



PRESS RELEASE

ROSINTER INCREASED REVENUE BY 12.5% TO DEMONSTRATE FINANCIAL PERFORMANCE COMPARABLE TO THAT IN THE SIMILAR PERIOD OF 2021

Moscow, 29 August 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 the 1st half of 2022 in accordance with the International Financial Reporting Standards. The statements have been confirmed by the Company's auditor and prepared in accordance with IFRS 16 "Leases".

KEY FINANCIAL AND OPERATING RESULTS

- In the first half of 2022, Rosinter increased its revenue under IFRS^[1] by 12.5% to RUB 3,280 million compared to the same period in 2021.
- EBITDA before impairment and write-offs^[2] amounted for 6 months of 2022 to RUB 1,067 million. Adjusted^[3] EBITDA before impairment and write-offs under IAS 17 fell by 4.6% to RUB 265 million. The adjusted EBITDA margin in the 1st half of 2022 was 8.1%, which is 1.4% lower than in the 1st half of 2021.
- Net profits in the 1st half of 2022 amounted to RUB 1 million (IFRS 16) compared to RUB 10 million in the 1st half of 2021.

FINANCIAL RESULTS BY BUSINESS UNITS:

City restaurants (city business)

At the beginning of 2022, Rosinter demonstrated positive dynamics by increasing revenues in city locations and malls (+7% against 2021); however, because of the geopolitical situation at the end of February the industry changed to a negative trend. In March 2022, the guest traffic in malls, where a large part of Rosinter's restaurants are located, dropped dramatically because of the departure of anchor tenants, after which revenues in some of the restaurants dropped by up to 30%.

At the same time, some of the restaurants located in urban (street) locations continue improving their financial performance by the marketing programs for promoting restaurant brands, attracting new audiences, and improving guest loyalty, including measures aimed at optimizing operational efficiency, improving the service quality and updating restaurant menus.

Restaurants in transportation hubs

Due to the sanctioned ban on international air travel to Europe and the US, in the 1st half of 2022 the international passenger traffic hit its lowest. 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), which has its negative impact on the Company's financial performance.

The closure of 11 airports in southern Russia also had a negative effect on restaurant revenues, but timely operational efficiency measures minimized the drop in their revenues. The railway station traffic also sees a gradual recovery after the economic consequences of COVID-19, but not has back to the pre-pandemic level of 2019.

Franchising

In the 1st half of 2022, Rosinter expanded its footprint by opening 5 new partner restaurants: IL Patio and Planet Sushi in Nizhnevartovsk, IL Patio in Moscow, and IL Patio and Planet Sushi in Kaspiysk (Dagestan).

Rosinter will continue implementing the adopted strategy and will focus on the regional expansion, which is particularly important due to the increase in domestic tourism. The Company is currently constructing 10 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".

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

"Rosinter's financial performance in the 1st half of 2022 is comparable to that in the same period of 2021. It is a good result considering that most restaurants at airports suspended their activities and the traffic and revenues in the restaurants located in malls shrank amid rising inflation and food prices. Nevertheless, Rosinter remained financially stable and increased IFRS revenues by 12.5% (RUB 3.3 billion). System revenues increased by 8.3% to RUB 5.1 billion.

Maintaining the sustainable operation of the restaurants at the times of economic instability and disrupted logistics depended largely on uninterrupted supplies of products and effective communications with partners and suppliers. Rosinter managed to keep practically unchanged the selections of offered dishes and curb the increase in the current restaurant menu prices below the inflation rate, which helped increase customer loyalty and retain revenues.

The events that took place at the beginning of 2022 initiated drastic changes in the entire restaurant market. Today, our task is to adapt our business to the new realities and make effective use of new opportunities for the Company's development. Rosinter is still focused on increasing customer loyalty and providing the best standards of food, service and hospitality.

In April 2022, Rosinter Restaurants was listed among systemic companies of Russia - it is an additional opportunities for government support of business during an economic crisis. The Company will persist with its objective to increase profitability and improve operational efficiency. We expect that thanks to its balanced portfolio of restaurant brands and the geographical diversification of business Rosinter will maintain its financial stability in a tough economic environment, benefit from its competitive position in the current situation, and resume, as soon as possible, organic growth with consumer demand recovery".

