

DP Global Group Limited

**Unaudited interim condensed
consolidated financial statements**

**For the six months ended
30 June 2022**

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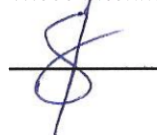
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Interim condensed consolidated statement of financial position

(expressed in thousands of Russian Roubles, unless otherwise stated)

		30 June 2022	31 December 2021
	Notes		*audited
Assets			
Non-current assets			
Property, plant and equipment	8	376,848	351,702
Right-of-use assets	9	1,047,405	1,184,931
Intangible assets	10	8,408	7,263
Net investment in sublease		5,052	5,714
Non-current financial assets	13.1	21,103	20,060
Deferred tax assets	7	131,756	126,638
		1,590,572	1,696,308
Current assets			
Inventories	11	36,233	39,477
Prepayments		56,698	123,352
Income tax receivables		6,656	12,731
Taxes receivables		6,680	10,561
Trade and other receivables	14	576,588	613,071
Other current financial assets	13.1	93,926	9,526
Cash and cash equivalents	12	607,674	309,734
		1,384,455	1,118,452
Total assets		2,975,027	2,814,760
Equity and liabilities			
Equity			
Share capital	21	20.40	20.03
Share premium	21	850,394	799,117
Treasury shares	21	(20,906)	(20,906)
Share-based payments reserve	23	344,374	329,369
Foreign currency translation reserve		165,966	173,353
Accumulated losses		(637,110)	(834,952)
Equity attributable to equity holders of the parent		702,738	446,001
Non-current liabilities			
Interest-bearing loans and borrowings	18	20,000	50,000
Lease liabilities	9	936,017	1,061,996
Contract liabilities	19	252,224	257,563
		1,208,241	1,369,559
Current liabilities			
Interest-bearing loans and borrowings	18	127,271	128,322
Lease liabilities	9	224,260	216,104
Trade and other payables	16	328,384	374,135
Taxes payables	17	249,116	175,933
Advances received		24,439	24,185
Government grants	20	3,475	7,275
Contract liabilities	19	107,103	73,246
		1,064,048	999,200
Total liabilities		2,272,289	2,368,759
Total equity and liabilities		2,975,027	2,814,760

These interim condensed consolidated financial statements were authorized for issue on 5 September 2022.



(Fedor Ovchinnikov, Director)

Interim condensed consolidated statement of profit or loss and other comprehensive income (unaudited)

(expressed in thousands of Russian Roubles, unless otherwise stated)

	Notes	Six months ended 30 June		Three months ended 30 June	
		2022	2021	2022	2021
Revenue recognised from contracts with customers	5	3,335,802	2,337,211	1,678,988	1,216,628
Other operating income	6.3	41,371	56,333	23,864	28,495
Total operating income		3,377,173	2,393,544	1,702,852	1,245,123
Raw materials and consumables		(551,049)	(340,821)	(301,243)	(174,573)
Employee benefits	6.1	(1,383,794)	(962,489)	(657,925)	(499,985)
Depreciation and amortization	8,9,10	(189,315)	(137,134)	(93,211)	(66,333)
Distribution and advertising	6.2	(498,908)	(414,637)	(156,884)	(237,897)
Expected credit losses on financial assets		3,854	1,809	3,067	1,922
Other operating expenses	6.4	(501,286)	(350,573)	(203,855)	(195,387)
Operating profit		256,675	189,699	292,801	72,870
Finance income	6.5	18,761	16,094	13,195	23,512
Finance costs	6.6	(68,461)	(50,737)	(32,623)	(24,704)
Disposal of subsidiary	3	66,094	-	66,094	-
Profit before tax		273,069	155,056	339,467	71,678
Income tax expense	7	(79,761)	(45,943)	(56,253)	(24,818)
Profit for the period		193,308	109,113	283,214	46,860
<i>Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods (net of tax):</i>					
Exchange differences on translation of foreign operations		46,604	(1,894)	43,146	(84,287)
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods		46,604	(1,894)	43,146	(84,287)
<i>Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods (net of tax):</i>					
Exchange differences on translation of foreign operations		(53,991)	(11,858)	(68,062)	60,360
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods		(53,991)	(11,858)	(68,062)	60,360
Other comprehensive loss (net of tax)		(7,387)	(13,752)	(24,916)	(23,927)
Total comprehensive income for the period, net of tax		185,921	95,361	258,298	22,933
Profit attributable to:					
Equity holders of the parent		193,308	109,113	283,214	46,860
		193,308	109,113	283,214	46,860
Total comprehensive income attributable to					
Equity holders of the parent		185,921	95,361	258,298	22,933
		185,921	95,361	258,298	22,933
Earnings per share					
Basic, profit for the period attributable to equity holders of the parent	22	₽39	₽22	₽57	₽10

Interim condensed consolidated statement of changes in equity

(expressed in thousands of Russian Roubles, unless otherwise stated)

for the six months ended 30 June 2022

	Share capital (Note 21)	Share premium (Note 21)	Treasury shares (Note 21)	Share-based payments reserve (Note 23)	Accumulated losses	Foreign currency translation reserve	Total
As at 1 January 2022	20.03	799,117	(20,906)	329,369	(834,952)	173,353	446,001
Profit for the period	-	-	-	-	193,308	-	193,308
Other comprehensive income	-	-	-	-	-	(7,387)	(7,387)
Total comprehensive income	-	-	-	-	193,308	(7,387)	185,921
Exercise of options	0.37	51,277	-	(51,277)	-	-	-
Settlement of loan issued	-	-	-	-	-	-	-
Share-based payments reserve	-	-	-	66,282	4,534	-	70,816
As at 30 June 2022	20.40	850,394	(20,906)	344,374	(637,110)	165,966	702,738

for the six months ended 30 June 2021

	Share capital (Note 21)	Share premium (Note 21)	Treasury shares (Note 21)	Share-based payments reserve (Note 23)	Accumulated losses	Foreign currency translation reserve	Total
As at 1 January 2021	19.69	758,517	(1,660)	220,168	(865,373)	180,670	292,342
Profit for the period	-	-	-	-	109,113	-	109,113
Other comprehensive income	-	-	-	-	-	(13,752)	(13,752)
Total comprehensive income	-	-	-	-	109,113	(13,752)	95,361
Exercise of options	0.09	8,002	-	(8,002)	-	-	-
Settlement of loan issued	-	-	(1,574)	-	-	-	(1,574)
Share-based payments reserve	-	-	-	48,432	2,372	-	50,804
As at 30 June 2021 (unaudited)	19.78	766,519	(3,234)	260,598	(753,888)	166,918	436,933

Interim condensed consolidated statement of cash flows (unaudited)

(expressed in thousands of Russian Roubles, unless otherwise stated)

