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DP Poland PLC

("DP Poland", the "Company" or the "Group")

Strategic Acquisition of Pizzeria 105 in Poland

DP Poland, the operator of Domino's pizza stores and restaurants across Poland and Croatia, is pleased to announce the acquisition of the entire issued share capital of Mastergrupa sp z.o.o., trading as Pizzeria 105 ("Pizzeria 105") in Poland, a franchised quick service pizza restaurant business that operates 90 locations across Poland (the "Acquisition"). The total consideration for the shares in Pizzeria 105 amounted to PLN 42.3 million (c. £8.5 million) (the "Consideration").

Simultaneously the seller of Pizzeria 105, Marcin Ciesielski (the "Seller") has agreed to re-invest one third of the Consideration through its family office, MC Family Fundacja Rodzinna, equating to c.PLN 13.4 million (c.£2.7 million) by subscribing (the "Subscription") for 23,582,322 new ordinary shares of 0.5 pence each in the Company (the "Ordinary Shares") at the subscription price of 11.4 pence (the "Subscription Price") per Ordinary Share (the "Subscription Shares").

Nils Gornall, Chief Executive Officer of DP Poland Plc, commented:

"We are delighted to acquire Pizzeria 105, advancing our plan to operate 200 Domino's stores in Poland by 2027 and unlocking the longer-term potential for 500+ locations. This acquisition fast-tracks our transition to a predominantly franchised, capital-light model, with over half of our stores set to be franchise-operated from completion.

By welcoming 76 experienced franchise partners, we expand our presence into 31 new Polish cities, with Pizzeria 105's store aesthetic and customer base aligning closely with ours. These franchisees will benefit from Domino's high-volume mentality, industry-leading online platform, brand visibility, and marketing support, providing a clear path to drive order count in line with ours at 56% higher levels.

The enlarged network should also unlock further efficiencies in food costs, technology, and logistics. I am pleased that the founder of Pizzeria 105 will remain as a shareholder, ensuring a smooth transition and bringing valuable local expertise. Together, we look forward to strengthening the Domino's brand in Poland and creating compelling growth opportunities for our new franchise partners."

Highlights

- Strategic acquisition of the 4th largest pizza brand in Poland. Pizzeria 105 is a franchised, quick service pizza restaurant business, 100% franchised with 90 stores and 76 franchisees
- Pizzeria 105 is profitable, cash generating, and with opportunities for post-merger synergies. Expected to be immediately earnings enhancing from completion
- The Acquisition brings further scale, while unlocking advantages in procurement, distribution costs, marketing and HQ
- Accelerates our strategic plan to expand to 200 stores, surpassing competitors and positioning Domino's on a path to becoming the leading pizza quick service restaurant in Poland
- Generates market consolidation, giving Domino's greater control over market dynamics and pricing
- Fast tracks our sub-franchising strategy with experienced franchisees entering the system

In April 2024, DP Poland successfully completed a £20.5 million capital raise to support its strategic growth objectives. These include expanding to 200 stores within three years, refurbishing 25-30 existing stores in Poland, investing in digital platforms and operational optimizations, and repaying outstanding debt. Additionally, the company aimed to increase franchise-owned outlets to 45% by the end of 2026 and grow average weekly order count (AWOC) to 900 over the same period. The Acquisition positions the Group on a strong trajectory to

achieve and potentially exceed these targets. With our outstanding debt now fully repaid, we are in a strong financial position to drive the company forward.

Following the Acquisition, with a combination of organic and pizzeria 105 converted stores we aim to end the year with approximately 150 stores, 20 more than previously communicated. In 2026, the Group aims to add another 40 stores, bringing the total to 190 by year end.

About Pizzeria 105

Pizzeria 105 headquarters are located in Busko Zdroj, Poland. Its main sources of income are (i) sales of goods to its franchisee partners, and (ii) income from royalty fees. Pizzeria 105 generated revenues of PLN 7.1m (£1.4m) for the 12 months to 31 December 2023 ("FY2023") & PLN 8.5m (£1.7m) for the 12 months to 31 December 2024 ("FY2024"). Pizzeria 105 delivered EBITDA of PLN 4.4m (£0.9m) in FY2023 and PLN 5.0m (£1.0m) in FY2024, pre IFRS16. Net assets as at 31 December 2024 totalled PLN 1.5m (£0.3m).

The franchised stores had stable annual system sales of PLN 118.6m (£23.7m) for FY2023 and PLN 153.8m (£30.8m) for FY2024. 56% of the revenue is generated via the delivery channel.

Strategic Rationale for the Acquisition

The Board recognises Poland as a key market for Domino's Pizza, driven by its strong economic fundamentals and the potential for consolidation within the fragmented quick service restaurant sector. The Company's goal is to position Domino's Pizza as the leading pizza brand in Poland and the Acquisition supports this strategy.

