

**PRESS RELEASE**

**ROSINTER ANNOUNCES 14.1% INCREASE IN REVENUES AND 13.5% EBITDA GROWTH**

**AT THE END OF THE 2023 FINANCIAL YEAR**

**Moscow, 27th April 2024:** 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 2023 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 2023, EBITDA[2] before impairment and write-offs increased by 13.5%, (or by RUB 93 million, against 2022, to amount to RUB 781 million. Compared with the pre-pandemic 2019, in 2023 EBITDA grew by 62.6%.
* In 2023, Rosinter’s revenue [1] grew by 14.1% to RUB 7,166 million against 2022. The revenue growth was thanks to the planned business development programme, menu updates, efforts to improve the customer service quality, and brand promotion activities.
* Net profits grew by 9.8% (from RUB 20.2 million in 2022 to RUB 22.1 million in 2023). According to Rosinter’s estimates, net profits net of the effect of exchange rate differences amounted to RUB 74.5 million.
* Amid the high inflation rates in 2023 (up to 22% according to expert estimates), Rosinter managed to maintain its costs of products, salaries and lease (as a percentage of the revenues) at the level of 2022.

**OPERATING RESULTS BY BUSINESS UNITS:**

**Restaurant business in city locations**

In 2023, revenues of Rosinter’s city restaurants grew by 5.3% against 2022. The growth was thanks to the recovery of traffic in malls where most of Rosinter’s restaurants are concentrated, as well as due to an increase in consumption. The highest growth in the revenues was demonstrated by the brands such as Shikari (14% to 2022), IL Patio (8% to 2022) and Planet Sushi (6% to 2022).

In 2022-2023, Rosinter’s strategic focus was on the implementation of the programme on improving operational efficiency and on developing regional business. By the end of 2023, all restaurants had seen substantial growth of revenues and transactions. In Siberia (Novosibirsk, Krasnoyarsk and Omsk), revenues increased by 14% against 2022, and transactions grew by 20%.

**Restaurant business at airports and railway stations**

Revenues of restaurants located at airports and railway stations grew by 28% against 2022; revenues of comparable restaurants grew by 20%. EBITDA grew by 38% against 2022. The Company performed so well even though some of the terminals where Rosinter has its restaurants remain closed. In fact, they stopped operating in 2020 due to COVID-19 and due to the closure of several international flights after the beginning of the special military operation in 2022.

At the end of 2022, 9 fast food outlets that had formerly been McDonald's restaurants were re-branded as Vkusno i Tochka and were run under a franchise agreement. After its re-branding, as at the end of 2023 the revenues of the fast food chain grew by 16.5%, and its transactions - by 15.7%.

**Franchising**

In 2023, the Company opened 11 new franchise restaurants, specifically, IL Patio and Planet Sushi in the landmark tourist location “The Sun of Moscow” at VDNKh (Exhibition of Achievements of the National Economy). The Planet Sushi brand was launched for the first time in Tajikistan (Dushanbe). The Company intends to continue expanding its business footprint on the domestic market and in CIS countries through partnerships with local businessmen as the brand and local business synergy produces a powerful economic effect.

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

*In the last few years, Rosinter Restaurants has been successfully adapting its business model to the uncertainty of the economic and geopolitical situation. In 2023, the Company achieved all strategic and financial objectives. As at the end of 2023, restaurant revenues grew by 15.2% to RUB 6.9 billion. EBITDA grew by 13.5% to RUB 781 million. System revenues (including franchise restaurants) amounted to RUB 10.5 billion, a 13.6% increase to 2022.*

*In 2023, the Company’s team focused its efforts on developing the brands portfolio, increasing operational efficiency, and maintaining cost despite a high inflation rate while preserving, at the same time, the menu quality and diversity. We have profoundly transformed the organizational structure, having identified and re-designed the functions and responsibilities of the operations and marketing units.*

*The high performance of the brands justly merited as many as several awards: The IL Patio brand won the prestigious “Golden Palm in Restaurant Business” award, was announced to be the “Brand of the Year”, and popular dishes on the menus of IL Patio, Shikari and TGI FRIDAYS won several gold and silver awards in the international “Quality Guarantee” competition.*

*An important event of 2023 was the launch of the programme on the development of the portfolio of Rosinter’s restaurants:*

