

DP Global Group Limited

**Unaudited interim condensed
consolidated financial statements**

For the nine months ended

30 September 2023

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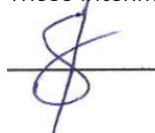
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Interim condensed consolidated statement of financial position

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

		30 September 2023	31 December 2022
	Notes	Unaudited	
Assets			
Non-current assets			
Property, plant and equipment	7	577,970	452,364
Right-of-use assets	8	1,228,694	1,054,357
Intangible assets	9	22,425	5,440
Net investment in sublease		11,412	4,351
Non-current financial assets	12.1	35,582	26,517
Deferred tax assets	6	139,538	126,093
Non-current prepayments		398	-
		2,016,019	1,669,122
Current assets			
Inventories	10	48,804	38,623
Prepayments		156,496	94,515
Income tax receivables		2,756	12,542
Taxes receivables		3,495	6,216
Trade and other receivables	13	831,755	691,281
Other current financial assets	12.1	1,492	-
Cash and cash equivalents	11	1,630,450	869,703
		2,675,248	1,712,880
Total assets		4,691,267	3,382,002
Equity and liabilities			
Equity			
Share capital		20.94	20.40
Share premium		895,540	850,394
Treasury shares		(124,302)	(35,516)
Share-based payments reserve	21	411,293	369,709
Foreign currency translation reserve		227,104	204,504
Retained earnings / (Accumulated losses)		210,551	(459,347)
Equity attributable to equity holders of the parent		1,620,207	929,764
Non-current liabilities			
Lease liabilities	8	1,077,028	925,755
Contract liabilities	17	442,989	301,329
Deferred tax liabilities	6	-	21
		1,520,017	1,227,105
Current liabilities			
Interest-bearing loans and borrowings	16	35,259	67,145
Lease liabilities	8	286,090	237,173
Trade and other payables	14	626,038	426,255
Taxes payables	15	395,854	327,439
Advances received		58,054	22,282
Government grants	18	-	1,055
Contract liabilities	17	149,748	143,784
		1,551,043	1,225,133
Total liabilities		3,071,060	2,452,238
Total equity and liabilities		4,691,267	3,382,002

These interim condensed consolidated financial statements were authorized for issue on 20 December 2023.

 (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	Nine months ended 30 September		Three months ended 30 September	
		2023	2022	2023	2022
Revenue recognised from contracts with customers	4	7,009,954	5,057,291	2,455,831	1,721,489
Other operating income	5.3	109,431	73,850	48,723	31,751
Total operating income		7,119,385	5,131,141	2,504,554	1,753,240
Raw materials and consumables		(927,383)	(833,659)	(306,171)	(282,610)
Employee benefits	5.1	(2,684,659)	(2,037,537)	(945,909)	(653,743)
Depreciation and amortization	7, 8, 9	(321,776)	(285,691)	(120,280)	(96,376)
Distribution and advertising	5.2	(1,347,445)	(782,687)	(477,810)	(283,779)
Expected credit losses on financial assets		(3,569)	1,200	(1,885)	(2,654)
Other operating expenses	5.4	(1,062,445)	(731,155)	(400,857)	(229,141)
Operating profit		772,108	461,612	251,642	204,937
Finance income	5.5	143,564	24,062	87,654	10,585
Finance costs	5.6	(93,833)	(98,808)	(32,482)	(35,631)
Profit before tax		821,839	386,866	306,814	179,891
Income tax expense	6	(165,482)	(125,947)	(52,078)	(46,186)
Profit for the period		656,357	260,919	254,736	133,705
<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		11,347	47,937	(14,724)	1,333
Net other comprehensive income / (loss) that may be reclassified to profit or loss in subsequent periods		11,347	47,937	(14,724)	1,333
<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		11,253	(32,622)	32,109	21,369
Net other comprehensive income / (loss) that will not be reclassified to profit or loss in subsequent periods		11,253	(32,622)	32,109	21,369
Other comprehensive income (net of tax)		22,600	15,315	17,385	22,702
Total comprehensive income for the period, net of tax		678,957	276,234	272,121	156,407
Profit attributable to:					
Equity holders of the parent		656,357	260,919	254,736	133,705
		656,357	260,919	254,736	133,705
Total comprehensive income attributable to:					
Equity holders of the parent		678,957	276,234	272,121	156,407
		678,957	276,234	272,121	156,407
Earnings per share					
Basic, profit for the period attributable to equity holders of the parent	20	₽132	₽53	₽51	₽27
Diluted earnings per share	20	₽126	₽51	₽49	₽26

Interim condensed consolidated statement of changes in equity

for the nine months ended 30 September 2023

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

	Share capital	Share premium	Treasury shares	Share-based payments reserve (Note 21)	Accumulated losses	Foreign currency translation reserve	Total
As at 1 January 2023	20.40	850,394	(35,516)	369,709	(459,347)	204,504	929,764
Profit for the period	-	-	-	-	656,357	-	656,357
Other comprehensive income	-	-	-	-	-	22,600	22,600
Total comprehensive income	-	-	-	-	656,357	22,600	678,957
Exercise of options	0.54	45,146	-	(45,147)	-	-	-
Share-based payments reserve	-	-	(88,786)	86,731	13,541	-	11,486
As at 30 September 2023 (unaudited)	20.94	895,540	(124,302)	411,293	210,551	227,104	1,620,207

for the nine months ended 30 September 2022

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

	Share capital	Share premium	Treasury shares	Share-based payments reserve (Note 21)	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	-	-	-	-	260,919	-	260,919
Other comprehensive income	-	-	-	-	-	15,315	15,315
Total comprehensive income	-	-	-	-	260,919	15,315	276,234
Exercise of options	0.37	51,277	-	(51,277)	-	-	-
Share-based payments reserve	-	-	(14,610)	69,761	6,300	-	61,451
As at 30 September 2022 (unaudited)	20.40	850,394	(35,516)	347,853	(567,733)	188,668	783,686

