

**DP Global Group Limited**

**Unaudited interim condensed  
consolidated financial statements**

**For the three months ended**

**31 March 2021**

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## Interim condensed consolidated statement of financial position

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

		31 March 2021 (unaudited)	31 December 2020
	Notes		
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	300,203	341,093
Right-of-use assets	8	785,328	752,465
Intangible assets	9	15,156	17,122
Finance sublease receivables		6,638	6,928
Non-current financial assets	12.1	21,504	23,724
Deferred tax assets	6	120,940	117,088
		<b>1,249,769</b>	<b>1,258,420</b>
<b>Current assets</b>			
Inventories	10	28,081	28,388
Prepayments		68,597	43,534
Income tax receivables		7,415	9,433
Taxes receivables		3,380	13,455
Trade and other receivables	13	338,903	308,905
Other current financial assets	12.1	6,114	10,519
Cash and cash equivalents	11	420,458	303,598
		<b>872,948</b>	<b>717,832</b>
Assets held for sale	7	29,670	-
		<b>902,618</b>	<b>717,832</b>
<b>Total assets</b>		<b>2,152,387</b>	<b>1,976,252</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	19	19.73	19.69
Share premium	19	758,845	758,517
Treasury shares	19	(3,234)	(1,660)
Share-based payments reserve	21	245,088	220,168
Foreign currency translation reserve		190,845	180,670
Accumulated losses		(764,872)	(829,374)
<b>Equity attributable to equity holders of the parent</b>		<b>426,692</b>	<b>328,341</b>
<b>Non-current liabilities</b>			
Interest-bearing loans and borrowings	16	87,530	75,000
Lease liabilities	8	733,655	700,198
Contract liabilities	17	250,873	246,833
Deferred tax liabilities	6	-	294
		<b>1,072,058</b>	<b>1,022,325</b>
<b>Current liabilities</b>			
Interest-bearing loans and borrowings	16	94,547	117,797
Lease liabilities	8	148,650	141,172
Trade and other payables	15	219,857	161,445
Taxes payables		120,174	121,761
Advances received		4,997	4,863
Government grants	18	13,506	26,863
Contract liabilities	17	51,906	51,685
		<b>653,637</b>	<b>625,586</b>
<b>Total liabilities</b>		<b>1,725,695</b>	<b>1,647,911</b>
<b>Total equity and liabilities</b>		<b>2,152,387</b>	<b>1,976,252</b>

These interim condensed consolidated financial statements were authorized for issue on 18 June 2021.

 (Fedor Ovchinnikov, Director (Chairman of the Board))

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

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

		For the three months ended 31 March	
		2021	2020
	Notes		
Revenue recognised from contracts with customers	4	1,120,583	717,835
Other operating income	5.3	27,838	6,885
<b>Total operating income</b>		<b>1,148,421</b>	<b>724,720</b>
Raw materials and consumables		(166,248)	(97,828)
Employee benefits	5.1	(462,504)	(324,016)
Depreciation and amortization	7,8,9	(70,801)	(54,733)
Distribution and advertising	5.2	(176,740)	(135,173)
Expected credit losses on financial assets		(113)	(1,749)
Other operating expenses	5.4	(155,186)	(115,561)
<b>Operating profit/ (loss)</b>		<b>116,829</b>	<b>(4,340)</b>
Finance income	5.5	1,265	1,830
Finance costs	5.6	(34,716)	(163,815)
<b>Profit/ (loss) before tax</b>		<b>83,378</b>	<b>(166,325)</b>
Income tax (expense)/ benefit	6	(21,125)	13,861
<b>Profit/ (loss) for the period</b>		<b>62,253</b>	<b>(152,464)</b>
<b>Other comprehensive income</b>			
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):</i>			
Exchange differences on translation of foreign operations		82,393	420
<b>Net other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax)</b>		<b>82,393</b>	<b>420</b>
<i>Other comprehensive (loss)/ income that will not be reclassified to profit or loss in subsequent periods (net of tax):</i>			
Exchange differences on translation of foreign operations		(72,218)	150,123
<b>Net other comprehensive (loss)/ income that will not be reclassified to profit or loss in subsequent periods (net of tax)</b>		<b>(72,218)</b>	<b>150,123</b>
<b>Other comprehensive income (net of tax)</b>		<b>10,175</b>	<b>150,543</b>
<b>Total comprehensive income/ (loss) for the period, net of tax</b>		<b>72,428</b>	<b>(1,921)</b>
<b>Profit/ (loss) attributable to:</b>			
Equity holders of the parent		62,253	(152,464)
		<b>62,253</b>	<b>(152,464)</b>
<b>Total comprehensive income/ (loss) attributable to:</b>			
Equity holders of the parent		72,428	(1,921)
		<b>72,428</b>	<b>(1,921)</b>
<b>Earnings per share</b>			
Basic, profit/ (loss) for the for the period attributable to equity holders of the parent	20	₽1,281	-₽3,186

# Interim condensed consolidated statement of changes in equity

for the three months ended 31 March 2021

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

	Share capital (Note 19)	Share premium (Note 19)	Treasury shares (Note 19)	Share-based payments reserve (Note 21)	Accumulated losses	Foreign currency translation reserve	Total
As at 1 January 2021	19.69	758,517	(1,660)	220,168	(829,374)	180,670	328,341
Profit for the period	-	-	-	-	62,253	-	62,253
Other comprehensive income	-	-	-	-	-	10,175	10,175
<b>Total comprehensive income/ (loss)</b>	-	-	-	-	62,253	10,175	72,428
Exercise of options (Note 19)	0.04	328	-	(328)	-	-	-
Settlement of loan issued (Note 14)	-	-	(1,574)	-	-	-	(1,574)
Share-based payments reserve (Note 21)	-	-	-	25,248	2,249	-	27,497
<b>As at 31 March 2021 (unaudited)</b>	<b>19.73</b>	<b>758,845</b>	<b>(3,234)</b>	<b>245,088</b>	<b>(764,872)</b>	<b>190,845</b>	<b>426,692</b>

