

## Dodo Brands Reports First Quarter 2021 Results

*Moscow, Russia - 8 July 2021 11:00 AM GMT* - DP Global Group Limited ("Dodo Brands" or the "Company"), home of Dodo Pizza, the largest pizza chain in Russia and the fastest-growing pizza chain in the world, announces its financial results in accordance with International Financial Reporting Standards (IFRS) for the quarter ended 31 March 2021.

"We had an exceptional quarter," said Fyodor Ovchinnikov, Dodo Brands founder and CEO. "Our core business of Dodo Pizza Eurasia demonstrated the highest quarterly growth rates since Q1 2019. We also continued to execute on our Plan 333 and invest in transforming ourselves into an international multi-brand franchising platform. Drinkit, Doner 42 and Dodo UK are showing promising early results and we plan to add more locations of each by the end of the year. Unfortunately, we had to make a difficult decision to exit China to reallocate resources to other business units with stronger traction. I want to thank the Dodo China team for their effort and dedication over the years. Many insights and innovations developed in China will be applied in other markets and make our business stronger".

### Q1 2021 Key Financial Highlights

- Global system sales increased by 44.4% to RUB 8.8bn.
- Added 16 net new units in the first quarter. Finished the quarter with 695 units in 14 countries.
- Eurasia comparable system sales increased by 26.3%; International Master Franchising comparable system sales increased by 42.9%.
- Adjusted EBITDA increased to RUB 110 million for the first quarter 2021 vs RUB 40 million in the first quarter 2020.
- Free Cash Flow of RUB 119 million for the first quarter 2021 vs negative RUB (57) million for the first quarter 2020.
- RUB 238 million net cash (ex. IFRS 16) as of March 31, 2021.

### Significant Events in Q1 2021

- Announced decision to exit China market by end of the year to reallocate resources to other markets and concepts.
- Set up a second Employee Stock Options Plan (ESOP-II) with the maximum size of 2 630 shares. As a result, the total diluted number of shares outstanding increased by 5% to 55 222 shares (pre-split).
- Announced 1:100 share split; post-split diluted number of shares outstanding at 5 522 200.

<b>Key Financial Metrics, RUB '000</b>	<b>Q1 2021</b>	<b>Q1 2020</b>	<b>change</b>
<b>Revenue and income</b>	<b>1,148,421</b>	<b>724,720</b>	<b>+58.5%</b>
Royalties	386,307	258,736	+49.3%
Retail sales	418,550	277,011	+51.1%
Marketing fee	182,203	87,545	+108.1%
Other revenue and income	161,361	101,428	+59.1%
<b>Adjusted EBITDA</b>	<b>110,292</b>	<b>40,453</b>	<b>+172.6%</b>
<i>EBITDA margin %</i>	9.6%	5.6%	+402bps
<b>Free Cash Flow</b>	<b>119,415</b>	<b>(56,807)</b>	<b>n.a.</b>
<i>FCF margin %</i>	10.4%	(7.8%)	+1,824bps
<b>Net Debt / (Cash) ex. IFRS 16</b>	<b>(238,381)</b>	<b>(174,100)</b>	<b>+36.9%</b>

<b>Store Count</b>	<b>Q1 2021</b>	<b>2020 YE</b>	<b>change</b>
Eurasia	654	639	+15
Corporate	31	30	+1
Franchised	623	609	+14
International Master Franchising	31	30	+1
Startups	10	10	+0
<b>TOTAL</b>	<b>695</b>	<b>679</b>	<b>+16</b>

<b>System Sales, RUB million</b>	<b>Q1 2021</b>	<b>Q1 2020</b>	<b>% change</b>
Eurasia	8,331	5,835	+42.8%
International Master Franchising	438	252	+74.1%
Startups	60	29	+106.5%
<b>TOTAL</b>	<b>8,829</b>	<b>6,115</b>	<b>+44.4%</b>

<b>Comparable Sales Growth</b>	<b>Q1 2021</b>	<b>Q1 2020</b>
Eurasia	26.3%	5.1%
International Master Franchising	42.9%	5.8%
Startups	21.1%	34.9%
<b>TOTAL</b>	<b>26.8%</b>	<b>5.0%</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, Nigeria and the USA.

Startups segment combines four business units - Dodo Pizza China, Dodo Pizza UK, Drink It and Doner 42.

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

<b>System Sales, RUB million</b>	<b>Q1 2021</b>	<b>Q1 2020</b>	<b>% change</b>
Delivery	6,067	3,774	+60.7%
<i>% delivery in total</i>	68.7%	61.7%	
In-Store	2,763	2,341	+18.0%
<b>TOTAL</b>	<b>8,829</b>	<b>6,115</b>	<b>+44.4%</b>

<b>Comparable Sales Growth (excluding Startups)</b>	<b>Q1 2021</b>	<b>Q1 2020</b>
Delivery	42.2%	9.8%
In-store	2.0%	(2.4%)
<b>TOTAL</b>	<b>26.8%</b>	<b>5.0%</b>

