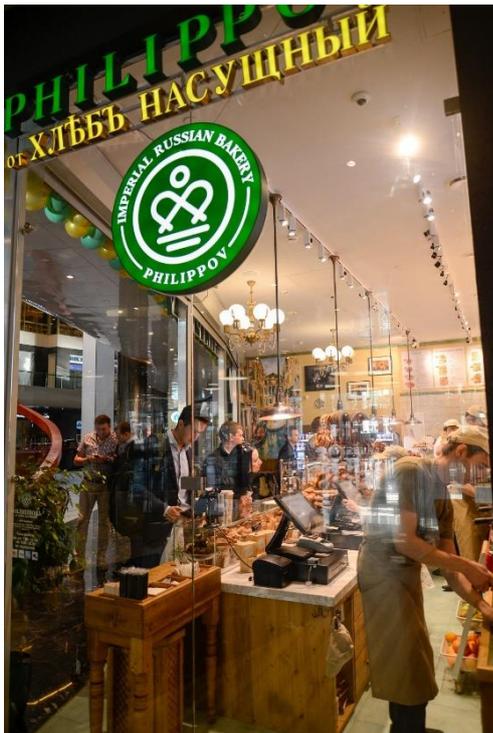


New premium bakery segment in AmRest's portfolio



Wroclaw, Poland, February 27th, 2018, AmRest Holdings SE („AmRest”, “the Company”) (WSE: EAT), the largest publicly listed restaurant operator in Central Europe, announced signing the Subscription and Shareholders’ Agreement (the “SSHA”) with LPQ Russia Limited based in London, United Kingdom (“the Bakery Partner”), trading as “Хлеб Насущный” (Hleb Nasushny) and “Филипповъ” (Philippov).

The SSHA defines the main terms and conditions of cooperation between the Company and the Partner aimed at developing a restaurant business in the bakery segment in Russia through a newly-formed corporate structure. As a result, AmRest will become a majority shareholder, holding 51% stake in newly created company (“NewCo”). The remaining 49% stake will be held by the Partner. NewCo will be a dominant entity of the operating company in Russia and the trademarks holding company (altogether “the Structure”).

Currently the Bakery Partner owns the trademarks of “Хлеб Насущный” (Hleb Nasushny), “Филипповъ” (Philippov) “Наш хлеб” (Nash Khleb) and “Андреевские булочные” (Andreevsky Bulochnye) (jointly: “Trademarks”).

The cooperation assumes a contribution of Trademarks to the Structure by the Bakery Partner and investment by AmRest in the amount of EUR 6m (six million Euro) into the Structure with the purpose of developing the mutual restaurant business in Russia.

The intention of the parties is to finalize the transaction by June 2018, which is a subject to fulfilment of conditions precedent defined in SSHA. AmRest intends to open (through the Structure) the first units in bakery segment before the end of 2018.

The Bakery Partner started its operation in Moscow in 2007 and has become the leading bakery retail brand in the capital of Russia while also developing one of the leading premium bakery production facilities in Russia. Employing over 1200 people, the Bakery Partner currently operates 42 bakery stores in Moscow and Saint Petersburg and supplies around 1000 client locations with bakery product lines across all regions of the Russian Federation and parts of the CIS. The bakery shops serve a mixture of classical Russian and European products manufactured mainly in artisanal bakeries located in Moscow and St. Petersburg while utilizing local suppliers.

Employing about 250 persons in production, logistics and quality control, two production facilities operated by the Bakery Partner's in Moscow and St. Petersburg encompass about 4500m² with significant room for future expansion. The current offer consist of approximately 300 fresh&frozen items including the key product line represented by wide range of bread, viennoiserie and patisserie products most of which are hand-made and as per classic northern European traditions utilizing a wide variety of locally produced flours and grains. The bakeries base their product development on Russian and European recipes and the Bakery Partner is most recently re-developing and re-introducing historical Russian products dating to Imperial Russian times.



The bakeries offer also a range of “baker’s food” such as sandwiches, soups and salads which are available both in a dine-in and takeaway format. The strong growth in demand for take-away and delivery services, this segment represents an important area of current offer (over 60% of customer checks). Other than the “baker’s food”, the dine-in menu also blends international cuisine with local flavors and is focused on offering balanced nutrition based on exceptional quality ingredients and beautiful presentation.



Another distinctive feature of the The Bakery Partner's business is the interior of the bakeries which combines standard elements with individual design characteristics for each location. Thus each store becomes “my bakery” rather than just a part of a chain. The key design elements of the bakeries are based on locally sourced materials as well as ceramics and antique flea market items.

The premium bakery segment is one of the fastest growing categories of the restaurant industry. Adding the bakery business to the

Company's portfolio has been one of the strategic investment priorities of AmRest.

The possibility of developing in this new segment will allow further diversification of the Company's portfolio and strengthening its position in the Russian market, which are another steps in executing the strategy of achieving the leadership position in the markets of AmRest operation.

The Management Board believes that described partnership and expansion into bakery sector will enhance AmRest product offer and broaden its customer base. This partnership is expected to strengthen AmRest's position in the restaurant and bakery production sector in the region as well as be a source of value creation for AmRest shareholders in the future.



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