



PRESS RELEASE

ROSINTER RESTAURANTS HOLDING PJSC SHOWS 50% EBITDA GROWTH AND A POSITIVE NET INCOME AS OF THE 1ST HALF OF 2021

Moscow, 27 August 2021: Rosinter Restaurants Holding PJSC (Rosinter, Rosinter Restaurants, the Company), one of the largest operators in the casual dining segment in Russia (Moscow Exchange MICEX-RTS: stock ticker ROST) announces its operating and financial performance for the 1st half of 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 the 1st half of 2021, Rosinter Restaurants Holding PJSC increased its revenue^[1] to RUB 2,917 million, or by 67% against the 1st half of 2020.
- The consolidated gross operating (systemic) revenue^[4] was RUB 4,719 million, which is by RUB 1,933 million (or 69%) more than in the similar period of the previous year.
- EBITDA before impairment and write-offs in the 1st half of 2021 went up by 50% to RUB 1,404 million (adjusted to IFRS 16). Adjusted EBITDA (before application of IFRS 16) before impairment and write-offs was RUB 277.7 million (or 10% of the Company's revenue) in the 1st half of 2021 as compared to the negative RUB 110.3 million in the 1st half of 2020.
- In the 1st half of 2021, the Company's net profit amounted to RUB 10 million against the loss of RUB 1,031 million during the similar period in 2020. Without the effect of IFRS 16, the net loss was RUB 35 million against RUB 487 million in the 1st half of 2020.
- Amid a significant food price inflation (according to various sources of data, it was at around 40% in the last year), Rosinter managed to decrease the share of expenses for food and beverages in the revenue by 1.3%. Among other measures this helped the Company to reach the goals of strategy implementation for keeping prices in restaurants down in order to maintain the guest traffic and loyalty rates amid the current drop in purchasing power.
- The 1st half of 2021 showed a 2.8% decrease in the share of lease expenses in the revenue as compared to the similar period in the previous year (before application of IFRS 16) as a result of used measures for optimization of this type of expenses.

The Chairman of the Board of Rosinter Restaurants Holding PJSC Rostislav Ordovsky-Tanaevsky comments:

These results in the most difficult times of the restaurant industry confirm the right decisions taken by ROSINTER Team and by President Margarita Kosteeva, giving us a hope for a good future.

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

Thanks to the gradual recovery of the public catering market after the impact of COVID-19, the implementation of an anti-crisis management strategy and a radical upgrade of the restaurant concepts, Rosinter has demonstrated improved performance in the key business areas. In the first half of 2021, Rosinter's revenues grew by 67% to RUB 2,917 million against the figure for 2020. The systemic revenue grew by 69% to come to RUB 4,719 million.

In our opinion, a key success driver is the significant increase in EBITDA that grew by 2.6 times against the similar period in the pre-pandemic year of 2019 and almost by 50% against the similar period of 2020 and came to RUB 1,4 billion. EBITDA grew amid a decrease in the revenue by almost 29% against the figure for 2019 (from RUB 3,763 in the 1st half of 2019 to RUB 2,917 million for the similar period of 2021). This proves that the current strategy is effective, steady and flexible in the continuing difficult situation and negative macroeconomic factors.*

At the end of the 1st half of 2021, the net profit of Rosinter Restaurants amounted to RUB 10 million against the loss of RUB 1,031 million compared with the similar period of 2020.

In 2020-2021, the Company has worked hard to optimize costs and adapt the restaurants to the new conditions during the recovery after the crisis. COVID19 has had its economic effect on the consumer behaviour and the landscape of the restaurant business. Amid the overall reduction in traffic, restaurants in the centre of big cities and locations with business activity see very strong downtrends in transactions. Also, restaurants in transportation hubs have been seriously affected due to reductions in the flows of tourists from abroad and passenger air travel restrictions (some restaurants located in the international airport terminals remain closed because there is no passenger traffic).

Much effort has been focused on developing the HR potential of Rosinter. We have significantly strengthened the creative unit to take a quantum leap in upgrading the restaurant concepts and techniques for their promotion. Thanks to team rotations by way of the internal promotion of team members who can boast ample experience and are highly loyal towards the Company, we will be able to make the required transformational changes and consistently implement the development strategy.

As at the end of the 1st half of 2021, Rosinter retained over 90% of the restaurant portfolio as compared with the pre-Covid-19 period (226 restaurants, of which 134 are corporate ones and 92 are franchise restaurants). We believe that until the economic situation goes back to normal and the traffic is restored we should focus on the selective promotion of corporate restaurants in commercially viable locations in the cities within our footprint and on the development of business through franchising.

