restaurants, in particular, in Moscow and Moscow oblast, Baku and Krasnodar, and in two new cities for the Company - Tashkent and Obninsk.

In 2021, the entire restaurant industry faced a massive personnel crisis - lack of personnel due to the imposed restrictions and the flow of a substantial part of personnel to the delivery and e-commerce segment. In those circumstances, Rosinter managed to retain the team and maintain the necessary staffing levels to ensure recovery of its restaurant business and growth of sales, by revising recruitment standards, putting in place

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additional engagement schemes and an internal training system at the premises of a licensed corporate university, and extensively using Teachbase remote employee training platform.

It is worth noting particularly that the company fully discharged all assumed obligations to repay principal and interest and to pay taxes to the budget in 2021.

The activities implemented by Rosinter to optimize operational efficiency and growth contributed to reducing lease costs in the revenues by 3.5% against 2019. In addition, the company cut costs on food and beverages by 0.7% (compared to 2019) and staff costs in the revenues by 1.3%.

As a result, in 2021 restaurant EBITDA increased by 7 percentage points from 11.2% to 18.3%.

In 2021, Rosinter's revenue amounted to RUB 6.2 billion and increased by 58.1% compared to 2020. The company showed a solid increase in the key financial indicators: EBITDA (adjusted IAS 17) amounted to RUB 661 million, having increased compared to pre-pandemic 2019 by 38%, and EBITDA margin increased to 10.6%.

In 2021 Rosinter's net profit amounted to RUB 18 million (adjusted IAS 17).

We are sure that the growth strategy being underway and Rosinter Restaurants' competitive strengths such as geographical business diversification and a balanced portfolio of universal restaurant brands will help Rosinter to continue succeeding in meeting market challenges and in consolidating its positions by enhancing product offers, increasing guest traffic and guest loyalty".

2021 FINANCIAL AND OPERATING RESULTS

The table below contains comparative results under IFRS 16 and IAS 17, as the latter most reliably reflects the Company's performance.

(RUB) thousands	12M 2021	IAS 17	12M 2020	IAS 17	% diff	12M 2021	IFRS 16	12M 2020	IFRS 16	% diff
Net revenue	6,209,500	100.0 %	3,928,265	100.0 %	58.1 %	6,209,500	100.0 %	3,928,265	100.0 %	58.1 %
Incl. Revenue from restaurants	6,006,047	96.7 %	3,770,312	96.0 %	59.3 %	6,006,046	96.7 %	3,770,312	96.0 %	59.3 %
Incl. Revenue from franchising	143,093	2.3 %	100,831	2.6 %	41.9 %	143,093	2.3 %	100,831	2.6 %	41.9 %
Cost of sales	4,981,411	80.2 %	3,609,408	91.9 %	38.0 %	4,812,875	77.5 %	4,287,024	109.1 %	12.3 %
Incl. Food and beverages	1,213,453	19.5 %	729,405	18.6 %	66.4 %	1,213,453	19.5 %	729,405	18.6 %	66.4 %
Incl. Payroll and related taxes	1,209,770	19.5 %	908,515	23.1 %	33.2 %	1,209,770	19.5 %	908,515	23.1 %	33.2 %
Incl. Rent	1,533,293	24.7 %	1,075,942	27.4 %	42.5 %	333,800	5.4 %	169,363	4.3 %	97.1 %
Gross profit/(loss)	1,228,089	19.8 %	318,858	8.1 %	285.2 %	1,396,625	22.5 %	(358,758)	(9.1)%	(489.3)%
SG&A Expenses	917,841	14.8 %	859,525	21.9 %	6.8 %	932,677	15.0 %	888,188	22.6 %	5.0 %
Start-up expenses for restaurants	69,069	1.1 %	43,611	1.1 %	58.4 %	69,069	1.1 %	43,611	1.1 %	58.4 %
Other gains	180,435	2.9 %	49,202	1.3 %	266.7 %	788,015	12.7 %	1,248,724	31.8 %	(36.9)%
Other losses	81,954	1.3 %	73,974	1.9 %	10.8 %	142,632	2.3 %	58,318	1.5 %	144.6 %
Incl. Loss/profit on disposal of non-current assets	63,411	1.0 %	62,196	1.6 %	2.0 %	124,090	2.0 %	46,537	1.2 %	166.6 %
Profit/(Loss) from operating activities before impairment	339,660	5.5 %	(609,049)	(15.5)%	(155.8)%	1,040,262	16.8 %	(100,151)	(2.5)%	(1138.7)%
(Reversal)/loss from impairment of operating assets	(20,887)	(0.3)%	102,636	2.6 %	(120.4)%	(20,887)	(0.3)%	102,636	2.6 %	(120.4)%
Profit/(Loss) from operating activities after impairment	360,547	5.8 %	(711,685)	(18.1)%	(150.7)%	1,061,149	17.1 %	(202,787)	(5.2)%	(623.3)%
Financial expenses, net	477,111	7.7 %	514,131	13.1 %	(7.2)%	1,074,768	17.3 %	1,292,030	32.9 %	(16.9)%
Foreign exchange gain/(loss), net	10,939	0.2 %	4,543	0.1 %	140.8 %	3,091	-	(632,230)	(16.1)%	(100.5)%
Loss before income tax	(105,625)	(1.7)%	(1,221,274)	(31.1)%	(91.4)%	(9,961)	(0.2)%	(2,127,046)	(54.1)%	(99.5)%
Income tax benefit	123,983	2.0 %	115,279	2.9 %	7.6 %	104,807	1.7 %	292,120	7.4 %	(64.1)%
Net profit/(loss)	18,358	0.3 %	(1,105,994)	(28.2)%	(101.7)%	94,846	1.5 %	(1,834,924)	(46.7)%	(105.2)%
EBITDA before impairment and write-offs	660,782	10.6 %	280	-	235,894%	2,477,515	39.9 %	2,108,417	53.7 %	17.5 %

