

DP Global Group Limited

**Unaudited interim condensed
consolidated financial statements**

**For the six months ended
30 June 2021**

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Interim condensed consolidated statement of financial position

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

		30 June 2021	31 December 2020
	Notes	Unaudited	
Assets			
Non-current assets			
Property, plant and equipment	7	289,897	341,093
Right-of-use assets	8	750,526	752,465
Intangible assets	9	11,394	17,122
Finance sublease receivables		6,339	6,928
Non-current financial assets	12.1	8,549	23,724
Deferred tax assets	6	114,194	117,088
		1,180,899	1,258,420
Current assets			
Inventories	10	19,069	28,388
Prepayments		49,617	43,534
Income tax receivables		14,370	9,433
Taxes receivables		8,563	13,455
Trade and other receivables	13	384,831	308,905
Other current financial assets	12.1	18,903	10,519
Cash and cash equivalents	11	472,258	303,598
		967,611	717,832
Total assets		2,148,510	1,976,252
Equity and liabilities			
Equity			
Share capital	19	19.78	19.69
Share premium	19	766,519	758,517
Treasury shares	19	(3,234)	(1,660)
Share-based payments reserve	21	260,598	220,168
Foreign currency translation reserve		166,918	180,670
Accumulated losses		(717,889)	(829,374)
Equity attributable to equity holders of the parent		472,932	328,341
Non-current liabilities			
Interest-bearing loans and borrowings	16	50,000	75,000
Lease liabilities	8	696,232	700,198
Contract liabilities	17	254,799	246,833
Deferred tax liabilities	6	-	294
		1,001,031	1,022,325
Current liabilities			
Interest-bearing loans and borrowings	16	64,207	117,797
Lease liabilities	8	151,189	141,172
Trade and other payables	15	274,470	161,445
Income tax payables		328	-
Taxes payables		127,710	121,761
Advances received		5,543	4,863
Government grants	18	-	26,863
Contract liabilities	17	51,100	51,685
		674,547	625,586
Total liabilities		1,675,578	1,647,911
Total equity and liabilities		2,148,510	1,976,252

These interim condensed consolidated financial statements were authorized for issue on 30 August 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)

	Notes	Six months ended 30 June		Three months ended 30 June	
		2021	2020	2021	2020
Revenue recognised from contracts with customers	4	2,337,211	1,219,996	1,216,628	502,161
Other operating income	5.3	56,333	31,035	28,495	24,150
Total operating income		2,393,544	1,251,031	1,245,123	526,311
Raw materials and consumables		(340,821)	(158,524)	(174,573)	(60,696)
Employee benefits	5.1	(962,489)	(622,733)	(499,985)	(298,717)
Depreciation and amortization	7,8,9	(137,134)	(116,409)	(66,333)	(61,675)
Distribution and advertising	5.2	(414,637)	(147,611)	(237,897)	(12,438)
Expected credit losses on financial assets		1,809	(3,478)	1,922	(1,729)
Other operating expenses	5.4	(350,573)	(209,971)	(195,387)	(94,410)
Operating profit/ (loss)		189,699	(7,695)	72,870	(3,354)
Finance income	5.5	16,094	3,507	23,512	65,914
Finance costs	5.6	(50,737)	(125,100)	(24,704)	(25,522)
Profit/ (loss) before tax		155,056	(129,288)	71,678	37,038
Income tax (expense)/ benefit	6	(45,943)	3,346	(24,818)	(10,515)
Profit/ (loss) for the period		109,113	(125,942)	46,860	26,523
<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		(1,894)	(1,189)	(84,287)	(1,609)
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods		(1,894)	(1,189)	(84,287)	(1,609)
<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		(11,858)	80,079	60,360	(70,044)
Net other comprehensive (loss)/ income that will not be reclassified to profit or loss in subsequent periods		(11,858)	80,079	60,360	(70,044)
Other comprehensive income (net of tax)		(13,752)	78,890	(23,927)	(71,653)
Total comprehensive income/ (loss) for the period, net of tax		95,361	(47,052)	22,933	(45,130)
Profit/ (loss) attributable to:					
Equity holders of the parent		109,113	(125,942)	62,253	(152,465)
		109,113	(125,942)	62,253	(152,465)
Total comprehensive income/ (loss) attributable to:					
Equity holders of the parent		95,361	(47,052)	72,428	(1,922)
		95,361	(47,052)	72,428	(1,922)
Earnings per share					
Basic, profit/ (loss) for the for the period attributable to equity holders of the parent	20	₽22	-₽26	₽13	-₽31