Interim condensed consolidated statement of cash flows (unaudited)

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

	Notes	Nine months ended 30 September		Three months ended 30 September	
		2023	2022	2023	2022
Operating activities					
Profit before tax		821,839	386,866	306,814	179,891
Adjustments to reconcile profit before tax to net cash flows:					
Depreciation and amortisation	7, 8, 9	321,776	285,691	120,280	96,376
Share-based payments expense	21	113,934	96,121	49,063	25,305
Net impairment/recovery of non-current assets		7,504	38,447	4,190	2,644
Inventory shortage		44,455	48,923	5,105	17,091
Finance income	5.5	(143,564)	(24,062)	(87,654)	(10,585)
Finance costs	5.6	93,833	98,808	32,482	35,631
Expected credit losses on financial assets other than cash		3,569	(1,200)	1,885	2,654
Income from government grants	18	(1,055)	(5,217)	-	(1,417)
Other non-cash		(17,856)	32,466	17,748	8,021
Working capital adjustments:					
Change in trade and other receivables		(144,039)	48,173	75,007	50,380
Change in prepayments and taxes receivables		(73,834)	64,441	(45,832)	(4,429)
Change in inventories		(54,635)	(47,401)	(14,760)	(18,574)
Change in trade and other payables		188,387	5,617	93,236	42,903
Change in advances received and taxes payables		108,657	108,749	(45,753)	46,215
Change in contract liabilities		177,873	73,914	126,985	55,050
		1,446,844	1,210,336	638,796	527,156
Interest received		48,596	18,950	23,196	8,746
Income tax paid		(174,215)	(125,349)	(56,570)	(56,799)
Net cash flows from operating activities		1,321,225	1,103,937	605,422	479,103
Investing activities					
Proceeds from sale of property, plant and equipment		770	529	100	5
Purchase of property, plant and equipment		(225,334)	(166,785)	(86,676)	(43,905)
Purchase of intangible assets	9	(20,037)	(5,605)	(9,815)	(58)
Loans granted		-	(3,200)	-	(3,200)
Proceeds from sublease		2,115	1,455	845	485
Net cash flows used in investing activities		(242,486)	(173,606)	(95,546)	(46,673)
Financing activities					
Shares buyback		(85,130)	(14,125)	(32,875)	(14,125)
Payment of principal portion of the lease liabilities		(181,691)	(150,862)	(65,494)	(53,808)
Interest paid		(93,423)	(92,633)	(32,482)	(28,985)
Proceeds from borrowings		-	63,287	-	22,431
Repayment of borrowings		(32,296)	(136,656)	-	(59,945)
Net cash flows used in financing activities		(392,540)	(330,989)	(130,851)	(134,432)
Net increase in cash and cash equivalents		686,199	599,342	379,025	297,998
Expected credit losses for cash and cash equivalents		-	(1,908)	-	(2,250)
Net foreign exchange difference		74,548	(1,701)	34,241	2,045
Cash and cash equivalents at 1 January	11	869,703	309,734		
Cash and cash equivalents at 30 September	11	1,630,450	905,467		

Notes to the interim condensed consolidated financial statements

for the nine months ended 30 September 2023

(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 nine month ended 30 September 2023 were authorised for issue on 20 December 2023.

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 17 countries. As at 30 September 2023, the Group operated 981 stores (931 franchised stores, 50 company-owned stores), as at 31 December 2022: 893 stores (850 franchised stores, 43 company-owned stores).

Information about main subsidiaries

Name	Principal activities	Country of incorporation	% equity interest	
			30 September 2023	31 December 2022
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 Engineering LLC	IT development	The Russian Federation	100	100
Drinkit Company LLC	Restaurants and food delivery services/ Retail	The Russian Federation	100	100
DODO BRANDS INTERNATIONAL DMCC	Franchising services	The United Arab Emirates	100	100
Dodo Group LLP	Franchising services	The Republic of Kazakhstan	100	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 nine months ended 30 September 2023 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 2022.

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

2.2 New standards, interpretations and amendments adopted by the Group

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 2022, except for the adoption of new standards effective as of 1 January 2023. 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 2023, but do not have an impact on the interim condensed consolidated financial statements of the Group.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. IFRS 17 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

The amendments had no impact on the Group's interim condensed consolidated financial statements.

Definition of Accounting Estimates - Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Group's interim condensed consolidated financial statements.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments had no impact on the Group's interim condensed consolidated financial statements, but are expected to affect the accounting policy disclosures in the Group's annual consolidated financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

The amendments had no impact on the Group's interim condensed consolidated financial statements.

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 (the United Arab Emirates) and foodservice brands: *Drinkit* and *Kebster (inc. 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.

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 and marketing services 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 by monthly installments payable to the lessors.
- In management accounting all the expenditures that arose before the store opening are considered as CAPEX. In IFRS accounting such expenditures are splitted between CAPEX and costs according to their nature.

