



## Dodo Brands Reports Second Quarter 2023 Results

Moscow, Russia - 18 September 2023 10:00 AM GMT - DP Global Group Limited (“Dodo Brands” or the “Company”), home of Dodo Pizza, one of fastest-growing pizza chain in the world, announces its financial results in accordance with International Financial Reporting Standards (IFRS) for the for the three months ended 30 June 2023.

### Q2 2023 Key Financial Highlights

- Global system sales increased by 37% to RUB 20.1bn.
- Added 24 net new units in the second quarter 2023. Finished the quarter with 950 units in 17 countries.
- Eurasia comparable system sales in the second quarter 2023 increased by 22.0%; International Master Franchising comparable system sales increased by 46.4% (in RUB terms).
- Adjusted EBITDA amounted to RUB 281.3 million for the second quarter 2023 vs RUB 324.4 million in the second quarter 2022.
- Free Cash Flow of RUB 204.4 million for the second quarter 2023 vs RUB 358.4 million for the second quarter 2022.
- RUB 1,182 million net cash (ex. IFRS 16) as of June 30, 2023.

### Key Financial Metrics

RUB '000	Q2 2023	Q2 2022	change	1H 2023	1H 2022	change
<b>Revenue and Income</b>	<b>2,417,101</b>	<b>1,697,848</b>	<b>+42.4%</b>	<b>4,614,676</b>	<b>3,377,173</b>	<b>+36.6%</b>
Royalties	938,940	619,255	+51.6%	1,760,389	1,173,918	+50.0%
Retail sales	758,687	728,723	+4.1%	1,510,878	1,328,331	+13.7%
Marketing fee	430,486	132,461	+225.0%	762,087	444,735	+71.4%
Other revenue and income	288,988	217,409	+32.9%	581,322	430,189	+35.1%
<b>Adjusted EBITDA</b>	<b>281,336</b>	<b>324,369</b>	<b>(13.3%)</b>	<b>608,919</b>	<b>390,268</b>	<b>+56.0%</b>
EBITDA margin %	11.6%	19.1%	(747bps)	13.2%	11.6%	+164bps
<b>Free Cash Flow</b>	<b>204,360</b>	<b>358,429</b>	<b>(43.0%)</b>	<b>391,055</b>	<b>336,675</b>	<b>+16.2%</b>
FCF margin %	8.5%	+21.1%	(1,266bps)	8.5%	10.0%	(149bps)
<b>Net Cash ex. IFRS 16</b>	<b>(1,181,925)</b>	<b>(460,403)</b>	<b>+156.7%</b>	<b>(1,181,925)</b>	<b>(460,403)</b>	<b>+156.7%</b>

Store Count	30 June 2023	31 December 2022	change
Eurasia	874	824	+50
Corporate	39	36	+3
Franchised	835	788	+47
IMF	54	49	+5
Startups	22	20	+2
<b>TOTAL</b>	<b>950</b>	<b>893</b>	<b>+57</b>

<b>System Sales, RUB million</b>	<b>Q2 2023</b>	<b>Q2 2022</b>	<b>change</b>	<b>1H 2023</b>	<b>1H 2022</b>	<b>change</b>
Eurasia	19,143	14,073	+36.0%	36,343	26,121	+39.1%
International Master Franchising	879	542	+62.2%	1,637	1,211	+35.2%
Startups	111	83	+33.7%	198	149	+32.9%
<b>TOTAL</b>	<b>20,133</b>	<b>14,698</b>	<b>+37.0%</b>	<b>38,178</b>	<b>27,481</b>	<b>+38.9%</b>

<b>Comparable Sales Growth</b>	<b>Q2 2023</b>	<b>Q2 2022</b>
Eurasia	+22.0%	+39.7%
International Master Franchising	+46.4%	(1.5%)
Startups	(35.3%)	(28.4%)
<b>TOTAL</b>	<b>+22.6%</b>	<b>+37.3%</b>

## Notes

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

Comparable sales growth is a comparison of sales between two periods that compares system sales of existing system stores. The Company's system stores that are included in comparable sales calculation are those that have operated for at least 12 full calendar months preceding the beginning of the first month of the period used in the comparable sales for a certain reporting period, assuming the relevant system store has not subsequently closed.

Net debt, adjusted EBITDA and one-off income/expenses are not defined by IFRS. These items are determined by the principles defined by the Company's management. These items which are not defined by IFRS are disclosed by the Company management separately for a better understanding and measurement of the sustainable performance of the Company.

Eurasia business unit includes Dodo Pizza business in Russia, Kazakhstan and Belarus.

International Master Franchising business unit includes Dodo Pizza business in Romania, Lithuania, Estonia, Slovenia, Germany, Kyrgyzstan, Uzbekistan, Tajikistan, Nigeria, China, Poland and Vietnam.

Startups segment combines five business units - Dodo Pizza UK, Dodo Pizza UAE, DrinkIt, Drinkit UAE and Doner 42.