	Notes	Six months ended 30 June		Three months ended 30 June	
		2022	2021	2022	2021
Operating activities					
Profit before tax		273,069	155,056	339,467	71,678
Adjustments to reconcile profit before tax to net cash flows:					
Depreciation of property, plant and equipment	8	61,294	51,321	29,657	23,893
Depreciation of right-of-use assets	9	123,619	81,806	61,339	40,436
Amortisation of intangible assets	10	4,402	4,007	2,215	2,004
Share-based payments expense	23	70,816	50,804	23,968	23,307
Unrealised exchange differences on translation of foreign operations		25,569	(3,043)	8,307	5,375
Impairment of non-current assets	5.4	35,803	36,525	(1,748)	29,993
Inventory shortage		31,832	14,935	12,929	8,303
Finance income	5.5	(18,761)	(16,094)	(13,195)	(23,512)
Finance costs	5.6	68,461	50,737	32,623	24,704
Disposal of subsidiary	3	(66,094)	-	(66,094)	-
Expected credit losses on financial assets other than cash		(3,854)	(1,809)	(3,067)	(1,922)
Income from government grants	20	(3,800)	(26,863)	(1,817)	(13,506)
Other non-cash		(4,815)	(4,466)	(386)	(1,427)
Working capital adjustments:					
Change in trade and other receivables		21,705	(75,933)	38,969	(45,821)
Change in prepayments and taxes receivables		68,870	7,901	33,916	26,607
Change in inventories		(28,827)	(5,615)	(15,678)	710
Change in trade and other payables		(37,286)	113,025	8,861	54,844
Change in advances received and taxes payables		62,534	6,370	50,398	7,823
Change in contract liabilities		18,864	7,476	(17,940)	2,351
		703,401	446,140	522,724	235,840
Interest received		10,204	1,994	6,918	1,557
Income tax paid		(68,550)	(48,488)	(44,424)	(36,335)
Net cash flows from operating activities		645,055	399,646	485,218	201,062
Investing activities					
Proceeds from sale of property, plant and equipment		524	2,599	404	2,599
Purchase of property, plant and equipment		(122,880)	(40,114)	(21,485)	(17,348)
Purchase of intangible assets	10	(5,547)	(131)	(1,855)	(130)
Cash consideration received less cash and cash equivalents disposed		(20,221)	-	(20,221)	-
Repayment of loans issued		-	1,903	-	22
Proceeds from sublease		970	845	485	360
Net cash flows used in investing activities		(147,154)	(34,898)	(42,672)	(14,497)
Financing activities					
Payment of principal portion of the lease liabilities		(97,054)	(67,881)	(53,097)	(37,027)
Interest paid		(63,648)	(50,737)	(30,616)	(24,704)
Proceeds from borrowings	18	40,856	-	-	-
Repayment of borrowings	18	(76,711)	(78,590)	(64,180)	(67,870)
Net cash flows used in financing activities		(196,557)	(197,208)	(147,893)	(129,601)
Net increase in cash and cash equivalents		301,344	167,540	294,653	56,964
Expected credit losses for cash and cash equivalents		342	-	4,047	-
Net foreign exchange difference		(3,746)	1,120	(4,463)	(5,164)
Cash and cash equivalents at 1 January	12	309,734	303,598		
Cash and cash equivalents at 30 June	12	607,674	472,258		

Notes to the interim condensed consolidated financial statements

for the six months ended 30 June 2022

(expressed in thousands of Russian Roubles, unless otherwise stated)

1. Corporate information

The interim condensed consolidated financial statements of DP Global Group Limited and its subsidiaries (collectively, the Group) for the six months ended 30 June 2022 were authorised for issue on 5 September 2022. DP Global Group Limited (the Company or the Parent) is a limited company incorporated in the British Virgin Islands. The ultimate controlling shareholder of the Group is Fedor Ovchinnikov.

The Group owns retail stores and provides franchising services, including software, support, control and consultancy services to the franchisees operating in 16 countries. As at 30 June 2022, the Group operated 831 stores (790 franchised stores, 41 company-owned stores), as at 31 December 2021: 771 stores (731 franchised stores, 40 company-owned stores).

Information about subsidiaries

The interim condensed consolidated financial statements of the Group include:

Name	Principal activities	Country of incorporation	% equity interest	
			30 June 2022	31 December 2021
Dodo Franchising LLC	Franchising services	The Russian Federation	100	100
Pizza Venture LLC	Restaurants and food delivery services/ Retail	The Russian Federation	100	100
Dodo CC Syktyvkar LLC	Call centres	The Russian Federation	100	100
Dodo Pizza China Co Ltd	Restaurants and food delivery services/ Retail	People's Republic of China	100	100
Dodo International Group Limited	Franchising services/ Restaurants and food delivery services/ Retail	The United Kingdom of Great Britain and Northern Ireland	-	100
Dodo Engineering LLC	IT development	The Russian Federation	100	100
Drinkit Company LLC	Restaurants and food delivery services/ Retail	The Russian Federation	100	100
DONER 42 LLC	Restaurants and food delivery services/ Retail	The Russian Federation	100	100
DODO BRANDS INTERNATIONAL DMCC	Franchising services	The United Arab Emirates	100	-

2. Basis of preparation and changes to the Group's accounting policies

2.1 Basis of preparation

The interim condensed consolidated financial statements of the Group for the six months ended 30 June 2022 have been prepared in accordance with *IAS 34 Interim Financial Reporting*. The Group has prepared the financial statements on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption.

2. Basis of preparation and changes to the Group's accounting policies *(continued)*

2.1 Basis of preparation *(continued)*

They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2021.

The interim condensed consolidated financial statements have been prepared on a historical cost basis, except for as described in the accounting policies below. The interim condensed consolidated financial statements are presented in Russian Roubles and all values are rounded to the nearest thousands, except when otherwise indicated.

2.2 New and amended standards and interpretations

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of new standards effective as of 1 January 2022. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2022, but do not have an impact on the interim condensed consolidated financial statements of the Group.

New and amended standards and interpretations

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The Group had not identified any contracts as being onerous as the unavoidable costs under the contracts, which were the costs of fulfilling them, comprised only incremental costs directly related to the contracts.

Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

These amendments had no impact on the interim condensed consolidated financial statements of the Group as there were no contingent assets, liabilities and contingent liabilities within the scope of these amendments arisen during the period.

2. Basis of preparation and changes to the Group's accounting policies *(continued)*

2.2 New and amended standards and interpretations *(continued)*

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

These amendments had no impact on the interim condensed consolidated financial statements of the Group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

These amendments had no impact on the interim condensed consolidated financial statements of the Group as it is not a first-time adopter.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 *Financial Instruments: Recognition and Measurement*.

These amendments had no impact on the interim condensed consolidated financial statements of the Group as there were no modifications of the Group's financial instruments during the period.

IAS 41 Agriculture – Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

These amendments had no impact on the interim condensed consolidated financial statements of the Group as it did not have assets in scope of IAS 41 as at the reporting date.

3. Disposal of subsidiaries

On June 6, 2022, shares of Dodo International Group Limited (UK) were sold in full. The company was incorporated in the United Kingdom of Great Britain and Northern Ireland. The activities of the company are providing of franchising services and restaurants and food delivery services.

