



## Dodo Brands Reports Fourth Quarter 2021 Results

Moscow, Russia - 4 April 2022 16:00 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 year ended 31 December 2021.

### Q4 2021 Key Financial Highlights

- Global system sales increased by 49% to RUB 11.5bn.
- Added 30 net new units in the fourth quarter 2021. Finished the fourth quarter with 771 units in 15 countries.
- Eurasia comparable system sales in the fourth quarter 2021 increased by 33.1%; International Master Franchising comparable system sales increased by 13.7%.
- Adjusted EBITDA increased to RUB 54.8 million for the fourth quarter 2021 vs RUB 22 million in the fourth quarter 2020.
- Free Cash Flow of RUB (314) million for the fourth quarter 2021 vs RUB (93.7) million for the fourth quarter 2020.
- RUB 131 million net cash (ex. IFRS 16) as of December 31, 2021.

### Key Financial Metrics

<b>RUB '000</b>	<b>Q4 2021</b>	<b>Q4 2020</b>	<b>change</b>	<b>FY 2021</b>	<b>FY 2020</b>	<b>change</b>
<b>Revenue and income</b>	<b>1,597,129</b>	<b>945,163</b>	<b>+69.0%</b>	<b>5,257,328</b>	<b>3,020,746</b>	<b>+74.0%</b>
Royalties	505,822	334,293	+51.3%	1,757,963	1,107,956	+58.7%
Retail sales	507,546	364,940	+39.1%	1,809,535	1,118,492	+61.8%
Marketing fee	373,612	69,381	+438.5%	936,016	272,684	+243.3%
Other revenue and income	210,149	176,549	+19.0%	753,814	521,614	+44.5%
<b>Adjusted EBITDA</b>	<b>54,814</b>	<b>21,884</b>	<b>+150.5%</b>	<b>488,286</b>	<b>257,540</b>	<b>+89.6%</b>
<i>EBITDA margin %</i>	3.4%	2.3%	+112bps	9.3%	8.5%	+76bps
<b>Free Cash Flow</b>	<b>(313,968)</b>	<b>(93,651)</b>	<b>+235.3%</b>	<b>11,806</b>	<b>(28,663)</b>	<b>n.a.</b>
<i>FCF margin %</i>	(19.7%)	(9.9%)	(975bps)	0.2%	-0.9%	+117bps
<b>Net Debt / (Cash) ex. IFRS 16</b>	<b>(131,412)</b>	<b>(110,801)</b>	<b>+18.6%</b>	<b>(131,412)</b>	<b>(110,801)</b>	<b>+18.6%</b>

<b>Store Count</b>	<b>31/12/2021</b>	<b>31/12/2020</b>	<b>change</b>
Eurasia	720	639	+81
Corporate	34	30	+4
Franchised	686	609	+77
IMF	40	30	+10
Startups	11	10	+1
<b>TOTAL</b>	<b>771</b>	<b>679</b>	<b>+92</b>

<b>System Sales, RUB million</b>	<b>Q4 2021</b>	<b>Q4 2020</b>	<b>% change</b>	<b>FY 2021</b>	<b>FY 2020</b>	<b>% change</b>
Eurasia	10,916	7,307	+49.4%	38,005	24,321	+56.3%
International Master Franchising	553	408	+35.5%	1,926	1,250	+54.1%
Startups	64	46	+39.1%	252	153	+64.7%
<b>TOTAL</b>	<b>11,533</b>	<b>7,761</b>	<b>+48.6%</b>	<b>40,183</b>	<b>25,724</b>	<b>+56.2%</b>

<b>Comparable Sales Growth</b>	<b>Q4 2021</b>	<b>Q4 2020</b>	<b>FY 2021</b>	<b>FY 2020</b>
Eurasia	+33.1%	+17.6%	+37.0%	+5.3%
International Master Franchising	+13.7%	+33.9%	+31.4%	+11.3%
Startups	n.a.	+20.8%	(16.9%)	+9.5%
<b>TOTAL</b>	<b>+31.7%</b>	<b>+18.2%</b>	<b>+36.3%</b>	<b>+5.4%</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, China, Poland and Vietnam.