# for the three months ended 31 March 2020

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

	Share capital (Note 19)	Share premium (Note 19)	Treasury shares (Note 19)	Share-based payments reserve (Note 21)	Accumulated losses	Foreign currency translation reserve	Total
As at 1 January 2020	19.54	737,484	-	160,958	(753,104)	59,567	204,925
Loss for the period	-	-	-	-	(152,464)	-	(152,464)
Other comprehensive loss	-	-	-	-	-	150,543	150,543
<b>Total comprehensive loss</b>	-	-	-	-	(152,464)	150,543	(1,921)
Exercise of options (Note 19)	0.08	124	-	(124)	-	-	-
Share-based payments reserve (Note 21)	-	-	-	14,477	1,429	-	15,906
<b>As at 31 March 2020 (unaudited)</b>	<b>19.54</b>	<b>737,608</b>	<b>-</b>	<b>175,311</b>	<b>(904,139)</b>	<b>210,110</b>	<b>218,910</b>

**Interim condensed consolidated statement of cash flows (unaudited)**

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

	Notes	For the three months ended 31 March	
		2021	2020
<b>Operating activities</b>			
Profit/ (loss) before tax		83,378	(166,325)
Adjustments to reconcile profit/ (loss) before tax to net cash flows:			
Depreciation of property, plant and equipment	7	27,428	19,379
Depreciation of right-of-use assets	8	41,370	33,361
Amortisation of intangible assets	9	2,003	1,993
Share-based payments expense	21	27,497	15,906
Unrealised exchange differences on translation of foreign operations		(8,418)	(23,131)
Profit/ (loss) on disposal of property, plant and equipment		-	(115)
Inventory shortage		6,632	4,969
Finance income	5.5	(1,265)	(1,830)
Finance costs	5.6	34,716	163,815
COVID-19 rent concessions	5.3	(2,273)	(5)
Expected credit losses on financial assets		113	1,749
Other non-cash		5,766	(70)
Working capital adjustments:			
Change in trade and other receivables	13	(30,112)	28,589
Change in prepayments and taxes receivables		(18,706)	(612)
Change in inventories	10	(6,325)	(3,690)
Change in trade and other payables	15	58,181	2,918
Change in government grants	18	(13,357)	-
Change in advances received and taxes payables		(1,453)	(68,887)
Change in contract liabilities	17	5,125	8,480
		<b>210,300</b>	<b>16,494</b>
Interest received		437	677
Income tax paid	6	(12,153)	(1,586)
<b>Net cash flows from operating activities</b>		<b>198,584</b>	<b>15,585</b>
<b>Investing activities</b>			
Proceeds from sale of property, plant and equipment	8	-	357
Purchase of property, plant and equipment	7,8	(22,766)	(34,846)
Purchase of intangible assets	9	(1)	-
Loans granted	16	-	-
Repayment of loans issued	14	1,881	-
Proceeds from sublease	8	485	486
<b>Net cash flows used in investing activities</b>		<b>(20,401)</b>	<b>(34,003)</b>
<b>Financing activities</b>			
Payment of principal portion of the lease liabilities	8	(30,854)	(14,466)
Interest paid		(26,033)	(23,566)
Proceeds from borrowings	16	-	78,656
Repayment of borrowings	16	(10,720)	-
<b>Net cash flows from/(used in) financing activities</b>		<b>(67,607)</b>	<b>40,624</b>
<b>Net increase in cash and cash equivalents</b>		<b>110,576</b>	<b>22,206</b>
Net foreign exchange difference		6,284	25,729
<b>Cash and cash equivalents at 1 January</b>	11	<b>303,598</b>	<b>226,359</b>
<b>Cash and cash equivalents at 31 March</b>	11	<b>420,458</b>	<b>274,293</b>

## Notes to the interim condensed consolidated financial statements for the three months ended 31 March 2021

(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 three months ended 31 March 2021 were authorised for issue on 18 June 2021. 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 14 countries. As at 31 March 2021, the Group operated 695 stores (659 franchised stores, 36 company-owned stores), as at 31 December 2020: 679 stores (644 franchised stores, 35 company-owned stores).

#### Information about subsidiaries

The interim condensed consolidated financial statements of the Group include:

Name	Principal activities	Country of incorporation	% equity interest	
			31 March 2021	31 December 2020
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 Kazakhstan LLP	Call centres	The Republic of Kazakhstan	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	100
Dodo Engineering LLC	IT development	The Russian Federation	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 three months ended 31 March 2021 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. 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 2020.



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

### **2.1 Basis of preparation *(continued)***

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.

#### **Going concern and COVID-19 update**

Management has considered the Group's cash flow forecasts for the foreseeable future, which take into account impact of COVID-19 pandemic, the current and expected economic situation in Russia and other countries of presence, available borrowing facilities, planned store opening program including stores under new foodservice brands, the Group's financial position and anticipated cash flows..

For the three months ended 31 March 2021, the Group made a net income of RUB 62,253 thousand (three months ended 31 March 2020: net loss RUB 152,464 thousand). Cash and cash equivalents increased from RUB 304 million as at 31 December 2020 to RUB 421 million as at 31 March 2021.

Management is satisfied that it is appropriate to adopt the going concern basis of accounting for these consolidated financial statements.

### **2.2 New and amended standards and interpretations**

The accounting policies adopted in 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 2020, except for the adoption of new standards effective as of 1 January 2021. 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 2021, but do not have an impact on the interim condensed consolidated financial statements of the Group except amendments to IFRS 16 Covid-19 Related Rent Concessions (see below).

#### **Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16**

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the interim condensed consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable

#### **Amendments to IFRS 16 Covid-19 Related Rent Concessions**

In May 2020 the International Accounting Standards Board (Board) issued Covid-19-Related Rent Concessions, which amended IFRS 16 Leases. The amendment permitted lessees, as a practical expedient, not to assess whether particular rent concessions occurring as a direct consequence of the covid-19 pandemic are lease modifications and instead to account for those rent concessions as if they are not lease modifications. The amendment did not affect lessors.



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

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

In March 2021 the Board issued Covid-19-Related Rent Concessions beyond 30 June 2021, which extended the availability of the practical expedient by one year.