Interim condensed consolidated statement of changes in equity

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

For the six months ended 30 June 2021

	Notes	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 of 1 January 2021		19.69	758,517	(1,660)	220,168	(829,374)	180,670	328,341
Profit for the period		-	-	-	-	109,113	-	109,113
Other comprehensive loss		-	-	-	-	-	(13,752)	(13,752)
Total comprehensive income		-	-	-	-	109,113	(13,752)	95,361
Exercise of options	19	0.09	8,002	-	(8,002)	-	-	-
Settlement of loan issued	14	-	-	(1,574)	-	-	-	(1,574)
Share-based payments reserve	21	-	-	-	48,432	2,372	-	50,804
As of 30 June 2021 (unaudited)		19.78	766,519	(3,234)	260,598	(717,889)	166,918	472,932

For the six months ended 30 June 2020

	Notes	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 of 1 January 2020		19.54	737,484	-	160,958	(753,104)	59,567	204,925
Loss for the period		-	-	-	-	(125,942)	-	(125,942)
Other comprehensive income		-	-	-	-	-	78,890	78,890
Total comprehensive loss		-	-	-	-	(125,942)	78,890	(47,052)
Exercise of options	19	0.06	12,461	-	(12,461)	-	-	-
Share-based payments reserve	21	-	-	-	50,717	1,412	-	52,129
As of 30 June 2020 (unaudited)		19.60	749,945	-	199,214	(877,634)	138,457	210,002

Interim condensed consolidated statement of cash flows (unaudited)

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

	Notes	Six months ended 30 June		Three months ended 30 June	
		2021	2020	2021	2020
Operating activities					
Profit/ (loss) before tax		155,056	(129,288)	71,678	37,038
Adjustments to reconcile profit/ (loss) before tax to net cash flows:					
Depreciation of property, plant and equipment	7	51,321	39,383	23,893	20,003
Depreciation of right-of-use assets	8	81,806	73,029	40,436	39,668
Amortisation of intangible assets	9	4,007	3,997	2,004	2,004
Share-based payments expense	21	50,804	52,129	23,307	36,223
Unrealised exchange differences on translation of foreign operations		(3,043)	(7,308)	5,375	15,824
Profit/ (loss) on disposal of property, plant and equipment		(205)	(121)	(205)	(6)
Inventory shortage		14,935	8,493	8,303	3,524
Finance income	5.5	(16,094)	(3,507)	(23,512)	(1,677)
Finance costs	5.6	50,737	125,100	24,704	(38,715)
COVID-19 rent concessions	5.3	(4,247)	(19,410)	(1,974)	(19,405)
Impairment of assets	7,9	36,525	-	29,993	-
Expected credit losses on financial assets		(1,809)	3,478	(1,922)	1,729
Other non-cash		(14)	323	752	393
Working capital adjustments:					
Change in trade and other receivables	13	(75,933)	43,147	(45,821)	14,558
Change in prepayments and taxes receivables		7,901	(7,992)	26,607	(7,380)
Change in inventories	10	(5,615)	(8,932)	710	(5,242)
Change in trade and other payables	15	113,025	8,441	54,844	5,523
Change in government grants	18	(26,863)	-	(13,506)	-
Change in advances received and taxes payables		6,370	(14,598)	7,823	54,289
Change in contract liabilities	17	7,476	8,682	2,351	202
		446,140	175,046	235,840	158,553
Interest received		1,994	1,819	1,557	1,142
Income tax paid	6	(48,488)	(14,684)	(36,335)	(13,098)
Net cash flows from operating activities		399,646	162,181	201,062	146,597
Investing activities					
Proceeds from sale of property, plant and equipment	7	2,599	348	2,599	-
Purchase of property, plant and equipment	7,8	(40,114)	(51,477)	(17,348)	(16,630)
Purchase of intangible assets	9	(131)	-	(130)	-
Repayment of loans issued	14	1,903	80	22	80
Proceeds from sublease	8	845	647	360	161
Net cash flows used in investing activities		(34,898)	(50,402)	(14,497)	(16,389)
Financing activities					
Payment of principal portion of the lease liabilities	8	(67,881)	(19,127)	(37,027)	(4,661)
Interest paid		(50,737)	(48,838)	(24,704)	(25,272)
Proceeds from borrowings	16	-	115,838	-	37,182
Repayment of borrowings	16	(78,590)	-	(67,870)	-
Net cash flows used in financing activities		(197,208)	47,873	(129,601)	7,249
Net increase in cash and cash equivalents		167,540	159,652	56,964	137,457
Net foreign exchange difference		1,120	4,875	(5,164)	(20,854)
Cash and cash equivalents on 1 January	11	303,598	226,359		
Cash and cash equivalents on 30 June	11	472,258	390,886		

Notes to the interim condensed consolidated financial statements

for the six months ended 30 June 2021

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

1. Corporate information

The interim condensed consolidated financial statements of DP Global Group Limited and its subsidiaries (collectively, the Group) for the six months ended 30 June 2021 were authorised for issue at 30 August 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 of 30 June 2021, the Group operated 714 stores (680 franchised stores, 34 company-owned stores), as of 31 December 2020: 679 stores (644 franchised stores, 35 company-owned stores).