The Acquisition presents an exciting opportunity for Pizzeria 105 franchisees to join Domino's, the world's leading pizza franchise, with a strong value proposition and the potential to drive higher sales and profitability. Transition incentives are highly attractive, including DP Poland funding for rebranding from Pizzeria 105 to Domino's Pizza, with an estimated investment of approximately PLN 13.1 million (£2.6 million). We anticipate no obstacles in rebranding 70% of Pizzeria 105 stores. The remaining 30% face territorial challenges, which could potentially be addressed through mergers with our Domino's corporate stores. The rebranding of Pizzeria 105 will have minimal one-time integration costs, including the expansion of our training, franchisee conversion, and IT teams, as well as legal expenses and enhanced marketing in new territories, will be incurred to ensure a seamless integration of both brands.

The Board & management considers the Acquisition of Pizzeria 105 to be a clear strategic fit with DP Poland and believes the Acquisition will provide a number of value creating commercial, operational and financial benefits, in particular;

- Acquisition of a profitable and cash generating business;
- Advances our strategic plans to expand to 200 stores, and ultimately to have 500+ Domino's stores in Poland;
- Enhanced brand visibility with additional presence in 31 new Polish cities;
- Induction of 76 experienced franchisees to the system, leading to over half of the store network being franchisee-operated. This will allow further franchisee organic store growth and opportunities to franchise existing DP Poland owned stores which amplifies our sub-franchising strategy;
- The Acquisition represents an excellent fit, with minimal market overlap, and comparable sales distribution across the delivery, carryout, and dine-in segments. In 2024, Domino's reported a sales mix of 69% delivery, 21% carryout, and 10% dine-in, while Pizzeria 105's sales mix was 56% delivery, 22% carryout, and 22% dine-in;
- The potential to significantly improve sales in the converted Pizzeria 105 outlets. The board expects double digit year on year growth, until these outlets match sales seen today in Domino's stores. Fuelled by Domino's strong brand awareness, cutting-edge digital ordering platforms, and industry leading strategies. In 2023 Pizzeria 105, had estimated website sales of ~16%, compared to Domino's current website sales of >50%;
- All stores using the same state of the art IT and technology designed for high volumes and efficiency;
- Brings further scale, which is expected to benefit procurement and marketing;

- Greater market penetration opens new marketing opportunities, including radio and TV campaigns;
- The Company expects to benefit from cost synergies in the area of commissary, digital technologies, HQ and distribution, however, does not expect to realise these before FY26 at the earliest. Annualised cost synergies are expected to be in the region of c. PLN3.0m (£0.6m);

Details of the Acquisition and Subscription

On 26 March 2025, DP Polska, entered into a share purchase agreement (the “SPA”) pursuant to which DP Polska S.A. acquired the entire issued share capital of the Pizzeria 105 business for a total consideration of PLN 42.3 million (c. £8.5 million). The total consideration will be satisfied in cash.

Pursuant to the SPA, Marcin Ciesielski will remain with the business as an adviser, to support franchisee store conversion and bring valuable expertise.

On 26 March 2025 the Company and the family office of Marcin Ciesielski, MC Family Fundacja Rodzinna (the “**Subscriber**”) entered into a subscription agreement pursuant to which MC Family Fundacja Rodzinna agreed to subscribe for the Subscription Shares for an aggregate price of 11.4 pence per Ordinary Share.

The Subscriber has also entered into a lock-in agreement with the Company pursuant to which, subject to certain exceptions and conditional upon Admission (as defined below) becoming effective it will not dispose of any interest in the Subscription Shares for the period of 12 months following Admission.

Admission & Total Voting Rights

It is expected that admission of the Subscription Shares to AIM (“**Admission**”) will occur and that dealings will commence at 8.00 a.m. on 1st April 2025. The Subscription Shares will rank *pari passu* with the existing Ordinary Shares.

Following Admission, the Company will have 943,987,674 Ordinary Shares in issue and no Ordinary Shares in treasury. Therefore, the total voting rights in the Company will be 943,987,674.

This figure may be used by shareholders as the denominator for the calculation by which they may determine if they are required to notify their interest in, or any change to their interest in, the Company under the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority.

Investor Presentation

The Company will provide a live presentation relating to Acquisition via Yellowstone Advisory on the 27th of March 2025, 3:00 GMT.

Investors can sign up to meet DP POLAND

https://us02web.zoom.us/webinar/register/7717418684845/WN_MA9RDwwJTNuld5ujzjlpMw

The person responsible for arranging the release of this announcement on behalf of the Company is Nils Gornall, CEO.

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Notes for editors**About DP Poland plc**

DP Poland has the exclusive right to develop, operate and sub-franchise Domino's Pizza stores in Poland and Croatia. The group operates 122 stores and restaurants throughout cities and towns in Poland and Croatia.