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PRESS RELEASE

ROSINTER RESTAURANTS HOLDING PJSC ANNOUNCES IFRS RESULTS FOR 1H 2020

Moscow, December 25, 2020: Rosinter Restaurants Holding PJSC (Rosinter or Rosinter Restaurants or the Company) is one of the major operators in the casual dining restaurant segment in Russia (MICEX-RTS: ticker ROST) announces its operating and financial performance for 1H 2020, in accordance with IFRS. These statements have been confirmed by the auditor of the Company and have been prepared in accordance with the application of IFRS 16 “Leases” *.

FINANCIAL AND OPERATING HIGHLIGHTS AND CORPORATE EVENTS IN 1H 2020

- Consolidated revenues[1] of Rosinter Restaurants Holding PJSC decreased by 54% in 1H 2020 compared to 1H 2019 and amounted to MRUB 1,748 as a result of the negative impact of restrictive measures imposed by the Government due to spread of COVID-19 in Russia and around the world. Those restrictive measures resulted in a lost revenue during the period when Group’s restaurants were closed for almost the entire 2nd quarter of 2020. Guest traffic and, accordingly, revenue from restaurants drastically decreased at the end of the 1st quarter of 2020 due to negative news about the beginning of a COVID-19 pandemic.
- The IFRS 16 “Leases” had a significant effect on IFRS financial results. The impact of IFRS 16 led to an increase in EBITDA[2] by MRUB 1,048 to MRUB 938.2. Adjusted EBITDA (without the IFRS 16 effect) for 1H 2020 was negative and amounted to MRUB 110.2. Despite the decrease in revenue for 1H 2020 by MRUB 2,016 compared to 1H 2019, the Group managed to avoid a more significant to decrease in adjusted EBITDA[3], which amounted to MRUB 105.1 in 1H 2019.
- The impact of IFRS 16 Leases led to an increase of net loss by MRUB 545 to MRUB 1,031 due to foreign exchange losses from revaluation of foreign currency denominated lease liabilities. The adjusted[3] net loss amounted to MRUB 486.7.

Margarita Kosteeva, CEO, Rosinter Restaurants Holding PJSC:

"Most of the Group's restaurants were closed due to quarantine restrictions imposed by the Government and regional authorities of the Russian Federation from March 28 to June 16, 2020. Commercial activity was carried out only by 15-20% of the restaurants of the total number of the Group's restaurants that worked for delivery. The decrease in guest traffic began in early March 2020, and quarantine restrictions were lifted at the end of June in Moscow and in August in other regions of Russia. The Group did not receive revenue for at least three calendar months. As a result, gross revenue for the 1H 2020 decreased by 54% and amounted to MRUB 1,748.

Rosinter is planning to gradually reopen at least 95% of restaurants after the pandemic (compared to the number at the beginning of 2020). Currently, more than 90% of corporate and franchised restaurants have already been reopened, mostly in city locations. The situation remains difficult at transportation hubs, since guest traffic directly depends on the level of passenger traffic, and restaurants will reopen as traffic restores.

Restart of the business after the spring lockdown, as well as the threat of a "second wave" of the pandemic, required us to change the tools and approaches in budgeting and cost management. Rosinter has revised the financial model of restaurants while maintaining EBITDA profitability and financial stability during the pandemic and post-pandemic periods that were affected by decrease in revenue due to drop in consumer demand and negative impact of macroeconomic factors.

The Group is working on optimizing the business model of the main restaurant brands (IL Patio, TGI Fridays, Planet Sushi, Shikari, Costa Coffee, American Bar and Grill, Mama Russia, etc.), in order to make them more affordable in the current economic environment and to develop them through franchising.

Rosinter has re-engineered the menu of restaurant concepts, adding new high-quality and more affordable dishes. Decrease in the purchasing power of people (along with the continuing threat of the spread of COVID-19) will be one of the main reasons preventing the recovery of the restaurant business in the near future. Updating the menu by introducing more affordable dishes will retain regular guests, allowing them to feel comfortable in the current position and not to abandon their favorite restaurants.

