



AMREST HOLDINGS SE

Completion of Master Franchise Agreement and Asset Purchase Agreement with Pizza Hut Russia

Madrid, 1 June 2018

In relation to the current report 23/2018 of 30 April, 2018 (as corrected on 7 May, 2018) AmRest Holdings SE (“**AmRest**”, the “**Company**”) informs about (i) completion on 1 June, 2018 of the Master Franchise Agreement (the “**MFA**”) signed on 30 April 2018 between AmRest (on 25 May 2018 assigned to AmRest OOO being the subsidiary of AmRest) and Pizza Hut Europe S.à.r.l. („**PH Europe**”) and (ii) completion of Asset Purchase Agreement (the “**APA**”) signed on 30 April, 2018 between Pizza Company OOO, being the subsidiary of AmRest and Yum Restaurants International Russia and CIS LLC („**PH Russia**”).

As a result of completion of MFA AmRest OOO will gain the master-franchisee rights for Pizza Hut brand in Russia, Azerbaijan and Armenia. Furthermore AmRest OOO will become the franchisor for nearly 29 restaurants currently operated by multiple independent sub-franchisees in above mentioned countries.

In order to facilitate the growth of scale of Pizza Hut business, PH Europe introduced an incentive mechanism reducing certain fees incurred by AmRest OOO under the MFA (“**Reduced Fees**”), provided that the AmRest meets certain development obligations specified in the MFA. Upon entry into force of the MFA AmRest OOO will be required to open and operate Pizza Hut Dine in, Express and Delivery restaurants in accordance with the development schedule setting the minimum number of openings in the subsequent years of the MFA’s term. If AmRest OOO fails to meet the development obligations, PH Europe will have the right to increase the Reduced Fees and change the terms or terminate the MFA. The Parties’ intention is to open more than 200 Pizza Hut restaurants in the Russian market within 5 years.

The MFA was granted for initial period of 10 years with an option of further prolongations upon the fulfilment of certain terms and conditions.

Simultaneously AmRest informs that as a result of APA completion Pizza Company acquired the assets of 16 Pizza Hut Delivery and Express restaurants run by PH Russia in Moscow.

In connection with the completion of the Agreements and the accompanying agreements, AmRest's subsidiaries will pay to PH Russia 142.6 million rubles (EUR 2 million).

In the opinion of the Executive Team of AmRest there is a great potential for growing presence of Pizza Hut brand in Russia. The master franchise rights will contribute to strengthening the partnership with Yum! Brands and AmRest’s leadership position of

restaurant operator in Russia.

Legal act:

Art. 17 Sec. 1 of Regulation (EU) No 596/2014 of The European Parliament and of The Council of 16 April 2014 on market abuse (Market Abuse Regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.

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