



PRESS RELEASE

IN 2022 ROSINTER INCREASED NET PROFITS BY 10% AND EBITDA BY 4%

Moscow, 17 April 2023: 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 2022 operating and financial results in accordance with the international financial reporting standards.

This press release presents notes to financial statements before the application of IFRS 16 “Leases” as, in the Company's opinion, in this way the Holding Company's financial situation is represented most accurately. Furthermore, in this press release the Holding Company presents non-IFRS financial measures that should be regarded as supplementary to those disclosed in the financial statements.

Consolidated statements of financial position, of profit and loss, and of cash flows, presented in the exhibit to this press release, have been prepared subject to the requirements of IFRS 16 “Leases”.

KEY FINANCIAL AND OPERATING RESULTS:

- At the end of 2022, EBITDA^[2] before impairment and write-offs increased by 4%, or by RUB 27 million, against 2021, to amount to RUB 688 million. Compared with the pre-pandemic 2019, in 2022 EBITDA grew by 43%.
- In 2022, Rosinter's revenue^[1] grew by 1.1% to RUB 6,279 million amid a decrease in the guest traffic against 2021 due to the unstable geopolitical situation. According to expert estimates, because of the exit of international brands the traffic in the major malls declined by up to 30%. Due to the closure of international flights, the traffic loss at airports was also about 30%.
- Net profits grew by 10% (from RUB 18.4 million in 2021 to RUB 20.2 million in 2022).
- Amid the high inflation rates in 2022 (12% according to expert estimates), Rosinter managed to maintain its costs of products, salaries, lease and services at the level of 2021.

FINANCIAL RESULTS BY BUSINESS UNITS:

Restaurant business in city locations

In 2022, Rosinter demonstrated positive dynamics of the key city business indicators, compared with 2021. Positive dynamics was observed amid a 30% decrease in the guest traffic due to the exit of international brands from malls, where a large part of Rosinter's restaurants are located. Yet, revenues from the key brand IL Patio grew by 3%, and from the chain of Costa Coffee shops - by 5% (according to LFL). Thanks to the implemented measures aimed at optimizing operational efficiency, the Company's profitability performance indicator - restaurant-level EBITDA neared that of 2021 (12%).

In 2022, Rosinter's team focused its efforts on maintaining cost by preserving, at the same time, the menu quality and diversity, as well as on implementing a marketing strategy for the promotion of the Company's brands at the time of drastic changes in the restaurant market and the economic situation on the whole.

Restaurant business at airports and railway stations

Revenues of restaurants located at airports and railway stations grew by 5% against 2021. Revenues of comparable restaurants grew by 12.4%. Absolute restaurant-level EBITDA grew by 7.3% against 2021, and the profit margin remained at the level of 2021. Rosinter demonstrated this performance under the sanctioned ban on international flights to Europe and the US and with closed airspace in the south of Russia. According to our estimates, in 2022 the passenger traffic at the airports of Rosinter's presence dropped on average by 30% compared with 2019. As a result, most of the restaurants located in international air travel areas suspended their activities indefinitely (specifically, in closed Terminal D at Sheremetyevo International Airport, where Rosinter has 12 restaurants).

The events of 2022 drastically re-arranged the Russian catering industry. In 2022, McDonald's and Costa Coffee left Russia and, as a result, were no longer in Rosinter's franchising portfolio.

ROSTISLAV ORDOVSKY-TANAEVSKY BLANCO, CHAIRMAN OF THE BOARD OF DIRECTORS OF ROSINTER RESTAURANTS HOLDING PJSC, SAYS:

In 2022, Rosinter demonstrated excellent performance in extreme market conditions. The team led by Margarita Kosteeva performed better than in 2021 and even in the pre-pandemic 2019, and, in addition, managed to preserve the portfolio of restaurants at railway stations and airports in the cities within the Company's footprint. Over the last 3 years, Rosinter has proved to remain robust and viable in extreme conditions. It helps us feel secure in 2023.

MARGARITA KOSTEEVA, PRESIDENT OF ROSINTER RESTAURANTS HOLDING PJSC, SAYS:

In 2022, the Company increased its corporate EBITDA by 4.1%, and revenues - by 1.1%. Net profits grew by 9.8%.

In 2020-2022, Rosinter's team focused its efforts on adapting the Holding Company's financial model to extreme economic conditions. Thanks to the accumulated experience of working in a tough economic environment and well-coordinated actions of the team, the Company managed to improve the key financial indicators. What is important to note is that it happened amid a 30% decrease in the guest traffic in malls and at airports, caused by the geopolitical challenges in 2022.