In addition, Rosinter has seriously changed the strategy of promoting restaurant brands in favor of digital tools, web personalization, working with the visual component of brands and Internet resources, this will ensure diversification of the client base and will increase the loyalty of regular guests in the future.

The Group's management has developed a number of cost-optimization measures to maintain its liquidity position, including:

- Food and beverages cost reduction by re-engineering the menu and adapting it to the consumer. As a result, despite the volatility of the currency exchange rate, the economic consequences of the pandemic and the increase in purchase prices, decrease in the food and beverages cost as percent of revenue compared to the 1H 2019 amounted to about 3%.

- Since the beginning of the pandemic, the Group has been negotiating with landlords to revise the rental rates and provide a discount in proportion to the factual restaurants revenue for the COVID-19 recovery period when a consumer demand is low. As a result of negotiation, average rental payments decreased by 51.6% for the Group's restaurant portfolio over the reporting period.

- In the second quarter of 2020, we started negotiating with banks to restructure the Group's loan portfolio.

The pandemic has had a tremendous impact on the restaurant industry. We have faced unprecedented challenges related self-isolation, quarantine, implementation of digital tools and high levels of economic instability. The economic landscape has changed not only for individual trading territories, but for entire cities. Consumer behavior and purchasing power are changing. We understand that the restaurant business will work in new realities after restoration. And we are ready for this.

I would like to thank each Rosinter Restaurants employee for their loyalty to the company and selfless work during this difficult period, to say words of gratitude to partners for constructive cooperation and willingness to meet halfway and to shareholders - for their trust and support!

Financial and operating highlights for the 1H 2020 and 1H 2019 without the IFRS 16 effect.

(RUB) thousands	6M 2020		6M 2019		% Change, Y-o-Y	p.p. change, Y-o-Y
Net revenue	**1,747,663**	***100.0 %***	**3,763,280**	***100.0 %***	***(53.6)%***	**-**
Incl. Revenue from restaurants	*1,677,292*	*96.0 %*	*3,628,032*	*96.4 %*	*(53.8)%*	*(0.4)%*
Incl. Revenue from franchising	*43,958*	*2.5 %*	*102,291*	*2.7 %*	*(57.0)%*	*(0.2)%*
Cost of sales	**1,736,904**	***99.4 %***	**3,359,755**	***89.3 %***	***(48.3)%***	***10.1 %***
Incl. Food and beverages	*320,305*	*18.3 %*	*796,872*	*21.2 %*	*(59.8)%*	*(2.9)%*
Incl. Payroll and related taxes	*450,827*	*25.8 %*	*813,236*	*21.6 %*	*(44.6)%*	*4.2 %*
Incl. Rent	*533,177*	*30.5 %*	*1,101,303*	*29.3 %*	*(51.6)%*	*1.2 %*
Gross profit	**10,759**	***0.6 %***	**403,525**	***10.7 %***	***(97.3)%***	***(10.1)%***
SG&A Expenses	313,401	*17.9 %*	398,253	*10.6 %*	*(21.3)%*	*7.3 %*
Start-up expenses for restaurants	24,851	*1.4 %*	36,161	*1.0 %*	*(31.3)%*	*0.4 %*
Other gains	31,052	*1.8 %*	10,364	*0.3 %*	*199.6 %*	*1.5 %*
Other losses	11,912	*0.7 %*	32,671	*0.9 %*	*(63.5)%*	*(0.2)%*
Incl. Loss on disposal of non-current assets	*7,885*	*0.5 %*	*16,397*	*0.4 %*	*(51.9)%*	*0.1 %*
Loss from operating activities before impairment	**(308,353)**	***(17.6)%***	**(53,196)**	***(1.4)%***	***479.7 %***	***(16.2)%***
Loss from impairment of operating assets	93,139	*5.3 %*	13,776	*0.4 %*	*576.1 %*	*4.9 %*
Loss from operating activities after impairment	**(401,492)**	***(23.0)%***	**(66,972)**	***(1.8)%***	***499.5 %***	***(21.2)%***
Financial expenses, net	259,573	*14.9 %*	181,504	*4.8 %*	*43.0 %*	*10.1 %*
Foreign exchange (loss)/gain, net	(7,798)	*(0.4)%*	1,776	-	*(539.1)%*	*-0.4%*
Loss before income tax	**(668,864)**	***(38.3)%***	**(246,700)**	***(6.6)%***	***171.1 %***	***(31.7)%***
Income tax benefit/(expense)	182,218	*10.4 %*	(13,494)	*(0.4)%*	*(1450.4)%*	*10.8 %*
Net loss	**(486,646)**	***(27.8)%***	**(260,194)**	***(6.9)%***	***87.0 %***	***(20.9)%***
Loss from operating activities before impairment	(308,353)	*(17.6)%*	(53,196)	*(1.4)%*	*479.7 %*	*(16.2)%*
Depreciation and amortization	190,204	*10.9 %*	141,946	*3.8 %*	*34.0 %*	*7.1 %*
Loss on disposal of non-current assets	7,885	*0.5 %*	16,397	*0.4 %*	*(51.9)%*	*0.1 %*
EBITDA before impairment and write-offs	**(110,264)**	***(6.3)%***	**105,147**	***2.8 %***	***(204.9)%***	***(9.1)%***