## 3. 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 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.

The tables below illustrate financial information of the reportable segments reviewed by management for the three months ended 31 March 2021 and 2020.

For the period ended 31 March 2021	Franchising	Corporate- owned stores (Russia)	Venture projects	Total segments	Adjustments and eliminations	Consolidated
<b>Revenue</b>						
External customers	724,651	387,786	29,391	1,141,828	(21,245)	1,120,583
Inter-segment	44,063	-	-	44,063	(44,063)	-
<b>Total revenue</b>	<b>768,714</b>	<b>387,786</b>	<b>29,391</b>	<b>1,185,891</b>	<b>(65,308)</b>	<b>1,120,583</b>
Raw materials and consumables	(12,367)	(138,838)	(16,527)	(167,732)	1,484	(166,248)
Employee benefits	(262,483)	(126,478)	(51,066)	(440,027)	(22,477)	(462,504)
Distribution and advertising	(180,307)	(944)	(3,988)	(185,239)	8,499	(176,740)
Rent and utilities	(1,712)	(51,489)	(10,422)	(63,623)	38,168	(25,455)
Other operating income and expenses	(101,793)	(10,517)	(16,634)	(128,944)	27,051	(101,893)
<b>EBITDA</b>	<b>210,052</b>	<b>59,520</b>	<b>(69,246)</b>	<b>200,326</b>	<b>(12,583)</b>	<b>187,743</b>
Finance income						1,265
Finance costs						(34,716)
Depreciation and amortization						(70,801)
Expected credit losses on financial assets						(113)
<b>Profit before tax</b>						<b>83,378</b>

### 3. Segment information *(continued)*

For the period ended 31 March 2020	Franchising	Corporate- owned stores (Russia)	Venture projects	Total segments	Adjustments and eliminations	Consolidated
<b>Revenue</b>						
External customers	455,862	270,943	3,247	730,052	(12,217)	717,835
Inter-segment	27,754	-	-	27,754	(27,754)	-
<b>Total revenue</b>	<b>483,616</b>	<b>270,943</b>	<b>3,247</b>	<b>757,806</b>	<b>(39,971)</b>	<b>717,835</b>
Raw materials and consumables	(9,648)	(88,011)	(1,678)	(99,337)	1,509	(97,828)
Employee benefits	(189,672)	(95,532)	(27,360)	(312,564)	(11,452)	(324,016)
Distribution and advertising	(126,758)	(10,660)	(4,332)	(141,750)	6,577	(135,173)
Rent and utilities	(13,718)	(29,649)	(2,959)	(46,326)	27,727	(18,599)
Other operating income and expenses	(69,519)	(35,602)	(9,567)	(114,688)	24,611	(90,077)
<b>EBITDA</b>	<b>74,301</b>	<b>11,489</b>	<b>(42,649)</b>	<b>43,141</b>	<b>9,001</b>	<b>52,142</b>
Finance income						1,830
Finance costs						(163,815)
Depreciation and amortization						(54,733)
Expected credit losses on financial assets						(1,749)
<b>Loss before tax</b>						<b>(166,325)</b>

#### 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 5) are not allocated to individual segments as the underlying instruments are managed on a group basis.
- Current taxes, deferred taxes (Note 6) 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 21) 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 4).
- In the interim condensed consolidated financial statements rent of premises accounts in accordance with IFRS 16 with the recognition of depreciation and interest expenses in the consolidated profit and losses. Segments EBITDA accounts for rent expense differently 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 such expenditures are splitted between CAPEX and costs according to their nature.

#### 4. Revenue from contracts with customers

##### 4.1 Disaggregated revenue information

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

Segments	For the three months ended 31 March 2021			
	Franchising	Corporate- owned stores (Russia)	Venture projects	Total
<b>Type of goods or service</b>				
Franchise fee	6,931	-	-	6,931
Marketing fee	182,203	-	-	182,203
Royalties	386,307	-	-	386,307
Retail sales	-	389,322	29,228	418,550
Call-centre services	69,460	-	-	69,460
Other sales	57,132	-	-	57,132
<b>Total revenue from contracts with customers</b>	<b>702,033</b>	<b>389,322</b>	<b>29,228</b>	<b>1,120,583</b>
<b>Timing of revenue recognition</b>				
Goods and services transferred at a point in time	695,102	389,322	29,228	1,113,652
Services transferred over time	6,931	-	-	6,931
<b>Total revenue from contracts with customers</b>	<b>702,033</b>	<b>389,322</b>	<b>29,228</b>	<b>1,120,583</b>

Segments	For the three months ended 31 March 2020			
	Franchising	Corporate- owned stores (Russia)	Venture projects	Total
<b>Type of goods or service</b>				
Franchise fee	5,915	-	-	5,915
Marketing fee	87,545	-	-	87,545
Royalties	258,736	-	-	258,736
Retail sales	-	273,764	3,247	277,011
Call-centre services	47,040	-	-	47,040
Other sales	41,588	-	-	41,588
<b>Total revenue from contracts with customers</b>	<b>440,824</b>	<b>273,764</b>	<b>3,247</b>	<b>717,835</b>
<b>Timing of revenue recognition</b>				
Goods and services transferred at a point in time	434,909	273,764	3,247	711,920
Services transferred over time	5,915	-	-	5,915
<b>Total revenue from contracts with customers</b>	<b>440,824</b>	<b>273,764</b>	<b>3,247</b>	<b>717,835</b>

#### 4. Revenue from contracts with customers *(continued)*

##### 4.1 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 3):

For the three months ended 31 March 2021			
	Franchising	Corporate- owned stores (Russia)	Venture projects
<b>Revenue</b>			
External customer	724,651	387,786	29,391
Inter-segment	44,063	-	-
	<b>768,714</b>	<b>387,786</b>	<b>29,391</b>
Inter-segment and other adjustments and eliminations	(66,681)	1,536	(163)
<b>Total revenue from contracts with customers</b>	<b>702,033</b>	<b>389,322</b>	<b>29,228</b>

For the three months ended 31 March 2020			
	Franchising	Corporate- owned stores (Russia)	Venture projects
<b>Revenue</b>			
External customer	455,862	270,943	3,247
Inter-segment	27,754	-	-
	<b>483,616</b>	<b>270,943</b>	<b>3,247</b>
Inter-segment and other adjustments and eliminations	(42,792)	2,821	-
<b>Total revenue from contracts with customers</b>	<b>440,824</b>	<b>273,764</b>	<b>3,247</b>

##### 4.2 Contract balances

	31 March 2021	31 December 2020
Trade receivables (Note 13)	330,298	299,513
Contract liabilities (Note 17)	302,779	298,518

The Group recognised impairment losses on receivables amounting to RUB 1,466 thousand and RUB 1,868 thousand for the three months ended 31 March 2021 and 2020, respectively.