Information about subsidiaries

The consolidated financial statements of the Group include:

Name	Principal activities	Country of incorporation	% Equity interest	
			30 June 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	-
Drinkit Company LLC	Restaurants and food delivery services/ Retail	The Russian Federation	100	-
DONER 42 LLC	Restaurants and food delivery services/ Retail	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 six months ended 30 June 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.

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 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 of 31 December 2020.

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 six months ended 30 June 2021, the Group made a net income of RUB 109,113 thousand (six months ended 30 June 2020: net loss RUB 125,942 thousand). Cash and cash equivalents increased from RUB 304 million as of 31 December 2020 to RUB 472 million as of 30 June 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.

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

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

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.

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 six months ended 30 June 2021 and 2020.

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

3. Segment information (continued)

Six months ended 30 June 2020	Franchising	Corporate- owned stores (Russia)	Venture projects	Total segments	Adjustments and eliminations	Consolidated
Revenue						
External customers	777,066	457,666	7,875	1,242,607	(22,611)	1,219,996
Inter-segment	38,580	-	-	38,580	(38,580)	-
Total revenue	815,646	457,666	7,875	1,281,187	(61,191)	1,219,996
Raw materials and consumables	(16,477)	(147,532)	(4,785)	(168,794)	10,270	(158,524)
Employee benefits	(351,576)	(157,660)	(58,339)	(567,575)	(55,158)	(622,733)
Distribution and advertising	(145,427)	(13,279)	(6,618)	(165,324)	17,713	(147,611)
Rent	(24,707)	(67,306)	(6,166)	(98,179)	66,144	(32,035)
Other operating expenses and income	(128,295)	(42,643)	(15,299)	(186,237)	39,336	(146,901)
EBITDA	149,164	29,246	(83,332)	95,078	17,114	112,192
Finance income						3,507
Finance costs						(125,100)
Depreciation and amortization						(116,409)
Expected credit losses on financial assets						(3,478)
Loss before tax						(129,288)

The tables below illustrate financial information of the reportable segments reviewed by management for the three months ended 30 June 2021 and 2020.

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

3. Segment information (continued)

Three months ended 30 June 2020	Franchising	Corporate- owned stores (Russia)	Venture projects	Total segments	Adjustments and eliminations	Consolidated
Revenue						
External customers	321,204	186,723	4,628	512,555	(10,394)	502,161
Inter-segment	10,826	-	-	10,826	(10,826)	-
Total revenue	332,030	186,723	4,628	523,381	(21,220)	502,161
Raw materials and consumables	(6,829)	(59,521)	(3,107)	(69,457)	8,761	(60,696)
Employee benefits	(161,904)	(62,128)	(30,979)	(255,011)	(43,706)	(298,717)
Distribution and advertising	(18,669)	(2,619)	(2,286)	(23,574)	11,136	(12,438)
Rent and utilities	(10,989)	(37,657)	(3,207)	(51,853)	38,416	(13,437)
Other operating income and expenses	(58,776)	(7,041)	(5,732)	(71,549)	14,726	(56,823)
EBITDA	74,863	17,757	(40,683)	51,937	8,113	60,050
Finance income						65,914
Finance costs						(25,522)
Depreciation and amortization						(61,675)
Expected credit losses on financial assets						(1,729)
Profit before tax						37,038

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 statement rent of premises is accounted for in accordance with IFRS 16 with the recognition of depreciation and interest expenses in the consolidated profit and losses. Segments EBITDA include rent expense as monthly instalments payable to the lessors.
- In management accounting all the expenditures which arose before the store opening are considered as CAPEX. In IFRS accounting such expenditures are split 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	Six months ended 30 June 2021				Three months ended 30 June 2021			
	Franchising	Corporate- owned stores (Russia)	Venture projects	Total	Franchising	Corporate- owned stores (Russia)	Venture projects	Total
Type of goods or service								
Franchise fee	13,850	-	-	13,850	6,919	-	-	6,919
Marketing fee	377,203	-	-	377,203	195,000	-	-	195,000
Royalties	800,755	-	-	800,755	414,448	-	-	414,448
Retail sales	-	808,694	59,905	868,599	-	419,372	30,677	450,049
Call-centre services	136,611	-	-	136,611	67,151	-	-	67,151
Other sales	140,193	-	-	140,193	83,061	-	-	83,061
Total revenue from contracts with customers	1,468,612	808,694	59,905	2,337,211	766,579	419,372	30,677	1,216,628
Timing of revenue recognition								
Goods and services transferred at a point in time	1,454,762	808,694	59,905	2,323,361	759,660	419,372	30,677	1,209,709
Services transferred over time	13,850	-	-	13,850	6,919	-	-	6,919
Total revenue from contracts with customers	1,468,612	808,694	59,905	2,337,211	766,579	419,372	30,677	1,216,628