3. Disposal of subsidiaries (continued)

The table below demonstrates the carrying values of assets and liabilities, at the date of disposal, of the subsidiary:

	<u>2022</u>
Financial assets	18,295
Inventories	239
Prepayments	5,194
Cash and cash equivalents	20,221
Financial liabilities	(96,915)
Recycling of the translation differences related to foreign operation	(13,133)
Total negative net assets	(66,099)
Consideration received	5
Net income on disposal	66,094

Items of property, plant and equipment and deferred tax asset balance of the subsidiary have not been disclosed in this note as these assets had zero carrying value at the date of disposal. The Group has recognised impairment losses in 2021 and during the first three months of 2022 (Note 8). The deferred tax balance was fully utilised in 2021 year.

4. Segment information

For management purposes, the Group is organised into business units based on its products and services and has three reportable segments, as follows:

- The *franchising* segment, which includes all the services related to franchising of *Dodo Pizza* brand. Such services comprise of brand licensing, software development, support and control, menu and know-how, training and education, consulting services, call-centre services, dough production, brand advertising and national marketing campaign;
- The *corporate-owned stores* under the *Dodo Pizza* brand located in Russia;
- The segment of *venture projects* represented by the *Dodo Pizza* international operated markets (China and the United Kingdom) and new foodservice brands (*Drinkit* and *Doner 42*).

The tables below illustrate financial information of the reportable segments reviewed by management.

For the six months ended 30 June 2022	Franchising	Corporate- owned stores (Russia)	Venture projects	Total segments	Adjustments and eliminations	Consolidated
Revenue						
External customers	2,099,391	1,276,514	82,672	3,458,577	(122,775)	3,335,802
Inter-segment	119,512	-	-	119,512	(119,512)	-
Total revenue	2,218,903	1,276,514	82,672	3,578,089	(242,287)	3,335,802
Raw materials and consumables	(49,975)	(463,545)	(34,469)	(547,989)	(3,060)	(551,049)
Employee benefits	(821,053)	(328,433)	(165,290)	(1,314,776)	(69,018)	(1,383,794)
Distribution and advertising	(520,259)	(41,197)	(5,142)	(566,598)	67,690	(498,908)
Rent and utilities	(49,311)	(129,417)	(20,782)	(199,510)	121,885	(77,625)
Disposal of subsidiary	-			-	66,094	66,094
Other operating income and expenses	(274,109)	(137,667)	(34,481)	(446,257)	63,967	(382,290)
EBITDA	504,196	176,255	(177,492)	502,959	5,271	508,230
Finance income						18,761
Finance costs						(68,461)
Depreciation and amortization						(189,315)
Expected credit losses on financial assets						3,854
Profit before tax						273,069

4. Segment information *(continued)*

For the six months ended 30 June 2021	Franchising	Corporate- owned stores (Russia)	Venture projects	Total segments	Adjustments and eliminations	Consolidated
Revenue						
External customers	1,497,114	805,238	60,324	2,362,676	(25,465)	2,337,211
Inter-segment	91,278	-	-	91,278	(91,278)	-
Total revenue	1,588,392	805,238	60,324	2,453,954	(116,743)	2,337,211
Raw materials and consumables	(29,583)	(287,616)	(33,187)	(350,386)	9,565	(340,821)
Employee benefits	(531,372)	(263,058)	(107,266)	(901,696)	(60,793)	(962,489)
Distribution and advertising	(402,449)	(9,428)	(9,972)	(421,849)	7,212	(414,637)
Rent and utilities	(27,141)	(105,341)	(16,456)	(148,938)	97,269	(51,669)
Other operating income and expenses	(179,327)	(56,741)	(36,982)	(273,050)	30,479	(242,571)
EBITDA	418,520	83,054	(143,539)	358,035	(33,011)	325,024
Finance income						16,094
Finance costs						(50,737)
Depreciation and amortization						(137,134)
Expected credit losses on financial assets						1,809
Profit before tax						155,056

For the three months ended 30 June 2022	Franchising	Corporate- owned stores (Russia)	Venture projects	Total segments	Adjustments and eliminations	Consolidated
Revenue						
External customers	1,133,521	698,465	44,752	1,876,738	(197,750)	1,678,988
Inter-segment	56,733	-	-	56,733	(56,733)	-
Total revenue	1,190,254	698,465	44,752	1,933,471	(254,483)	1,678,988
Raw materials and consumables	(25,390)	(256,804)	(17,613)	(299,807)	(1,436)	(301,243)
Employee benefits	(395,926)	(168,942)	(62,363)	(627,231)	(30,694)	(657,925)
Distribution and advertising	(145,452)	(21,616)	(1,730)	(168,798)	11,914	(156,884)
Rent and utilities	(25,505)	(65,722)	(9,925)	(101,152)	62,007	(39,145)
Disposal of subsidiary	-	-	-	-	66,094	66,094
Other operating income and expenses	(121,231)	(74,088)	(11,175)	(206,494)	65,648	(140,846)
EBITDA	476,750	111,293	(58,054)	529,989	(80,950)	449,039
Finance income						13,195
Finance costs						(32,623)
Depreciation and amortization						(93,211)
Expected credit losses on financial assets						3,067
Profit before tax						339,467

4. Segment information (continued)

For the three months ended 30 June 2021	Franchising	Corporate- owned stores (Russia)	Venture projects	Total segments	Adjustments and eliminations	Consolidated
Revenue						
External customers	772,463	417,452	30,933	1,220,848	(4,220)	1,216,628
Inter-segment	47,215	-	-	47,215	(47,215)	-
Total revenue	819,678	417,452	30,933	1,268,063	(51,435)	1,216,628
Raw materials and consumables	(17,216)	(148,778)	(16,660)	(182,654)	8,081	(174,573)
Employee benefits	(268,889)	(136,580)	(56,200)	(461,669)	(38,316)	(499,985)
Distribution and advertising	(222,142)	(8,484)	(5,984)	(236,610)	(1,287)	(237,897)
Rent and utilities	(13,809)	(53,852)	(6,034)	(73,695)	47,481	(26,214)
Other operating income and expenses	(89,154)	(46,224)	(20,348)	(155,726)	15,048	(140,678)
EBITDA	208,468	23,534	(74,293)	157,709	(20,428)	137,281
Finance income						23,512
Finance costs						(24,704)
Depreciation and amortization						(66,333)
Expected credit losses on financial assets						1,922
Profit before tax						71,678

The Group's Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on its adjusted earnings before interest, taxes, depreciation, amortisation (EBITDA). The Group's financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments. The Group's management does not monitor balances on a segment basis, thus the assets and liabilities of segments are not available.

Adjustments and eliminations

- Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.
- Inter-segment revenues are eliminated upon consolidation and reflected in the 'adjustments and eliminations' column.
- Finance costs and finance income (Note 6) are not allocated to individual segments as the underlying instruments are managed on a group basis.
- Current taxes, deferred taxes (Note 7) and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis.
- Management accounts do not include expenses from share-based payments (Note 23) as these expenses are also managed on a group basis.
- In management accounts revenue from franchise fee is recognised at the moment of cash payment from a franchisee, so this approach differs from the one required by IFRS 15 (Note 5).
- In the interim condensed consolidated financial statement rent of premises is accounted for in accordance with IFRS 16 with the recognition of depreciation and interest expenses in the consolidated profit and losses. Segments EBITDA include rent expense as monthly instalments payable to the lessors.
- In management accounting all the expenditures which arose before the store opening are considered as CAPEX. In IFRS accounting policy such expenditures are split between CAPEX and costs according to their nature.