* *In 2023, Rosinter’s team designed a new coffee shop brand; in March, 2024, in collaboration with a Russian coffee producer, the Company opened the first Lalibela Coffee shop in the Aviapark Shopping Centre in Moscow.*
* *In April 2023, Rosinter opened a new IL Patio restaurant in the Pulkovo International Airport (Saint Petersburg).*
* *In July 2023, 3 more Mama Russia, IL Patio and TGI FRIDAY’S restaurants opened in the new International Terminal 2 of the Domodedovo Airport were added to the brands portfolio. Today, it is the Company’s largest restaurant project on the new terminal site (the total restaurant area is 730 m2).*
* *Design of several Vkusno i Tochka fast food outlets is currently underway, they are projected to be opened during the year.*

*For many years Rosinter has been under a heavy burden of foreign debt obligations. In 2022-2023, the Company managed to reduce its bank debt by 20%. This makes Rosinter’s updated business model yet more stable and enables the Company to switch from the position retention strategy to a strategy focused on growth in the following areas:*

* *Updating the pool of corporate restaurants under the key brands. In 2022-2023, the Company updated the visual concept and the communications platform of the IL Patio (Italian cuisine) brand. In 2024, Rosinter plans to open a new flagship restaurant in the centre of Moscow and also launch a staged refresh of all corporate locations of the brand.*
* *Staged relaunch of the corporate and franchise locations of the coffee shop chain under the new “Lalibela Coffee” brand, and further intensive development of the brand in the corporate network, specifically, in transportation hubs and under a franchising scheme.*
* *Reopening of restaurants in transportation hubs. After the re-opening of Terminal D in the Sheremetyevo International Airport, expected in the 2nd quarter of 2024, Rosinter will re-open 6 restaurants and coffee shops under the Company’s brands, which were temporarily closed back in 2020. Furthermore, extensive upgrades will take place in the airport of Kazan where Rosinter Restaurants has 5 restaurants.*
* *The Company will continue to expand geographically using franchise schemes; special focus will be on the regions with a high potential for domestic tourism.*

*Rosinter successfully coped with the 2023 external challenges and is embarking on a new development cycle with new targets and objectives. Rosinter will stay, as ever, focused on increasing the company value, developing brands, improving operational efficiency of business, high service and menu quality standards. In doing so, the Company will continue strengthening its positions on the public catering market.*

|  |
| --- |
| **2023 FINANCIAL AND OPERATING RESULTS** |



*The comments to the table are given before the application of IFRS 16 “Leases”*

***Consolidated revenue*** for 2023 amounted to RUB 7,166 million, having grown by 14.1% against 2023.

***Cost of sales*** was at the level of 2022; a moderate 0.8% increase was due to the new Vkusno i Tochka royalty obligations under a new franchise agreement.

***Food costs*** decreased by 0.1% despite the high inflation rates in 2023, mainly thanks to the implementation of supplier relationship management initiatives and optimization of purchase prices.

***Lease costs*** decreased in 2023 by 0.2 percentage points as a result of balancing of revenues and rental costs (calculated as a percentage of the revenues).

***Gross profit margin*** decreased by 0.8% (similarly to cost of sales) because expenditures included Vkusno i Tochka brand royalties, which did not exist in 2022.

***Selling, general and administrative expenses*** decreased by 1.8%, to RUB 849 million.

***Restaurant start-up operating expenses*** increased to 28 million against 2022, after the Company resumed restaurant start-up activities.

***Other income*** grew by 47.3%.

***Other expenses*** decreased against 2022 by 34.4%.

***Foreign exchange loss*** increased in 2023 to RUB 52 million against 2022, as a result of the dollar exchange rate effect.

***Gain from reversal of impairment of operating assets*** was RUB 1.1 million.

***Net profit*** came in 2023 to RUB 22 million, against loss of RUB 20 million in 2022.

***EBITDA before impairment and write-offs*** grew in 2023 by 13.5% against the comparable period and amounted to RUB 781 million, compared with RUB 688 million in 2022.

*\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*

*[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.

\* \* \*

**Note to Editors:**

As at the end of 2023, Rosinter Restaurants Holding PJSC is a major casual dining restaurant operator in Russia, running 210 retail outlets in 30 cities of Russia and CIS. The chain has 113 corporate restaurants and 97 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.

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](mailto:IR@rosinter.ru) | **Press enquiries:**  **Tatyana Zotova**  PR Director  tzotova@rosinter.ru  Tel: +7 495 788 44 88 ext. 1560 |

**APPENDIX 1**

Consolidated statement of financial position as of 31 December 2023

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



Consolidated statement of profit or loss for the year ended 31 December 2023

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



Consolidated statement of cash flows

for the year ended 31 December 2023

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



Consolidated statement of cash flows

for the year ended 31 December 2023

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