Geographic diversification of the business (corporate and franchised restaurants all over Russia, spreading of the business in cities and at transport hubs), as well as a well-balanced portfolio of versatile restaurant brands, made it possible to create a stable business structure. At the same time, recovery of the passenger traffic in major Russian international airports accommodating a considerable part of Rosinter business outlets, as well as opening of restaurants, built but not put into service due to the pandemic, in Sheremetyevo, Domodedovo and a number of franchised facilities create a good potential for the further improvement of the financial performance and consolidation of the Rosinter 's position in the casual dining segment.

**all financial indicators in the citation are given being adjusted to IFRS 16 "Leases".*

FINANCIAL AND OPERATING RESULTS FOR THE 1ST HALF OF 2021

The table below contains comparative results under IFRS 16 “Leases” and IAS 17 “Leases”.

(RUB) millions	6M 2021 IFRS 16		6M 2020 IFRS 16		% Change Y-o-Y	6M 2021 IAS 17		6M 2020 IAS 17		% Change Y-o-Y
Net revenue	2,917	100%	1,748	100.0 %	66.9 %	2,917	100%	1,748	100.0 %	66.9 %
<i>Incl. Revenue from restaurants</i>	2,818	96.6 %	1,677	96.0 %	68.0 %	2,818	96.6 %	1,677	96.0 %	68.0 %
<i>Incl. Revenue from franchising</i>	72	2.5 %	44	2.5 %	64.8 %	72	2.5 %	44	2.5 %	64.8 %
Cost of sales	2,713	93.0 %	2,057	117.7 %	31.9 %	2,488	85.3 %	1,737	99.4 %	43.3 %
<i>Incl. Food and beverages</i>	572	19.6 %	320	18.3 %	78.5 %	572	19.6 %	320	18.3 %	78.5 %
<i>Incl. Payroll and related taxes</i>	563	19.3 %	451	25.8 %	24.9 %	563	19.3 %	451	25.8 %	24.9 %
<i>Incl. Rent</i>	269	9.2 %	66	3.8 %	308.7 %	808	27.7 %	533	30.5 %	51.6 %
Gross profit/(loss)	203	7.0 %	(309)	(17.7)%	(165.8)%	428	14.7 %	11	0.6 %	3879.7 %
SG&A Expenses	480	16.5 %	328	18.8 %	46.4 %	468	16.0 %	313	17.9 %	49.4 %
Start-up expenses for restaurants	37	1.3 %	25	1.4 %	49.4 %	37	1.3 %	25	1.4 %	49.4 %
Other gains	759	26.0 %	613	35.1 %	23.7 %	176	6.0 %	31	1.8 %	465.5 %
Other losses	8	0.3 %	4	0.2 %	102.6 %	8	0.3 %	12	0.7 %	(31.4)%
<i>Incl. Loss/(profit) on disposal of non-current assets</i>	3	0.1 %	(2)	(0.1)%	(225.2)%	3	0.1 %	8	0.5 %	(61.7)%
Profit/(Loss) from operating activities before impairment	437	15.0 %	(53)	(3.0)%	(929.6)%	90	3.1 %	(308)	(17.6)%	(129.3)%
Loss from impairment of operating assets	21	0.7 %	93	5.3 %	(77.6)%	21	0.7 %	93	5.3 %	(77.6)%
Profit/(Loss) from operating activities after impairment	416	14.3 %	(146)	(8.3)%	(385.4)%	69	2.4 %	(401)	(23.0)%	(117.3)%
Financial expenses, net	600	20.6 %	652	37.3 %	(7.9)%	241	8.3 %	260	14.9 %	(7.0)%
Foreign exchange gain/(loss), net	60	2.1 %	(416)	(23.8)%	(114.5)%	5	0.2 %	(8)	(0.4)%	(158.0)%
Loss before income tax	(124)	(4.2)%	(1,214)	(69.4)%	(89.8)%	(167)	(5.7)%	(669)	(38.3)%	(75.0)%
Income tax benefit	133	4.6 %	182	10.4 %	(26.8)%	132	4.5 %	182	10.4 %	(27.4)%
Net profit/(loss)	10	0.3 %	(1,031)	(59.0)%	(100.9)%	(35)	(1.2)%	(487)	(27.8)%	(92.8)%
EBITDA before impairment and write-offs	1,404	48.1 %	938	53.7 %	49.7 %	278	9.5 %	(110)	(6.3)%	(351.9)%

The comments to the table are based on financial results adjusted to IFRS 16 “Leases”.

Consolidated revenue for 6 months of 2021 amounted to RUB 2,917 million by growing by 66.9% against 6 months of 2020. The restaurants' revenue grew by 68% against the 1st half of 2020.

Cost of sales decreased by 24.7% against the cost of sales for the 1st half of 2020, mainly, due to a 6.5% reduction in the payroll expenses. Rent expenses grew by 5.4% against the 1st half of 2020. The cost of food and beverages increased by 1.3% against the 1st half of 2020 amid a rise in prices. All figures are calculated as a percentage of the revenue.