5. Revenue from contracts with customers

5.1 Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

Segments	For the six months ended 30 June 2022				For the three months ended 30 June 2022			
	Franchising	Corporate- owned stores (Russia)	Venture projects	Total	Franchising	Corporate- owned stores (Russia)	Venture projects	Total
Type of goods or service								
Franchise fee	12,103	-	-	12,103	5,426	-	-	5,426
Marketing fee	444,735	-	-	444,735	132,461	-	-	132,461
Royalties	1,173,918	-	-	1,173,918	619,255	-	-	619,255
Retail sales	-	1,247,994	80,337	1,328,331	-	686,075	42,648	728,723
Call-centre services	177,315	-	-	177,315	90,597	-	-	90,597
Other sales	199,400	-	-	199,400	102,526	-	-	102,526
Total revenue from contracts with customers	2,007,471	1,247,994	80,337	3,335,802	950,265	686,075	42,648	1,678,988
Timing of revenue recognition								
Goods and services transferred at a point in time	1,995,368	1,247,994	80,337	3,323,699	944,839	686,075	42,648	1,673,562
Services transferred over time	12,103	-	-	12,103	5,426	-	-	5,426
Total revenue from contracts with customers	2,007,471	1,247,994	80,337	3,335,802	950,265	686,075	42,648	1,678,988

Segments	For the six months ended 30 June 2021				For the three months ended 30 June 2021			
	Franchising	Corporate- owned stores (Russia)	Venture projects	Total	Franchising	Corporate- owned stores (Russia)	Venture projects	Total
Type of goods or service								
Franchise fee	13,850	-	-	13,850	6,919	-	-	6,919
Marketing fee	377,203	-	-	377,203	195,000	-	-	195,000
Royalties	800,755	-	-	800,755	414,448	-	-	414,448
Retail sales	-	808,694	59,905	868,599	-	419,372	30,677	450,049
Call-centre services	136,611	-	-	136,611	67,151	-	-	67,151
Other sales	140,193	-	-	140,193	83,061	-	-	83,061
Total revenue from contracts with customers	1,468,612	808,694	59,905	2,337,211	766,579	419,372	30,677	1,216,628
Timing of revenue recognition								
Goods and services transferred at a point in time	1,454,762	808,694	59,905	2,323,361	759,660	419,372	30,677	1,209,709
Services transferred over time	13,850	-	-	13,850	6,919	-	-	6,919
Total revenue from contracts with customers	1,468,612	808,694	59,905	2,337,211	766,579	419,372	30,677	1,216,628

5. Revenue from contracts with customers *(continued)*

5.1 Disaggregated revenue information *(continued)*

Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information (Note 4):

	For the six months ended 30 June 2022			For the three months ended 30 June 2022		
	Franchising	Corporate- owned stores	Venture projects	Franchising	Corporate- owned stores	Venture projects
		(Russia)			(Russia)	
Revenue						
External customer	2,099,391	1,276,514	82,672	1,133,521	698,465	44,752
Inter-segment	119,512	-	-	56,733	-	-
	2,218,903	1,276,514	82,672	1,190,254	698,465	44,752
Inter-segment and other adjustments and eliminations	(211,432)	(28,520)	(2,335)	(239,989)	(12,390)	(2,104)
Total revenue from contracts with customers	2,007,471	1,247,994	80,337	950,265	686,075	42,648

	For the six months ended 30 June 2021			For the three months ended 30 June 2021		
	Franchising	Corporate- owned stores	Venture projects	Franchising	Corporate- owned stores	Venture projects
		(Russia)			(Russia)	
Revenue						
External customer	1,497,114	805,238	60,324	772,463	417,452	30,933
Inter-segment	91,278	-	-	47,215	-	-
	1,588,392	805,238	60,324	819,678	417,452	30,933
Inter-segment and other adjustments and eliminations	(119,780)	3,456	(419)	(53,099)	1,920	(256)
Total revenue from contracts with customers	1,468,612	808,694	59,905	766,579	419,372	30,677

5.2 Contract balances and performance obligations

	30 June 2022	31 December 2021
Trade receivables (Note 14)	563,050	584,227
Contract liabilities (Note 19)	359,327	330,809

The Group recognised impairment losses on receivables amounting to RUB 6,333 thousand and RUB 2,349 thousand for the six months ended 30 June 2022 and 2021, respectively.

Set out below is the amount of revenue recognised from:

For the six months ended 30 June	2022	2021
Amounts included in contract liabilities at the beginning of the year	25,922	15,364
Performance obligations satisfied in previous years	-	-

5. Revenue from contracts with customers *(continued)*

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied):

	<u>30 June 2022</u>	<u>31 December 2021</u>
Within one year	107,103	73,246
More than one year	252,224	257,563

The remaining performance obligations expected to be recognised in more than one year relate to the services provided under franchise fee. The customer loyalty points have an expiration date (Note 19). As the Group does not have an unconditional right to defer customer loyalty points performance obligation this contract liability fully presented as a current liability.

6. Other income and expenses

6.1. Employee benefits

	For the six months ended 30 June		For the three months ended 30 June	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Wages and salaries	1,100,885	764,355	538,064	398,514
Social security costs	169,618	121,821	84,357	60,573
Share-based payment expense	70,816	50,804	23,968	23,307
Other expenses	42,475	25,509	11,536	17,591
Total employee benefits	<u>1,383,794</u>	<u>962,489</u>	<u>657,925</u>	<u>499,985</u>

6.2. Distribution and advertising

	For the six months ended 30 June		For the three months ended 30 June	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
National marketing campaign	443,695	392,512	131,711	222,739
Local marketing of corporate-owned stores	5,770	19,981	2,008	13,932
Other expenses	49,443	2,144	23,165	1,226
Total distribution and advertising	<u>498,908</u>	<u>414,637</u>	<u>156,884</u>	<u>237,897</u>

6.3. Other operating income

	For the six months ended 30 June		For the three months ended 30 June	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Income from operating sublease	29,879	22,265	17,182	12,310
Income from government grants (Note 20)	3,800	26,863	1,817	13,506
Income on derecognition of ROU assets	4,450	139	219	8
COVID-19 rent concessions (Note 9)	1,110	4,247	766	1,974
Other income	2,132	2,819	3,880	697
Total other operating income	<u>41,371</u>	<u>56,333</u>	<u>23,864</u>	<u>28,495</u>