## Appendix II: Financial Statements Highlights and Reconciliations

### Profit & Loss Statement Highlight

<i>RUB '000</i>	Q1 2021	Q1 2020	change
<b>Revenue and income</b>	<b>1,148,421</b>	<b>724,720</b>	<b>+58.5%</b>
Royalties	386,307	258,736	+49.3%
Retail sales	418,550	277,011	+51.1%
Marketing fee	182,203	87,545	+108.1%
Other revenue and income	161,361	101,428	+59.1%
<b>Operating Expenses</b>	<b>(1,031,592)</b>	<b>(729,060)</b>	<b>+41.5%</b>
Raw materials and consumables	(166,248)	(97,828)	+69.9%
Employee benefits	(462,504)	(324,016)	+42.7%
Depreciation and amortization	(70,801)	(54,733)	+29.4%
Distribution and advertising	(176,740)	(135,173)	+30.8%
Other operating expenses	(155,299)	(117,310)	+32.4%
<b>Operating Profit / (Loss)</b>	<b>116,829</b>	<b>(4,340)</b>	<b>n.a.</b>
Finance Income	1,265	1,830	(30.9%)
Finance Loss	(34,716)	(163,815)	(78.8%)
<b>Profit / (Loss) Before Tax</b>	<b>83,378</b>	<b>(166,325)</b>	<b>n.a.</b>
Income tax expense	(21,125)	13,861	n.a.
<b>Net Income / (Loss)</b>	<b>62,253</b>	<b>(152,464)</b>	<b>n.a.</b>

### Adjusted EBITDA Calculation

<i>RUB '000</i>	Q1 2021	Q1 2020	change
<b>Operating Profit / (Loss)</b>	<b>116,829</b>	<b>(4,340)</b>	<b>n.a.</b>
<i>operating margin %</i>	<i>10.2%</i>	<i>(0.6%)</i>	<i>+1,077bps</i>
Add: Depreciation and amortization	70,801	54,733	+29.4%
Less: IFRS16 to IAS17 adjustment	(52,148)	(36,395)	+43.3%
Add: Share-based payments expense	27,497	15,906	+72.9%
Less: Marketing fund adjustment	(46,661)	8,915	n.a.
Add: Other one-off expenses / (income)	(6,026)	1,634	n.a.
<b>Adjusted EBITDA</b>	<b>110,292</b>	<b>40,453</b>	<b>+172.6%</b>
<i>EBITDA margin %</i>	<i>9.6%</i>	<i>5.6%</i>	<i>+402bps</i>

## Cash Flow Statement Highlights

<i>RUB '000</i>	Q1 2021	Q1 2020	change
Net Income / (Loss) before tax	<b>83,378</b>	<b>(166,325)</b>	<i>n.a.</i>
Add: Depreciation and amortization	70,801	54,733	+29.4%
Add: Share-based payments expense	27,497	15,906	+72.9%
Change in working capital	(6,647)	(33,202)	(80.0%)
Income Tax Paid	(12,153)	(1,586)	+666.3%
Other operating cash flows adjustments	35,708	146,059	(75.6%)
<b>Operating Cash Flow</b>	<b>198,584</b>	<b>15,585</b>	<i>n.a.</i>
Purchase of property, plant and equipment	(22,766)	(34,846)	(34.7%)
Purchase of intangible assets	(1)	-	<i>n.a.</i>
Other investing cash flows	2,366	843	+180.7%
<b>Investing Cash Flow</b>	<b>(20,401)</b>	<b>(34,003)</b>	<i>n.a.</i>
Interest paid on financial loans received	(4,254)	(1,151)	+269.6%
Payment of lease liabilities and related interest	(52,633)	(36,881)	+42.7%
Net increase / (decrease) in financial debt	(10,720)	78,656	<i>n.a.</i>
<b>Financing Cash Flow</b>	<b>(67,607)</b>	<b>40,624</b>	<i>n.a.</i>
<b>Net change in cash and equivalents</b>	<b>110,576</b>	<b>22,206</b>	<b>+398.0%</b>
Net foreign exchange difference	6,284	25,729	(75.6%)
<b>Cash and equivalents beginning of period</b>	<b>303,598</b>	<b>226,359</b>	<b>+34.1%</b>
<b>Cash and equivalents end of period</b>	<b>420,458</b>	<b>274,293</b>	<b>+53.3%</b>

## Free Cash Flow Calculation

<i>RUB '000</i>	Q1 2021	Q1 2020	change
<b>Adjusted EBITDA</b>	<b>110,292</b>	<b>40,453</b>	<b>+172.6%</b>
Purchase of property, plant and equipment	(22,766)	(34,846)	(34.7%)
Purchase of intangible assets	(1)	-	<i>n.a.</i>
Adjusted change in Working Capital	40,014	(42,117)	<i>n.a.</i>
Income Tax Paid	(12,153)	(1,586)	+666.3%
Interest paid on financial loans received	(4,254)	(1,151)	+269.6%
Other adjustments	8,283	(17,560)	<i>n.a.</i>
<b>Free cash flow</b>	<b>119,415</b>	<b>(56,807)</b>	<i>n.a.</i>

## Net Debt Calculation

<b>RUB '000</b>	<b>Q1 2021</b>	<b>2020 YE</b>	<b>change</b>
Interest-bearing loans and borrowings	182,077	192,797	(5.6%)
Current	94,547	117,797	(19.7%)
Non-current	87,530	75,000	+16.7%
Cash and equivalents	(420,458)	(303,598)	+38.5%
<b>Net debt / (cash) ex. IFRS 16</b>	<b>(238,381)</b>	<b>(110,801)</b>	<b>+115.1%</b>