Set out below is the amount of revenue recognised from:

For the year ended 31 December	2021	2020
Amounts included in contract liabilities at the beginning of the year	7,536	46,054
Performance obligations satisfied in previous years	-	-

#### 4. Revenue from contracts with customers *(continued)*

##### 4.3 Performance obligations

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March are, as follows:

	31 March 2021	31 December 2020
Within one year	51,906	51,685
More than one year	250,873	246,833

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 no expiration and redemptions can also go beyond one year (Note 17), but 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.

#### 5. Other income and expenses

##### 5.1. Employee benefits

	For the three months ended 31 March	
	2021	2020
Wages and salaries	365,841	244,324
Social security costs	61,248	58,212
Share-based payment expense	27,497	15,906
Other expenses	7,918	5,574
<b>Total employee benefits</b>	<b>462,504</b>	<b>324,016</b>

##### 5.2. Distribution and advertising

	For the three months ended 31 March	
	2021	2020
National marketing campaign	169,773	122,551
Local marketing of corporate-owned stores	6,049	5,488
Other expenses	918	7,134
<b>Total distribution and advertising</b>	<b>176,740</b>	<b>135,173</b>

##### 5.3. Other operating income

	For the three months ended 31 March	
	2021	2020
Income from government grants (Note 18)	13,357	-
Income from operating sublease	9,955	5,729
COVID-19 rent concessions (Note 8)	2,273	5
Income on derecognition of ROU assets (Note 8)	792	-
Other income	1,461	1,151
<b>Total other operating income</b>	<b>27,838</b>	<b>6,885</b>

## 5. Other income and expenses *(continued)*

### 5.4. Other operating expenses

	For the three months ended 31 March	
	2021	2020
Professional services	31,590	22,274
Utilities and maintenance of premises and offices	25,455	18,599
Internet and phone services	22,625	13,375
Hosting and infrastructure	22,428	21,946
Program software and licenses	17,971	11,595
Bank charges	7,605	5,308
Transportation costs	5,487	3,980
Maintenance of production equipment	5,185	7,241
Business trips	3,002	6,655
Loss on derecognition of ROU assets (Note 8)	1,453	-
<b>Other expenses</b>	<b>12,385</b>	<b>4,588</b>

### 5.5. Finance income

	For the three months ended 31 March	
	2021	2020
Interest income from loans and deposits	829	1,369
Interest income on lease deposits	242	235
Finance income on finance sublease	194	226
<b>Total finance income</b>	<b>1,265</b>	<b>1,830</b>

### 5.6. Finance costs

	For the three months ended 31 March	
	2021	2020
Interest expense on lease liabilities	21,779	22,415
Net exchange difference	8,683	140,146
Interest expense on borrowings	4,254	1,254
<b>Total finance costs</b>	<b>34,716</b>	<b>163,815</b>

## 6. Income tax

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total earnings. The major components of income tax expense for the three months ended 31 March 2021 and 2020 are:

## 6. Income tax (continued)

	2021	2020
<b>Current income tax:</b>		
Current income tax charge	(25,271)	(1,104)
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	4,146	14,965
<b>Income tax benefit (expense) reported in the statement of profit or loss</b>	<b>(21,125)</b>	<b>13,861</b>

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%. The Group's subsidiary in China is taxed at a rate of 25%. The Group's subsidiary in the United Kingdom is taxed at a rate of 19%. Income from other jurisdictions is insignificant. Reconciliation of tax expense and the accounting profit (loss) multiplied by tax rate applicable in the Russian Federation is as follows:

	2021	2020
(Loss)/ income before tax	83,378	(166,325)
<b>Theoretical income tax benefit at 20% tax rate</b>	<b>(16,676)</b>	<b>33,265</b>
<b>Adjustments for:</b>		
Tax effect of income and expenses that are not deductible in determining taxable profit	1,900	(15,581)
Effect of different tax rates in jurisdictions of the Parent and Group's subsidiaries	(6,349)	(3,823)
<b>Income tax benefit (expense) reported in the statement of profit or loss</b>	<b>(21,125)</b>	<b>13,861</b>

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

## Deferred tax

Deferred tax relates to the following:

	Consolidated statement of financial position		Consolidated statement of profit or loss	
	31 March 2021	31 December 2020	For three months ended 31 March	
			2021	2020
Property, plant and equipment	(28,987)	(27,236)	(1,751)	1,676
Right-of-use assets	(142,178)	(136,056)	(6,122)	(5,525)
Intangible assets	9,380	10,464	(1,084)	(633)
Finance sublease receivables	(1,328)	(1,386)	58	52
Trade and other receivables	(15,216)	(12,419)	(2,797)	7,939
Prepayments	2,417	328	2,089	2,180
Other financial assets	2,147	2,036	111	127
Lease liabilities	161,846	154,134	7,712	(151)
Trade and other payables	12,964	14,852	(1,888)	(8,387)
Advances received	(6,650)	(4,651)	(1,999)	(3,133)
Contract liabilities	53,809	53,207	602	64
Government grants	-	(3,357)	3,357	10
Tax losses carry forward	72,736	66,878	5,858	20,746
<b>Deferred tax benefit (expense)</b>			<b>4,146</b>	<b>14,965</b>
<b>Net deferred tax assets</b>	<b>120,940</b>	<b>116,794</b>		