3. Segment information *(continued)*

The tables below illustrate financial information of the reportable segments reviewed by management for the nine months ended 30 September 2023 and 2022:

For the nine months ended 30 September 2023	Franchising	Corporate- owned stores (Russia)	Venture projects	Total segments	Adjustments and eliminations	Consolidated
Revenue						
External customers	5,002,859	2,090,632	231,548	7,325,039	(315,085)	7,009,954
Inter-segment	264,800	-	-	264,800	(264,800)	-
Total revenue	5,267,659	2,090,632	231,548	7,589,839	(579,885)	7,009,954
Raw materials and consumables	(116,366)	(733,056)	(94,450)	(943,872)	16,489	(927,383)
Employee benefits	(1,677,781)	(618,819)	(340,526)	(2,637,126)	(47,533)	(2,684,659)
Distribution and advertising	(1,257,403)	(75,394)	(10,675)	(1,343,472)	(3,973)	(1,347,445)
Rent and utilities	(88,280)	(227,876)	(57,769)	(373,925)	223,008	(150,917)
Other operating income and expenses	(729,798)	(243,368)	(82,332)	(1,055,498)	253,401	(802,097)
EBITDA	1,398,031	192,119	(354,204)	1,235,946	(138,493)	1,097,453
Finance income						143,564
Finance costs						(93,833)
Depreciation and amortization						(321,776)
Expected credit losses on financial assets						(3,569)
Profit before tax						821,839

For the nine months ended 30 September 2022	Franchising	Corporate- owned stores (Russia)	Venture projects	Total segments	Adjustments and eliminations	Consolidated
Revenue						
External customers	3,351,568	1,913,347	124,413	5,389,328	(332,037)	5,057,291
Inter-segment	178,865	-	-	178,865	(178,865)	-
Total revenue	3,530,433	1,913,347	124,413	5,568,193	(510,902)	5,057,291
Raw materials and consumables	(82,710)	(693,153)	(50,750)	(826,613)	(7,046)	(833,659)
Employee benefits	(1,193,766)	(492,542)	(238,690)	(1,924,998)	(112,539)	(2,037,537)
Distribution and advertising	(790,199)	(67,030)	(6,294)	(863,523)	80,836	(782,687)
Rent and utilities	(74,367)	(200,523)	(32,802)	(307,692)	188,031	(119,661)
Other operating income and expenses	(406,515)	(210,906)	(48,171)	(665,592)	127,948	(537,644)
EBITDA	982,876	249,193	(252,294)	979,775	(233,672)	746,103
Finance income						24,062
Finance costs						(98,808)
Depreciation and amortization						(285,691)
Expected credit losses on financial assets						1,200
Profit before tax						386,866

3. Segment information *(continued)*

The tables below illustrate financial information of the reportable segments reviewed by management for the three months ended 30 September 2023 and 2022.

For the three months ended 30 September 2023	Franchising	Corporate- owned stores (Russia)	Venture projects	Total segments	Adjustments and eliminations	Consolidated
Revenue						
External customers	1,865,098	704,713	97,725	2,667,536	(211,705)	2,455,831
Inter-segment	88,814	-	-	88,814	(88,814)	-
Total revenue	1,953,912	704,713	97,725	2,756,350	(300,519)	2,455,831
Raw materials and consumables	(35,400)	(245,493)	(43,121)	(324,014)	17,843	(306,171)
Employee benefits	(582,056)	(202,893)	(125,029)	(909,978)	(35,931)	(945,909)
Distribution and advertising	(425,057)	(25,302)	(3,406)	(453,765)	(24,045)	(477,810)
Rent and utilities	(29,518)	(79,531)	(20,886)	(129,935)	76,884	(53,051)
Other operating income and expenses	(308,436)	(85,982)	(32,848)	(427,266)	128,183	(299,083)
EBITDA	573,445	65,512	(127,565)	511,392	(137,585)	373,807
Finance income						87,654
Finance costs						(32,482)
Depreciation and amortization						(120,280)
Expected credit losses on financial assets						(1,885)
Profit before tax						306,814

For the three months ended 30 September 2022	Franchising	Corporate- owned stores (Russia)	Venture projects	Total segments	Adjustments and eliminations	Consolidated
Revenue						
External customers	1,252,177	636,833	41,741	1,930,751	(209,262)	1,721,489
Inter-segment	59,353	-	-	59,353	(59,353)	-
Total revenue	1,311,530	636,833	41,741	1,990,104	(268,615)	1,721,489
Raw materials and consumables	(32,735)	(229,608)	(16,281)	(278,624)	(3,986)	(282,610)
Employee benefits	(372,713)	(164,109)	(73,400)	(610,222)	(43,521)	(653,743)
Distribution and advertising	(269,940)	(25,833)	(1,152)	(296,925)	13,146	(283,779)
Rent and utilities	(25,056)	(71,106)	(12,020)	(108,182)	66,146	(42,036)
Other operating income and expenses	(132,406)	(73,239)	(13,690)	(219,335)	63,981	(155,354)
EBITDA	478,680	72,938	(74,802)	476,816	(172,849)	303,967
Finance income						10,585
Finance costs						(35,631)
Depreciation and amortization						(96,376)
Expected credit losses on financial assets						(2,654)
Profit before tax						179,891