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

### **Change in accounting policy for income from marketing fee**

Management approved the retrospective change in accounting policy regarding the revenue from the marketing fee which did not cause a material effect on the Financial statements for the 2021 and 2020 FY.

Old policy: Revenue from marketing fee was calculated as a percentage of retail sales of each franchise-owned store with a monthly recognition. The amount of recognition was determined as a percentage of store-level retail revenue for each month.

Rationale: Due to the terms of advertising contracts with franchisees the marketing services are provided to franchised-owned stores on a quarterly basis. The amount of revenue is determined as actual amount of services allocated to each franchisee. According to IFRS 15 *Revenue from contracts with customers* the Group has to recognise revenue when a performance obligation is satisfied by transferring a promised service to a customer.

Adjusted policy: The income of the Group is based on actual amount of marketing services provided and allocated to each franchisee. The Group recognises revenue only when the service is provided to a partner.

Effect: In accordance with the terms of the old policy, the revenue recognised from marketing services and actually provided services had a time gap, which led to a discrepancy in PL amount of income and expense related to this income (satisfying of the performance obligation). This in turn led to the effect on the financial result, which was misleading for the user. Therefore the retrospective change in accounting policy helped to overcome this discrepancy and to improve the data in Financial Statements.

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

<b>System Sales, RUB million</b>	<b>Q4 2021</b>	<b>Q4 2020</b>	<b>% change</b>	<b>FY 2021</b>	<b>FY 2020</b>	<b>% change</b>
Delivery	8,018	5,339	+50.2%	26,314	17,913	+46.9%
<i>% delivery in total</i>	69.5%	68.8%		65.5%	69.6%	
In-store	3,515	2,422	+45.2%	13,869	7,811	+77.6%
<b>TOTAL</b>	<b>11,533</b>	<b>7,761</b>	<b>+48.6%</b>	<b>40,183</b>	<b>25,724</b>	<b>+56.2%</b>

	<b>System orders, thsd</b>			<b>Average ticket, RUB</b>		
	<b>Q4 2021</b>	<b>Q4 2020</b>	<b>% change</b>	<b>Q4 2021</b>	<b>Q4 2020</b>	<b>% change</b>
Delivery	7,707	5,561	+38.6%	1,040	960	+8.4%
In-store	7,924	6,173	+28.4%	444	392	+13.1%
<b>TOTAL</b>	<b>15,631</b>	<b>11,734</b>	<b>+33.2%</b>	<b>738</b>	<b>661</b>	<b>+11.6%</b>

## Appendix II: Financial Statements Highlights and Reconciliations

### Profit & Loss Statement Highlights

<i>RUB '000</i>	Q4 2021	Q4 2020	change	FY 2021	FY 2020	change
<b>Revenue and income</b>	<b>1,597,129</b>	<b>945,163</b>	<b>+69.0%</b>	<b>5,257,328</b>	<b>3,020,746</b>	<b>+74.0%</b>
Royalties	505,822	334,293	+51.3%	1,757,963	1,107,956	+58.7%
Retail sales	507,546	364,940	+39.1%	1,809,535	1,118,492	+61.8%
Marketing fee	373,612	69,381	+438.5%	936,016	272,684	+243.3%
Other revenue and income	210,149	176,549	+19.0%	753,814	521,614	+44.5%
<b>Operating Expenses</b>	<b>(1,660,528)</b>	<b>(933,623)</b>	<b>+77.9%</b>	<b>(5,042,427)</b>	<b>(2,898,356)</b>	<b>+74.0%</b>
Raw materials and consumables	(205,451)	(162,689)	+26.3%	(715,274)	(422,534)	+69.3%
Employee benefits	(641,209)	(423,946)	+51.2%	(2,175,115)	(1,385,354)	+57.0%
Depreciation and amortization	(86,029)	(70,242)	+22.5%	(295,945)	(243,973)	+21.3%
Distribution and advertising	(405,086)	(148,107)	+173.5%	(1,016,428)	(384,104)	+164.6%
Other operating expenses	(322,753)	(128,639)	+150.9%	(839,665)	(462,391)	+81.6%
<b>Operating Profit / (Loss)</b>	<b>(63,399)</b>	<b>11,540</b>	<b>n.a.</b>	<b>214,901</b>	<b>122,390</b>	<b>+75.6%</b>
Finance Income	4,114	1,677	+145.3%	18,412	7,244	+154.2%
Finance costs	(30,325)	12,577	n.a.	(107,060)	(210,942)	(49.2%)
<b>Profit / (Loss) Before Tax</b>	<b>(89,610)</b>	<b>25,794</b>	<b>n.a.</b>	<b>126,253</b>	<b>(81,308)</b>	<b>n.a.</b>
Income tax expense	(33,291)	(25,234)	+31.9%	(98,679)	(32,798)	+200.9%
<b>Net Income / (Loss)</b>	<b>(122,901)</b>	<b>560</b>	<b>n.a.</b>	<b>27,574</b>	<b>(114,106)</b>	<b>n.a.</b>