## 6. Income tax (continued)

Reflected in the statement of financial position as follows:

	31 March 2021	31 December 2020
Deferred tax assets	120,940	117,088
Deferred tax liabilities	-	(294)
<b>Deferred tax assets, net</b>	<b>120,940</b>	<b>116,794</b>

Reconciliation of deferred tax assets, net	2021	2020
As at 1 January	116,794	104,814
Tax benefit (expense) recognised in profit or loss during the period	4,146	14,965
<b>As at 31 March</b>	<b>120,940</b>	<b>119,779</b>

## 7. Property, plant and equipment

	Leasehold improvements	Retail and dough production equipment and furniture	Office equipment and furniture	Transport and vehicles	Construction in progress	Total
<b>Cost</b>						
As at 1 January 2021	171,415	269,922	64,213	2,499	18,986	527,035
Additions	5,290	11,545	6,839	33	848	24,555
Disposals	-	(2,606)	(1,959)	-	(2,724)	(7,289)
Transfer	10,088	2,961	48	-	(13,097)	-
Assets held for sale	-	(36,430)	(1,964)	(32)	-	(38,426)
Translation differences	1,121	1,059	30	48	59	2,317
<b>As at 31 March 2021</b>	<b>187,914</b>	<b>246,451</b>	<b>67,207</b>	<b>2,548</b>	<b>4,072</b>	<b>508,192</b>
<b>Depreciation and impairment</b>						
As at 1 January 2021	(41,995)	(101,799)	(40,790)	(1,358)	-	(185,942)
Depreciation charge	(7,928)	(14,640)	(4,770)	(90)	-	(27,428)
Impairment	(4,592)	-	-	-	(1,966)	(6,558)
Disposals	-	10,798	1,297	6	-	12,101
Translation differences	(34)	(115)	(6)	(7)	-	(162)
<b>As at 31 March 2021</b>	<b>(54,549)</b>	<b>(105,756)</b>	<b>(44,269)</b>	<b>(1,449)</b>	<b>(1,966)</b>	<b>(207,989)</b>
<b>Net book value</b>						
As at 31 March 2021	133,365	140,695	22,938	1,099	2,106	300,203
As at 1 January 2021	129,420	168,123	23,423	1,141	18,986	341,093

The Group considers all leasehold improvements located in China as impaired since all leases will be cancelled in 2021. The recoverable amount of RUB 133,365 thousand as at 31 March 2021 is stated as net value of such impairment.

As of 31 March 2021 all equipment and vehicles located in China were classified as assets held for sale.

## 8. Right-of-use assets and lease liabilities

The Group has lease contracts for premises (stores, offices and dough production centers in Russia and China) and equipment for dough production centers. As of 31 March 2021 the Group had arrangements (subject to IFRS 16) for 38 corporate-owned stores (31 December 2020: 38), 3 dough production centers (31 December 2020: 3), 1 research laboratory in China (31 December 2020: 1) and 5 management offices (31 December 2020: 5). The Group also has a lease agreement for one corporate-owned store in China (31 December 2020: 1), which is not subject to IFRS 16 based on criteria of the standard.

In May 2020, the IASB issued 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 IFRS16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the coronavirus pandemic. As a practical expedient, a lessee may elect not to assess whether a coronavirus-pandemic related lease concession from a lessor is a lease modification. If a change in lease payments does not result from a lease modification, that change would be accounted for as a variable lease payment. In this case, a lessee applies paragraph 38 of IFRS 16 and generally recognises the effect of the rent concession in profit or loss. The Group has met the criteria for application of the amendment in preparing these consolidated financial statements and recognised received rent concessions in amount of RUB 2,273 thousand as a part of other income (Note 5.3)

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
<b>As at 1 January 2020</b>	<b>672,312</b>	-	<b>672,312</b>	<b>(759,739)</b>
Additions	179,064	108,284	287,348	(259,394)
Depreciation expense of right-of-use assets	(139,118)	(12,415)	(151,533)	-
Change as a result of modification and revaluation	(33,617)	-	(33,617)	34,695
Derecognition of lease contracts	(27,847)	-	(27,847)	34,701
Translation differences	5,802	-	5,802	(5,201)
Interest expense on lease liabilities	-	-	-	(89,540)
COVID-19 rent concessions	-	-	-	28,194
Total cash flows	-	-	-	174,914
<b>As at 31 December 2020</b>	<b>656,596</b>	<b>95,869</b>	<b>752,465</b>	<b>(841,370)</b>
Additions	96,380	-	96,380	(95,037)
Depreciation expense of right-of-use assets	(37,231)	(4,139)	(41,370)	-
Change as a result of modification and revaluation	(1,581)	-	(1,581)	1,267
Derecognition of lease contracts	(22,110)	-	(22,110)	21,449
Translation differences	1,544	-	1,544	(1,741)
Interest expense on lease liabilities	-	-	-	(21,779)
COVID-19 rent concessions	-	-	-	2,273
Total cash flows	-	-	-	52,633
<b>As at 31 March 2021</b>	<b>693,598</b>	<b>91,730</b>	<b>785,328</b>	<b>(882,305)</b>

## 8. Right-of-use assets and lease liabilities *(continued)*

The following are the amounts recognised in profit or loss:

	For the three months ended 31 March	
	2021	2020
Depreciation expense of right-of-use assets	(41,370)	(33,361)
Interest expense on lease liabilities	(21,779)	(22,415)
Expense relating to short-term leases	(2,372)	(1,321)
Income from subleasing right-of-use assets	194	226
COVID-19 rent concessions	2,273	5
Income on derecognition of ROU assets	792	-
Loss on derecognition of ROU assets	(1,453)	-
COVID-19 sublease rent concessions	-	-
<b>Total expense recognised in profit or loss</b>	<b>(63,715)</b>	<b>(56,866)</b>

As at 31 March 2021 the Group did not have lease arrangements for which leases had not yet commenced. As at 31 December 2020: RUB 113,055 thousand.