Segments	Six months ended 30 June 2020				Three months ended 30 June 2020			
	Franchising	Corporate- owned stores (Russia)	Venture projects	Total	Franchising	Corporate- owned stores (Russia)	Venture projects	Total
Type of goods or service								
Franchise fee	11,814	-	-	11,814	5,899	-	-	5,899
Marketing fee	88,161	-	-	88,161	616	-	-	616
Royalties	486,661	-	-	486,661	227,925	-	-	227,925
Retail sales	-	459,204	7,875	467,079	-	185,440	4,628	190,068
Call-centre services	99,201	-	-	99,201	52,161	-	-	52,161
Other sales	67,080	-	-	67,080	25,492	-	-	25,492
Total revenue from contracts with customers	752,917	459,204	7,875	1,219,996	312,093	185,440	4,628	502,161
Timing of revenue recognition								
Goods and services transferred at a point in time	741,103	459,204	7,875	1,208,182	306,194	185,440	4,628	496,262
Services transferred over time	11,814	-	-	11,814	5,899	-	-	5,899
Total revenue from contracts with customers	752,917	459,204	7,875	1,219,996	312,093	185,440	4,628	502,161

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):

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

	Six months ended 30 June 2020			Three months ended 30 June 2020		
	Franchising	Corporate-owned stores (Russia)	Venture projects	Franchising	Corporate-owned stores (Russia)	Venture projects
Revenue						
External customer	777,066	457,666	7,875	321,204	186,723	4,628
Inter-segment	38,580	-	-	10,826	-	-
	815,646	457,666	7,875	332,030	186,723	4,628
Inter-segment and other adjustments and eliminations	(62,729)	1,538	-	(19,937)	(1,283)	-
Total revenue from contracts with customers	752,917	459,204	7,875	312,093	185,440	4,628

4.2 Contract balances and performance obligations

	30 June 2021	31 December 2020
Trade receivables (Note 13)	363,960	299,513
Contract liabilities (Note 17)	305,899	298,518

The Group recognised impairment losses on receivables amounting to RUB 2,349 thousand and RUB 2,045 thousand for the six months ended 30 June 2021 and 2020, respectively.

Set out below is the amount of revenue recognised from:

For the six months ended 30 June	2021	2020
Amounts included in contract liabilities at the beginning of the year	15,364	44,250
Performance obligations satisfied in previous years	-	-

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

	30 June 2021	31 December 2020
Within one year	51,100	51,685
More than one year	254,799	246,833

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

4.2 Contract balances and performance obligations *(continued)*

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

	Six months ended 30 June		Three months ended 30 June	
	2021	2020	2021	2020
Wages and salaries	764,355	456,898	398,514	212,574
Social security costs	121,821	105,985	60,573	47,773
Share-based payment expense	50,804	52,129	23,307	36,223
Other expenses	25,509	7,721	17,591	2,147
Total employee benefits	962,489	622,733	499,985	298,717

5.2. Distribution and advertising

	Six months ended 30 June		Three months ended 30 June	
	2021	2020	2021	2020
National marketing campaign	392,512	130,521	222,739	7,970
Local marketing of corporate-owned stores	19,981	9,169	13,932	3,681
Other expenses	2,144	7,921	1,226	787
Total distribution and advertising	414,637	147,611	237,897	12,438

5.3. Other operating income

	Six months ended 30 June		Three months ended 30 June	
	2021	2020	2021	2020
Income from government grants (Note 18)	26,863	-	13,506	-
Income from operating sublease	22,265	9,287	12,310	3,558
COVID-19 rent concessions (Note 8)	4,247	19,410	1,974	19,405
Income on derecognition of ROU assets	139	-	8	-
Other income	2,819	2,338	697	1,187
Total other operating income	56,333	31,035	28,495	24,150

5.4. Other operating expenses

	Six months ended 30 June		Three months ended 30 June	
	2021	2020	2021	2020
Professional services	58,720	36,957	27,130	14,684
Utilities and maintenance of premises	51,669	32,035	26,214	13,437
Internet and phone services	45,140	26,808	22,515	13,433
Hosting and infrastructure	45,135	39,962	22,707	18,016
Impairment of non-current assets	36,550	-	29,993	-
Program software and licenses	35,528	24,621	17,557	13,026
Bank charges	15,959	9,280	8,354	3,972
Maintenance of production equipment	11,578	10,238	6,393	2,996
Transportation costs	11,510	7,965	6,023	3,985
Business trips	11,045	6,440	8,043	-
Other expenses	27,739	15,665	20,458	10,861
Total other operating expenses	350,573	209,971	195,387	94,410