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 nine months ended 30 September 2023				For the three months ended 30 September 2023			
	Franchising	Corporate- owned stores (Russia)	Venture projects	Total	Franchising	Corporate- owned stores (Russia)	Venture projects	Total
Type of goods or service								
Franchise fee	27,736	-	-	27,736	11,690	-	-	11,690
Marketing fee	1,194,397	-	-	1,194,397	432,310	-	-	432,310
Royalties	2,722,415	-	-	2,722,415	962,026	-	-	962,026
Retail sales	-	2,100,750	189,328	2,290,078	-	705,458	73,742	779,200
Call-centre services	373,318	-	-	373,318	130,104	-	-	130,104
Other sales	402,010	-	-	402,010	140,501	-	-	140,501
Total revenue from contracts with customers	4,719,876	2,100,750	189,328	7,009,954	1,676,631	705,458	73,742	2,455,831
Timing of revenue recognition								
Goods and services transferred at a point in time	4,692,140	2,100,750	189,328	6,982,218	1,664,941	705,458	73,742	2,444,141
Services transferred over time	27,736	-	-	27,736	11,690	-	-	11,690
Total revenue from contracts with customers	4,719,876	2,100,750	189,328	7,009,954	1,676,631	705,458	73,742	2,455,831
Segments	For the nine months ended 30 September 2022				For the three months ended 30 September 2022			
	Franchising	Corporate- owned stores (Russia)	Venture projects	Total	Franchising	Corporate- owned stores (Russia)	Venture projects	Total
Type of goods or service								
Franchise fee	19,034	-	-	19,034	6,931	-	-	6,931
Marketing fee	700,001	-	-	700,001	255,266	-	-	255,266
Royalties	1,782,367	-	-	1,782,367	608,449	-	-	608,449
Retail sales	-	1,874,943	115,721	1,990,664	-	626,949	35,384	662,333
Call-centre services	270,916	-	-	270,916	93,601	-	-	93,601
Other sales	294,309	-	-	294,309	94,909	-	-	94,909
Total revenue from contracts with customers	3,066,627	1,874,943	115,721	5,057,291	1,059,156	626,949	35,384	1,721,489
Timing of revenue recognition								
Goods and services transferred at a point in time	3,047,593	1,874,943	115,721	5,038,257	1,052,225	626,949	35,384	1,714,558
Services transferred over time	19,034	-	-	19,034	6,931	-	-	6,931
Total revenue from contracts with customers	3,066,627	1,874,943	115,721	5,057,291	1,059,156	626,949	35,384	1,721,489

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 nine months ended 30 September 2023			For the three months ended 30 September 2023		
	Franchising	Corporate- owned stores (Russia)	Venture projects	Franchising	Corporate- owned stores (Russia)	Venture projects
Revenue						
External customer	5,002,859	2,090,632	231,548	1,865,098	704,713	97,725
Inter-segment	264,800	-	-	88,814	-	-
	5,267,659	2,090,632	231,548	1,953,912	704,713	97,725
Inter-segment and other adjustments and eliminations	(547,783)	10,118	(42,220)	(277,281)	745	(23,983)
Total revenue from contracts with customers	4,719,876	2,100,750	189,328	1,676,631	705,458	73,742

	For the nine months ended 30 September 2022			For the three months ended 30 September 2022		
	Franchising	Corporate- owned stores (Russia)	Venture projects	Franchising	Corporate- owned stores (Russia)	Venture projects
Revenue						
External customer	3,351,568	1,913,347	124,413	1,252,177	636,833	41,741
Inter-segment	178,865	-	-	59,353	-	-
	3,530,433	1,913,347	124,413	1,311,530	636,833	41,741
Inter-segment and other adjustments and eliminations	(463,806)	(38,404)	(8,692)	(252,374)	(9,884)	(6,357)
Total revenue from contracts with customers	3,066,627	1,874,943	115,721	1,059,156	626,949	35,384

4.2 Contract balances

	30 September 2023	31 December 2022
Trade receivables (Note 13)	717,453	642,113
Contract liabilities (Note 17)	592,737	445,113

The Group recognised impairment losses on receivables amounting to RUB 12,141 thousand and RUB 6,762 thousand for the nine months ended 30 September 2023 and 2022, respectively.

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 30 September 2023 and 31 December 2022 are, as follows:

	<u>30 September 2023</u>	<u>31 December 2022</u>
Within one year	149,748	143,784
More than one year	442,989	301,329

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 period equal to one year and redemptions cannot go beyond this period, therefore customer loyalty points performance obligation is fully presented as a current contract liability (Note 17).