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

## 9. Intangible assets

Intangible assets of the Group consist of computer software with net book value RUB 17,122 thousand as of 31 March 2021, RUB 15,156 thousand as of 31 December 2020. Computer software mainly includes internally-generated software: global website, mobile app and WeChat mini program. 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 91,752 thousand for the three months ended 31 March 2021, RUB 74,085 thousand for the three months ended 31 March 2020.

## 10. Inventories

Set out below, are the carrying amounts of the Group's inventories accounted at cost:

	31 March 2021	31 December 2020
Raw materials	23,966	23,020
Semifinished goods	944	1,009
Finished goods and goods for resale	3,171	4,359
<b>Total inventories at cost</b>	<b>28,081</b>	<b>28,388</b>

## 11. Cash and cash equivalents

	31 March 2021	31 December 2020
Cash at bank and on hand	304,716	246,975
Short-term deposits	90,496	50,922
Cash in transit	25,246	5,701
<b>Total cash and cash equivalents</b>	<b>420,458</b>	<b>303,598</b>

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.

## 12. Financial assets and financial liabilities

### 12.1 Financial assets

	31 March 2021		31 December 2020	
	Current	Non-current	Current	Non-current
Trade and other receivables (Note 13)	338,903	-	308,905	-
<b>Other financial assets:</b>	<b>6,114</b>	<b>21,504</b>	<b>10,519</b>	<b>23,724</b>
Loans issued (Note 14)	5,538	10,409	7,955	10,615
Lease prepayments	576	11,095	2,564	13,109
<b>Total current and non-current financial assets</b>	<b>345,017</b>	<b>21,504</b>	<b>319,424</b>	<b>23,724</b>
<b>Total financial assets</b>		<b>366,521</b>		<b>343,148</b>

### 12.2 Financial liabilities

	31 March 2021		31 December 2020	
	Current	Non-current	Current	Non-current
Trade and other payables (Note 15)	219,857	-	161,445	-
Lease liabilities (Note 8)	148,650	733,655	141,172	700,198
Interest-bearing loans and borrowings (Note 16)	94,547	87,530	117,797	75,000
<b>Total current and non-current financial liabilities</b>	<b>463,054</b>	<b>821,185</b>	<b>420,414</b>	<b>775,198</b>
<b>Total financial liabilities</b>		<b>1,284,239</b>		<b>1,195,612</b>

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

## 13. Trade and other receivables

	31 March 2021	31 December 2020
Trade receivables	333,786	302,793
Other receivables	8,605	9,392
	<b>342,391</b>	<b>312,185</b>
Allowance for expected credit losses	(3,488)	(3,280)
<b>Total current receivables</b>	<b>338,903</b>	<b>308,905</b>

### 13. Trade and other receivables *(continued)*

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

	2021	2020
As at 1 January	3,280	1,834
Provision for expected credit losses	1,466	1,868
Recovery of provision	(1,352)	(1,444)
Translation difference	94	39
As at 31 March	3,488	2,297

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 23.

### 14. Loans issued

	Interest rate	Maturity	31 March 2021		31 December 2020	
			Current	Non-current	Current	Non-current
Yukon Ltd	2%	Oct 2021	-	-	1,838	-
Private individual	4%	Jan 2039	3,198	10,325	3,746	10,344
Loan to an employee	9%	Dec 2021	1,048	-	1,026	-
Dodo Pizza USA Retail Inc	7%	Feb 2025	1,292	84	1,345	271
<b>Total loans issued</b>			<b>5,538</b>	<b>10,409</b>	<b>7,955</b>	<b>10,615</b>

#### Details of loan agreements:

- **Yukon Ltd (2% loan):** the loan is GBP denominated and was repaid in January 2021.
- **Private individual (4% loan):** the loan is USD denominated and secured by 13,905 shares in Dodo Pizza USA Retail Inc and 115 shares in DP Global Group Limited. As at 31 March 2021 the loan is stated as a less expected credit losses. Expected credit losses are calculated for the unsecured part of the loan using estimated share price as at 31 December 2020 for shares pledged.

During the first quarter parties agreed to make a partial loan settlement by the transfer of 8 pledged shares of DP Global Group Limited. The amount of settlement was determined on the base of estimated share price USD 2,078 as at 31 December 2020. For more information, refer to the table below.

- **Loan to an employee (9% loan):** the loan is RUB denominated and secured by the vested option on 6 shares in DP Global Group Limited.
- **Dodo Pizza USA Retail Inc (7% loan):** the loan is USD denominated and secured by the pledged equipment in the amount of USD 144 thousand and 115 shares in DP Global Group Limited. As at 31 March 2021 the loan is stated as a less expected credit loss. Expected credit losses are calculated for the unsecured part of the loan using estimated share price as at 31 December 2020 for shares pledged.

During the first quarter 2021 parties agreed to make a partial loan settlement by the transfer of 2 pledged shares of DP Global Group Limited. The amount of settlement was determined on the base of estimated share price USD 2,078 as at 31 December 2020. For more information, refer to the table below.

#### 14. Loans issued *(continued)*

Changes in loans issued:

	1 January 2021	Reclass	Cash out- flows	Interest charged	Cash in- flows	Loan settlement by shares	Expected credit losses	Translation differences	31 March 2021
<b>Current loans issued</b>									
Yukon Ltd (2% loan)	1,838	-	-	2	(1,885)	-	-	45	-
Private individual (4% loan)	3,746	299	-	309	-	(1,259)	-	103	3,198
Private individual (9% loan)	1,026	-	-	22	-	-	-	-	1,048
Dodo Pizza USA Retail Inc (7% loan)	1,345	161	-	63	-	(315)	-	38	1,292
<b>Total current loans issued</b>	<b>7,955</b>	<b>460</b>	<b>-</b>	<b>396</b>	<b>(1,885)</b>	<b>(1,574)</b>	<b>-</b>	<b>186</b>	<b>5,538</b>
<b>Non-current loans issued</b>									
Yukon Ltd (2% loan)	-	-	-	-	-	-	-	-	-
Private individual (4% loan)	10,344	(299)	-	-	-	-	-	280	10,325
Private individual (9% loan)	-	-	-	-	-	-	-	-	-
Dodo Pizza USA Retail Inc (7% loan)	271	(161)	-	-	-	-	-	(26)	84
<b>Total non-current loans issued</b>	<b>10,615</b>	<b>(460)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>254</b>	<b>10,409</b>
<b>Total loans issued</b>	<b>18,570</b>	<b>-</b>	<b>-</b>	<b>396</b>	<b>(1,885)</b>	<b>(1,574)</b>	<b>-</b>	<b>440</b>	<b>15,947</b>

#### 15. Trade and other payables

	31 March 2021	31 December 2020
Trade payables	94,706	77,160
Payables to employees	118,928	77,881
Other payables	6,223	6,404
<b>Total trade and other payables</b>	<b>219,857</b>	<b>161,445</b>

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 23.