FINANCIAL AND OPERATING RESULTS OF THE 1ST HALF OF 2022

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

(RUB) thousands	6M 2022	IAS 17	6M 2021	IAS 17	% diff	6M 2022	IFRS 16	6M 2021	IFRS 16	% diff
Net revenue	3,280,087	100%	2,916,673	100.0 %	12.5 %	3,280,087	100.0 %	2,916,673	100.0 %	12.5 %
Incl. Revenue from restaurants	3,136,088	95.6 %	2,817,679	96.6 %	11.3 %	3,136,088	95.6 %	2,817,679	96.6 %	11.3 %
Incl. Revenue from franchising	84,375	2.6 %	72,435	2.5 %	16.5 %	84,375	2.6 %	72,435	2.5 %	16.5 %
Cost of sales	2,685,195	81.9 %	2,488,481	85.3 %	7.9 %	2,689,301	82.0 %	2,713,190	93.0 %	(0.9)%
Incl. Food and beverages	747,935	22.8 %	571,883	19.6 %	30.8 %	747,935	22.8 %	571,883	19.6 %	30.8 %
Incl. Payroll and related taxes	645,034	19.7 %	563,171	19.3 %	14.5 %	645,034	19.7 %	563,171	19.3 %	14.5 %
Incl. Rent	791,167	24.1 %	808,436	27.7 %	(2.1)%	95,032	2.9 %	268,652	9.2 %	(64.6)%
Gross profit	594,892	18.1 %	428,192	14.7 %	38.9 %	590,786	18.0 %	203,483	7.0 %	190.3 %
SG&A Expenses	458,558	14.0 %	468,107	16.0 %	(2.0)%	462,516	14.1 %	480,104	16.5 %	(3.7)%
Start-up expenses for restaurants	7,033	0.2 %	37,133	1.3 %	33.5 %	7,033	0.2 %	37,133	1.3 %	(81.1)%
Other gains	6,430	0.2 %	175,589	6.0 %	(96.3)%	100,223	3.1 %	758,576	26.0 %	(86.8)%
Other losses	18,315	0.6 %	8,170	0.3 %	124.2 %	34,494	1.1 %	7,847	0.3 %	339.6 %
Incl. Loss on disposal of non-current assets	7,782	0.2 %	3,020	0.1 %	157.7 %	23,961	0.7 %	2,696	0.1 %	788.9 %
Profit from operating activities before impairment	117,416	3.6 %	90,371	3.1 %	29.9 %	186,966	5.7 %	436,975	15.0 %	(57.2)%
Loss from impairment of operating assets	838	0.0 %	20,886	0.7 %	(96.0)%	838	0.0 %	20,886	0.7 %	(96.0)%
Profit from operating activities after impairment	116,578	3.6 %	69,485	2.4 %	67.8 %	186,128	5.7 %	416,089	14.3 %	(55.3)%
Financial expenses, net	270,075	8.2 %	241,387	8.3 %	11.9 %	566,771	17.3 %	600,336	20.6 %	(5.6)%
Foreign exchange gain, net	58,263	1.8 %	4,519	0.2 %	1189.3 %	438,813	13.4 %	60,496	2.1 %	625.4 %
(Loss)/profit before income tax	(95,234)	(2.9)%	(167,383)	(5.7)%	(43.1)%	58,170	1.8 %	(123,751)	(4.2)%	(147.0)%
Income tax benefit	(24,992)	(0.8)%	132,329	4.5 %	(118.9)%	(57,013)	(1.7)%	133,445	4.6 %	(142.7)%
Net (loss)/profit	(120,226)	(3.7)%	(35,054)	(1.2)%	243.0 %	1,157	0.0 %	9,694	0.3 %	(88.1)%
EBITDA before impairment and write-offs	264,965	8.1 %	277,702	9.5 %	(4.6)%	1,066,615	32.5 %	1,404,314	48.1 %	(24.0)%

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

Consolidated revenue in the 1st half of 2022 increased by 12.5% compared to the 1st half of 2021 and amounted to RUB 3,280 million.

Gross profit margin increased in the 1st half of 2022 by 3.4 percentage points to 18.1%, mainly due to the reduction of the lease expenses - all figures were calculated as a percentage of the revenues.

Over 6 months of 2022, **food costs** increased by 3.2% (as a percentage of the revenues) compared to 6 months of 2021, due to growing inflation and increasing food prices.