5. Other income and expenses (continued)
5.5. Finance income

	Six months ended 30 June		Three months ended 30 June	
	2021	2020	2021	2020
Interest income from loans and deposits	2,772	2,589	1,944	1,220
Interest income on lease deposits	479	473	237	238
Finance income on finance sublease	381	445	186	219
Net exchange difference	12,462	-	21,145	64,237
Total finance income	16,094	3,507	23,512	65,914

5.6. Finance costs

	Six months ended 30 June		Three months ended 30 June	
	2021	2020	2021	2020
Interest expense on lease liabilities	42,553	45,804	20,774	23,389
Net exchange difference	-	75,909	-	-
Interest expense on borrowings	8,184	3,387	3,930	2,133
Total finance costs	50,737	125,100	24,704	25,522

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 six months ended 30 June 2021 and 2020 are:

	For six months ended 30 June		For the three months ended 30 June	
	2021	2020	2021	2020
Current income tax:				
Current income tax charge	(43,343)	(19,424)	(18,072)	(18,320)
Deferred tax:				
Relating to origination and reversal of temporary differences	(2,600)	22,770	(6,746)	7,805
Income tax benefit (expense) reported in the statement of profit or loss	(45,943)	3,346	(24,818)	(10,515)

	For six months ended 30 June		For the three months ended 30 June	
	2021	2020	2021	2020
(Loss)/ income before tax	155,056	(129,288)	71,678	37,038
Theoretical income tax benefit at 20% tax rate	(31,011)	25,858	(14,336)	(7,408)
Adjustments for:				
Tax effect of income and expenses that are not deductible in determining taxable profit	(18,985)	(10,385)	(20,884)	5,197
Effect of different tax rates applicable to the Parent and Group's subsidiaries	4,053	(12,127)	10,402	(8,304)
Income tax benefit (expense) reported in the statement of profit or loss	(45,943)	3,346	(24,818)	(10,515)

6. Income tax (continued)

DP Global Group Limited (incorporated in BVI) became a tax resident of the Russian Federation on May 3, 2021. The Group's key subsidiaries are taxed at a rate of 20%. One of the group components is taxed under special requirements for IT companies in Russian Federation with a tax rate 3%. 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:

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

Reflected in the statement of financial position as follows:

	30 June 2021	31 December 2020
Deferred tax assets	114,194	117,088
Deferred tax liabilities	-	(294)
Deferred tax assets, net	114,194	116,794

Reconciliation of deferred tax assets, net	2021	2020
As of 1 January	116,794	104,814
Tax benefit (expense) recognised in profit or loss during the period	(2,600)	22,770
As of 30 June	114,194	127,584

Deferred tax relates to the following:

	Consolidated statement of financial position		Consolidated statement of profit or loss	
	30 June 2021	31 December 2020	Six months ended 30 June 2021	2020
Property, plant and equipment	(28,387)	(27,236)	(1,151)	2,151
Right-of-use assets	(125,161)	(136,056)	10,895	4,014
Intangible assets	8,667	10,464	(1,797)	(302)
Finance sublease receivables	(1,268)	(1,386)	118	105
Trade and other receivables	(26,335)	(12,419)	(13,916)	6,972
Prepayments	1,722	328	1,394	8
Other financial assets	2,007	2,036	(29)	(94)
Lease liabilities	145,619	154,134	(8,515)	(5,931)
Trade and other payables	13,420	14,852	(1,432)	4,437
Advances received	(3,281)	(4,651)	1,370	(247)
Contract liabilities	54,820	53,207	1,613	(200)
Government grants	-	(3,357)	3,357	-
Tax losses carry forward	72,371	66,878	5,493	11,857
Deferred tax benefit (expense)			(2,600)	22,770
Net deferred tax assets	114,194	116,794		

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 of 1 January 2021	171,415	269,922	64,213	2,499	18,986	527,035
Additions	5,475	16,321	13,919	60	4,339	40,114
Disposals	-	(15,626)	(4,175)	(8)	(2,727)	(22,536)
Transfer	10,055	2,944	137	-	(13,136)	-
Translation differences	43	464	12	2	65	586
As of 30 June 2021	186,988	274,025	74,106	2,553	7,527	545,199
Depreciation and impairment						
As of 1 January 2021	(41,996)	(101,799)	(40,787)	(1,360)	-	(185,942)
Depreciation charge	(14,609)	(27,476)	(9,054)	(182)	-	(51,321)
Impairment	(4,597)	(26,656)	(1,453)	(24)	(1,968)	(34,698)
Disposals	-	13,269	3,333	6	-	16,608
Translation differences	67	(33)	13	4	-	51
As of 30 June 2021	(61,135)	(142,695)	(47,948)	(1,556)	(1,968)	(255,302)
Net book value						
As of 30 June 2021	125,853	131,330	26,158	997	5,559	289,897
As of 1 January 2021	129,419	168,123	23,426	1,139	18,986	341,093

8. Right-of-use assets and lease liabilities

The Group has lease contracts for premises (stores, offices and dough production centres in Russia) and equipment for dough production centres.