The comments to the table are based on financial results adjusted to IAS 17

Consolidated revenue in 2021 increased by 58.1% compared to 2020 and amounted to RUB 6,210 million.

Gross profit margin increased from 8.1% in 2020 to 19.8% in 2021 due to the reduction of the lease expenses and other cost items (all figures were calculated as a percentage of the revenues).

In 2021, **food costs** insignificantly increased by 0.9% compared to 2020 (as a percentage of the revenues) due to growing inflation and rising food prices by 40% according to the analyst estimates.

Lease costs decreased by 2.7 % in 2021 to 24.7% of the revenues due to the reduction of the rent rates negotiated with landlords.

Selling, general and administrative expenses increased in 2021 by 6.8% to RUB 918 million, due to increase in advertising and payroll costs after the restart of marketing activities and the reopening of the restaurants that had stayed closed during the pandemic.

In 2021, **restaurant start-up expenses** remained at the level of 2020 amounting to 1.1%. The figure is calculated as a percentage of the revenues.

Other income (adjusted to IAS 17) increased by 1.6% (calculated as a percentage of the revenues) due to the write-off of the debt under the concessional loan received from Promsvyazbank PJSC as part of the ongoing business support initiative.

Other expenses decreased compared to 2020 by 0.6% as a percentage of the revenues due to the reduction of loss from disposal of non-current assets.

Decrease in financial expenses (net) by 5.4% was due to the decrease in interest expenses due to the decrease of the interest rates on individual loans of the Group (the figure was calculated as a percentage of the revenues).

Exchange differences in 2021 increased by 0.1% compared to 2020 due to the changes in the exchange rate of the rouble to other currencies (the figure was calculated as a percentage of the revenues).

Reversal of impairment of operating assets amounted to RUB 20.9 million against loss of RUB 102.6 million in 2020, due to the recovery of impairment in respect of closed restaurants and improved profitability forecasts for individual locations.

Net profit in 2021 amounted to RUB 18 million compared to loss of RUB 1,106 million in 2020. The amount of profit increased by the revenues growth and the review of estimates concerning useful life of certain fixed asset groups.

EBITDA before impairment and write-offs in 2021 amounted to RUB 661 million compared to RUB 0.3 million in 2020.

^[1] Revenue in accordance with IFRS is the consolidated revenue of the Rosinter Group calculated in accordance with international financial reporting standards (net of VAT) and includes sales of restaurants and corporate cafes, as well as revenue from sublease premises, revenue from franchising operations and other components.

^[2] EBITDA is calculated by adding back depreciation and amortization to profit from operating activities after impairment. EBITDA measures are not standard measures under IFRS and should not be considered as an alternative to the net profit, operating profit, operating cash flows or any other standard measures in accordance with IFRS. Our approach to calculating EBITDA may differ from the approach of other companies.