5. Other income and expenses

5.1. Employee benefits

	For the nine months ended 30 September		For the three months ended 30 September	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Wages and salaries	2,166,074	1,612,093	760,878	511,208
Social security costs	302,292	250,445	103,588	80,827
Share-based payment expense	113,934	96,121	49,063	25,305
Other expenses	102,359	78,878	32,380	36,403
Total employee benefits	<u>2,684,659</u>	<u>2,037,537</u>	<u>945,909</u>	<u>653,743</u>

5.2. Distribution and advertising

	For the nine months ended 30 September		For the three months ended 30 September	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
National marketing campaign	1,269,529	706,808	437,161	263,113
Local marketing of corporate-owned stores	11,590	8,469	2,750	2,699
Other distribution and advertising	66,326	67,410	37,899	17,967
Total distribution and advertising	<u>1,347,445</u>	<u>782,687</u>	<u>477,810</u>	<u>283,779</u>

5.3. Other operating income

	For the nine months ended 30 September		For the three months ended 30 September	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Income from operating sublease	56,688	48,312	15,621	18,433
Income on derecognition of ROU assets and lease liabilities	10,710	11,420	1,359	6,970
Other income	42,033	14,118	31,743	6,348
Total other operating income	<u>109,431</u>	<u>73,850</u>	<u>48,723</u>	<u>31,751</u>

5. Other income and expenses *(continued)*

5.4. Other operating expenses

	For the nine months ended 30 September		For the three months ended 30 September	
	2023	2022	2023	2022
Professional services	179,229	128,100	76,846	38,528
Hosting and infrastructure	156,163	96,095	56,215	33,720
Utilities and maintenance of premises and offices	150,917	119,661	53,051	42,036
Program software and licenses	118,336	80,819	45,547	27,773
Internet and phone services	87,506	56,711	33,221	19,487
Non-deductible taxes	75,640	59,920	17,899	7,154
Maintenance of production equipment	61,679	39,172	19,010	14,858
Business trips	52,783	20,692	21,576	7,764
Bank charges	44,364	35,499	15,834	10,804
Transportation costs	38,544	22,697	13,663	8,737
Recruiting costs	35,600	13,476	10,105	4,734
Impairment of non-current assets	-	38,447	-	2,644
Other expenses	61,684	19,866	37,890	10,902
Total other operating expenses	1,062,445	731,155	400,857	229,141

5.5. Finance income

	For the nine months ended 30 September		For the three months ended 30 September	
	2023	2022	2023	2022
Net exchange difference	87,779	1,651	61,751	-
Interest income from loans and deposits	53,817	20,814	25,165	10,077
Interest income on lease deposits	1,253	1,150	454	369
Finance income on finance sublease	715	447	284	139
Total finance income	143,564	24,062	87,654	10,585

5.6. Finance costs

	For the nine months ended 30 September		For the three months ended 30 September	
	2023	2022	2023	2022
Interest expense on lease liabilities	89,911	85,810	31,688	27,033
Interest expense on borrowings	3,922	12,998	794	3,314
Net exchange difference	-	-	-	5,284
Total finance costs	93,833	98,808	32,482	35,631

6. Income tax

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%. Income from other jurisdictions is insignificant. Reconciliation of tax expense and the accounting profit multiplied by tax rate applicable in the Russian Federation for the nine months ended 30 September 2023 and 2022 is as follows:

6. Income tax (continued)

	For the nine months ended 30 September		For the three months ended 30 September	
	2023	2022	2023	2022
Income before tax	821,839	386,866	306,814	179,891
Theoretical income tax expense at 20% tax rate	(164,368)	(77,373)	(61,363)	(35,978)
Adjustments for:				
Tax effect of income and expenses that are not deductible in determining taxable profit	(40,839)	(4,355)	13,788	(5,237)
Effect of different tax rates applicable to the Parent and Group's subsidiaries	39,725	(44,219)	(4,503)	(4,971)
Income tax expense reported in the statement of profit or loss and other comprehensive income	(165,482)	(125,947)	(52,078)	(46,186)

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

The major components of income tax expense for the nine months ended 30 September 2023 and 2022 are:

	For the nine months ended 30 September		For the three months ended 30 September	
	2023	2022	2023	2022
Current income tax:				
Current income tax charge	(178,948)	(131,675)	(61,182)	(46,796)
Deferred tax:				
Relating to origination and reversal of temporary differences	13,466	5,728	9,104	610
Income tax expense reported in the statement of profit or loss and other comprehensive income	(165,482)	(125,947)	(52,078)	(46,186)

Deferred tax relates to the following:

	Consolidated statement of financial position		Consolidated statement of profit or loss	
	30 September 2023	31 December 2022	For the nine months ended 30 September	
			2023	2022
Property, plant and equipment	34,837	9,521	25,316	33,990
Right-of-use assets	(281,869)	(222,013)	(59,856)	(2,094)
Intangible assets	1,359	2,643	(1,284)	(3,059)
Finance sublease receivables	(2,282)	(870)	(1,412)	202
Trade and other receivables	(1,625)	1,365	(2,990)	849
Prepayments	(5,861)	(416)	(5,445)	45
Other financial assets	(3,598)	1,756	(5,354)	(440)
Lease liabilities	225,718	197,117	28,601	(33,781)
Trade and other payables	45,602	20,439	25,163	5,196
Advances received	(8,349)	(5,153)	(3,196)	(5,572)
Contract liabilities	99,639	84,113	15,526	19,936
Tax losses carry forward	35,967	37,570	(1,603)	(9,544)
Deferred tax benefit			13,466	5,728
Net deferred tax assets	139,538	126,072		

6. Income tax (continued)

Reflected in the statement of financial position as follows:

	30 September 2023	31 December 2022
Deferred tax assets	139,538	126,093
Deferred tax liabilities	-	(21)
Deferred tax assets, net	139,538	126,072

Reconciliation of deferred tax assets, net

	2023	2022
As at 1 January	126,072	126,638
Change in deferred tax recognised in profit or loss during the period	13,466	5,728
As at 30 September	139,538	132,366

