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DP Poland PLC
("DP Poland" or the "Group")

Full year unaudited trading update for 2021

DP Poland, the operator of pizza stores and restaurants across Poland, announces a trading update for the full year ended 31 December 2021.

Financial Highlights

- Like for like System Sales¹ increased by 6% in 2021 compared to 2020
 - Like for like System Sales up 16% in Q4 2021 compared to Q4 2020
 - Like for like System Sales increased by 10% in Q4 2021 compared to Q3 2021
- Total System Sales² above pre-COVID-19 performance, despite a subdued dine-in market
 - Total System Sales up 18% from Q4 2020
 - Total System Sales up 6% from Q4 2019

2021 vs 2020	Q1	Q2	Q3	Q4
LFL System Sales	-2.0%	9.3%	-0.1%	15.6%
Total System Sales	-8.6%	9.4%	0.3%	18.0%

2021 vs 2019	Q1	Q2	Q3	Q4
LFL System Sales	-0.3%	-0.2%	3.2%	11.0%
Total System Sales	-8.7%	-5.8%	-0.3%	6.3%

- Dine-in business recovering strongly but still has more upside potential
 - Dine-in sales for Q4 increased by 95% compared to Q4 2020
 - Dine-in sales for Q4 down 16% compared to Q4 2019, due to continued lockdown measures and low incoming tourism
- Notwithstanding the growth in sales, inflationary pressures on food costs (Polish CPI showed 8.6% inflation in December 2021) and increased wages have had a negative impact on profitability
- Cash at bank of £1.8m as at 31 December 2021 (2020: £1.2m)
- The Q4 momentum has been maintained in the first days of 2022

1 Like-for-like System Sales growth in PLN, matching trading periods for the same stores between 1 January and 31 December 2019 and 1 January and 31 December 2020

2 System Sales - total retail sales including sales from corporate and sub-franchised stores, unaudited

Review of 2021 and Outlook for 2022

In the absence of government support programs, the business has been reshaped to become more resilient to the effects of COVID-19. Sales in recent months have grown at double digit figures despite the headwinds and the Board expects this trend to continue, as already visible in January 2022 trading. However, despite the positive trend in sales growth, the Group's profitability has suffered as a result of the growing inflationary pressure on food cost and increasing wages across Poland and therefore the Board believes the profitability of the Group will be negatively impacted and will be behind market expectations for FY21. The Board is assessing the full impact on profitability for FY21 and the potential impact on the current year and will update the market as soon as known. The recovery of tourism and the elimination of lockdown measures during 2022 are expected to have a positive impact on sales and profitability.

As previously announced, the Group expects to recommence store openings in 2022 and to increase its share of sub-franchised business vs corporate stores.

DP Poland's Chief Executive Officer, Piotr Dzierżek, said:

"2021 was a transformational year as DP Poland completed the acquisition of Dominium S.A. We have seen a positive trend in LFL system sales through the year, benefiting from the integration of the two businesses, and showing an accelerating trend in Q4 2021 as we saw a resurgence in dine-in sales. The challenges we have seen in 2021 from COVID-19, a tight labour market and rising inflation, may persist in 2022 but we have in place a series of strong mitigations and expect performance to continue improving. As a result of the impact of inflationary pressure around food cost and increasing wages, profitability in FY21 has been impacted."

Operational Highlights

- Full operational integration of Dominium business completed
- Continuing lockdown measures in Poland
 - Dine-in sales have not yet reached full potential
 - No state support for affected Horeca businesses (the hospitality, restaurant and café industry in Poland)

Trading performance

<i>PLNm</i>	FY2019	FY2020	FY2021	% change vs. 2019	% change vs. 2020
Total System sales	168.2	157.8	164.9	-2%	4%
LFL System sales	156.6	153.6	162.2	4%	6%
dine-in	56.2	35.5	38.8	-31%	9%
delivery	100.4	118.1	123.4	23%	4%
Non-LFL System sales	11.6	4.2	2.7	-77%	-35%

<i>PLNm</i>	4Q2019	4Q2020	4Q2021	% change vs. 2019	% change vs. 2020
Total System sales	44.2	39.8	47.0	6%	18%
LFL System sales	40.8	39.1	45.2	11%	16%
dine-in	13.9	6.0	11.6	-16%	95%
delivery	26.9	33.2	33.6	25%	1%
Non-LFL System sales	3.5	0.7	1.8	-49%	155%

H2 2021, and particularly Q4, illustrate the current run rate of the Group. The blended 18% System Sales growth, and 15.6% like for like growth, in Q4 2021 versus Q4 2020 demonstrate the sales potential of the Group. Sales growth versus last year has been fuelled by a recovery of the dine-in business, which almost doubled in Q4. It is notable that delivery sales have been maintained despite the boost of dine-in, and customers gradually returning to the restaurants.

The expansion of the customer base has been a key management focus following the merger. Sales growth has been delivered, despite the ongoing negative impact of COVID-19. Lockdown measures continue to affect business through:

- A lower number of people in cities due to online schools and universities, and hybrid home/office working;
- Reduced tourism affecting certain dine-in locations;
- Restricted capacity at restaurants for dine-in, also affecting customers' willingness to dine in; and
- No Polish government support related to COVID-19.

Full operational conversion of Dominium to Domino's standards was completed in July 2021. Prior to this, trading was conducted under two separate brands in H1 2021. The full integration was delayed by IT system requirements which delayed the delivery of synergies in marketing, the integrated menu and the costs of the delivery business. Therefore, the operational benefits of the merger only began to be captured in the second half of the year.

The improvement in profitability is visible but lags expectations, mainly due to food cost inflation and pressure on wages. The Group has undertaken measures to address cost increases by introducing delivery charges on sales through aggregators, a further increase of minimum order size eligible for free delivery (in proprietary delivery sales) and reduced promotions. These mitigation steps have shown positive early signs in December trading.

The Group expects to announce its final results for the year ended 31 December 2021 on or around 7 June 2021, including a webinar for investors.

The person responsible for arranging the release of this announcement on behalf of the Company is Nick Donaldson, Non-Executive Chairman.

Enquiries:

DP Poland plc

Nick Donaldson, Non-Executive Chairman

Tel: +44 (0) 20 3393 6954

Singer Capital Markets (Nominated Adviser and Broker)

Shaun Dobson / Will Goode / Amanda Gray

Tel: +44 (0) 20 7496 3000

Notes for editors

About DP Poland plc

DP Poland, through its wholly owned subsidiary DP Polska S.A., has the exclusive right to develop, operate and sub-franchise Domino's Pizza stores in Poland. Following its acquisition of Dominium S.A., which constituted a reverse takeover under the AIM Rules for Companies, the Group now operates over 100 stores and restaurants across a number of cities and towns in Poland.