Lease costs decreased in the 1st half of 2022 by 3.6 percentage points as a result of the reduction in the rent rates negotiated with landlords and suspended restaurant activities in international areas due to the geopolitical situation.

Selling, general and administrative expenses decreased by 2% due to the reduction of lease and advertising costs.

In the first half of 2022, due to the suspension of the opening of new locations, **restaurant start-up expenses** significantly decreased against the same period of 2021 to come to RUB 7 million.

Other income decreased by 96.3% due to non-recurring income from the write-off of payables under the concessional loan in the first half of 2021.

Other expenses insignificantly increased compare to the 1st half of 2021, as a percentage of the revenues, due to increasing loss from disposal of non-current assets.

Financial expenses (net) remained at the level of the 1st half of 2021 - the figures are calculated as a percentage of the revenues.

Foreign exchange gains amounted to RUB 58.3 million in the 1st half of 2022, compared to the gains of RUB 4.5 million in the 1st half of 2021, due to the changes in the exchange rate of the rouble to other currencies.

Loss from reversal of impairment of operating assets amounted in the 1st half of 2022 to RUB 0.8 million, compared to impairment loss of RUB 20.9 million in the 1st half of 2021. Reversal of impairment loss was due to changes in the accounting estimates used to measure the recoverable value of assets in the 1st half of 2022.

Net loss in the 1st half of 2022 made for RUB 120 million, compared to the loss of RUB 35 million in the same period of 2021. The main difference between loss amounts in the 1st half of 2022 and the 1st half of 2021 consists in the concessional loan written off in 2021.

EBITDA before impairment and write-offs amounted to RUB 265 million, having decreased by RUB 13 million compared to the 1st half of 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.

^[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:

As at 30 June 2022, Rosinter Restaurants Holding PJSC is a major casual dining restaurant operator in Russia, running 219 retail outlets in 30 cities of Russia, the CIS and Central Europe, including the Baltic States. The chain comprises 121 corporate restaurants and 98 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 FRIDAYSTM restaurants and a chain of Costa Coffee shops.

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

APPENDIX 1

Interim consolidated statement of financial position (unaudited) as at 30 June 2022
(All amounts are in thousand Russian roubles unless specified otherwise)

	Notes	June 30, 2022, unaudited	December 31, 2021, audited
ASSETS			
Non-current assets			
Property and equipment	4	2,061,703	2,113,664
Right-of-use assets	5	4,668,948	4,371,471
Intangible assets		374,557	414,913
Goodwill		143,137	143,137
Long-term loans due from related parties	6	6,600	6,600
Deferred income tax asset		616,891	673,685
Rent deposits and other non-current assets		212,982	178,932
		8,084,818	7,902,402
Current assets			
Inventories		95,074	123,554
VAT recoverable		19,512	17,193
Income tax prepayment		2,265	2,656
Trade and other receivables		270,188	274,327
Advances paid		342,464	342,792
Receivables from related parties	6	39,368	54,618
Short-term loans due from related parties	6	9,165	9,515
Cash and cash equivalents		289,103	330,258
		1,067,139	1,154,913
TOTAL ASSETS		9,151,957	9,057,315
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	1,885,685
Treasury shares	7	(35,969)	(35,969)
Other capital reserves		261	261
Accumulated losses		(7,211,958)	(7,212,907)
Translation difference		(485,010)	(409,514)
		(3,079,976)	(3,005,429)
Non-controlling interests		2,008	1,800
		(3,077,968)	(3,003,629)
Non-current liabilities			
Long-term loans and borrowings	9	3,699,897	4,117,530
Long-term lease obligation	10	3,885,206	3,786,232
Long-term loans due to related parties	6	53,610	72,171
Deferred income tax liabilities		75,948	99,718
		7,714,661	8,075,651
Current liabilities			
Trade and other payables		1,903,560	1,846,816
Short-term loans and borrowings	9	1,149,039	794,075
Short-term lease obligation	10	1,397,167	1,307,823
Short-term loans due to related parties	6	24,667	–
Payables to related parties	6	25,304	29,979
Short-term liabilities to partners		163	272
Income tax liabilities		15,364	6,328
		4,515,264	3,985,293
TOTAL EQUITY AND LIABILITIES		9,151,957	9,057,315