Gross profit margin grew to 7% in the 1st half of 2021 against a negative value of 17.7% in the 1st half of 2020 due to increased sales growth (the figures are calculated as a percentage of the revenue).

Selling, general and administrative expenses for 6 months of 2021 made for 16.5% of the revenue, which is 2.3% less than in the 1st half of 2020.

Start-up operating expenses for restaurants grew by RUB 12 million, or 49.4% against the comparable period, due to renewed investment projects.

Other gains fell by 9.1% (calculated as a percentage of the revenue) and grew by 146 million against the 1st half of 2021. The growth is on account of the write-off of payables under a concessionary loan from Promsvyazbank

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PJSC granted under the government initiatives for support of business and recognition of the rental discounts granted by landlords during the pandemic.

Loss from impairment of operating assets accounted for RUB 21 million, against RUB 93 million in the 1st half of 2020.

Financial expenses for 6 months of 2021 fell by 16.7% to come to RUB 600 million, which is RUB 62 million less than for 6 months of 2020. The fall is on account of discounts granted under lease agreements.

Net profit in the 1st half of 2021 made for RUB 10 million, against the loss of RUB 1,031 million in the comparable period of the previous year.

EBITDA^[4] before impairment and write-offs was RUB 1,404 million in the 1st half of 2021 and RUB 938 million in the 1st half of 2020, respectively.

^[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.

^[3] Adjusted figures – financial indicators adjusted to the effect from the adoption of the new IFRS 16 for operating lease.

^[4] Unaudited operating revenue (inclusive of VAT) includes only gross sales of restaurants and corporate cafes and does not include revenue from sub-lease of premises, revenue from franchising operations and other components.

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 often be identified by words such as "plans", "believes", "anticipates", "expects", "intends", "estimates", "will", "may", "continue", "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, performance or achievements of the Company to be materially different from the results, performance or achievements 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 30 June 2021, Rosinter Restaurants Holding PJSC is a major casual dining restaurant operator in Russia and the CIS, which runs 226 retail outlets in 27 cities of Russia, the CIS and Central Europe, including the Baltic States. The chain has 134 corporate restaurants and 92 franchised restaurants and cafes. The company develops its own brands IL Patio, Planet Sushi, Shikari, American Bar and Grill, Mama Russia, and also operates under franchise agreements a chain of American restaurants TGI FRIDAYS™ and a chain of British coffee shops Costa Coffee. In March 2012, Razvitie ROST LLC (a subsidiary of Rosinter Restaurants Holding) acquired the right to develop McDonald's fast-food chain on a franchise basis at railway stations and in airports of Moscow and St. Petersburg.

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

Company Website: www.rosinter.ru.

APPENDIX

Interim consolidated statement of financial position (unaudited) as at 30 June 2021
(All amounts are in thousand Russian roubles unless specified otherwise)

	Notes	30 June 2021 Unaudited	31 December 2020 Audited
Assets			
Non-current assets			
Property and equipment	4	2,153,205	2,228,728
Right-of-use assets	5	4,360,720	4,917,218
Intangible assets		446,220	488,161
Goodwill		143,137	143,137
Long-term loans due from related parties	6	6,600	6,600
Deferred income tax asset		742,309	781,356
Rent deposits and other non-current assets		215,101	217,570
		8,067,292	8,782,770
Current assets			
Inventories		104,297	107,685
VAT and other taxes recoverable		46,562	64,818
Income tax receivable		3,502	7,381
Accounts receivable		381,783	277,344
Advances paid		236,491	273,396
Receivables from related parties	6	63,618	64,105
Short-term loans issued		140	140
Short-term loans due from related parties	6	15,610	17,121
Cash and cash equivalents		159,482	74,026
		1,011,485	886,016
Total assets		9,078,777	9,668,786
Equity and liabilities			
Equity			
Equity attributable to equity holders of the parent entity:			
Authorized capital	7	2,767,015	2,767,015
Additional paid-in capital		1,885,685	1,885,685
Treasury shares	7	(35,969)	(35,969)
Other capital reserves		261	261
Accumulated losses		(7,297,759)	(7,306,948)
Translation difference		(417,483)	(413,586)
		(3,098,250)	(3,103,542)
Non-controlling interests		1,888	2,333
		(3,096,362)	(3,101,209)
Non-current liabilities			
Long-term loans and borrowings	9	3,802,821	3,694,198
Long-term lease obligations	10	3,983,893	4,526,721
Long-term debt due to related parties	6	46,541	47,471
Deferred income tax liabilities		164,353	346,330
		7,997,608	8,614,720
Current liabilities			
Trade and other payables		2,244,647	1,870,924
Short-term loans and borrowings	9	636,855	898,711
Short-term lease obligations	10	1,227,553	1,302,620
Payables to related parties	6	28,782	30,986
Short-term liabilities to partners		272	–
Income tax payable		39,422	52,034
		4,177,531	4,155,275
Total equity and liabilities		9,078,777	9,668,786