Consolidated revenues amounted to MRUB 1,748 in 1H 2020 and decreased by 53.6% compared to 1H 2019.

The restaurants' revenue decreased by 53.8% compared to 1H 2019.

The decrease in revenue was due to the implementation of quarantine measures in the 1H 2020, which led to the closure of most of our restaurants.

Cost of sales increased by 10.1% in comparison to 1H 2019 due to increase in rent cost by 1.2%, increase in payroll costs by 4.2% in 1H 2020. All indicators were measured as percentage of revenue.

The payroll costs as a percentage of revenue increased due to a significant decrease in sales during the COVID-19 pandemic, while the Group retained the required number of restaurant employees for stable operation.

At the same time, the Group succeeded in reducing the level of food cost by 2.9% due to re-engineering of the menu by introducing dishes at affordable prices. The indicator was measured as percentage of revenue.

Gross profit margin amounted to 0.6% in 1H 2020, and decreased by 10.1% as percentage of revenue compared to 10.7% in 1H 2019 and generally due to the increase of rent and payroll costs as percentage of revenue.

Decrease in ***selling, general and administrative costs*** by *21*.3% was related to the decrease of payroll costs in the support center and advertising costs.

Decrease ***in start-up expenses*** by 31.3% in comparison with 1H 2019 was due to absence of restaurant updates in the 1H 2020.

Other costs for the 1H 2020 remained approximately at the level of the same period of 2019 as a percentage of revenue.

Impairment loss on operating assets increased to 5.3% of revenues due to the closure of unprofitable restaurants in 2H 2019.

The Group's operational performance in the 1H 2020 was significantly affected by the closure of most locations in the 2nd quarter of due to the introduction of quarantine measures. These circumstances resulted in a ***net loss*** amounted MRUB 487 during 1H 2020.

The application of the accounting standard IFRS 16 ''Lease'' and its effect on the financial statement for the 1H 2020

The Group has adopted IFRS 16 Leases from January 1, 2019 which has significant effect on the financial numbers. In accordance with IFRS 16, lease expenses excluded from cost and SG&A, instead of it the cost of amortization right-of-use asset and interest expenses on lease liabilities were recognized. IFRS 16 was impacted financial statement for 1H 2020 as follows:

- Profit from operating activities decreased by MRUB 256;
- EBITDA[2] before impairment and write-offs increased by MRUB 938, that was higher than adjusted[3] (by impact of IFRS 16) EBITDA before impairment and write-offs by MRUB 1,048.
- Depreciation expenses of right-of-use asset amounted to MRUB 803.
- Financial expenses increased by MRUB 392 due to interest expenses on lease liabilities.
- Foreign exchange loss increased by MRUB 409 due to revaluation of foreign currency denominated lease liabilities.

[1] Revenue in accordance with IFRS is the consolidated revenue of the Rosinter Group calculated in accordance with international financial reporting standards (without VAT) and include sales of restaurants and corporate cafes, as well as revenue from subleasing 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 measurements of our operating performance under IFRS and should not be considered as an alternative to profit for the year, operating profit or any other performance measures derived in accordance with IFRS or as an alternative to cash flow from operating activities or as a measure of our liquidity. Our approach to calculating EBITDA may differ from the approach of other companies.