6. Other income and expenses *(continued)*

6.4. Other operating expenses

	For the six months ended		For the three months ended	
	30 June		30 June	
	2022	2021	2022	2021
Professional services	89,572	58,720	37,520	27,130
Non-deductible taxes	52,766	-	8,119	-
Utilities and maintenance of premises and offices	77,625	51,669	39,145	26,214
Impairment of non-current assets	35,803	36,550	-	29,993
Hosting and infrastructure	62,375	45,135	34,110	22,707
Program software and licenses	53,046	35,528	26,329	17,557
Internet and phone services	37,224	45,140	17,774	22,515
Maintenance of production equipment	24,314	11,578	8,118	6,393
Bank charges	24,695	15,959	12,632	8,354
Business trips	12,928	11,045	3,170	8,043
Transportation costs	13,960	11,510	7,139	6,023
Recruiting costs	8,742	-	2,662	-
Other expenses	8,236	27,739	7,137	20,458
Total other operating expenses	501,286	350,573	203,855	195,387

6.5. Finance income

	For the six months ended		For the three months ended	
	30 June		30 June	
	2022	2021	2022	2021
Interest income from loans and deposits	10,737	2,772	7,371	1,944
Interest income on lease deposits	781	479	392	237
Finance income on finance sublease	308	381	149	187
Net exchange difference	6,935	12,462	5,283	21,144
Total finance income	18,761	16,094	13,195	23,512

6.6. Finance costs

	For the six months ended		For the three months ended	
	30 June		30 June	
	2022	2021	2022	2021
Interest expense on lease liabilities	58,777	42,553	28,337	20,774
Net exchange difference	-	-	-	-
Interest expense on borrowings	9,684	8,184	4,286	3,930
Total finance costs	68,461	50,737	32,623	24,704

7. Income tax

The Group calculates income tax expense for the period using the tax rate that would be applicable to the expected total earnings. The major components of income tax expense for the six months ended 30 June 2022 and 2021 are:

	For the six months ended 30 June		For the three months ended 30 June	
	2022	2021	2022	2021
Current income tax:				
Current income tax charge	(84,879)	(43,343)	(50,996)	(18,072)
Deferred tax:				
Relating to origination and reversal of temporary differences	5,118	(2,600)	(5,257)	(6,746)
Income tax expense reported in the statement of profit or loss and other comprehensive income	(79,761)	(45,943)	(56,253)	(24,818)

DP Global Group Limited is a resident of the British Virgin Islands. The Group's key subsidiaries are residents of the Russian Federation and are taxed at a rate of 20%. Reconciliation of tax expense and the accounting profit multiplied by tax rate applicable in the Russian Federation is as follows:

	For the six months ended 30 June		For the three months ended 30 June	
	2022	2021	2022	2021
Income/(loss) before tax	273,072	155,056	339,470	71,678
Theoretical income tax benefit (expense) at 20% tax rate	(54,614)	(31,011)	(67,894)	(14,336)
Adjustments for:				
Tax effect of income and expenses that are not deductible in determining taxable profit	14,100	(18,985)	37,937	(20,884)
Effect of different tax rates applicable to the Parent and Group's subsidiaries	(39,247)	4,053	(26,296)	10,402
Income tax expense reported in the statement of profit or loss and other comprehensive income	(79,761)	(45,943)	(56,253)	(24,818)

Non-deductible expenses are presented mainly by social expenses, share-based payments, impairment losses, detected inventory and cash shortfalls and other expenses not included in the calculation of income tax in accordance with the tax law.

7. Income tax (continued)
Deferred tax

Deferred tax relates to the following:

	Consolidated statement of financial position		Consolidated statement of profit or loss	
	30 June 2022	31 December 2021	For the six months ended 30 June	
			2022	2021
Property, plant and equipment	(6,301)	(28,761)	22,460	(1,151)
Right-of-use assets	(199,620)	(201,520)	1,900	10,895
Intangible assets	4,773	6,786	(2,013)	(1,797)
Finance sublease receivables	(1,010)	(1,143)	133	118
Trade and other receivables	928	121	807	(13,916)
Prepayments	61	(53)	114	1,394
Other financial assets	1,820	2,232	(412)	(29)
Lease liabilities	198,211	224,399	(26,188)	(8,515)
Trade and other payables	21,384	15,043	6,341	(1,432)
Advances received	(317)	388	(705)	1,370
Contract liabilities	67,688	59,496	8,192	1,613
Government grants	-	-	-	3,357
Tax losses carry forward	44,158	49,650	(5,492)	5,493
Deferred tax benefit			5,137	(2,600)
Net deferred tax assets	131,775	126,638		

Reflected in the statement of financial position as follows:

	30 June 2022	31 December 2021
Deferred tax assets	131,756	126,638
Deferred tax assets, net	131,756	126,638
Reconciliation of deferred tax assets, net	2022	2021
As at 1 January	126,638	125,794
Change in deferred tax recognised in profit or loss during the period	5,137	(2,600)
As at 30 June	131,775	123,194

8. Property, plant and equipment

	Leasehold improvements	Retail and dough production equipment and furniture	Office equipment and furniture	Transport and vehicles	Construction in progress	Total
Cost						
As at 1 January 2022	212,855	293,232	92,648	2,589	49,349	650,673
Additions	23,192	21,068	37,680	-	37,583	119,523
Disposals	(2,648)	(4,119)	(4,740)	-	(1,441)	(12,948)
Transfer	39,992	1,273	848	-	(42,113)	-
Translation differences	(21,333)	(12,857)	(275)	(437)	(834)	(35,736)
Disposal of subsidiaries	(35,561)	(21,374)	(457)	(725)	(1,384)	(59,501)
As at 30 June 2022	216,497	277,223	125,704	1,427	41,160	662,011
Depreciation and impairment						
As at 1 January 2022	(92,299)	(155,333)	(46,685)	(2,436)	(2,218)	(298,971)
Depreciation charge	(17,032)	(26,762)	(17,344)	(156)	-	(61,294)
Impairment	(15,846)	(3,253)	(10)	76	-	(19,033)
Disposals	2,631	4,015	3,606	-	-	10,252
Translation differences	11,881	10,917	269	483	834	24,384
Disposal of subsidiaries	35,561	21,374	455	725	1,384	59,499
As at 30 June 2022	(75,104)	(149,042)	(59,709)	(1,308)	-	(285,163)
Net book value						
As at 30 June 2022	141,393	128,181	65,995	119	41,160	376,848
As at 1 January 2022	120,556	137,899	45,963	153	47,131	351,702

The Group identified indicators that impairment may be in place at the reporting date for CGU located in the United Kingdom. The impairment was recognised for the carrying value of property, plant and equipment in full amount. No other indicators were identified so the detailed analysis for all other CGUs was not conducted.

9. Right-of-use assets and lease liabilities

The Group has lease contracts for premises (stores, offices, dough production centers and other premises in Russia) and equipment for dough production centers. As of 30 June 2022, the Group had arrangements (subject to IFRS 16) for 46 corporate-owned stores (31 December 2021: 48), 2 dough production centers (31 December 2021: 3), 5 management offices (31 December 2021: 5) and 1 warehouse.

