

DP Eurasia N.V.

(“DP Eurasia” or the “Company”, and together with its subsidiaries, the “Group”)

Trading Update for the six months ended 30 June 2023 (the “Period”) ^{(1) (2)}

(millions of TRY, unless otherwise indicated)

	For the period ended 30 June			
	<u>2023</u>	<u>2022</u>	<u>Change</u>	
Number of stores				
Turkey (Domino’s)	675*	628	47	
Turkey (COFFY)	51	15	36	
Azerbaijan	10	10	-	
Georgia	6	5	1	
Total continuing operations	742	658	84	
Russia	142	184	-42	
Grand Total	884	842	42	
	<u>2023</u>	<u>2022</u>	<u>Change</u>	<u>Change</u>
Group system sales (after IAS 29) ⁽³⁾				<u>(pre-IAS 29)</u>
Turkey	2,424.0	1,864.6	30.0%	91.7%
Azerbaijan	42.7	44.8	-4.6%	40.7%
Georgia	30.6	22.4	36.2%	99.9%
COFFY	95.3	21.7	339.5%	529.5%
Total continuing operations	2,592.6	1,953.5	32.7%	95.6%
Russia (discontinued operations)	422.2	492.7	-14.3%	-14.3%
Grand Total	3,014.8	2,446.2	23.2%	64.7%
System sales LfL growth⁽⁴⁾	(after IAS 29)		(pre-IAS 29)	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Turkey	26.5%	-8.4%	86.2%	51.0%
Azerbaijan (based on AZN)	5.2%	3.7%	5.2%	3.7%
Georgia (based on GEL)	4.3%	32.2%	4.3%	32.2%
Total continuing operations	25.9%	-7.9%	84.1%	50.1%
Russia (discontinued operations, based on RUB)	-24.8%	-2.6%	-24.8%	-2.6%

* Including nine temporarily closed stores as a result of the earthquake in early 2023.

Highlights

- Strong overall performance with Group system sales for continuing operations up 32.7% (*pre-IAS 29: 95.6%*) or 25.9% on a LfL basis, leading to upgraded full year LfL growth guidance.
- Delivered excellent LfL growth in Turkey of 26.5% amid a sustained inflationary environment, reflecting our ongoing focus on network expansion, strategic pricing, product and service innovation.
- Azerbaijan and Georgian operations delivered LfL growth of 5.2% and 4.3% respectively (in local currencies).
- Online delivery system sales in Turkey increased to 83.9% (*2022: 81.2%*) as a share of delivery system sales⁽⁶⁾, reflecting our robust positioning for the online ordering channel. Strong Turkish online system sales growth of 30.7% (*pre-IAS 29: 93.0%*).
- Following a swift response to the devastating earthquake in Turkey in February, which resulted in the temporary closure of 12 Domino's Pizza stores, three have now been reopened.
- Net new store opening momentum has been maintained:
 - 47 Domino's Pizza openings in Turkey year-on-year, reflecting the strong demand profile.
 - The COFFY network has now exceeded the 50-store milestone, having increased by 22 in the current financial year (or by 36 year-on-year) to 51. We are on track with our guidance of 50-60 net COFFY openings in FY23.
 - Georgia now has six Domino's Pizza stores, an increase of one.
- The growth opportunity for COFFY remains significant, with excellent market dynamics in Turkey for the coffee sub-segment. COFFY delivered TRY 95.3 million to Group system sales, up 339.5%.
- The Group continues to evaluate its presence in Russia and, as previously announced, is considering various options which may include a divestment of its Russian operations, although a sale process is increasingly challenging. In the meantime, the Group continues to limit investment in Russia and remains focused on optimising the existing store coverage. At Period end, the total number of stores in Russia stood at 142, compared to 184 at 30 June 2022.
- Liquidity position as of 30 June 2023: TRY 370.6 million cash and an undrawn bank facility of TRY 515 million.
- While we remain mindful of sustained macro-economic volatility and inflation, our first half performance was better than the Board's expectations thanks to solid volume generation and customer acquisition. The Board is therefore confident that LfL inflation adjusted growth will be in the low teens for the full year 2023, better than the previously expected high single digit figure. Guidance for store openings and capital expenditure has been maintained. 2023 guidance is now as follows:

<u>2023 guidance*</u>	Previous	Revised
LfL growth rate	High single digit (<i>pre IAS 29: 60-70%</i>)	Low teens (<i>pre IAS 29: 70-80%</i>)
Domino's Pizza net store openings	35 - 40	35 - 40
COFFY net store openings	50 - 60	50 - 60
Capital expenditure	TRY 160 million	TRY 160 million

*Russia excluded

Unaudited

Commenting on the update, Chief Executive Officer, Aslan Saranga said:

“It has been a strong first half performance as we continue to successfully implement our targeted action plan to mitigate the ongoing macro challenges that management has deep experience in navigating. As a result, we are reporting excellent and sustained LfL growth, enabling us to upgrade full year guidance, and continued network expansion.