Our key achievement is the increase of EBITDA that for two years in a row demonstrates positive dynamics amid unstable guest traffic and purchasing power. In 2022, EBITDA grew by 4.1% compared with 2021, and by 43.2% compared with the pre-pandemic 2019.

One of Rosinter's priorities is the product offering. We continue maintaining affordable prices, regularly update menus based on the results of target audience research, and keep the service level high. We can say that revenues of comparable restaurants of the key brand (IL Patio) grew by 2.9% against 2021.

The excellent performance of the IL Patio brand justly merited the Narodnaya Marka (National Brand) award. Brands are rated as top ones on the basis of consumer surveys, and in 2022 IL Patio won the "No. 1 Brand in Russia" title in the "Services" category.

Another priority pursued by the Company is to maintain high quality standards of services and food. In 2022, the TGI FRIDAYS brand increased positive guest feedback almost by 2.4 times, and the top dishes of IL Patio and TGI FRIDAYS won the international "Quality Guarantee" award.

In 2022, Rosinter expanded its footprint in Russia and abroad by opening 6 new franchise restaurants: IL Patio and Planet Sushi in Nizhnevartovsk, IL Patio in Moscow, IL Patio and Planet Sushi in Kaspiysk (Dagestan), and IL Patio in Baku (Azerbaijan). The Company will keep its focus on the regional expansion, which is particularly important due to the increase in domestic tourism. The Company is currently constructing 15 more new

restaurants, in particular, in new regions, and at VDNKh (Exhibition of Achievements of the National Economy) in Moscow, as part of the capital's landmark project "The Sun of Moscow".

In the autumn of 2022, in cooperation with SME Bank Rosinter developed and launched on the market a project on concessional lending to franchisees for the opening of IL Patio, Planet Sushi and Shikari restaurants. Rosinter's goal is to scale up the development of franchising in the regions of Russia and in CIS through partnership with local businessmen. According to the terms of the project, a business owner should invest 20% of its own funds, and the rest is advanced against security and government support. So, the startup capital for joining the project and opening a Rosinter partner restaurant is as little as RUB 7 million or less.

A profound restructuring of the key processes, expenditure control, and a focus on operational efficiency helped the Holding Company to improve its financial performance, maintain its business scope and retain the team. In 2023, Rosinter will continue directing its effort to remain financially stable in an unstable political and economic environment, and to extensively promote its restaurant brands, particularly, the IL Patio (Italian cuisine) brand that will celebrate its 30th anniversary in 2023.

We are sure that the current changes in the restaurant market of Russia create a favourable environment for the further development of the industry. We are optimistic about the future and are confident that a good portfolio of Rosinter's brands, its stable financial performance and a strong professional team will promote the implementation of the Company's ambitious business development goals, both in Russia and abroad.

2022 FINANCIAL AND OPERATING RESULTS

(RUB) thousands	12M 2022	IAS 17	12M 2021	IAS 17	% change	p.p. change
Revenue	6,279,419	100.0 %	6,209,500	100.0 %	1.1 %	-
Incl. Revenue from restaurants	6,005,050	95.6 %	6,006,047	96.7 %	-	(1.1)%
Incl. Revenue from franchising	162,485	2.6 %	143,093	2.3 %	13.6 %	0.3 %
Cost of sales	4,964,271	79.1 %	4,981,411	80.2 %	(0.3)%	(1.1)%
Incl. Food and beverages	1,292,616	20.6 %	1,213,453	19.5 %	6.5 %	1.1 %
Incl. Payroll and related taxes	1,256,530	20.0 %	1,209,770	19.5 %	3.9 %	0.5 %
Incl. Rent	1,524,208	24.3 %	1,533,293	24.7 %	(0.6)%	(0.4)%
Gross profit	1,315,148	20.9 %	1,228,088	19.8 %	7.1 %	1.1 %
SG&A Expenses	865,131	13.8 %	917,841	14.8 %	(5.7)%	(1.0)%
Start-up expenses for restaurants	8,524	0.1 %	69,069	1.1 %	(87.7)%	(1.0)%
Other gains	61,609	1.0 %	180,435	2.9 %	(65.9)%	(1.9)%
Other losses	29,282	0.5 %	81,954	1.3 %	(64.3)%	(0.8)%
Incl. Loss on disposal of non-current assets	6,829	0.1 %	63,411	1.0 %	(89.2)%	(0.9)%
Gains from operating activities before impairment	473,820	7.5 %	339,661	5.5 %	39.5 %	2.0 %
Reversal of impairment of operating assets	(21,759)	(0.3)%	(20,887)	(0.3)%	4.2 %	-
Gains from operating activities after impairment	495,579	7.9 %	360,547	5.8 %	37.5 %	2.1 %
Financial expenses, net	517,502	8.2 %	477,111	7.7 %	8.5 %	0.5 %
Foreign exchange gain, net	7,981	0.1 %	10,939	0.2 %	(27.0)%	(0.1)%
Loss before income tax	(13,942)	(0.2)%	(105,625)	(1.7)%	(86.8)%	1.5 %
Income tax benefit	34,109	0.5 %	123,983	2.0 %	(72.5)%	(1.5)%
Net profit	20,167	0.3 %	18,358	0.3 %	9.8 %	-
EBITDA before impairment and write-offs	688,059	11.0 %	660,782	10.6 %	4.1 %	0.4 %