[3] Adjusted figures – financial indicators were corrected on the effect from the adoption of the new IFRS 16 "Lease" for comparability of previous periods data, as IFRS 16 applied in the first time from 1 January 2019 and comparable information didn't revised.

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Some information in this review 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 control that could cause the actual results, performance or achievements of the Company to be materially different from future 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 the Company's and/or its Management expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based. The information and opinions contained in this review are provided as at the date of this review and are subject to change by the Company's own discretion without notice of any kind and form.

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Note to Editors:

As of December 2020 PJSC Rosinter Restaurants Holding is the leading casual dining restaurant company in Russia and CIS, which operates 227 outlets in 29 cities in Russia, CIS and Central Europe, including Baltic countries. The chain has 135 corporate restaurants and 92 franchised restaurants. The Company develops its own brands IL Patio, Planet Sushi, Shikari, American Bar and Grill, Mama Rasha, and 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 PJSC Rosinter Restaurants Holding) has acquired the right to develop McDonald’s brand on a franchise basis in Moscow and Saint Petersburg transportation hubs.

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

Company site: www.rosinter.com

APPENDIX

Interim Consolidated Statement of Financial Position (unaudited) at June 30, 2020

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

	Notes	June 30, 2020, unaudited	December 31, 2019, audited
ASSETS			
Non-current assets			
Property and equipment	4	2,287,909	2,506,940
Right-of-use assets	5	5,452,431	6,279,995
Intangible assets		534,390	570,317
Goodwill		143,137	143,137
Long-term loans due from related parties	6	6,600	6,600
Deferred income tax asset		429,898	337,241
Rent deposits and other non-current assets		223,007	170,235
		9,077,372	**10,014,465**
Current assets			
Inventories		99,406	151,649
VAT and other taxes recoverable		59,876	62,997
Income tax recoverable		12,556	5,447
Trade and other receivables		172,137	174,772
Advances paid		176,095	293,362
Receivables from related parties	6	160,084	149,043
Short-term loans issued		400	1,700
Short-term loans due from related parties	6	14,415	14,415
Cash and cash equivalents		68,733	149,773
		763,702	**1,003,158**
TOTAL ASSETS		**9,841,074**	**11,017,623**
EQUITY AND LIABILITIES			
Equity			
Equity attributable to equity holders of the parent entity			
Share capital	7	2,767,015	2,767,015
Additional paid-in capital		1,885,685	1,885,061
Treasury shares	7	(35,969)	(39,841)
Other capital reserves		261	706
Accumulated losses		(6,503,410)	(5,471,917)
Translation difference		(415,046)	(427,563)
		(2,301,464)	**(1,286,539)**
Non-controlling interests		2,733	2,680
		(2,298,731)	**(1,283,859)**
Non-current liabilities			
Long-term loans and borrowings	9	3,112,818	3,560,355
Long-term lease obligation	10	4,686,979	4,976,411
Long-term loans due to related parties	6	10,965	10,965
Deferred income tax liabilities		112,268	201,307
		7,923,030	**8,749,038**
Current liabilities			
Trade and other payables		1,551,678	1,489,038
Short-term loans and borrowings	9	1,252,170	730,524
Short-term lease obligation	10	1,282,474	1,227,950
Payables to related parties	6	25,873	13,736
Short-term loans due to related parties	6	38,057	30,119
Short-term liabilities to partners		–	256
Deferred income		3,112	4,036
Income tax payable		63,411	56,785
		4,216,775	**3,552,444**
TOTAL EQUITY AND LIABILITIES		**9,841,074**	**11,017,623**

Interim Consolidated Statement of Profit or Loss (unaudited)
for the six months ended June 30, 2020

