



AMREST HOLDINGS SE

Notification of relevant fact concerning the Master Franchise Agreement and Asset Purchase Agreement between AmRest and Pizza Hut Russia

Madrid, 30 April 2018

AmRest Holdings SE (“**AmRest**” or the “**Company**”) informs about signing on April 27, 2018 the Master Franchise Agreement (the “**MFA**”) with Pizza Hut Europe S.à.r.l. (“**PH Europe**”).

Based on the MFA AmRest will gain the master-franchisee rights for Pizza Hut brand in Russia, Azerbaijan and Armenia (the “**Territory**”). After the completion of MFA AmRest will have the exclusive right to grant the license to the third parties to operate Pizza Hut restaurants (sub-franchise) in the Territory and become the franchisor for nearly 30 restaurants currently operated by multiple 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 under the MFA (“**Reduced Fees**”), provided that the Company meets certain development obligations specified in the MFA. Upon entry into force of the MFA AmRest 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 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 Company's 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 fulfillment of certain terms and conditions.

Simultaneously AmRest informs about signing on April 27, 2018 the Asset Purchase Agreement (the “**APA**”) between Pizza Company OOO, being the subsidiary of AmRest and Yum Restaurants International Russia and CIS LLC (“**PH Russia**”).

As a result of the APA Pizza Company will acquire the assets of 16 Pizza Hut Delivery and Express restaurants run by PH Russia in Moscow. The purchase price is estimated at RUB 142.6m (EUR 1.9m).

It is the intention of the parties that the MFA and the APA shall be completed (including transfer of restaurants’ assets and signing of complementary agreements necessary to ensure the proper development of the network) in the coming months.

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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