“The Board is proud of the Group’s reaction to support colleagues impacted by February’s devastating earthquake. We are restoring impacted operations and continue to stand in solidarity with our employees, business partners and the wider community.

“Our targeted strategy focuses on three areas – strategic pricing and product innovation, continued digital innovation, and operational efficiencies to generate sustainable profitability. This approach has enabled us to combat the high levels of volatility in the regions in which we operate.

“Our focus on product innovation remains integral. We continue to broaden our entry price product range and launched a new mushroom pizza in January which has reached good volumes. Following the successful Pizzetta launch last year, we added new varieties to further enhance the potential of this product line. In addition, our new ‘snacks from the oven’ range was launched in February presenting a broad choice of attractively priced products to customers who increasingly seek value and affordability. The latest addition to our product range, Pizza XL, has contributed well in its early stages and in line with our internal expectations. With a Turkish nationwide advertising campaign being rolled out in July, we expect the contribution from Pizza XL to continue to improve.

“We continue to improve the online proportion of our sales, and digital innovation remains an important enabler for us to enhance the customer experience and further solidify our robust positioning for the online ordering channel.

“We retain a fundamental commitment to ensuring franchisees remain profitable. As a result, franchisee demand for both Domino’s Pizza and COFFY continues to be very healthy. We have a strong pipeline of new sites and are confident that 2023 will be another solid year for network expansion.

“Consumer demand for COFFY stands very strong owing to its already proven sales performance. This demand, alongside our ambitious targets for 2023, will enable us to add further scale to the business.

“Overall, we are pleased with the strong first half performance with strong customer acquisition and elevated volumes. We will continue to deliver on our targeted strategy to make the most of what continues to be a significant growth opportunity. Whilst the Board is conscious of the ongoing uncertainty, current trends suggest that adjusted EBITDA for 2023 is likely to be above the current market expectations.”

Enquiries

DP Eurasia N.V.

İlknur Kocaer, CFA - Investor Relations Director

+90 212 280 9636

Buchanan (Financial Communications)

Richard Oldworth / Toto Berger / Verity Parker

+44 20 7466 5000

dp@buchanan.uk.com

Unaudited

A conference call for investors and analysts will be held at 9.00am this morning, which will be accessible using the following details:

Conference call dial-in: 08006522435

For further details, please contact Buchanan on +44 20 7466 5000 / dp@buchanan.uk.com.

Notes to Editors

DP Eurasia N.V. is the exclusive master franchisee of the Domino's Pizza brand in Turkey, Russia, Azerbaijan, and Georgia. The Company was admitted to the premium listing segment of the Official List of the Financial Conduct Authority and to trading on the main market for listed securities of the London Stock Exchange plc on 3 July 2017. The Company (together with its subsidiaries, the "Group") is the largest pizza delivery company in Turkey and the third largest in Russia. The Group offers pizza delivery and takeaway/ eat-in facilities at its 833 stores (675 in Turkey, 142 in Russia, 10 in Azerbaijan and 6 in Georgia) as of 30 June 2023 and operates through its owned corporate stores (10%) and franchised stores (90%). In addition to its pizza delivery business, the Group also has its own coffee brand, COFFY, which trades from 51 stores at period-end, 38 of which are franchised. The Group maintains a strategic balance between corporate and franchised stores, establishing networks of corporate stores in its most densely populated areas to provide a development platform upon which to promote best practice and maximise profitability.