As of 30 June 2021, the Group had arrangements (subject to IFRS 16) for 36 corporate-owned stores (31 December 2020: 38), 2 dough production centres (31 December 2020: 3) and 5 management offices (31 December 2020: 5). As of 31 December 2020, the Group had the arrangement for 1 research laboratory in China.

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 4,247 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:

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

	Right-of-use assets			Lease liabilities
	Premises and offices	Equipment	Total	Total
As of 1 January 2020	672,312	-	672,312	(759,739)
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
As of 31 December 2020	656,596	95,869	752,465	(841,370)
Additions	100,166	-	100,166	(99,017)
Depreciation expense of right-of-use assets	(73,529)	(8,277)	(81,806)	-
Change as a result of modification and revaluation	4,959	-	4,959	(5,010)
Derecognition of lease contracts	(25,651)	-	(25,651)	25,790
Translation differences	393	-	393	58
Interest expense on lease liabilities	-	-	-	(42,553)
COVID-19 rent concessions	-	-	-	4,247
Total cash flows	-	-	-	110,434
As of 30 June 2021	662,934	87,592	750,526	(847,421)

The following are the amounts recognised in profit or loss:

	For the six months ended 30 June		For the three months ended 30 June	
	2021	2020	2021	2020
Depreciation expense of right-of-use assets	(81,806)	(73,029)	(40,436)	(39,668)
Interest expense on lease liabilities	(42,553)	(45,804)	(20,774)	(23,389)
Expense relating to short-term leases	(4,708)	(3,078)	(2,336)	(1,757)
Income from subleasing right-of-use assets	381	445	187	219
COVID-19 rent concessions	4,247	19,410	1,974	19,405
Income on derecognition of ROU assets	139	-	800	-
Loss on derecognition of ROU assets	-	-	-	-
COVID-19 sublease rent concessions	(125)	(323)	(125)	(323)
Total expense recognised in profit or loss	(124,425)	(102,379)	(60,710)	(45,513)

As of 30 June 2021, 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 65,429 thousand: RUB 5,788 thousand within one year, RUB 59,641 thousand within ten years. As of 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 11,394 thousand as of 30 June 2021, RUB 17,122 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 the 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 184,362 thousand for the six months ended 30 June 2021 (RUB 146,707 thousand for the six months ended 30 June 2020), RUB 92,610 thousand for the three months ended 30 June 2021 (RUB 72,622 thousand for the three months ended 30 June 2020).

10. Inventories

	30 June 2021	31 December 2020
Raw materials	14,599	23,020
Semifinished goods	815	1,009
Finished goods and goods for resale	3,655	4,359
Total inventories at cost	19,069	28,388

11. Cash and cash equivalents

	30 June 2021	31 December 2020
Cash at bank and on hand	249,600	246,975
Short-term deposits	217,724	50,922
Cash in transit	4,934	5,701
Total cash and cash equivalents	472,258	303,598

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 June 2021		31 December 2020	
	Current	Non-current	Current	Non-current
Trade and other receivables (Note 13)	384,831	-	308,905	-
Other financial assets:	18,903	8,549	10,519	23,724
Loans issued (Note 14)	18,328	-	7,955	10,615
Lease prepayments	575	8,549	2,564	13,109
Total current and non-current financial assets	403,734	8,549	319,424	23,724
Total financial assets		412,283		343,148

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

12. Financial assets and financial liabilities *(continued)*

12.2 Financial liabilities

	30 June 2021		31 December 2020	
	Current	Non-current	Current	Non-current
Trade and other payables (Note 15)	274,470	-	161,445	-
Lease liabilities (Note 8)	151,189	696,232	141,172	700,198
Interest-bearing loans and borrowings (Note 16)	64,207	50,000	117,797	75,000
Total current and non-current financial liabilities	489,866	746,232	420,414	775,198
Total financial liabilities		1,236,098		1,195,612

12.3 Fair values

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

13. Trade and other receivables

	30 June 2021	31 December 2020
Trade receivables	368,105	302,793
Other receivables	20,871	9,392
	388,976	312,185
Allowance for expected credit losses	(4,145)	(3,280)
Total current receivables	384,831	308,905

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

	2021	2020
As of 1 January	3,280	1,834
Provision for expected credit losses	2,349	2,045
Recovery of provision	(1,533)	(1,537)
Translation difference	49	96
As of 30 June	4,145	2,438

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	30 June 2021		31 December 2020	
			Current	Non-current	Current	Non-current
Yukon Ltd	2%	Oct 2021	-	-	1,838	-
Private individual	4%	Jan 2039	15,555	-	3,746	10,344
Loan to an employee	9%	Dec 2021	1,071	-	1,026	-
Dodo Pizza USA Retail Inc	7%	Feb 2025	1,702	-	1,345	271
Total loans issued			18,328	-	7,955	10,615

14. Loans issued (continued)
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 of 30 June 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 of 30 June 2021 for shares pledged.