The Group has met the criteria for application of an amendment to IFRS 16 Leases, which provides optional relief to lessees that have been granted coronavirus-pandemic related rent discounts and other concessions from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the coronavirus pandemic in preparing the interim condensed consolidated financial statements and recognised received rent concessions in amount of RUB 1,110 thousand as a part of other operating income (Note 6.3)

9. Right-of-use assets and lease liabilities (continued)

Set out below, are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the period:

	Right-of-use assets			Lease liabilities
	Premises and offices	Equipment	Total	Total
As at 1 January 2021	656,596	95,869	752,465	(841,370)
Additions	598,943	45,964	644,907	(626,638)
Depreciation expense of right-of-use assets	(168,648)	(16,554)	(185,202)	-
Change as a result of modification and revaluation	4,113	-	4,113	(6,408)
Derecognition of lease contracts	(31,592)	-	(31,592)	33,804
Translation differences	240	-	240	499
Interest expense on lease liabilities	-	-	-	(91,733)
COVID-19 rent concessions	-	-	-	8,395
Total cash flows	-	-	-	245,351
As at 31 December 2021	1,059,652	125,279	1,184,931	(1,278,100)
Additions	32,221	18,419	50,640	(47,713)
Depreciation expense of right-of-use assets	(110,992)	(12,627)	(123,619)	-
Change as a result of modification and revaluation	(2,983)	(315)	(3,298)	2,501
Derecognition of lease contracts	(65,598)	-	(65,598)	70,048
Translation differences	4,349	-	4,349	(5,177)
Interest expense on lease liabilities	-	-	-	(58,777)
COVID-19 rent concessions	-	-	-	1,110
Total cash flows	-	-	-	155,831
As at 30 June 2022	916,649	130,756	1,047,405	(1,160,277)

The following are the amounts recognised in profit or loss:

	For the six months ended		For the three months ended	
	30 June		30 June	
	2022	2021	2022	2021
Depreciation expense of right-of-use assets	(123,619)	(81,806)	(61,672)	(40,436)
Interest expense on lease liabilities (<i>Note 6.6</i>)	(58,778)	(42,553)	(27,322)	(20,774)
Expense relating to short-term leases	(17,774)	(4,708)	(8,919)	(2,336)
Income from subleasing right-of-use assets	308	381	149	187
COVID-19 rent concessions (<i>Note 6.3</i>)	1,110	4,247	766	1,974
Income on derecognition of ROU assets and lease liabilities (<i>Note 6.3</i>)	4,450	139	238	800
Loss on derecognition of ROU assets	-	-	-	-
COVID-19 sublease rent concessions	(1,252)	(125)	(939)	(125)
Total expense recognised in profit or loss	(195,555)	(124,425)	(97,699)	(60,710)

As at 30 June 2022 the Group had lease arrangements for which leases had not yet commenced. Future cash outflows from leases not yet commenced to which the lessee is committed are RUB 2,034 thousand: RUB 330 thousand within one year, RUB 1,704 thousand within ten years. As at 31 December 2021: RUB 59,642 thousand.

There are no current, pending or threatened material claims, disputes or liabilities in relation to the leased premises.

10. Intangible assets

Intangible assets of the Group consist of computer software with net book value RUB 6,864 thousand as of 30 June 2022, RUB 7,263 thousand as of 31 December 2021 and other intangible assets with net book value RUB 1,544 thousand as of 30 June 2022 (as at 31 December 2021: RUB 0). Computer software mainly includes internally-generated software: global website and mobile apps, other intangible assets are represented by smart desk. Useful life of these intangibles is five years.

The Group does not capitalise expenses related to development of Dodo IS. Dodo IS is Group's internally generated IT system developed for managing restaurants and delivery operations. Dodo IS works as an online web application (SaaS solution) for managing orders (all stages from taking an order from a client to its delivery), kitchen, courier and management staff, inventory, accounting etc. Development of Dodo IS is a continuous process with incremental small changes at short intervals. Expenses included in the interim condensed consolidated statement of profit and loss (mainly employee benefits): RUB 293,593 thousand for the six months ended 30 June 2022 (RUB 184,362 thousand for the six months ended 30 June 2021), RUB 144,437 thousand for the three months ended 30 June 2022 (RUB 92,610 thousand for the three months ended 30 June 2021).

11. Inventories

	<u>30 June 2022</u>	<u>31 December 2021</u>
Raw materials	22,785	23,273
Semifinished goods	1,421	1,305
Finished goods and goods for resale	12,027	14,899
Total inventories at cost	<u>36,233</u>	<u>39,477</u>

12. Cash and cash equivalents

	<u>30 June 2022</u>	<u>31 December 2021</u>
Short-term deposits	302,919	222,441
Cash at bank and on hand	296,938	61,489
Cash in transit	7,817	25,804
Total cash and cash equivalents	<u>607,674</u>	<u>309,734</u>

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

13. Financial assets and financial liabilities

13.1 Financial assets

	<u>30 June 2022</u>		<u>31 December 2021</u>	
	<u>Current</u>	<u>Non-current</u>	<u>Current</u>	<u>Non-current</u>
Trade and other receivables (Note 14)	576,588	-	613,071	-
Net investment in sublease	-	5,052	-	5,714
Other financial assets:	93,926	21,103	9,526	20,060
Loans issued	93,926	-	3,756	-
Lease prepayments	-	21,103	5,770	20,060
Total current and non-current financial assets	<u>670,514</u>	<u>26,155</u>	<u>622,597</u>	<u>25,774</u>
Total financial assets		<u>696,669</u>		<u>648,371</u>

The Group does not have any other financial assets except debt instruments at amortised cost.

13. Financial assets and financial liabilities (continued)

13.2 Financial liabilities (continued)

	30 June 2022		31 December 2021	
	Current	Non-current	Current	Non-current
Trade and other payables (Note 16)	328,384	-	374,135	-
Lease liabilities (Note 9)	224,260	936,017	216,104	1,061,996
Interest-bearing loans and borrowings (Note 18)	127,271	20,000	128,322	50,000
Total current and non-current financial liabilities	679,915	956,017	718,561	1,111,996
Total financial liabilities		1,635,932		1,830,557

13.3 Fair values

Carrying amount of financial assets and liabilities of the Group is a reasonable approximation of their fair values.

14. Trade and other receivables

	30 June 2022	31 December 2021
Trade receivables	569,383	594,315
Other receivables	13,538	28,844
	582,921	623,159
Allowance for expected credit losses	(6,333)	(10,088)
Total current receivables	576,588	613,071

Set out below is the movement in the allowance for expected credit losses of receivables:

	2022	2021
As at 1 January	10,088	3,280
Provision for expected credit losses	6,333	2,349
Recovery of provision	(10,088)	(1,533)
Translation difference	-	49
As at 30 June	6,333	4,145

Trade and other receivables are non-interest bearing and are generally paid on terms of 30 to 90 days. For terms and conditions relating to related party receivables, refer to Note 24.

15. Loans issued

	Interest rate	Maturity	30 June 2022		31 December 2021	
			Current	Non-current	Current	Non-current
Loan to the ultimate controlling shareholder	9%	Jul 2022	3,917	-	3,756	-
Dodo International Group Limited	5%	Apr 2023	90,009	-	-	-
Total loans issued			93,926	-	3,756	-

15. Loans issued *(continued)*

Details of loan agreements:

- **Loan to the ultimate controlling shareholder (9% loan):** the loan in amount of RUB 3,600 was issued in July 2021. The loan will be repaid in 2022.
- **Dodo International Group Limited (5% loan):** the loan to Dodo International Group Limited (UK) is disclosed in the table above as the company was disposed from subsidiaries on June 6, 2022 (Note 3). The loan in amount of USD 1,699,508 will be repaid till April 2023.

