

DP Eurasia N.V.

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

Trading Update for the Year Ended 31 December 2022⁽¹⁾

(millions of TRY, unless otherwise indicated)

	2022	2021	Change	
Number of stores	859	817	42	
Group system sales (<i>pre-IAS 29</i> ⁽²⁾) ⁽³⁾	2022	2021	Change	Change
				<i>(after IAS 29)</i>
Turkey	2,933.4	1,704.2	72.1%	-0.7%
Azerbaijan	67.4	32.1	109.8%	22.1%
Georgia	36.5	13.8	165.1%	55.4%
COFFY	53.6	5.8	828.8%	429.5%
Total continuing operations	3,090.9	1,755.9	76.0%	1.5%
Russia (discontinued operations)	1,119.9	629.4	77.9%	77.9%
Grand Total	4,210.8	2,385.3	76.5%	13.1%

System sales LfL growth ⁽⁴⁾	<i>(pre-IAS 29)</i>		<i>(after IAS 29)</i>	
	2022	2021	2022	2021
Turkey	63.5%	50.4%	-5.6%	25.9%
Azerbaijan (based on AZN)	8.0%	7.1%	7.9%	5.1%
Georgia (based on GEL)	12.6%	67.2%	12.8%	31.4%
Total continuing operations	62.2%	49.9%	-5.3%	26.0%
Russia (discontinued operations, based on RUB)	-9.8%	9.6%	-9.8%	9.6%
DPEU Group ⁽⁵⁾	46.2%	39.8%	-6.3%	21.9%

Highlights

- Group system sales increased by 13.1% (*pre-IAS 29: 76.5%*), reflecting our ongoing focus on network expansion, strategic pricing, and product innovation, as well as excellent growth and demand from our COFFY proposition.
- Good performance in Turkey was delivered against a strong prior year comparative (*pre-IAS 29: 59.1%*) and while operating in a sustained inflationary environment. Our Turkish LfL performance caught up with inflation when adjusted for last year’s VAT advantage.

- Online delivery system sales increased to 82.7% (2021: 77.4%) as a share of delivery system sales⁽⁶⁾, reflecting our robust positioning for the online ordering channel.
- Group online system sales⁽⁵⁾ grew by 15.3% (pre-IAS 29: 76.4%).
 - Turkish online system sales growth was 1.6% (pre-IAS 29: 75.7%).
 - Russian online system sales growth was 77.2% (-15.1% based on RUB).
- Turkish net new store openings of 48 for Domino’s Pizza, higher than previously guided range of 30-40 for 2022, reflects strong demand and maintained network expansion momentum, building on the record year in 2021. Additionally, the Group opened two new stores in Georgia, bringing the total number of stores to six in the country.
- The COFFY network this year increased by 21 stores to reach 29 with solid ongoing franchisee demand.
- 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. Following the closure of 29 stores over the course of 2022, the number of Russian stores stood at 159 as of 31 December 2022.
- Liquidity position as of 31 December 2022: TRY 368 million cash (TRY 9 million of which relates to the Russian business) and an undrawn bank facility of TRY 225 million.
- The Group plans to share formal guidance for the 2023 financial year when it publishes its 2022 preliminary results in April.

Performance against formal guidance - 2022:

	Turkey guidance	Actual vs. guidance	Russia guidance	Actual vs. guidance
LfL growth rate	55 - 65%*	IN LINE	0% (based on RUB)	WORSE
Domino’s Pizza net store openings	30 - 40	BETTER	0	WORSE
COFFY net store openings	20 - 30	IN LINE	-	-

* excl. impact of IAS 29 accounting

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

“Trading momentum sustained into the final months of the year, as we continued to implement our targeted action plan in reaction to and in order to overcome macro factors largely outside of our control. As a result, we anticipate adjusted EBITDA⁽⁸⁾ for 2022 will come ahead of current market expectations.

“We have a clear and targeted strategy that has focused on three areas – strategic pricing & 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 is visible in terms of volume generation and customer acquisition.

“Our focus on product innovation is integral, allowing us to present a broad choice to customers who increasingly seek value and affordability amid the inflationary environment. One of our new products, Pizzetta, which costs circa USD\$1, has become very successful since its launch in Q4 2022. We also introduced a ‘snacks from the oven’ range, completing our suite of value options and highlighting our drive for sustained innovation.

Unaudited

“In 2022, we continued improving 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 was very strong in 2022 and our Domino’s Pizza network in Turkey grew by net 48 stores. Given our strong pipeline and sustained franchisee interest, we remain confident that 2023 will be another solid year for network expansion.

“2022 was the year that our own brand, COFFY, strengthened its presence in the Turkish market with an accelerated expansion programme. Having developed multiple store concepts to fit in with local circumstances, our COFFY network reached 29 stores in five cities at year end. Franchisee demand currently stands very strong owing to COFFY’s proven sales performance. This demand, alongside our ambitious targets for 2023, will enable us to add further scale to our coffee business.”

Enquiries

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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: +44 3333000804

UK Toll-Free: 08003589473

Pin: 28610068#

URL for international dial in numbers:

https://events-ftp.arkadin.com/ev/docs/NE_W2_TF_Events_International_Access_List.pdf

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 830 stores (655 in Turkey, 159 in Russia, 10 in Azerbaijan and 6 in Georgia as of 31 December 2022) and operates through its owned corporate stores (18%) and franchised stores (82%). In addition to its pizza delivery business, the Group also has its own coffee brand, COFFY, which trades from 29 stores at period-end, 19 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. The Group has adapted the Domino’s Pizza globally proven business model to its local markets.

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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 31 December 2022 and 2021:

Group online system sales LfL growth	<i>(pre-IAS 29)</i>		<i>(after IAS 29)</i>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Group ⁽⁵⁾	50.4%	57.8%	-4.3%	36.8%
Turkey	67.9%	73.3%	-2.8%	45.2%
Russia (based on RUB)	-9.5%	12.4%	-9.5%	12.4%

Liquidity

The Group had TRY 368 million cash (TRY 9 million of which relates to the Russian business) and an undrawn bank facility of TRY 225 million as of 31 December 2022.

The Group has sufficient liquidity position to enable it to pre-pay its bank borrowings in Russia, despite the recent devaluation of TRY, if required. The Group obtained a waiver (related with net debt/EBITDA ratio) from Sberbank with respect to its covenants for all four quarters of 2022 and is in negotiations to reset the covenants or repay the remaining loan. The principal outstanding amount under the Sberbank loan currently amounts to RUB 0.7 billion, of which RUB 0.02 billion is supported by a cash collateral deposit.

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 interim results for the period ending 30 June 2022, published on 30 September, 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.

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Appendices

Exchange Rates

Currency	For the period ended 31 December			
	2022		2021	
	Period End	Period Average	Period End	Period Average
EUR/TRY	19.882	17.356	14.682	10.423
RUB/TRY	0.258	0.249	0.173	0.119
EUR/RUB	75.655	72.151	84.070	87.188

Delivery – Take away / Eat in mix

	For the period ended 31 December					
	2022			2021		
	Turkey	Russia	Total	Turkey	Russia	Total
Delivery	74.1%	75.2%	74.1%	78.6%	77.8%	78.3%
Take away / Eat in	25.9%	24.8%	25.9%	21.4%	22.2%	21.7%
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