The comments to the table are given before the application of IFRS 16 "Leases"

Consolidated revenue for 2022 amounted to RUB 6,279 million, having grown by 1.1% against 2021. Corporate restaurant revenues remained almost the same compared with 2021, whereas franchise restaurant revenues grew by 0.3% (as a percentage of the revenues).

Cost of sales was at the level of 2021, with a 0.3% decrease.

Food costs increased by 1.1% because of the inflation rate – the figure is calculated as a percentage of the revenues.

Lease costs decreased in 2022 by 0.6 percentage points after negotiations with landlords to reduce the rental costs pro rata to the reduction in the guest traffic.

Gross profit margin grew to 20.9% in 2022 from 19.8% in 2021, as a result of the improved operational efficiency and cost optimization.

Selling, general and administrative expenses decreased by 1%, to RUB 865 million.

Restaurant start-up expenses decreased against 2021 due to the suspension of investment projects in unstable geopolitical and economic conditions.

Other income decreased by 1.9 percentage points, the figure is calculated as a percentage of the revenues.

Other expenses decreased against 2021 by 0.8% as a percentage of the revenues, mainly as a result of the reduction of loss from disposal of non-current assets.

Foreign exchange gains dropped in 2022 by 27% against 2021, as a result of the conversion of the currency of certain obligations to Russian roubles.

Gain from reversal of impairment of operating assets did not differ in 2022 from the figures for the previous year and made for 0.3%, as a percentage of the revenues.

Net profit came in 2022 to RUB 20 million, against loss of RUB 18 million in 2021.

EBITDA before impairment and write-offs grew in 2022 by 4% against the comparable period and amounted to RUB 688 million, compared with RUB 661 million in 2021.

^[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 sub-lease of 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.

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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Note to Editors:

As at the end of 2022, Rosinter Restaurants Holding PJSC is a major casual dining restaurant operator in Russia, running 211 retail outlets in 30 cities of Russia, the CIS and Central Europe, including the Baltic States. The chain comprises 119 corporate restaurants and 92 franchised restaurants and cafes. The company develops its own brands IL Patio, Planet Sushi,

Shikari, American Bar & Grill, and Mama Russia, and also operates under franchise agreements a chain of

TGI FRIDAYS restaurants.

In 2022, the IL Patio brand won the "No. 1 Brand in Russia" award. Dishes on the menus of IL Patio and TGI FRIDAYS won gold in the international "Quality Guarantee" competition.

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

Investors and analysts enquiries:

Alexey Shorokhov
CFO

IR@rosinter.ru

Press enquiries:

Tatyana Zotova
PR Director

tzotova@rosinter.ru
Tel: +7 495 788 44 88 ext. 1560

Consolidated statement of financial position as of 31 December 2022

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

	December 31, 2022	December 31, 2021
ASSETS		
Non-current assets		
Property and equipment	2,038,062	2,113,664
Right-of-use assets	2,306,499	4,371,471
Intangible assets	355,682	414,913
Goodwill	143,137	143,137
Long-term loans due from related parties	6,200	6,600
Deferred income tax asset	642,475	673,685
Rent deposits and other non-current assets	225,368	178,932
	5,717,423	7,902,402
Current assets		
Inventories	107,113	123,554
VAT recoverable and other taxes prepaid	19,655	17,193
Income tax prepaid	2,584	2,656
Trade and other receivables	266,721	274,327
Advances issued	382,048	342,792
Receivables from related parties	54,042	54,618
Short-term loans due from related parties	9,215	9,515
Cash and cash equivalents	158,481	330,258
	999,859	1,154,913
TOTAL ASSETS	6,717,282	9,057,315
EQUITY AND LIABILITIES		
Equity		
Equity attributable to equity holders of the parent entity		
Share capital	2,767,015	2,767,015
Additional paid-in capital	1,885,685	1,885,685
Treasury shares	(35,969)	(35,969)
Other capital reserves	—	261
Accumulated losses	(6,885,425)	(7,212,907)
Translation difference	(423,007)	(409,514)
	(2,691,701)	(3,005,429)
Non-controlling interests	3,071	1,800
	(2,688,630)	(3,003,629)
Non-current liabilities		
Long-term loans and borrowings	3,185,257	3,847,530
Long-term lease obligation	1,760,110	3,786,232
Long-term debt due to related parties	350,964	342,171
Deferred income tax liabilities	73,361	99,718
	5,369,692	8,075,651
Current liabilities		
Trade and other payables	1,864,574	1,806,564
Short-term loans and borrowings	1,124,859	794,075
Short-term lease obligations	935,747	1,307,823
Payables to related parties	84,323	70,231
Short-term borrowings to related parties	24,667	—
Short-term liabilities to partners	163	272
Income tax payable	1,887	6,328
	4,036,220	3,985,293
TOTAL EQUITY AND LIABILITIES	6,717,282	9,057,315