Changes in loans issued:

	1 January 2022	Reclass	Cash out- flows	Non-cash movement	Interest charged	Cash in- flows	Expected credit losses	Translation differences	30 June 2022
Current loans issued									
Loan to the ultimate controlling shareholder	3,756	-	-	-	161	-	-	-	3,917
Dodo International Group Limited	-	-	-	89,723	372	-	-	(86)	90,009
Total current loans issued	3,756	-	-	89,723	533	-	-	(86)	93,926
Total loans issued	3,756	-	-	89,723	533	-	-	(86)	93,926

16. Trade and other payables

	30 June 2022	31 December 2021
Trade payables	115,872	208,999
Payables to employees	191,963	145,057
Other payables	20,549	20,079
Total trade and other payables	328,384	374,135

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 60-day terms;
- Payables to employees are non-interest bearing and are normally settled on 30-day terms;
- Other payables are non-interest bearing and have an average term of 2-3 months;
- For terms and conditions with related parties see Note 24.

17. Taxes payables

	30 June 2022	31 December 2021
VAT payables	141,356	117,422
Payables for insurance contributions	84,662	33,423
Payables for other taxes	12,325	24,571
Income tax payables	10,773	517
Total taxes payables	249,116	175,933

18. Interest-bearing loans and borrowings

	Interest rate	Maturity	30 June 2022		31 December 2021	
			Current	Non-current	Current	Non-current
Loan from the ultimate controlling shareholder	9%	Jun 2023	40,445	20,000	50,755	50,000
Bank credit from Sberbank	3%	Oct 2022	24,931	-	54,940	-
Bank credit from Sberbank	3%	Jun 2023	61,895	-	22,627	-
Total interest-bearing loans and borrowings			127,271	20,000	128,322	50,000

Terms and conditions of the interest-bearing loans and borrowings:

- **Loan from the ultimate controlling shareholder (9% loan):** the loan in amount of RUB 115,838 was received in June 2020. The loan will be repaid by instalments till December 2023.
- **Bank credit from Sberbank (3% loan, October 2022):** The amount of RUB 82,432 thousand was received from Sberbank OJSC in August 2021. The loan was provided at below-market rate as a part of the Government support program. Loan was accounted using EIR-method. The effective interest rate is equal to 11% specified by the loan contract. The balance will be repaid by instalments till October 2022. The difference between fair value and actual cash inflow was accounted in accordance with IAS 20 as Government grant (Note 20).
- **Bank credit from Sberbank (3% loan, June 2023):** In December 2021 the Group signed an agreement with Sberbank OJSC for the credit line in amount of RUB 69,077 thousand. As of 30 June 2022, the Group received tranches in amount of RUB 40,856 thousand. The loan received as of the end of 2021 is classified as current due to the repayment schedule. The loan was provided at below-market rate as a part of the Government support programme. Loan was accounted using EIR-method. The effective interest rate is equal to 12.75% as specified by the loan contract. The balance will be repaid by instalments till June 2023. The difference between fair value and actual cash inflow was accounted in accordance with IAS 20 as Government grant (Note 20).

18. Interest-bearing loans and borrowings (continued)
Changes in liabilities arising from financing activities:

	1 January 2022	Reclass	Cash in- flows	Interest accrued	Cash out- flows	Fair value revaluation	30 June 2022
Current interest-bearing loans and borrowings							
Loan from the ultimate controlling shareholder	50,755	30,000	-	3,862	(44,172)	-	40,445
Bank credit from Sberbank	77,567	-	40,856	5,813	(37,410)	-	86,826
Total current interest-bearing loans and borrowings	128,322	30,000	40,856	9,675	(81,582)	-	127,271
Non-current interest-bearing loans and borrowings							
Loan from the ultimate controlling shareholder	50,000	(30,000)	-	-	-	-	20,000
Total non-current interest-bearing loans and borrowings	50,000	(30,000)	-	-	-	-	20,000
Total interest-bearing loans and borrowings	178,322	-	40,856	9,684	(81,582)	-	147,271

19. Contract liabilities

	30 June 2022	31 December 2021
Franchise fee contract liability	275,479	281,056
Customer loyalty points	83,848	49,753
Total contract liabilities	359,327	330,809
Current	107,103	73,246
Non-current	252,224	257,563

Contract liabilities transactions	Franchise fee contract liability		Customer loyalty points	
	2022	2021	2022	2021
As at 1 January	281,056	252,207	49,753	28,636
Deferred	15,223	22,389	57,153	2,379
Recognised as revenue	(11,146)	(13,582)	(23,058)	(3,901)
Translation difference	(9,654)	96	-	-
As at 30 June	275,479	261,110	83,848	27,114
Current	23,255	21,776	83,848	27,114
Non-current	252,224	239,334	-	-

20. Government grants

In the third quarter 2020 Sberbank OJSC approved the issue of a loan subsidised by the government of Russian Federation in the amount RUB 43,649 thousand as a part of supportive programs for industries affected by the COVID-19 recession. As of 30 September 2021 the repayment was waived under the following conditions: absence of bankruptcy procedures, fulfilment of headcount requirements, retention of a salary level.

In August 2021 and December 2021 Sberbank OJSC approved loan limits in the amount of RUB 82,432 thousand and RUB 69,077 thousand. In 2021 RUB 82,432 thousand and RUB 28,220 thousand was used. In 2022 further RUB 40,857 thousand was used. The loans were given at a below-market rate of interest and the difference between its initial carrying value of the loan (its fair value) and the proceeds received was treated as a government grant.

The purpose of the loans was to maintain operating activity, therefore it were recognised in profit or loss as other operating income (Note 6.3) on a systematic basis over the term stated in the loans agreements (as a proportion with actual period of use). The outstanding balance is presented separately in the interim condensed consolidated statement of financial position.

	<u>2022</u>	<u>2021</u>
As at 1 January	7,275	26,863
Income recognised for the period (Note 6.3)	3,800	26,863
As at 30 June	<u>3,475</u>	<u>-</u>

21. Share capital and reserves

Share capital of the Group fully consists of ordinary shares with nominal value \$0.01. All ordinary shares are fully paid.

	<u>Number of shares</u>		<u>Balanced value</u>		
	<u>Share capital</u>	<u>Treasury shares</u>	<u>Share capital</u>	<u>Share premium</u>	<u>Treasury shares</u>
At 1 January 2022	4,903,600	11,700	20.03	799,117	(20,906)
Exercise of share options (Note 23)	69,157	-	0.37	51,277	-
At 30 June 2022	<u>4,972,757</u>	<u>11,700</u>	<u>20.40</u>	<u>850,394</u>	<u>(20,906)</u>

DP Global Group Limited was incorporated in December 2013. Between 2013 and 2017 the Company went through a series of fundraising campaigns in the form of sale of newly issued shares and issuance of convertible loans to finance its development. All loans were converted to the capital before 31 December 2018. There were no capital transactions except the exercise of share options for the six months ended 30 June 2022.