## Appendix I: System Sales and Comparable Sales Growth by Channel

<b>System Sales, RUB million</b>	<b>Q2 2023</b>	<b>Q2 2022</b>	<b>change</b>	<b>1H 2023</b>	<b>1H 2022</b>	<b>change</b>
Delivery	12,511	9,139	+36.9%	24,796	17,917	+38.4%
<i>% delivery in total</i>	62.1%	62.2%		64.9%	65.2%	
In-store	7,623	5,559	+37.1%	13,383	9,564	+39.9%
<b>TOTAL</b>	<b>20,134</b>	<b>14,698</b>	<b>+37.0%</b>	<b>38,179</b>	<b>27,481</b>	<b>+38.9%</b>

	<b>System orders, thsd</b>			<b>Average ticket, RUB</b>		
	<b>Q2 2023</b>	<b>Q2 2022</b>	<b>change</b>	<b>Q2 2023</b>	<b>Q2 2022</b>	<b>change</b>
Delivery	11,188	8,576	+30.5%	1,118	1,066	+4.9%
In-store	14,944	11,967	+24.9%	510	465	+9.8%
<b>TOTAL</b>	<b>26,132</b>	<b>20,543</b>	<b>+27.2%</b>	<b>770</b>	<b>715</b>	<b>+7.7%</b>

## Appendix II: Financial Statements Highlights and Reconciliations

### Profit & Loss Statement Highlights

<i>RUB '000</i>	Q2 2023	Q2 2022	change	1H 2023	1H 2022	change
<b>Revenue and income</b>	<b>2,417,101</b>	<b>1,697,848</b>	<b>+42.4%</b>	<b>4,614,676</b>	<b>3,377,173</b>	<b>+36.6%</b>
Royalties	938,940	619,255	+51.6%	1,760,389	1,173,918	+50.0%
Retail sales	758,687	728,723	+4.1%	1,510,878	1,328,331	+13.7%
Marketing fee	430,486	132,461	+225.0%	762,087	444,735	+71.4%
Other revenue and income	288,988	217,409	+32.9%	581,322	430,189	+35.1%
<b>Operating Expenses</b>	<b>(2,184,896)</b>	<b>(1,405,047)</b>	<b>+55.5%</b>	<b>(4,094,210)</b>	<b>(3,120,498)</b>	<b>+31.2%</b>
Raw materials and consumables	(309,550)	(301,243)	+2.8%	(621,212)	(551,049)	+12.7%
Employee benefits	(891,985)	(657,925)	+35.6%	(1,738,750)	(1,383,794)	+25.7%
Depreciation and amortization	(110,572)	(93,211)	+18.6%	(201,496)	(189,315)	+6.4%
Distribution and advertising	(507,396)	(156,884)	+223.4%	(869,635)	(498,908)	+74.3%
Other operating expenses	(365,393)	(195,784)	+86.6%	(663,117)	(497,432)	+33.3%
<b>Operating Profit</b>	<b>232,205</b>	<b>292,801</b>	<b>(20.7%)</b>	<b>520,466</b>	<b>256,675</b>	<b>+102.8%</b>
Finance Income	30,967	13,195	+134.7%	55,910	18,761	+198.0%
Finance costs	(31,240)	(32,623)	(4.2%)	(61,351)	(68,461)	(10.4%)
<b>Profit before Tax</b>	<b>231,932</b>	<b>273,373</b>	<b>(15.2%)</b>	<b>515,025</b>	<b>206,975</b>	<b>+148.8%</b>
Income tax expense	(57,564)	(56,253)	+2.3%	(113,404)	(79,761)	+42.2%
<b>Net Income</b>	<b>174,368</b>	<b>217,120</b>	<b>(19.7%)</b>	<b>401,621</b>	<b>127,214</b>	<b>+215.7%</b>

### Adjusted EBITDA Calculation

<i>RUB '000</i>	Q2 2023	Q2 2022	change	1H 2023	1H 2022	change
<b>Operating Profit</b>	<b>232,205</b>	<b>292,801</b>	<b>(20.7%)</b>	<b>520,466</b>	<b>256,675</b>	<b>+102.8%</b>
<i>operating margin %</i>	9.6%	+17.2%	(764bps)	11.3%	7.6%	+368bps
Add: Depreciation and amortization	110,572	93,211	+18.6%	201,496	189,315	+6.4%
Less: IFRS16 to IAS17 adjustment	(92,540)	(80,949)	+14.3%	(173,150)	(154,861)	+11.8%
Add: Share-based payments expense	30,071	23,968	+25.5%	64,871	70,816	(8.4%)
Add: Derecognition and impairment of non-current assets	3,537	(1,748)	n.a.	3,314	35,803	(90.7%)
Add: Other one-off income	(2,509)	(2,914)	(13.9%)	(8,078)	(7,480)	+8.0%
<b>Adjusted EBITDA</b>	<b>281,336</b>	<b>324,369</b>	<b>(13.3%)</b>	<b>608,919</b>	<b>390,268</b>	<b>+56.0%</b>
<i>EBITDA margin %</i>	11.6%	19.1%	(747bps)	13.2%	11.6%	+164bps