During the six months ended 30 June 2021 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 of 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 of 30 June 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 of 30 June 2021 for shares pledged.

During the six months ended 30 June 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 of 31 December 2020. For more information, refer to the table below.

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	30 June 2021
Current loans issued									
Yukon Ltd (2% loan)	1,838	-	-	2	(1,908)	-	-	68	-
Private individual (4% loan)	3,746	10,227	-	613	-	(1,259)	2,318	(90)	15,555
Private individual (9% loan)	1,026	-	-	45	-	-	-	-	1,071
Dodo Pizza USA Retail Inc (7% loan)	1,345	267	-	122	-	(315)	306	(23)	1,702
Total current loans issued	7,955	10,494	-	782	(1,908)	(1,574)	2,624	(45)	18,328
Non-current loans issued									
Yukon Ltd (2% loan)	-	-	-	-	-	-	-	-	-
Private individual (4% loan)	10,344	(10,227)	-	-	-	-	-	(117)	-
Private individual (9% loan)	-	-	-	-	-	-	-	-	-
Dodo Pizza USA Retail Inc (7% loan)	271	(267)	-	-	-	-	-	(4)	-
Total non-current loans issued	10,615	(10,494)	-	-	-	-	-	(121)	-
Total loans issued	18,570	-	-	782	(1,908)	(1,574)	2,624	(166)	18,328

15. Trade and other payables

	30 June 2021	31 December 2020
Trade payables	138,484	77,160
Payables to employees	122,831	77,881
Other payables	13,155	6,404
Total trade and other payables	274,470	161,445

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	30 June 2021		31 December 2020	
			Current	Non-current	Current	Non-current
Letter of credit from Sberbank	9.85%	Oct 2022	-	-	79,068	-
Loan from the ultimate controlling shareholder	9%	Jun 2023	64,207	50,000	38,729	75,000
Total interest-bearing loans and borrowings			64,207	50,000	117,797	75,000

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

- **Letter of credit from Sberbank (9.85% credit):** the credit line was fully repaid in June 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 was 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	30 June 2021
Current interest-bearing loans and borrowings						
Loan from the ultimate controlling shareholder	38,729	25,000	-	4,978	(4,500)	64,207
Letter of credit from Sberbank	79,068	-	-	3,206	(82,274)	-
Total current interest-bearing loans and borrowings	117,797	25,000	-	8,184	(86,774)	64,207
Non-current interest-bearing loans and borrowings						
Loan from the ultimate controlling shareholder	75,000	(25,000)	-	-	-	50,000
Letter of credit from Sberbank	-	-	-	-	-	-
Total non-current interest-bearing loans and borrowings	75,000	(25,000)	-	-	-	50,000
Total interest-bearing loans and borrowings	192,797	-	-	8,184	(86,774)	114,207

17. Contract liabilities

	30 June 2021	31 December 2020
Franchise fee contract liability	278,785	269,882
Customer loyalty points	27,114	28,636
Total contract liabilities	305,899	298,518
Current	51,100	51,685
Non-current	254,799	246,833

Contract liabilities transactions	Franchise fee contract liability		Customer loyalty points	
	2021	2020	2021	2020
As of 1 January	269,882	267,990	28,636	33,175
Deferred	22,389	18,463	2,379	16,637
Recognised as revenue	(13,582)	(11,814)	(3,901)	(16,407)
Translation difference	96	901	-	-
As of 30 June	278,785	275,540	27,114	33,405
Current	23,986	24,740	27,114	33,405
Non-current	254,799	250,800	-	-

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 30 June 2021 the repayment was waived under the following conditions: absence of bankruptcy procedures, fulfilment of headcount requirements, retention of a salary level.

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 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 interim condensed consolidated statement of financial position.