### Adjusted EBITDA Calculation

<i>RUB '000</i>	Q4 2021	Q4 2020	change	FY 2021	FY 2020	change
<b>Operating Profit / (Loss)</b>	<b>(63,399)</b>	<b>11,540</b>	<b>n.a.</b>	<b>214,901</b>	<b>122,390</b>	<b>+75.6%</b>
<i>operating margin %</i>	<i>(4.0%)</i>	<i>+1.2%</i>	<i>(519bps)</i>	<i>+4.1%</i>	<i>+4.1%</i>	<i>+4bps</i>
Add: Depreciation and amortization	86,029	70,242	+22.5%	295,945	243,973	+21.3%
Less: IFRS16 to IAS17 adjustment	(76,365)	(63,650)	+20.0%	(243,548)	(173,297)	+40.5%
Add: Share-based payments expense	45,014	20,662	+117.9%	152,648	82,080	+86.0%
Add: Derecognition and impairment of non-current assets	55,724	359	n.a.	92,274	359	n.a.
Less: income on government grants	(1,222)	(13,253)	(90.8%)	(28,558)	(16,786)	+70.1%
Add: Other one-off expenses / (income)	9,033	(4,016)	n.a.	4,624	(1,179)	n.a.
<b>Adjusted EBITDA</b>	<b>54,814</b>	<b>21,884</b>	<b>+150.5%</b>	<b>488,286</b>	<b>257,540</b>	<b>+89.6%</b>
<i>EBITDA margin %</i>	<i>3.4%</i>	<i>2.3%</i>	<i>+112bps</i>	<i>9.3%</i>	<i>8.5%</i>	<i>+76bps</i>