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
Cost						
As at 1 January 2023	278,922	307,022	113,629	1,327	59,115	760,015
Additions	91,669	81,163	32,152	-	22,594	227,578
Disposals	(15,071)	(30,214)	(4,919)	(100)	-	(50,304)
Transfer	10,375	5,144	2,186	-	(17,705)	-
Transfer from right-of-use assets	-	1,396	-	-	-	1,396
Translation differences	7,296	1,095	2,266	(2)	5,230	15,885
As at 30 September 2023	373,191	365,606	145,314	1,225	69,234	954,570
Depreciation and impairment						
As at 1 January 2023	(95,929)	(152,560)	(57,912)	(1,250)	-	(307,651)
Depreciation charge	(32,456)	(43,841)	(28,054)	(122)	-	(104,473)
Depreciation transfer	-	(817)	-	-	-	(817)
Disposals	7,534	24,763	5,152	100	-	37,549
Translation differences	(572)	(392)	(244)	-	-	(1,208)
As at 30 September 2023	(121,423)	(172,847)	(81,058)	(1,272)	-	(376,600)
Net book value						
As at 30 September 2023	251,768	192,759	64,256	(47)	69,234	577,970
As at 31 December 2022	182,993	154,462	55,717	77	59,115	452,364

8. Right-of-use assets and lease liabilities

The Group has lease contracts for premises (stores, offices, dough production centres and other premises) and equipment for dough production centres. As of 30 September 2023 the Group had arrangements (subject to IFRS 16) for 54 corporate-owned stores (31 December 2022: 48), 3 dough production centers (31 December 2022: 2), 6 management offices (31 December 2022: 5) and 4 warehouses (31 December 2022: 4).

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 2023	936,502	117,855	1,054,357	(1,162,928)
Additions	385,566	-	385,566	(389,734)
Depreciation expense of right-of-use assets	(194,820)	(19,329)	(214,149)	-
Change as a result of modification and revaluation	23,636	-	23,636	(23,863)
Transfer right-of-use assets to PPE	-	(1,396)	(1,396)	-
Transfer right-of-use assets depreciation to PPE depreciation	-	817	817	-
Derecognition of lease contracts	(45,719)	-	(45,719)	56,429
Translation differences	25,582	-	25,582	(25,927)
Interest expense on lease liabilities	-	-	-	(89,911)
Income from temporary rent discounts	-	-	-	1,214
Total cash flows	-	-	-	271,602
As at 30 September 2023	1,130,747	97,947	1,228,694	(1,363,118)

The following are the amounts recognised in profit or loss:

	For the nine months ended 30 September		For the three months ended 30 September	
	2023	2022	2023	2022
Depreciation expense of right-of-use assets	(214,149)	(184,048)	(75,496)	(60,429)
Interest expense on lease liabilities	(89,911)	(85,810)	(31,688)	(27,032)
Expense relating to short-term leases	(30,325)	(24,942)	(9,934)	(7,168)
Income on derecognition of ROU assets and lease liabilities	10,710	11,420	1,359	6,970
Income from subleasing right-of-use assets	715	447	284	139
Rent concessions	1,214	1,349	-	239
Sublease rent concessions	-	-	-	1,252
Total expense recognised in profit or loss	(321,746)	(281,584)	(115,475)	(86,029)

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

As at 30 September 2023 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 27,512 thousand: RUB 8,807 thousand within one year, RUB 18,705 thousand within four years. As at 31 December 2022: RUB 100,022 thousand.

9. Intangible assets

	Computer software	Licences and franchises	Other intangible assets	Intangible assets under development	Total
Cost					
As at 1 January 2023	40,202	-	1,974	-	42,176
Additions	2,912	8,622	8,032	471	20,037
Disposals	(153)	-	-	-	(153)
Translation differences	40	-	-	-	40
As at 30 September 2023	43,001	8,622	10,006	471	62,100
Amortisation and impairment					
As at 1 January 2023	(36,582)	-	(154)	-	(36,736)
Amortisation	(2,073)	(599)	(482)	-	(3,154)
Disposals	217	-	-	-	217
Translation differences	(2)	-	-	-	(2)
As at 30 September 2023	(38,440)	(599)	(636)	-	(39,675)
Net book value					
As at 30 September 2023	4,561	8,023	9,370	471	22,425
As at 31 December 2022	3,620	-	1,820	-	5,440

Computer software mainly includes internally-generated software: global website, mobile app and merchstore. Useful life of these intangibles is up to nine years.

10. Inventories

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

	30 September 2023	31 December 2022
Raw materials	35,708	27,095
Finished goods and goods for resale	11,495	10,233
Semifinished goods	1,601	1,295
Total inventories at cost	48,804	38,623

11. Cash and cash equivalent

	30 September 2023	31 December 2022
Cash at bank and on hand	1,488,564	759,703
Short-term deposits	128,782	59,363
Cash in transit	13,104	50,637
Total cash and cash equivalents	1,630,450	869,703

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

	30 September 2023		31 December 2022	
	Current	Non-current	Current	Non-current
Trade and other receivables (Note 13)	831,755	-	691,281	-
Net investment in sublease	-	11,412	-	4,351
Other financial assets:	1,492	35,582	-	26,517
Loans issued	-	3,552	-	3,336
Lease prepayments	1,492	32,030	-	23,181
Total current and non-current financial assets	833,247	46,994	691,281	30,868
Total financial assets		880,241		722,149