## 16. Interest-bearing loans and borrowings

	Interest rate	Maturity	31 March 2021		31 December 2020	
			Current	Non-current	Current	Non-current
Letter of credit from Sberbank	9.85%	Oct 2022	43,042	25,030	79,068	-
Loan from the ultimate controlling shareholder	9%	Jun 2023	51,505	62,500	38,729	75,000
<b>Total interest-bearing loans and borrowings</b>			<b>94,547</b>	<b>87,530</b>	<b>117,797</b>	<b>75,000</b>

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

- **Letter of credit from Sberbank (9.85% credit):** according to the agreement dated 31 October 2019, the total credit line is RUB 100,000 thousand. The date of full repayment of the credit is 20 October 2022. The credit is a subject to covenant clauses, whereby the Company is required to meet certain key financial ratios. The Company fulfills all the requirements as of 31 March 2021.
- **Loan from the ultimate controlling shareholder (9% loan):** the loan in amount of RUB 115,838 was received in June 2020. Short-term part of the loan has to be fully repaid in June 2021 and the long-term part will be repaid by instalments till June 2023.

Changes in liabilities arising from financing activities:

	1 January 2021	Reclass	Cash in-flows	Interest accrued	Cash out-flows	31 March 2021
<b>Current interest-bearing loans and borrowings</b>						
Loan from the ultimate controlling shareholder	38,729	12,500	-	2,461	(2,185)	51,505
Letter of credit from Sberbank	79,068	(25,030)	-	1,793	(12,789)	43,042
<b>Total current interest-bearing loans and borrowings</b>	<b>117,797</b>	<b>(12,530)</b>	<b>-</b>	<b>4,254</b>	<b>(14,974)</b>	<b>94,547</b>
<b>Non-current interest-bearing loans and borrowings</b>						
Loan from the ultimate controlling shareholder	75,000	(12,500)	-	-	-	62,500
Letter of credit from Sberbank	-	25,030	-	-	-	25,030
<b>Total non-current interest-bearing loans and borrowings</b>	<b>75,000</b>	<b>12,530</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>87,530</b>
<b>Total interest-bearing loans and borrowings</b>	<b>192,797</b>	<b>-</b>	<b>-</b>	<b>4,254</b>	<b>(14,974)</b>	<b>182,077</b>

## 17. Contract liabilities

	31 March 2021	31 December 2020
Franchise fee contract liability	274,994	269,882
Customer loyalty points	27,785	28,636
<b>Total contract liabilities</b>	<b>302,779</b>	<b>298,518</b>
Current	51,906	51,685
Non-current	250,873	246,833



**17. Contract liabilities (continued)**

Contract liabilities transactions	Franchise fee contract liability		Customer loyalty points	
	2021	2020	2021	2020
As at 1 January	269,882	267,991	28,636	33,175
Deferred	10,763	41,110	13,343	44,496
Recognised as revenue	(6,793)	(43,982)	(13,916)	(32,028)
Translation difference	1,142	4,763	(278)	(17,007)
As at 31 December	274,994	269,882	27,785	28,636
Current	24,121	23,049	27,785	28,636
Non-current	250,873	246,833	-	-

**18. 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 31 March 2021 the loan was fully received. The repayment will be waived under the following conditions: absence of bankruptcy procedures, fulfilment of headcount requirements, retention of a salary level. The Group has received the confirmation that the loan will be waived on 30 June 2021.

The government grant was accounted for under IAS 20 with the implementation of the income approach. The purpose of the loan was to maintain operating activity, therefore it shall be recognised in profit or loss as Other operating income (Note 5.3) on a systematic basis over the term stated in the loan agreement (as a proportion with actual period of use). The outstanding balance is presented separately in the interim condensed consolidated statement of financial position.

	Forgivable loan
As at 1 January 2021	26,863
Received	-
Income recognised for the period	13,357
As at 31 March 2021	13,506

**19. 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.

	Number of shares		Balanced value		
	Share capital	Treasury shares	Share capital	Share premium	Treasury shares
As at 1 January 2021	48,584	12	19.69	758,517	(1,660)
Exercise of share options (Note 20)	17	-	0.04	328	-
Settlement of loan issued (Note 15)	-	10	-	-	(1,574)
As at 31 March 2021	48,601	22	19.73	758,845	(3,234)

## 19. Share capital and reserves *(continued)*

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 and the settlement of loans issued for the three months ended 31 March 2021.

### *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 21 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 21). 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.

## 20. 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 or loss 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.

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

	For the three months ended 31 March	
	2021	2020
Profit/(Loss) attributable to ordinary equity holders of the parent for basic earnings	62,253	(152,464)
Weighted average number of ordinary shares for basic EPS	48,594	47,854
Effect of dilution from share options granted to employees, number of shares	3,998	4,738
<b>Weighted average number of ordinary shares adjusted for the effect of dilution</b>	<b>52,592</b>	<b>52,592</b>
<b>Basic earnings/(loss) per share</b>	<b>¥1,281</b>	<b>-¥3,186</b>
<b>Diluted earnings/(loss) per share</b>	<b>¥1,184</b>	<b>-¥2,899</b>

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.

## 21. Share-based payments

The Group has an Employee Share Option Plan (ESOP) which was approved in 2017. 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 4,635 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.

## 21. Share-based payments *(continued)*

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 also don't dilute the total amount of shares of the Group.