**Cash Flow Statement Highlights**

<i>RUB '000</i>	Q4 2021	Q4 2020	change	FY 2021	FY 2020	change
<b>Net Income / (Loss) before tax</b>	<b>(89,610)</b>	<b>25,794</b>	<i>n.a.</i>	<b>126,253</b>	<b>(81,308)</b>	<i>n.a.</i>
Add: Depreciation and amortization	86,029	70,242	+22.5%	295,945	243,973	+21.3%
Add: Share-based payments expense	45,014	20,662	+117.9%	152,648	82,080	+86.0%
Add: Derecognition and impairment of non-current assets	55,724	359	<i>n.a.</i>	92,274	359	<i>n.a.</i>
Change in working capital	(198,856)	(32,577)	+510.4%	(213,629)	(47,002)	+354.5%
Income Tax Paid	(45,631)	(7,056)	+546.7%	(102,715)	(53,101)	+93.4%
Other adjustments	42,813	(20,850)	<i>n.a.</i>	127,467	185,673	(31.3%)
<b>Operating Cash Flow</b>	<b>(104,517)</b>	<b>56,574</b>	<i>n.a.</i>	<b>478,243</b>	<b>330,674</b>	<b>+44.6%</b>
Purchase of property and equipment	(130,880)	(82,210)	+59.2%	(208,838)	(174,824)	+19.5%
Purchase of intangible assets	(703)	(4)	<i>n.a.</i>	(811)	(192)	+322.4%
Other investing cash flows	2,735	5,168	(47.1%)	5,767	6,358	(9.3%)
<b>Investing Cash Flow</b>	<b>(128,848)</b>	<b>(77,046)</b>	<b>+67.2%</b>	<b>(203,882)</b>	<b>(168,658)</b>	<b>+20.9%</b>
Interest paid on financial loans received	(2,603)	(3,904)	(33.3%)	(14,340)	(10,567)	+35.7%
Payment of lease liabilities and related interest	(76,838)	(64,135)	+19.8%	(245,351)	(174,914)	+40.3%
Net increase / (decrease) in financial debt	1,904	(14,310)	<i>n.a.</i>	(6,492)	90,818	<i>n.a.</i>
<b>Financing Cash Flow</b>	<b>(77,537)</b>	<b>(82,349)</b>	<b>(5.8%)</b>	<b>(266,183)</b>	<b>(94,663)</b>	<b>+181.2%</b>
<b>Net change in cash and equivalents</b>	<b>(310,902)</b>	<b>(102,821)</b>	<b>+202.4%</b>	<b>8,178</b>	<b>67,353</b>	<b>(87.9%)</b>
Net foreign exchange difference and credit losses	2,830	854	+231.4%	(2,042)	9,886	<i>n.a.</i>
<b>Cash and equivalents beginning of period</b>	<b>617,806</b>	<b>405,565</b>	<b>+52.3%</b>	<b>303,598</b>	<b>226,359</b>	<b>+34.1%</b>
<b>Cash and equivalents end of period</b>	<b>309,734</b>	<b>303,598</b>	<b>+2.0%</b>	<b>309,734</b>	<b>303,598</b>	<b>+2.0%</b>

**Free Cash Flow Calculation**

<i>RUB '000</i>	Q4 2021	Q4 2020	change	FY 2021	FY 2020	change
<b>Adjusted EBITDA</b>	<b>54,814</b>	<b>21,884</b>	<b>+150.5%</b>	<b>488,286</b>	<b>257,540</b>	<b>+89.6%</b>
Purchase of property and equipment	(130,880)	(82,210)	+59.2%	(208,838)	(174,824)	+19.5%
Purchase of intangible assets	(703)	(4)	<i>n.a.</i>	(811)	(192)	+322.4%
Change in Working Capital	(198,856)	(32,577)	+510.4%	(213,629)	(47,002)	+354.5%
Change in balance of government grants	1,222	4,443	(72.5%)	28,558	(26,863)	<i>n.a.</i>
Income Tax Paid	(45,631)	(7,056)	+546.7%	(102,715)	(53,101)	+93.4%
Interest paid on financial loans received	(2,603)	(3,904)	(33.3%)	(14,340)	(10,567)	+35.7%
Inventory loss (surplus)	13,462	7,999	+68.3%	39,092	26,109	+49.7%
Other adjustments	(4,793)	(2,226)	+115.3%	(3,797)	237	<i>n.a.</i>
<b>Free cash flow</b>	<b>(313,968)</b>	<b>(93,651)</b>	<b>+235.3%</b>	<b>11,806</b>	<b>(28,663)</b>	<b><i>n.a.</i></b>

**Net Debt Calculation**

<b><i>RUB '000</i></b>	<b>2021 YE</b>	<b>2020 YE</b>	<b><i>change</i></b>
Interest-bearing loans and borrowings	178,322	192,797	(7.5%)
Current	128,322	117,797	+8.9%
Non-current	50,000	75,000	(33.3%)
Cash and equivalents	(309,734)	(303,598)	+2.0%
<b>Net debt / (cash) ex. IFRS 16</b>	<b>(131,412)</b>	<b>(110,801)</b>	<b>+18.6%</b>