12.2 Financial liabilities

	30 September 2023		31 December 2022	
	Current	Non-current	Current	Non-current
Trade and other payables (Note 14)	626,038	-	426,255	-
Lease liabilities (Note 8)	286,090	1,077,028	237,173	925,755
Interest-bearing loans and borrowings (Note 16)	35,259	-	67,145	-
Total current and non-current financial liabilities	947,387	1,077,028	730,573	925,755
Total financial liabilities		2,024,415		1,656,328

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

13. Trade and other receivables

	30 September 2023	31 December 2022
Trade receivables	729,594	650,684
Other receivables	114,302	49,168
	843,896	699,852
Allowance for expected credit losses	(12,141)	(8,571)
Total current receivables	831,755	691,281

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

	2023	2022
As at 1 January	8,571	10,088
Provision for expected credit losses	12,141	6,762
Recovery of provision	(8,571)	(10,088)
As at 30 September	12,141	6,762

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 22.

14. Trade and other payables

	<u>30 September 2023</u>	<u>31 December 2022</u>
Trade payables	348,180	188,827
Payables to employees	249,909	191,361
Other payables	27,949	46,067
Total trade and other payables	<u>626,038</u>	<u>426,255</u>

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.

15. Taxes payables

	<u>30 September 2023</u>	<u>31 December 2022</u>
VAT payables	242,369	158,162
Payables for insurance contributions	125,486	155,905
Payables for other taxes	27,999	13,372
Total taxes payables	<u>395,854</u>	<u>327,439</u>

16. Interest-bearing loans and borrowings

	<u>Interest rate</u>	<u>Maturity</u>	<u>30 September 2023</u>	<u>31 December 2022</u>
Loan from the ultimate controlling shareholder	15.6%	Dec 2023	35,259	35,464
Bank credit from Sberbank	3%	Jun 2023	-	31,681
Total current interest-bearing loans and borrowings			<u>35,259</u>	<u>67,145</u>

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

- **Loan from the ultimate controlling shareholder (15.6% loan):** the loan in amount of RUB 115,838 was received in June 2020. During 2021-2022 the loan was partially repaid. The remaining part will be returned until December 2023.
- **Bank credit from Sberbank (3% loan):** In December 2021 the Group signed an agreement with Sberbank OJSC for the credit line in the amount RUB 69,077 thousand. The Group didn't receive tranches during 2023. The loan was provided at below-market rate as a part of the Government support program. Loan was accounted for using EIR-method. The effective interest rate is equal to 12.75% as specified by the loan contract. The balance was repaid by instalments during 2022 and the 1st half of 2023.

There are no pledges or other collateral for the interest-bearing loans and borrowings.

16. Interest-bearing loans and borrowings *(continued)*

Changes in liabilities arising from financing activities:

	1 January 2023		Interest accrued		Cash out-flows		30 September 2023
Current interest-bearing loans and borrowings							
Loan from the ultimate controlling shareholder	35,464		3,027		(3,232)		35,259
Bank credit from Sberbank	31,681		895		(32,576)		-
Total current interest-bearing loans and borrowings	67,145		3,922		(35,808)		35,259
	1 January 2022	Reclass	Cash in-flows	Interest accrued	Cash out-flows	Translation differences	30 September 2022
Current interest-bearing loans and borrowings							
Loan from the ultimate controlling shareholder	50,755	50,000	22,431	5,233	(70,533)	(42)	57,844
Bank credit from Sberbank	77,567	-	40,856	7,765	(72,946)	-	53,242
Total current interest-bearing loans and borrowings	128,322	50,000	63,287	12,998	(143,479)	(42)	111,086
Non-current interest-bearing loans and borrowings							
Loan from the ultimate controlling shareholder	50,000	(50,000)	-	-	-	-	-
Total non-current interest-bearing loans and borrowings	50,000	(50,000)	-	-	-	-	-
Total interest-bearing loans and borrowings	178,322	-	63,287	12,998	(143,479)	(42)	111,086

17. Contract liabilities

The performance obligations expected to be recognised in more than one year relate to the services provided under franchise fee.

The customer loyalty points could be used at any time, therefore customer loyalty points performance obligation is fully presented as a current contract liability.

	30 September 2023	31 December 2022
Franchise fee contract liability	480,886	329,133
Customer loyalty points	111,851	115,980
Total contract liabilities	592,737	445,113
Current	149,748	143,784
Non-current	442,989	301,329

17. Contract liabilities (continued)

Contract liabilities transactions	Franchise fee contract liability		Customer loyalty points	
	2023	2022	2023	2022
As at 1 January	329,133	281,056	115,980	49,753
Deferred	149,019	70,549	63,421	82,031
Recognised as revenue	(27,516)	(18,058)	(67,550)	(35,374)
Translation difference	30,250	(12,617)	-	-
As at 30 September	480,886	320,930	111,851	96,410
Current	37,897	27,242	111,851	96,410
Non-current	442,989	293,688	-	-

18. Government grants

In August 2021 and December 2021 Sberbank OJSC approved loan limits in the amount of RUB 82,432 thousand and RUB 69,077 thousand. 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 loan was to maintain operating activity, therefore it was 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 consolidated statement of financial position.

	2023	2022
As at 1 January	1,055	7,275
Income recognised for the period (Note 5.3)	(1,055)	(5,217)
As at 30 September	-	2,058

19. Share capital and reserves

The split of shares 1:100 was authorised by the changes in the Articles of Association of DP Global Group Ltd (approved by a written resolution of the shareholders on 26 May 2021). There was no effect on the balance sheet value.