**Cash Flow Statement Highlights**

<b>RUB '000</b>	<b>Q2 2023</b>	<b>Q2 2022</b>	<b>change</b>	<b>1H 2023</b>	<b>1H 2022</b>	<b>change</b>
<b>Net Income before Tax</b>	<b>231,932</b>	<b>273,373</b>	<b>(15.2%)</b>	<b>515,025</b>	<b>206,975</b>	<b>+148.8%</b>
Add: Depreciation and amortization	110,572	93,211	+18.6%	201,496	189,315	+6.4%
Add: Share-based payments expense	30,071	23,968	+25.5%	64,871	70,816	(8.4%)
Add: Derecognition and impairment of non-current assets	3,537	(1,748)	<i>n.a.</i>	3,314	35,803	(90.7%)
Change in working capital	83,499	87,543	(4.6%)	52,876	113,780	(53.5%)
Income Tax Paid	(75,579)	(44,424)	+70.1%	(117,645)	(68,550)	+71.6%
Net finance cost	14,399	26,346	(45.3%)	30,841	59,904	(48.5%)
Other adjustments	(40,286)	6,728	<i>n.a.</i>	(34,975)	16,791	<i>n.a.</i>
<b>Operating Cash Flow</b>	<b>358,145</b>	<b>464,997</b>	<b>(23.0%)</b>	<b>715,803</b>	<b>624,834</b>	<b>+14.6%</b>
Purchase of property and equipment	(51,485)	(21,485)	+139.6%	(138,658)	(122,880)	+12.8%
Purchase of intangible assets	(8,590)	(1,855)	+363.1%	(10,222)	(5,547)	+84.3%
Other investing cash flows	1,455	889	+63.7%	1,940	1,494	+29.9%
<b>Investing Cash Flow</b>	<b>(58,620)</b>	<b>(22,451)</b>	<b>+161.1%</b>	<b>(146,940)</b>	<b>(126,933)</b>	<b>+15.8%</b>
Interest paid on loans received	(1,170)	(2,279)	(48.7%)	(2,718)	(4,871)	(44.2%)
Shares buyback	(52,255)	-	<i>n.a.</i>	(52,255)	-	<i>n.a.</i>
Payment of lease liabilities and related interest	(93,325)	(81,434)	+14.6%	(174,420)	(155,831)	+11.9%
Net decrease in financial debt	(16,148)	(64,180)	(74.8%)	(32,296)	(35,855)	(9.9%)
<b>Financing Cash Flow</b>	<b>(162,898)</b>	<b>(147,893)</b>	<b>+10.1%</b>	<b>(261,689)</b>	<b>(196,557)</b>	<b>+33.1%</b>
<b>Net change in cash and equivalents</b>	<b>136,627</b>	<b>294,653</b>	<b>(53.6%)</b>	<b>307,174</b>	<b>301,344</b>	<b>+1.9%</b>
Net foreign exchange difference and credit losses	24,250	(416)	<i>n.a.</i>	40,307	(3,404)	<i>n.a.</i>
<b>Cash and equivalents at the beginning of period</b>	<b>1,056,307</b>	<b>313,437</b>	<b>+237.0%</b>	<b>869,703</b>	<b>309,734</b>	<b>+180.8%</b>
<b>Cash and equivalents at the end of period</b>	<b>1,217,184</b>	<b>607,674</b>	<b>+100.3%</b>	<b>1,217,184</b>	<b>607,674</b>	<b>+100.3%</b>

**Free Cash Flow Calculation**

<b>RUB '000</b>	<b>Q2 2023</b>	<b>Q2 2022</b>	<b>change</b>	<b>1H 2023</b>	<b>1H 2022</b>	<b>change</b>
<b>Adjusted EBITDA</b>	<b>281,336</b>	<b>324,369</b>	<b>(13.3%)</b>	<b>608,919</b>	<b>390,268</b>	<b>+56.0%</b>
Purchase of property and equipment	(51,485)	(21,485)	+139.6%	(138,658)	(122,880)	+12.8%
Purchase of intangible assets	(8,590)	(1,855)	+363.1%	(10,222)	(5,547)	+84.3%
Change in Working Capital	83,499	87,543	(4.6%)	52,876	113,780	(53.5%)
Income Tax Paid	(75,579)	(44,424)	+70.1%	(117,645)	(68,550)	+71.6%
Interest paid on loans received	(1,170)	(2,279)	(48.7%)	(2,718)	(4,871)	(44.2%)
Inventory loss	19,360	12,929	+49.7%	39,350	31,832	+23.6%
Other adjustments	(43,011)	3,631	<i>n.a.</i>	(40,847)	2,643	<i>n.a.</i>
<b>Free Cash Flow</b>	<b>204,360</b>	<b>358,429</b>	<b>(43.0%)</b>	<b>391,055</b>	<b>336,675</b>	<b>+16.2%</b>

**Net Debt Calculation**

<b><i>RUB '000</i></b>	<b>Q2 2023</b>	<b>2022 YE</b>	<b><i>change</i></b>
Interest-bearing loans and borrowings (current)	35,259	67,145	(47.5%)
Cash and equivalents	(1,217,184)	(869,703)	+40.0%
<b>Net Cash ex. IFRS 16</b>	<b>(1,181,925)</b>	<b>(802,558)</b>	<b>+47.3%</b>