^[3] Adjusted figures are financial indicators adjusted to the effect of new IFRS 16 on the accounting for operating leases.

Information in this press release is based on "forward-looking statements", which include all statements other than statements of historical fact. Such forward-looking statements can be often identified by words such as "plans", "believes", "anticipates", "expects", "intends", "estimates", "will", "may", "required", "should" and similar expressions. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's and/or its Management's control that could cause the actual results to be materially different from those expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. These forward-looking statements speak only as at the date as of which they are made, and the Company and/or its Management does not intend and has no duty or obligation to supplement, amend, update or revise any of the forward-looking statements contained herein to reflect any change in events, conditions or circumstances on which any such statements are based. The information and opinions contained in this press release are only valid as at the date hereof and may be subsequently revised without notice of any kind and form.

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Company profile:

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As at 31 December 2021, Rosinter Restaurants Holding PJSC is a major casual dining restaurant operator in Russia, running 222 retail outlets in 30 cities of Russia, the CIS and Central Europe, including the Baltic States. The chain comprises 128 corporate restaurants and 94 franchised restaurants and cafes. The company develops its own brands IL Patio, Sushi Planet, Shikari, American Bar & Grill, and Mama Russia, and also operates under franchise agreements a chain of American restaurants TGI FRIDAYSTM and a chain of British Costa Coffee shops. In March 2012, Razvitie ROST LLC (the Company's subsidiary) acquired the right to develop McDonald's fast food chain on a franchise basis at railway stations and airports of Moscow and Saint Petersburg.

Rosinter Restaurants Holding is listed on the Moscow Exchange MICEX (www.moex.com) under the stock ticker ROST.

Company Website: www.rosinter.ru

APPENDIX 1

Consolidated statement of financial position as of 31 December 2021

(All amounts are in thousands of Russian roubles unless specified otherwise)

	Notes	December 31, 2021	December 31, 2020
ASSETS			
Non-current assets			
Property and equipment	6	2,113,664	2,228,728
Right-of-use assets	7	4,371,471	4,917,218
Intangible assets	8	414,913	488,161
Goodwill	9	143,137	143,137
Long-term loans due from related parties	10	6,600	6,600
Deferred income tax asset	11	673,685	781,356
Rent deposits and other non-current assets		178,932	217,570
		7,902,402	8,782,770
Current assets			
Inventories	12	123,554	107,685
VAT recoverable and other taxes prepaid		17,193	64,818
Income tax prepaid		2,656	7,381
Trade and other receivables	13	274,327	277,344
Advances issued	14	342,792	273,396
Receivables from related parties	10	54,618	64,105
Short-term loans		–	140
Short-term loans due from related parties	10	9,515	17,121
Cash and cash equivalents	15	330,258	74,026
		1,154,913	886,016
TOTAL ASSETS		9,057,315	9,668,786
EQUITY AND LIABILITIES			
Equity			
Equity attributable to equity holders of the parent entity			
Share capital	16	2,767,015	2,767,015
Additional paid-in capital		1,885,685	1,885,685
Treasury shares	16	(35,969)	(35,969)
Other capital reserves		261	261
Accumulated losses		(7,212,907)	(7,306,948)
Translation difference		(409,514)	(413,586)
		(3,005,429)	(3,103,542)
Non-controlling interests		1,800	2,333
		(3,003,629)	(3,101,209)
Non-current liabilities			
Long-term loans and borrowings	18	4,117,530	3,694,198
Long-term lease obligation	19	3,786,232	4,526,721
Long-term debt due to related parties	10	72,171	47,471
Deferred income tax liabilities	11	99,718	346,330
		8,075,651	8,614,720
Current liabilities			
Trade and other payables	21	1,846,816	1,870,924
Short-term loans and borrowings	18	794,075	898,711
Short-term lease obligations	19	1,307,823	1,302,620
Payables to related parties	10	29,979	30,986
Short-term liabilities to partners	20	272	–
Income tax payable		6,328	52,034
		3,985,293	4,155,275
TOTAL EQUITY AND LIABILITIES		9,057,315	9,668,786

Consolidated statement of profit or loss for the year ended 31 December 2021

(All amounts are in thousands of Russian roubles unless specified otherwise)