Interim consolidated statement
of profit and loss (unaudited)
for six months ended on 30 June 2021
(All amounts are in thousand Russian roubles unless specified otherwise)

	Notes	For six months ended on 30 June	
		2021	2020
		Unaudited	
Revenue	11	2,916,673	1,747,663
Cost of sales	12	(2,713,190)	(2,056,898)
Gross profit/(loss)		203,483	(309,235)
Selling, general and administrative expenses	13	(480,104)	(327,893)
Start-up expenses for restaurants		(37,133)	(24,851)
Other income	14	758,576	613,335
Other expenses	14	(7,847)	(4,027)
Profit (loss)/ from operating activities before impairment		436,975	(52,671)
Loss from impairment of operating assets	15	(20,886)	(93,139)
Profit (loss)/ from operating activities after impairment		416,089	(145,810)
Financial income		295	146
Financial expense	16	(600,631)	(651,691)
Foreign exchange (loss)/gain, net		60,496	(416,303)
Loss before tax		(123,751)	(1,213,658)
Income tax benefit		133,445	182,218
Net profit/(loss) for the period		9,694	(1,031,440)
Attributable to:			
Equity holders of the parent entity		9,189	(1,031,493)
Non-controlling interests		505	53
Earnings per share			
Basic, profit/(loss) per share, roubles	8	0.57	(63.50)
Diluted, profit/(loss) per share, roubles		0.57	(63.45)

Interim consolidated statement
of cash flows (unaudited)
for six months ended on 30 June 2021
(All amounts are in thousand Russian roubles unless specified otherwise)

	Notes	For six months ended on 30 June	
		2021	2020
		Unaudited	
Operating activities			
Loss before tax		(123,751)	(1,213,658)
<i>Adjustments to reconcile loss before tax to net cash provided by operating activities:</i>			
Depreciation and amortization	12,13	964,643	993,062
Foreign exchange loss/(gain), net		(60,496)	416,303
Financial income		(295)	(146)
Financial expense		600,631	651,691
Increase in the allowance for expected credit losses of advances paid, taxes recoverable and receivables	13	2,133	432
(Decrease)/increase in the allowance for impairment of inventories to net realizable value		(6,102)	6,644
Loss on disposal of inventories	14	143	23
Loss from shortages	14	167	1,013
Loss/(profit) from disposal of non-current assets	14	2,696	(2,179)
Write-off of borrowings received	14	(171,175)	–
Write-off of trade and other payables	14		(1,371)
Share-based payment benefit: (profit)			(1,274)
Impairment of assets	15	20,886	93,139
Rental discounts due to the pandemic	14	(583,437)	(580,127)
		646,043	363,552
<i>Changes in operating assets and liabilities:</i>			
Decrease in inventories		7,814	44,590
(Increase)/decrease in advances paid, taxes recoverable, receivables, rent deposits and other non-current assets		(98,657)	120,261
Decrease in receivables from related parties		4,189	6,965
Decrease/(increase) in payables to related parties		(3,827)	18,550
Increase/(decrease) in payables		301,655	(45,988)
Net cash generated from operations		857,217	507,930
Interest paid		(458,264)	(491,287)
Interest received		88	21
Income tax paid		(15,716)	(6,962)
Net cash flows generated from operating activities		383,325	9,702

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Interim consolidated statement
of cash flows (unaudited)
for six months ended on 30 June 2021
(All amounts are in thousand Russian roubles unless specified otherwise)

	Notes	For six months ended on 30 June	
		2021	2020
		Unaudited	
Investing activities			
Purchases of property and equipment	4	(199,273)	(69,652)
Purchase of intangible assets		(2,024)	(10,114)
Proceeds from disposal of property and equipment		1,832	807
Proceeds from loans issued to third parties		–	1,300
Net cash flows used in investing activities		(199,465)	(77,659)
Financing activities			
Proceeds from bank loans		209,860	587,118
Repayment of bank loans		(111,913)	(524,797)
Rental payments		(192,748)	(76,077)
Proceeds from related party loans		4,000	4,000
Repayment of related party loans		(4,000)	–
Sale of treasury shares	7	–	4,496
Dividends paid to shareholders		(827)	–
Net cash flows used in financing activities		(95,628)	(5,260)
Effect of exchange rate on cash and cash equivalents		(2,776)	(7,823)
Net increase/(decrease) in cash and cash equivalents		85,456	(81,040)
Cash and cash equivalents at beginning of the period		74,026	149,773
Cash and cash equivalents at the end of the period		159,482	68,733