

DP Eurasia N.V.

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

Trading Update for the Year Ended 31 December 2020

Continued growth in online channels drives robust performance

	For the year ended 31 December		Change
	2020	2019	
	(in millions of TRY, unless otherwise indicated)		
Number of stores	771	765	6
Group system sales⁽¹⁾			
Turkey	1,069.1	845.7	26.4%
Russia	471.6	503.3	-6.3%
Azerbaijan & Georgia	29.2	21.2	37.9%
Total	1,569.9	1,370.3	14.6%
Group system sales like-for-like growth⁽²⁾			
Group⁽⁵⁾	17.4%	10.7%	
Turkey	26.0%	13.1%	
Russia (based on RUB)	-12.6%	0.7%	

Highlights

- Group system sales increased 14.6%, despite Covid-19 related operational constraints and increased competition in Russia due to aggregators
 - Turkish systems sales growth of 26.4%
 - Russian system sales decrease of 6.3% (15.3% based on RUB)
- Group online system sales⁽⁴⁾ growth of 40.3%
 - Turkish online system sales growth of 55.2%
 - Russian online system sales growth of 20.3% (8.8% based on RUB)
- Online delivery system sales⁽³⁾ as a share of delivery system sales surpassed 75% (2019: 70%), reflecting our strong online offering and positioning
- Strong liquidity position - TRY 128 million of cash on hand and additional available bank lines of TRY 142 million as at 31 December 2020
- Robust franchisee demand in Turkey more than offset the store closures in Turkey and Russia due to Covid-19 – 33 new store openings vs. 27 store closures in 2020

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

“The strong trading environment continued in Turkey through the last two months of the year. Despite ongoing operational constraints, such as weekend and nightly curfews that were put in place from the middle of November, our Turkish operations have maintained a high like-for-like growth rate of 38.6% in November/December. This was in part driven by the tailwinds from a temporary reduction in the VAT rate to 1% from 8%, which the government extended until 1 June 2021. However, there has also been a Covid-19 inspired shift to home delivery across all consumer sectors, which has brought us new customers.

Provided that we give a good service and provide an appealing product, we hope to grow customer loyalty in a post Covid-19 market.

“The recovery in Russia has also been continuing where our November/December like-for-like growth rate has been -1.9%, in line with our October performance. Television advertising is highly regionalised in Russia and our recently launched new and improved pizza enjoyed a targeted television campaign in Greater Moscow that has been effective in driving delivery sales; however, our take away/eat in channel has been lagging in its recovery so far due to ongoing Covid-19 restrictions.

“The strong trading in Turkey has resulted in very encouraging interest from both existing and new franchisees. In 2020, we successfully opened 33 new stores in total, more than offsetting the 27 Covid-19 related store closures across Turkey and Russia.

“In 2020, we also reached important milestones in our digital delivery system sales in both Turkey and Russia as well as at the Group level. Our Turkish and Russian operations have reached 75% and 90%, respectively, in digital delivery sales as a percentage of total delivery sales, signifying improvements of six and eight percentage points from 2019, respectively. At the Group level 75% of our delivery system sales originated from digital channels.

“As previously announced, the Board is considering an additional listing on a major stock exchange to complement its current listing on the Main Market of the London Stock Exchange. Upon its initial review, the Board has taken the decision to further investigate the dual listing of DP Eurasia at the Borsa Istanbul and will provide a further update in due course.

“Whilst the Board is conscious of the risks posed by the on-going uncertainty due to the pandemic, these trading results give us confidence regarding our market positioning and the prospects for our business in the long term.”

Enquiries

DP Eurasia N.V.

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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: UK Toll Free: 08003589473
UK Toll: 03333000804
Participant PIN code: 27680520#
URL for international dial in numbers:
http://events.arkadin.com/ev/docs/NE_W2_TF_Events_International_Access_List.pdf

A recording of the conference call will subsequently be available at www.dpeurasia.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 771 stores (568 in Turkey, 190 in Russia, nine in Azerbaijan and four in Georgia as at 31 December 2020), and operates through its owned corporate stores (29%) and franchised stores (71%). 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. The Group has adapted the Domino's Pizza globally proven business model to its local markets.

Performance Review

Store count	As at 31 December					
	2020			2019		
	Corporate	Franchised	Total	Corporate	Franchised	Total
Turkey	106	462	568	123	427	550
Russia	115	75	190	121	82	203
Azerbaijan	-	9	9	-	8	8
Georgia	-	4	4	-	4	4
Total	221	550	771	244	521	765

Delivery channel mix and online like-for-like growth

The following table shows the Group's delivery system sales⁽³⁾, 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 31 December 2020 and 2019:

		For the year ended 31 December					
		2020			2019		
		Turkey	Russia	Total	Turkey	Russia	Total
Store		28.5%	10.3%	23.9%	32.0%	18.0%	27.8%
Online	Group's online platform	25.9%	71.4%	40.0%	28.5%	80.5%	47.0%
	Aggregator	44.3%	18.3%	35.3%	35.7%	1.5%	22.8%
	Total online	70.2%	89.7%	75.3%	64.2%	82.0%	69.9%
Call centre		1.3%	-	0.9%	3.8%	-	2.1%
Total		100%	100%	100%	100%	100%	100%

The following table shows the Group's online like-for-like growth⁽²⁾, broken down by the Group's two largest countries in which it operates, for the periods ended 31 December 2020 and 2019:

	For the year ended 31 December	
	2020	2019
Group online system sales like-for-like growth⁽²⁾		
Group⁽⁵⁾	45.2%	29.0%
Turkey	54.4%	32.6%
Russia (based on RUB)	13.1%	15.4%

Liquidity

The Group continues to have a strong liquidity position, having access to cash on hand and additional borrowing capacity available from its Turkish banks. As at 31 December 2020, the Group had TRY 128 million of cash on hand and additional available bank lines of TRY 142 million.

The Group's strong liquidity position enables it to prepay its bank borrowings in Russia if required, and still maintain a strong liquidity position. The Group obtained a waiver from Sberbank with respect to its covenants for the first and second quarters of 2021 and is in negotiations to reset the covenants or repay the remaining loan. The principal outstanding under the Sberbank loan currently amounts to RUB 1.0 billion, of which RUB 0.2 billion is supported by a cash collateral deposit.

Notes

⁽¹⁾ System sales are sales generated by the Group's corporate and franchised stores to external customers and do not represent revenue of the Group.

⁽²⁾ 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).

⁽³⁾ Delivery system sales are system sales of the Group generated through the Group's delivery distribution channel.

⁽⁴⁾ Online system sales are system sales of the Group generated through its online ordering channel.

⁽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 (2).

Appendices

Exchange Rates

Currency	For the year ended 31 December			
	2020		2019	
	Period End	Period Average	Period End	Period Average
EUR/TRY	9.008	8.014	6.651	6.348
RUB/TRY	0.098	0.096	0.096	0.087
EUR/RUB	90.682	82.408	69.341	72.513

Delivery – Take away / Eat in mix

	For the year ended 31 December					
	2020			2019		
	Turkey	Russia	Total	Turkey	Russia	Total
Delivery	72.5%	77.7%	74.0%	63.8%	62.2%	63.1%
Take away / Eat in	27.5%	22.3%	26.0%	36.2%	37.8%	36.9%
Total ⁽²⁾	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.