The exercise price of the most share options is equal to \$1, the exercise price of the remaining part is equal to the nominal price of shares (\$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 the 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. In 2021 The Group has made a buy-back of vested options in March 2021. As a result, options subject to buy-back will be available for further grant under the Employee Share Option Plan.

There were no cancellations or modifications of the awards during the three months of 2021 and the whole year of 2020.

The expense recognised for employee services received during the period:

	2021	2020
Expense arising from equity-settled share-based payment transactions	27,497	15,906
<b>Total expense arising from share-based payment transactions</b>	<b>27,497</b>	<b>15,906</b>

### 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 year.

	ESOP			ESOP granted by the ultimate shareholder		
	Number	WAEP	WAFV	Number	WAEP	WAFV
		\$0	\$0		\$0	\$0
<b>Outstanding at 1 January 2020</b>	<b>2,975</b>	<b>1.00</b>	<b>968</b>	<b>770</b>	<b>90.93</b>	<b>1,026</b>
Granted during the year	320	1.00	1,432	-	-	-
Exercised during the year	-	1.00	-	-	-	-
Expired during the year	(42)	1.00	975	-	-	-
<b>Outstanding at 31 March 2020</b>	<b>3,253</b>	<b>1.00</b>	<b>1,014</b>	<b>770</b>	<b>90.93</b>	<b>1,026</b>
Exercisable at 31 March 2020	1,506	1.00	993	241	116.25	588
<b>Outstanding at 1 January 2021</b>	<b>3,609</b>	<b>1.00</b>	<b>1,137</b>	<b>711</b>	<b>98.45</b>	<b>1,056</b>
Granted during the year	316	1.00	1,786	-	-	-
Exercised during the year	(17)	1.00	1,513	-	-	-
Buy-back during the year	(41)	-	-	(2)	-	-
Expired during the year	(92)	1.00	1,428	-	-	-
<b>Outstanding at 31 March 2021</b>	<b>3,775</b>	<b>1.01</b>	<b>1,195</b>	<b>709</b>	<b>98.73</b>	<b>1,059</b>
Exercisable at 31 March 2021	2,014	1.02	1,084	199	211.06	576

The weighted average remaining contractual life for the share options outstanding as at 31 March 2021 was 0.82 years (2020: 0.91 years).

## 21. Share-based payments *(continued)*

The following table lists the model's inputs used for the plans for the periods ended 31 March 2021 and 31 December 2020, respectively:

	31 December 2020	31 December 2020
Dividend yield (%)	-	-
Expected volatility (%)	49.23	49.23
Risk-free interest rate (%)	4.14	4.14
Weighted average share price (\$)	2,078	1,921

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.

## 22. Capital management

For the purpose of the Group's capital management, capital includes share capital, share premium and all other equity reserves attributable to the equity holders of the parent, debt includes only interest-bearing loans and borrowings received from third parties. Lease liabilities and trade and other payables are the parts of working capital. The Group does not have any regulatory requirements for capital management.

The Group is in the active investment stage and the primary objective is to provide sufficient liquidity for further development of both mature segments and new venture projects. In October 2019 one of the Russian entities of the Group received a bank credit in the amount of RUB 100 million aimed at a developing segment of corporate-owned stores in Russia. In June 2020 the Group has attracted the long-term loan from the ultimate controlling shareholder (Note 16) in an amount of RUB 116 million. The purpose of the loan is to continue an active investment program to new venture projects as well as support current operations of the Group.

## 23. 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 three months ended 31 March 2021 and 2020, as well as balances with related parties as at 31 March 2021 and 31 December 2020:

		Sales to related parties	Amounts owed by related parties	Amounts owed to related parties
Other related parties	2021	1,634	121	261
	2020	1,582	140	53
Key management personnel of the Group	2021	-	100	1,435
	2020	-	-	1,302
			Interest accrued	Amounts owed to related parties
Loans from related parties				
The ultimate controlling shareholder (Note 16)	2021		2,461	114,005
	2020		-	-

## 23. Related parties *(continued)*

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

	2021	2020
Wages and salaries	7,895	5,297
Share-based payment transactions	1,087	1,942
<b>Total compensation paid to key management personnel</b>	<b>8,982</b>	<b>7,239</b>

Share options held by key management personnel under the Employee Share Options Plan (Refer to Note 21 for further details on the plan) to purchase ordinary shares have the following expiry dates and exercise prices:

<u>Date of grant</u>	<u>Vesting date</u>	<u>Exercise price</u>	<u>31 March 2021</u>	<u>31 December 2020</u>
			<b>Number outstanding</b>	<b>Number outstanding</b>
2016	2016	\$ 0.01	-	2
2017	2018	\$ 1.00	120	123
2017	2019	\$ 1.00	126	129
2017	2020	\$ 1.00	86	89
2017	2021	\$ 1.00	86	89
2017	2022	\$ 1.00	-	3
2019	2020	\$ 1.00	20	20
2019	2021	\$ 1.00	20	20
2019	2022	\$ 1.00	20	20
2019	2023	\$ 1.00	20	20
2019	2024	\$ 1.00	20	20
2020	2020	\$ 1.00	6	6
<b>Total</b>			<b>524</b>	<b>541</b>

## 24. Commitments and contingencies

### Commitments

The Group does not have any contractual commitments.

### Legal claim 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.

## 25. Events after reporting date

On April 1, 2021, the Board supported management's decision to exit China and liquidate the business in this country during 2021.

On April 1, 2021, the Board approved the creation of the second Employee Stock Options Plan (ESOP-II) with the maximum size of 2 630 shares. As a result, the total diluted number of shares outstanding increased by 5% to 55 222 shares.

On April 2, 2021, the Group signed a non-revolving credit line agreement with Sberbank OJSC. The amount of loan is RUB 82 million.

On April 12, 2021, Drinkit Company LLC was founded. Country of incorporation is Russian Federation. Principal activity is restaurants and food delivery services.

On May 3, 2021, DP Global Group Limited became a tax resident of Russian Federation.

On May 26, 2021, a split of shares 1:100 was approved by a written resolution of the shareholders.