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

		For the six months ended June 30	
		2020	2019
	Notes	Unaudited	
Revenue	11	1,747,663	3,763,280
Cost of sales	12	(2,056,898)	(3,182,312)
Gross (loss)/profit		**(309,235)**	**580,968**
Selling, general and administrative expenses	13	(327,893)	(392,382)
Start-up expenses for restaurants		(24,851)	(36,161)
Other gains	14	613,335	10,364
Other losses	14	(4,027)	(32,185)
(Loss)/profit from operating activities before impairment		**(52,671)**	**130,604**
Loss from of impairment of operating assets	15	(93,139)	(13,776)
(Loss)/profit from operating activities after impairment		**(145,810)**	**116,828**
Financial income		146	29,158
Financial expense	16	(651,691)	(634,194)
Foreign exchange (loss)/gain, net		(416,303)	395,808
Loss before income tax		**(1,213,658)**	**(92,400)**
Income tax benefit/(expense)		182,218	(56,848)
Net loss for the period		**(1,031,440)**	**(149,248)**
Attributable to:			
Equity holders of the parent entity		(1,031,493)	(149,545)
Non-controlling interests		53	297
Earnings per share	8		
Basic, loss per share, roubles		(63.50)	(9.44)
Diluted, loss per share, roubles		(63.45)	(9.41)

Interim Consolidated Statement of Cash Flows (unaudited)
for the six months ended June 30, 2020

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

		For the six months ended June 30	
		2020	**2019**
	Notes	**Unaudited**	
Operating activities			
Loss before tax		(1,213,658)	(92,400)
Adjustments to reconcile loss before tax to net cash provided by operating activities:			
Depreciation and amortization	12,13	993,062	1,024,635
Foreign exchange loss/(gain), net		416,303	(395,808)
Financial income		(146)	(29,158)
Financial expense		651,691	634,194
Allowance for/(reversal of) impairment of advances paid, taxes recoverable and receivables	13	432	(23,523)
Allowance for impairment of inventories to net realizable value		6,644	3,468
Loss on disposal of inventory	14	23	7,775
Inventory shortage	14	1,013	2,724
(Gain)/loss on disposal of non-current assets	14	(2,179)	15,425
Write-off of trade and other payables	14	(1,371)	(66)
Share based payment (benefit)/expenses		(1,274)	2,065
Provision for impairment of operating assets	15	93,139	13,776
Reversal of provision for contingent claims	14	–	(5,705)
Discounts on lease payment	14	(580,127)	–
		363,552	**1,157,402**
Changes in operating assets and liabilities:			
Decrease in inventories		44,590	55,185
Decrease/(increase) in advances paid, taxes recoverable, receivables rent deposits and other non-current assets		120,261	(61,588)
Decrease in receivables from related parties		6,965	2,343
Increase/(decrease) in payables to related parties		18,550	(556)
(Decrease)/increase in trade and other payables		(45,988)	345,678
Net cash flows generated from operations		**507,930**	**1,498,464**
Interest paid		(491,287)	(630,058)
Interest received		21	87
Income tax paid		(6,962)	(18,616)
Net cash flows generated from operating activities		**9,702**	**849,877**
Investing activities			
Purchases of property and equipment	4	(69,652)	(122,249)
Purchase of intangible assets		(10,114)	(47,485)
Issuance of loans to third parties		–	(7,940)
Issuance of loans to related parties		–	(8,233)
Proceeds from disposal of property and equipment		807	1,617
Repayments of loans issued to third parties		1,300	–
Net cash flows used in investing activities		**(77,659)**	**(184,290)**

Continued on the next page

Interim Consolidated Statement of Other Comprehensive Income (unaudited)
for the six months ended June 30, 2020 (continued)

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

		For the six months ended June 30	
		2020	**2019**
	Notes	**Unaudited**	
Financing activities			
Proceeds from bank loans		587,118	594,391
Repayment of bank loans		(524,797)	(677,324)
Payment of lease liabilities		(76,077)	(642,756)
Proceeds from related party loans		4,000	47,296
Repayment of related party loans		–	(86)
Sale of treasury shares	7	4,496	–
Dividends paid to the shareholders		–	(392)
Net cash flows used in financing activities		**(5,260)**	**(678,871)**
Effect of exchange rate on cash and cash equivalents		(7,823)	5,496
Net decrease in cash and cash equivalents		**(81,040)**	**(7,788)**
Cash and cash equivalents at beginning of the period		**149,773**	**148,385**
Cash and cash equivalents at end of the period		**68,733**	**140,597**