	<u>Notes</u>	<u>2021</u>	<u>2020</u>
Revenue	22	6,209,500	3,928,265
Cost of sales	23	(4,812,875)	(4,287,024)
Gross profit/(loss)		1,396,625	(358,759)
Selling, general and administrative expenses	24	(932,677)	(888,188)
Start-up expenses for restaurants		(69,069)	(43,611)
Other gains	25	788,015	1,248,722
Other losses	25	(142,632)	(58,316)
Profit/(loss) from operating activities before impairment		1,040,262	(100,152)
Reversal of/(loss from) impairment of operating assets	26	20,887	(102,636)
Profit/(loss) from operating activities after impairment		1,061,149	(202,788)
Financial income	27	567	432
Financial expense	27	(1,074,768)	(1,292,462)
Foreign exchange gain/(loss), net		3,091	(632,230)
Loss before income tax		(9,961)	(2,127,048)
Income tax benefit	11	104,807	292,120
Net profit/(loss) for the year		94,846	(1,834,928)
Attributable to:			
Equity holders of the parent entity		94,041	(1,835,031)
Non-controlling interests		805	103
Profit/(loss) per share	17		
Basic, profit/(loss) per share, roubles		5.79	(112.93)
Diluted, profit/(loss) per share, roubles		5.78	(112.88)

Consolidated statement of cash flows
for the year ended 31 December 2021

(All amounts are in thousands of Russian roubles unless specified otherwise)

	Notes	2021	2020
Operating activities			
Loss before tax		(9,961)	(2,127,048)
<i>Adjustments to reconcile loss before tax to net cash provided by operating activities:</i>			
Depreciation and amortization	23, 24	1,313,165	1,994,431
Foreign exchange (gain)/loss, net		(3,091)	632,230
Financial income	27	(567)	(432)
Financial expense	27	1,074,768	1,292,462
Allowance for expected credit losses of trade and other receivables and allowance for impairment of advances issued	24	20,414	169,220
Allowance for/(reversal of) impairment of inventories to net realizable value	12	5,943	(4,044)
Loss on disposal of operating assets	25	124,090	46,536
(Reversal of)/loss from impairment of assets	26	(20,887)	102,636
Write-off of trade and other payables	25	(4,759)	(14,618)
Write-off of the loans received	25	(171,175)	–
Share-based payment benefit	28	–	(5,588)
Discounts on lease payment	25	(607,580)	(1,199,520)
		1,720,360	886,265
<i>Changes in operating assets and liabilities:</i>			
(Increase)/decrease in inventories		(23,412)	49,528
Decrease/(increase) in advances, taxes recoverable, receivables, rent deposits and other non-current assets		21,130	(65,176)
Decrease in receivables from related parties		7,995	9,672
Increase in payables to related parties		3,725	16,523
(Decrease)/increase in trade and other payables		(83,756)	16,087
Net cash generated from operations		1,646,042	912,899
Interest paid		(1,085,272)	(877,214)
Interest received		124	339
Income tax paid		(45,265)	(23,616)
Net cash flows generated from operating activities		515,629	12,408
Investing activities			
Purchases of property and equipment		(252,336)	(181,820)
Purchase of intangible assets		(2,024)	(10,971)
Proceeds from disposal of property and equipment		13,435	3,219
Proceeds from repayment of loans issued to third parties		–	1,560
Net cash flows used in investing activities		(240,925)	(188,012)

Consolidated statement of cash flows
for the year ended 31 December 2021

(All amounts are in thousands of Russian roubles unless specified otherwise)

	Notes	2021	2020
Financing activities			
Proceeds from bank loans		958,123	853,976
Repayment of bank loans		(388,257)	(629,472)
Repayment of related party loans		–	(4,000)
Proceeds from related party loans		25,000	4,000
Repayment of lease liabilities	19	(612,064)	(130,679)
Sale of treasury shares	16	–	4,496
Dividends paid to shareholders		(1,171)	(392)
Net cash flows (used in)/generated from financing activities		(18,369)	97,929
Effect of exchange rate on cash and cash equivalents		(103)	1,928
Net increase/(decrease) in cash and cash equivalents		256,232	(75,747)
Cash and cash equivalents at beginning of the year		74,026	149,773
Cash and cash equivalents at end of the year		330,258	74,026