Share option plan

The Group has the share option plan under which options to subscribe for the Group's shares have been granted to employees. Refer to Note 23 for further details. The share-based payments reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

Share options can be granted under Employee Share Option Plan (ESOP) or by the ultimate controlling shareholder from his personal shares (Note 23). Exercised share options granted under ESOP are settled by the issuance of additional shares and increase of share capital. Exercise of share options granted by the ultimate controlling shareholder from his personal shares doesn't affect share capital. The increase in share premium is equal to the cost of exercised share options for the Group less nominal value of shares reflected in share capital.

22. Earnings per share (EPS)

Basic EPS is calculated by dividing the profit or loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. Incurred loss can not be diluted as bringing "in more" shares will increase the denominator and thus reduce the loss per share.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

The following table reflects the income and share data used in the basic and diluted EPS calculations:

	For the six months ended		For the three months ended	
	30 June		30 June	
	2022	2021	2022	2021
Profit/(Loss) attributable to ordinary equity holders of the parent for basic earnings	193,308	109,113	283,214	46,860
Weighted average number of ordinary shares for basic EPS	4,924,477	4,863,910	4,942,317	4,868,373
Effect of dilution from share options granted to employees, number of shares	203,988	198,540	203,988	198,540
Weighted average number of ordinary shares adjusted for the effect of dilution	5,128,465	5,062,450	5,146,305	5,066,913
Basic earnings/(loss) per share	₱39	₱22	₱57	₱10
Diluted earnings per share	₱38	₱22	₱55	₱9

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

23. Share-based payments

The Group has an Employee Share Option Plan (ESOP) which was approved in 2017 and amended in 2021. Under the ESOP the Group, at its discretion, may grant share options of the parent to employees including key management employees. The maximum potential number of shares to be issued under the Plan is 726,500 shares. The fair value of share options granted is estimated at the date of grant using a Black-Scholes model, taking into account the terms and conditions on which the share options were granted and the share price volatility of the Group.

Apart from the Employee Share Option Plan some options may also be granted by the ultimate controlling shareholder from his personal shares. These share options have the same conditions as ESOP, and don't dilute the total amount of shares of the Group.

The exercise price of the most share options is equal to \$0.01. The contractual term of the most granted options is up to five years, so employees must remain in service for this period from the date of grant to exercise full amount of granted options, but options are becoming exercisable during the period based on proportion of time passed and total amount of granted options.

There were no cancellations or modifications of the awards during the six months of 2022 and the whole year of 2021.

23. Share-based payments *(continued)*

The expense recognised for employee services received during the six months ended 30 June:

	For the six months ended 30 June	
	2022	2021
Expense arising from equity-settled share-based payment transactions	70,816	50,804
Total expense arising from share-based payment transactions	70,816	50,804

Movements during the period

The following table illustrates the number, weighted average exercise price (WAEP) and weighted average fair value (WAFV) of, and movements in, share options during the period. As a result of the split of shares approved by a written resolution of the shareholders on May 26, 2021 all data regarding the number of share options, weighted average share price, weighted average fair value was adjusted retrospectively.

	ESOP			ESOP granted by the ultimate shareholder		
	Number	WAEP	WAFV	Number	WAEP	WAFV
		\$0	\$0		-	-
Outstanding on 1 January 2021	360,900	0.01	11.37	71,100	0.98	10.56
Granted during the year	49,553	0.01	11.44	-	-	-
Exercised during the year	(12,000)	0.01	10.82	(1,300)	0.01	5.29
Buyback during the year	(4,100)	-	-	(200)	-	-
Expired during the year	(12,200)	0.01	15.13	(200)	0.01	6.13
Outstanding on 30 June 2021	382,153	0.01	11.40	69,400	1.01	10.70
Exercisable on 30 June 2021	198,540	0.01	10.85	18,400	2.28	5.73
Outstanding on 1 January 2022	500,323	0.01	14.89	68,400	1.02	10.77
Granted during the year	15,800	0.01	24.65	-	-	-
Exercised during the year	(69,157)	0.01	11.27	(772)	0.01	6.13
Buyback during the year	-	-	-	-	-	-
Expired during the year	(20,696)	0.01	19.81	(228)	0.01	6.13
Outstanding on 30 June 2022	426,270	0.01	15.60	67,400	1.03	10.84
Exercisable on 30 June 2022	203,988	0.01	12.35	18,100	3.09	5.79

The weighted average remaining contractual life for the share options outstanding as at 30 June 2022 was 0.98 years (2021: 0.91 years).

The following table lists the model's inputs used for the plans for the periods ended 30 June 2022 and 31 December 2021, respectively:

	30 June 2022	30 June 2021
Dividend yield (%)	-	-
Expected volatility (%)	71.81	64.85
Risk-free interest rate (%)	14.46	5.50
Weighted average share price (\$)	29.69	20.78

The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

24. Related parties

Note 1 provides information about the Group's structure, including details of the subsidiaries and the holding company. The following table provides the total amount of transactions that have been entered into with related parties during the six and three months ended 30 June 2022 and 2021, as well as balances with related parties as at 30 June 2022 and 31 December 2021:

		Sales to related parties		Amounts owed by related parties	Amounts owed to related parties
		Six months	Three months		
Other related parties	2022	2,101	670	62	407
	2021	3,765	2,131	292	252
Key management personnel of the Group	2022	-	-	267	2,523
	2021	-	-	31	1,855

		Interest accrued		
		For the six months	For the three months	Amounts owed to related parties
Loans from related parties				
The ultimate controlling shareholder (Note 16)	2022	3,862	1,633	60,445
	2021	4,978	2,517	114,207

		Interest accrued		
		For the six months	For the three months	Amounts owed to related parties
Loans to related parties				
The ultimate controlling shareholder (Note 14)	2022	161	81	3,917
	2021	-	-	-

Compensation of key management personnel of the Group (recognised as an expense)

	For the six months ended 30 June		For the three months ended 30 June	
	2022	2021	2022	2021
Wages and salaries	25,334	19,707	14,447	11,812
Share-based payment transactions	10,338	2,587	3,137	1,500
Total compensation paid to key management personnel	35,672	22,294	17,584	13,312

25. Commitments and contingencies

Legal claims contingency

The Group has been participating in some legal cases but has been advised by its legal counsel that there are no claims with high probability of losing. Accordingly, no possible legal risks to be disclosed and no provision for any liability has been made in these financial statements.

Commitments

The Group does not have any contractual commitments.

26. Events after reporting date

On July 4, 2022, DODO PIZZA RESTAURANT CO. LLC was incorporated. Country of incorporation is the United Arab Emirates. Principal activities are restaurants and food delivery services.

On August 9, 2022, Dodo Group LLP was incorporated. Country of incorporation is Republic of Kazakhstan. Principal activities are franchising services and call centres activities.