Share capital of the Group fully consists of ordinary shares with nominal value \$0.0001. All ordinary shares are fully paid.

	Number of shares		Balanced value		
	Share capital	Treasury shares	Share capital	Share premium	Treasury shares
At 1 January 2023	4,972,757	17,350	20.40	850,394	(35,516)
Exercise of share options (Note 21)	51,250	-	0.54	45,146	-
Shares buyback	-	34,052	-	-	(88,786)
At 30 September 2023	5,024,007	51,402	20.94	895,540	(124,302)

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 shares buyback for the nine months ended 30 September 2023.

19. Share capital and reserves (continued)

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 period 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 period 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 EPS calculations:

	For the nine months ended 30 September		For the three months ended 30 September	
	2023	2022	2023	2022
Profit attributable to ordinary equity holders of the parent for basic earnings	656,357	260,919	254,736	133,705
Weighted average number of ordinary shares for basic EPS	4,980,724	4,940,747	4,992,323	4,972,757
Effect of dilution from share options granted to employees, number of shares	209,169	198,503	209,169	198,503
Weighted average number of ordinary shares adjusted for the effect of dilution	5,189,893	5,139,250	5,201,492	5,171,260
Basic earnings per share	¥132	¥53	¥51	¥27
Diluted earnings per share	¥126	¥51	¥49	¥26

21. Share-based payments

The Group has Employee Share Option Plan (ESOP) which was firstly 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 also 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 exercise price of the remaining part is equal to the nominal price of shares (\$0.0001). 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.

21. Share-based payments *(continued)*

There are no cash settlement alternatives for the employee and the Group does not have a past practice of cash settlement for these awards. There were no cancellations or modifications of the awards for the nine months 2023 or for the whole year 2022.

The expense recognised for employee services received during the period:

	For the nine months ended 30 September	
	2023	2022
Expense arising from equity-settled share-based payment transactions	113,934	96,121
Total expense arising from share-based payment transactions	113,934	96,121

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.

	ESOP			ESOP granted by the ultimate shareholder		
	Number	WAEP	WAFV	Number	WAEP	WAFV
		\$0	\$0		\$0	\$0
Outstanding at 1 January 2022	500,323	0.01	14.89	68,400	1.02	10.77
Granted during the period	41,200	0.01	27.61	3,000	0.01	30.60
Exercised during the period	(69,751)	0.01	11.17	(772)	0.01	6.13
Buyback during the period	(14,350)	-	-	(2,100)	-	-
Expired during the period	(31,693)	0.01	20.63	(228)	0.01	6.13
Outstanding at 30 September 2022	425,729	0.01	16.80	68,300	1.02	12.04
Exercisable at 30 September 2022	198,503	0.01	14.51	16,500	3.39	6.35
Outstanding at 1 January 2023	407,738	0.01	16.91	68,300	1.02	12.25
Granted during the period	81,720	0.01	25.05	-	-	-
Exercised during the period	(51,250)	0.01	12.54	-	-	-
Buyback during the period	(13,894)	-	-	-	-	-
Expired during the period	(26,918)	0.01	25.45	-	-	-
Outstanding at 30 September 2023	397,396	0.01	19.16	68,300	1.02	12.25
Exercisable at 30 September 2023	209,169	0.01	16.55	16,200	4.32	6.86

The weighted average remaining contractual life for the share options outstanding as at 30 September 2023 was 0.68 years (30 September: 0.85 years).

The following table lists the model's inputs used for the plans for the periods ended 30 September 2023 and 31 December 2022, respectively:

	30 September 2023	31 December 2022
Expected volatility (%)	81.97	73.62
Risk-free interest rate (%)	7.77	14.46
Weighted average share price (\$)	30.49	37.30

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. Related parties

Note 1 provides information about the Group's structure, including details of the main subsidiaries and the holding company. As at 30 September 2023 amounts owed by key management personnel of the Group are nil RUB (31 December 2022: RUB 314 thousand). As at 30 September 2023 amounts owed to key management personnel of the Group are RUB 4,141 thousand (31 December 2022: RUB 2,002 thousand). There were no sales to other related parties for the nine months ended 30 September 2023 (for the nine months ended 30 September 2022: RUB 2,244 thousand).

The following table provides the total amount of loans transactions that have been entered into with related parties during the nine months ended 30 September 2023 and 2022, as well as balances with related parties as at 30 September 2023 and 31 December 2022:

		Interest accrued		Amounts owed to related parties
		For the nine months	For the three months	
Loans from related parties				
The ultimate controlling shareholder (Note 16)	2023	3,027	794	35,259
	2022	5,233	1,362	35,464
		Interest accrued		Amounts owed by related parties
		For the nine months	For the three months	
Loans to related parties				
The ultimate controlling shareholder (Note 12)	2023	214	72	3,552
	2022	258	97	3,336

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

	For the nine months ended 30 September		For the three months ended 30 September	
	2023	2022	2023	2022
Wages and salaries	88,910	38,448	34,122	13,114
Share-based payment transactions	22,832	12,980	13,424	2,642
Total compensation paid to key management personnel	111,742	51,428	47,546	15,756

23. 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.

24. Events after reporting date

There were no significant events after the reporting date.