

DP Eurasia N.V.

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

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

(millions of TRY, unless otherwise indicated)

	For the period ended 30 April			Change
	<u>2023</u>	<u>2022</u>	<u>Change</u>	
Number of stores	856	828	28	
Turkey (Domino’s)	658*	617	41	
Turkey (COFFY)	40	12	28	
Azerbaijan	10	10	-	
Georgia	6	5	1	
Russia	142	184	-42	
Number of stores (excluding Russia)	714	644	70	
	<u>2023</u>	<u>2022</u>	<u>Change</u>	<u>Change</u>
Group system sales (after IAS 29) ⁽³⁾				(pre-IAS 29)
Turkey	1,385.5	1,148.0	20.7%	83.9%
Azerbaijan	25.6	28.1	-8.8%	38.5%
Georgia	18.9	13.2	43.2%	117.4%
COFFY	50.1	10.5	378.4%	612.5%
Total continuing operations	1,480.2	1,199.8	23.4%	87.9%
Russia (discontinued operations)	291.1	283.0	2.8%	2.8%
Grand Total	1,771.2	1,482.8	19.5%	64.8%

System sales LfL growth⁽⁴⁾	(after IAS 29)		(pre-IAS 29)	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Turkey	17.5%	-6.6%	78.9%	47.6%
Azerbaijan (based on AZN)	3.2%	-3.5%	3.2%	-3.5%
Georgia (based on GEL)	5.0%	45.9%	5.0%	45.9%
Total continuing operations	17.1%	-6.2%	76.9%	46.8%
Russia (discontinued operations, based on RUB)	-23.9%	-1.5%	-23.9%	-1.5%

*Including temporarily closed 10 stores due to earthquake

Highlights

- Strong Period with Group system sales for continuing operations up 23.4% (*pre-IAS 29: 87.9%*) or 17.1% on a LfL basis.
- Growth reflects ongoing focus on network expansion, strategic pricing, product and service innovation, and sustained demand for COFFY.
- 17.5% LfL growth in Turkey achieved amid sustained inflationary environment. Swift reaction to devastating earthquake in February means its impact not expected to be material to 2023.
- Of the 12 stores not operational because of the earthquake as reported within our Preliminary Results announcement, two are up and running. We have been working on several options for the temporarily closed 10 stores, including moving some to other cities and opening prefabricated stores in the affected regions.
- Azerbaijan and Georgian operations delivered a positive LfL performance in local currencies with growth of 3.2% and 5.0% respectively.
- Online delivery system sales in Turkey increased to 83.3% (*2022: 81.2%*) as a share of delivery system sales⁽⁶⁾, reflecting our robust positioning for the online ordering channel. Turkish online system sales growth was a strong 18.2% (*pre-IAS 29: 80.1%*).
- New store opening momentum was maintained across the Group.
 - 41 Domino's Pizza net new store openings in Turkey year-on-year, reflecting strong demand profile.
 - One new store in Georgia increases the total number in the country to six.
 - COFFY network increased by 28 stores year-on-year to reach 40. Expect new COFFY store openings to accelerate during the rest of the year.
- COFFY delivered TRY 50.1 million to Group system sales, up 378.4%, and continues to represent an excellent growth opportunity.
- 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. Whilst work on a potential transaction is ongoing, there can be no certainty as to the outcome. In the meantime, the Group continues to limit investment in Russia and remains focused on optimising the existing store coverage. Total number of stores stood at 142 at Period-end, compared to 184 year-on-year. All corporate stores were franchised by the end of May as a result of the optimisation process, while the total store count in Russia remains unchanged from Period-end. Cash proceeds from the conversion of corporate stores to franchised stores have been retained within the Russian business to maintain the flexibility whilst the Group continues to progress a potential exit from the country.
- Liquidity position as of 30 April 2023: TRY 293 million cash and an undrawn bank facility of TRY 290 million.
- Guidance is being maintained, though we are mindful of sustained macro-economic volatility and inflation. Continue to believe that inflation can be appropriately managed, and management has an excellent track record of mitigating its impact, but the risk it poses to overall growth levels remains.
- Full year guidance is as follows:

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

Unaudited

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

“We have started the year well and successfully implemented our targeted action plan despite the ongoing macro challenges. Management is extremely experienced in navigating volatility, and Group system sales remained strong overall with LfL growth.

“The impact of the earthquake in February was devastating, and our thoughts and condolences remain with all of those who have been impacted. The Board is proud of the Group’s rapid reaction to support affected colleagues and restore operations where possible. We continue to stand in solidarity with our employees, business partners and the wider community.

“Since the beginning of 2022, we have implemented and operated a targeted strategy that 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, and the impact of our efforts continues to be visible through volume generation and customer acquisition.

“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 already 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 has been Pizza XL which will contribute to average ticket price and size mix.

“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 and remain 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 good start to the year and will continue to deliver on our targeted strategy in order to make the most of what continues to be a significant growth opportunity.”

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

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

Unaudited

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 856 stores (658 in Turkey, 142 in Russia, 10 in Azerbaijan and 6 in Georgia) as of 30 April 2023 and operates through its owned corporate stores (14%) and franchised stores (86%). In addition to its pizza delivery business, the Group also has its own coffee brand, COFFY, which trades from 40 stores at period-end, 29 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.

Performance Review

Store count

	As of 30 April					
	2023			2022		
	Corporate	Franchised	Total	Corporate	Franchised	Total
Turkey (Domino's)	87	571	658	100	517	617
Azerbaijan	-	10	10	-	10	10
Georgia	-	6	6	-	5	5
COFFY	11	29	40	5	7	12
Total	98	616	714	105	539	644
Russia	23	119	142	92	92	184
Grand Total	121	735	856	197	631	828

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 April 2023 and 2022:

		For the period ended 30 April					
		2023			2022		
		Turkey	Russia	Total	Turkey	Russia	Total
Store		16.1%	5.4%	16.1%	18.3%	6.3%	17.7%
Online	Group's online platform	22.3%	72.2%	30.0%	24.8%	72.9%	33.9%
	Aggregator	61.0%	22.4%	53.5%	56.4%	20.8%	48.1%
	Total online	83.3%	94.6%	83.4%	81.2%	93.7%	82.0%
Call centre		0.6%	-	0.5%	0.4%	-	0.3%

Unaudited

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 April 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⁾	7.6%	0.2%	55.4%	44.8%
Turkey	15.9%	0.4%	76.5%	58.6%
Russia (based on RUB)	-23.6%	-0.4%	-23.6%	-0.4%

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 April			
	2023		2022	
	Period End	Period Average	Period End	Period Average
EUR/TRY	21.440	20.457	15.545	15.698
RUB/TRY	0.237	0.252	0.202	0.167
EUR/RUB	88.371	81.241	74.559	93.460

Delivery – Take away / Eat in mix

	For the period ended 30 April					
	2023			2022		
	Turkey	Russia	Total	Turkey	Russia	Total
Delivery	73.8%	74.3%	73.7%	76.6%	77.9%	76.5%
Take away / Eat in	26.2%	25.7%	26.3%	23.4%	22.1%	23.5%
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.