Interim consolidated statement
of profit and loss (unaudited)
for six months ended on 30 June 2022
(All amounts are in thousand Russian roubles unless specified otherwise)

	Notes	For the six months ended June 30	
		2022	2021
		Unaudited	
Revenue	11	3,280,087	2,916,673
Cost of sales	12	(2,689,301)	(2,713,190)
Gross profit		590,786	203,483
Selling, general and administrative expenses	13	(462,516)	(480,104)
Start-up expenses for restaurants		(7,033)	(37,133)
Other gains	14	100,223	758,576
Other losses	14	(34,494)	(7,847)
Profit from operating activities before impairment		186,966	436,975
Loss from of impairment of operating assets	15	(838)	(20,886)
Profit from operating activities after impairment		186,128	416,089
Financial income		1,034	295
Financial expense	16	(567,805)	(600,631)
Foreign exchange gain, net		438,813	60,496
Profit/(loss) before income tax		58,170	(123,751)
Income tax (expense)/benefit		(57,013)	133,445
Net profit for the period		1,157	9,694
Attributable to:			
Equity holders of the parent entity		949	9,189
Non-controlling interests		208	505
Earnings per share	8		
Basic, profit per share, roubles		0.06	0.57
Diluted, profit per share, roubles		0.06	0.57

Interim consolidated statement
of cash flows (unaudited)
for six months ended on 30 June 2022
(All amounts are in thousand Russian roubles unless specified otherwise)

	Notes	For the six months ended June 30	
		2022	2021
		Unaudited	
Operating activities			
Profit/(loss) before tax		58,170	(123,751)
<i>Adjustments to reconcile profit/(loss) before tax to net cash provided by operating activities:</i>			
Depreciation and amortization	12,13	855,688	964,643
Foreign exchange gain, net		(438,813)	(60,496)
Financial income		(1,034)	(295)
Financial expense	16	567,805	600,631
(Reversal of)/allowance for expected credit losses of trade and other receivables and allowance for impairment of advances issued	13	(10,168)	2,133
Allowance for/(reversal of) impairment of inventories to net realizable value		3,750	(6,102)
Loss on disposal of inventory	14	126	143
Inventory shortage	14	155	167
Loss on disposal of non-current assets	14	23,960	2,696
Write-off of trade and other payables	14	(105)	(171,175)
Loss from of impairment of operating assets	15	838	20,886
Discounts on lease contracts	14	(93,793)	(583,437)
		966,579	646,043
<i>Changes in operating assets and liabilities:</i>			
Decrease in inventories		23,810	7,814
Decrease/(increase) in advances paid, taxes recoverable, receivables, rent deposits and other non-current assets		3,427	(98,657)
Decrease in receivables from related parties		2,933	4,189
Decrease in payables to related parties		(3,009)	(3,827)
(Decrease)/increase in trade and other payables		(32,927)	301,655
Net cash flows generated from operations		960,813	857,217
Interest paid		(438,613)	(458,264)
Interest received		16	88
Income tax paid		(14,230)	(15,716)
Net cash flows generated from operating activities		507,986	383,325
Investing activities			
Purchases of property and equipment		(88,456)	(199,273)
Purchase of intangible assets		(5,760)	(2,024)
Proceeds from disposal of property and equipment		387	1,832
Net cash flows used in investing activities		(93,829)	(199,465)

Interim consolidated statement
of cash flows (unaudited)
for six months ended on 30 June 2022
(All amounts are in thousand Russian roubles unless specified otherwise)

	For the six months ended June 30	
	2022	2021
Notes	Unaudited	
Financing activities		
Proceeds from bank loans	122,056	209,860
Repayment of bank loans	(185,001)	(111,913)
Payment of lease liabilities	(404,804)	(192,748)
Proceeds from related party loans	25,000	4,000
Repayment of related party loans	(7,533)	(4,000)
Dividends paid to the shareholders	–	(827)
Net cash flows used in financing activities	(450,282)	(95,628)
Effect of exchange rate on cash and cash equivalents	(5,030)	(2,776)
Net (decrease)/ increase in cash and cash equivalents	(41,155)	85,456
Cash and cash equivalents at beginning of the period	330,258	74,026
Cash and cash equivalents at end of the period	289,103	159,482