Consolidated statement of profit or loss for the year ended 31 December 2022

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

	2022	2021
Revenue	6,279,419	6,209,500
Cost of sales	(4,653,607)	(4,812,875)
Gross profit	1,625,812	1,396,625
Selling, general and administrative expenses	(866,585)	(932,677)
Start-up expenses for restaurants	(8,524)	(69,069)
Other gains	718,986	788,015
Other losses	(22,453)	(142,632)
Profit from operating activities before impairment	1,447,236	1,040,262
Reversal of impairment of operating assets	21,759	20,887
Profit from operating activities after impairment	1,468,995	1,061,149
Financial income	1,469	567
Financial expense	(990,596)	(1,074,768)
Foreign exchange (loss)/gain, net	(109,908)	3,091
Profit/(loss) before income tax	369,960	(9,961)
Income tax (expense)/benefit	(41,468)	104,807
Net profit for the year	328,492	94,846
Attributable to:		
Equity holders of the parent entity	327,221	94,041
Non-controlling interests	1,271	805
Profit per share		
Basic, profit per share, roubles	20,13	5.79
Diluted, profit per share, roubles	20,13	5.78

Consolidated statement of cash flows for the year ended 31 December 2022

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

	2022	2021
Operating activities		
Profit/(loss) before tax	369,960	(9,961)
<i>Adjustments to reconcile profit/(loss) before tax to net cash provided by operating activities:</i>		
Depreciation and amortization	1,260,507	1,313,165
Foreign exchange loss/(gain), net	109,908	(3,091)
Financial income	(1,469)	(567)
Financial expense	990,596	1,074,768
(Reversal of provision)/allowance for expected credit losses of trade and other receivables and allowance for impairment of advances issued	(31,308)	20,414
(Reversal)/allowance for impairment of inventories to net realizable value	(6,347)	5,943
(Profit)/loss on disposal of operating assets	(563,584)	124,090
Reversal of from impairment of assets	(21,759)	(20,887)
Write-off of trade and other payables	(15,821)	(4,759)
Write-off of the loans received	–	(171,175)
Discounts on lease payment	(93,793)	(607,580)
	1,996,890	1,720,360
<i>Changes in operating assets and liabilities:</i>		
Decrease/(increase) in inventories	22,370	(23,412)
(Increase)/decrease in advances, taxes recoverable, receivables, rent deposits and other non-current assets	(4,863)	21,130
Decrease in receivables from related parties	2,946	7,995
(Decrease)/increase in payables to related parties	(1,539)	3,725
Decrease in trade and other payables	(108,728)	(83,756)
Net cash generated from operations	1,907,076	1,646,042
Interest paid	(767,618)	(1,085,272)
Interest received	176	124
Income tax paid	(38,170)	(45,265)
Net cash flows generated from operating activities	1,101,464	515,629
Investing activities		
Purchases of property and equipment	(115,192)	(252,336)
Purchase of intangible assets	(24,041)	(2,024)
Proceeds from disposal of property and equipment	849	13,435
Proceeds from repayment of loans issued to third parties	400	–
Net cash flows used in investing activities	(137,984)	(240,925)

Consolidated statement of cash flows
for the year ended 31 December 2022

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

	2022	2021
Financing activities		
Proceeds from bank loans	156,056	958,123
Repayment of bank loans	(482,721)	(388,257)
Repayment of related party loans	(7,333)	–
Proceeds from related party loans	43,000	25,000
Repayment of lease liabilities	(843,847)	(612,064)
Dividends paid to shareholders	–	(1,171)
Net cash flows used in financing activities	(1,134,845)	(18,369)
Effect of exchange rate on cash and cash equivalents	(412)	(103)
Net (decrease) /increase in cash and cash equivalents	(171,777)	256,232
Cash and cash equivalents at beginning of the year	330,258	74,026
Cash and cash equivalents at end of the year	158,481	330,258