Unaudited

Performance Review

Store count	As of 30 June					
	2023			2022		
	Corporate	Franchised	Total	Corporate	Franchised	Total
Turkey (Domino's)	82	593	675	94	534	628
Azerbaijan	-	10	10	-	10	10
Georgia	-	6	6	-	5	5
COFFY	13	38	51	5	10	15
Total	95	647	742	99	559	658
Russia	0	142	142	92	92	184
Grand Total	95	789	884	191	651	842

Delivery channel mix and online LfL growth

The following table shows the Group's delivery system sales⁽⁷⁾, broken down by ordering channel and by the Group's two largest countries in which it operates, as a percentage of delivery system sales for the periods ended 30 June 2023 and 2022:

		For the period ended 30 June					
		2023			2022		
		Turkey	Russia	Total	Turkey	Russia	Total
Store		15.5%	5.7%	15.8%	18.3%	6.5%	17.6%
Online	Group's online platform	22.0%	72.0%	28.5%	25.1%	72.2%	34.4%
	Aggregator	61.8%	22.3%	55.2%	56.1%	21.3%	47.7%
	Total online	83.9%	94.3%	83.7%	81.2%	93.5%	82.0%
Call centre		0.6%	-	0.5%	0.5%	-	0.4%
Total		100%	100%	100%	100%	100%	100%

The following table shows the Group's online LfL growth⁽⁴⁾, broken down by the Group's two largest countries in which it operates, for the periods ended 30 June 2023 and 2022:

Group online system sales LfL growth	<i>(after IAS 29)</i>		<i>(pre-IAS 29)</i>	
	2023	2022	2023	2022
Group⁽⁵⁾	17.2%	-2.9%	65.4%	45.2%
Turkey	28.0%	-3.0%	88.6%	59.7%
Russia (based on RUB)	-23.8%	-2.5%	-23.8%	-2.5%

Notes

(1) COFFY numbers are included in all Turkey and Group figures, unless presented separately. Like-for-like figures exclude COFFY. These numbers are not audited.

(2) IAS 29 'Financial Reporting in Hyperinflationary Economies' is currently applicable in Turkey. Company's preliminary results for the year ended 31 December 2022, published on 12 April, was adjusted accordingly.

(3) System sales are sales generated by the Group's corporate and franchised stores to external customers and do not represent revenue of the Group.

(4) Like-for-like growth is a comparison of sales between two periods that compares system sales of existing system stores. The Group's system stores that are included in like-for-like system sales comparisons are those the Group considers to be mature operations. The Group considers mature stores to be those stores that have operated for at least 52 weeks preceding the beginning of the first month of the period used in the like-for-like comparisons for a certain reporting period, assuming the relevant system store has not subsequently closed or been "split" (which involves the Group opening an additional store within the same map of an existing store or in an overlapping area). This is a non-IFRS measure and non-IFRS measures are not audited.

(5) Group like-for-like growth is a weighted average of the country like-for-like growths based on store numbers as described in Note (4). This is a non-IFRS measure and non-IFRS measures are not audited.

(6) Online system sales are system sales of the Group generated through its online ordering channel.

(7) Delivery system sales are system sales of the Group generated through the Group's delivery distribution channel.

(8) EBITDA, adjusted EBITDA and non-recurring and non-trade income/expenses are not defined by IFRS. These items are determined by the principles defined by the Group management and comprise income/expenses which are assumed by the Group management to not be part of the normal course of business and are non-trading items. These items which are not defined by IFRS are disclosed by the Group management separately for a better understanding and measurement of the sustainable performance of the Group.

Unaudited

Appendices

Exchange Rates

Currency	For the period ended 30 June			
	2023		2022	
	Period End	Period Average	Period End	Period Average
EUR/TRY	28.154	21.407	17.522	16.196
RUB/TRY	0.303	0.256	0.321	0.200
EUR/RUB	95.105	83.651	53.858	83.520

Delivery – Take away / Eat in mix

	For the period ended 30 June					
	2023			2022		
	Turkey	Russia	Total	Turkey	Russia	Total
Delivery	73.1%	72.6%	72.7%	75.7%	75.9%	75.4%
Take away / Eat in	26.9%	27.4%	27.3%	24.3%	24.1%	24.6%
Total	100%	100%	100%	100%	100%	100%

Forward looking statements

This press release includes forward-looking statements which involve known and unknown risks and uncertainties, many of which are beyond the Group's control and all of which are based on the Directors' current beliefs and expectations about future events. They appear in a number of places throughout this press release and include all matters that are not historical facts and include predictions, statements regarding the intentions, beliefs or current expectations of the Directors or the Group concerning, among other things, the results of operations, financial condition, prospects, growth and strategies of the Group and the industry in which it operates.

No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing the Group. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed, or implied in such forward-looking statements.

Forward-looking statements contained in this press release speak only as of the date of this press release. The Company and the Directors expressly disclaim any obligation or undertaking to update these forward-looking statements contained in this press release to reflect any change in their expectations or any change in events, conditions, or circumstances on which such statements are based.