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 May 26, 2021). The number of shares was adjusted retrospectively in these financial statements as required by IAS 33 Earnings per Share. 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 *restated		Balanced value		
	Share capital	Treasury shares	Share capital	Share premium	Treasury shares
At 1 January 2021	4,858,400	1,200	19.69	758,517	(1,660)
Exercise of share options (Note 20)	12,000	-	0.09	8,002	
Settlement of loan issued (Note 15)	-	1,000	-	-	(1,574)
At 30 June 2021	4,870,400	2,200	19.78	766,519	(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 six months ended 30 June 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 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. Diluted earnings per share for the six months ended 30 June 2021 is 13 RUB and for the three months ended 30 June 2021 is 11 RUB. As the Group incurred a loss for the six months ended 30 June 2020 and for the three months ended 30 June 2020, share options do not have a dilutive effect because bringing "in more" shares will increase the denominator and thus reduce the loss per share.

In 2021 the number of ordinary and potential ordinary shares increased as a result of share split so the calculation of basic and diluted earnings per share for all periods presented was adjusted retrospectively as a requirement of IAS 33 Earnings per Share.

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

	Six months ended 30 June		Three months ended 30 June	
	2021	2020	2021	2020
Profit/(Loss) attributable to ordinary equity holders of the parent for basic earnings	109,113	(125,942)	62,253	(152,465)
Weighted average number of ordinary shares for basic EPS	4,863,910	4,840,800	4,868,373	4,842,800
Effect of dilution from share options granted to employees, number of shares	658,290	426,800	653,827	416,354
Weighted average number of ordinary shares adjusted for the effect of dilution	5,522,200	5,267,600	5,522,200	5,259,154
Basic earnings/(loss) per share	₽22	-₽26	₽13	-₽31

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. The maximum potential number of shares to be issued under the Plan is 463,500 shares. On April 1, 2021, the Board approved the creation of the second Employee Stock Options Plan (ESOP-II) with the maximum size of 263,000 shares. Under the ESOP and ESOP-II the Group, at its discretion, may grant share options of the parent to employees including key management employees. The fair value of share options granted is estimated at the date of grant using a Black-Scholes model, considering 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 ESOP-II, and don't dilute the total amount of shares of the Group.

The exercise price of the most share options is equal to \$0.1. 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 six months of 2021 and the whole year of 2020.

	2021	2020
Expense arising from equity-settled share-based payment transactions	50,804	52,129
Total expense arising from share-based payment transactions	50,804	52,129

Movements during the period

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

	ESOP			ESOP granted by the ultimate shareholder		
	Number	WAEP	WAFV	Number	WAEP	WAFV
		\$0.00	\$0.00		\$0.00	\$0.00
Outstanding at 1 January 2020	297,500	0.01	9.68	77,000	0.91	10.26
Granted during the year	53,500	0.01	15.13	-	-	-
Exercised during the year	(8,400)	0.01	10.18	(3,400)	0.01	6.92
Expired during the year	(4,800)	0.01	9.94	-	-	-
Outstanding at 30 June 2020	337,800	0.01	10.53	73,600	0.95	10.41
Exercisable at 30 June 2020	165,500	0.01	10.51	20,900	1.34	5.59
Outstanding at 1 January 2021	360,900	0.01	11.37	71,100	0.98	10.56
Granted during the year	49,553	0.01	11.44	-	-	-
Exercised during the year	(12,000)	0.01	10.82	(1,300)	0.01	5.29
Buyback during the year	(4,100)	-	-	(200)	-	-
Expired during the year	(12,200)	0.01	15.13	(200)	0.01	6.13
Outstanding at 30 June 2021	382,153	0.01	11.40	69,400	1.01	10.70
Exercisable at 30 June 2021	198,500	0.01	10.85	18,400	2.28	5.73

21. Share-based payments *(continued)*

The weighted average remaining contractual life for the share options outstanding as of 30 June 2021 was 0.75 years (2020: 0.91 years).

The following table lists the model's inputs used for the plans for the periods ended 30 June 2021 and 31 December 2020, respectively:

	30 June 2021	31 December 2020
Dividend yield (%)	-	-
Expected volatility (%)	64.85	49.23
Risk-free interest rate (%)	5.50	4.14
Weighted average share price (\$)	20.78	19.21

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 six and three months ended 30 June 2021 and 2020, as well as balances with related parties as of 30 June 2021 and 31 December 2020:

		Sales to related parties		Amounts owed by related parties	Amounts owed to related parties
		Six months	Three months		
Other related parties	2021	3,765	2,131	169	-
	2020	1,982	400	140	53
Key management personnel of the Group	2021	-	-	70	1,676
	2020	-	-	-	1,302
				Interest accrued	
		Six months	Three months	Amounts owed to related parties	
Loans from related parties					
The ultimate controlling shareholder (Note 16)	2021		4,978	2,517	114,207
	2020		269	269	116,107

23. Related parties (continued)

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

	Six months ended 30 June		Three months ended 30 June	
	2021	2020	2021	2020
	Wages and salaries	19,707	7,173	11,812
Share-based payment transactions	2,587	4,059	1,500	2,117
Total compensation paid to key management personnel	22,294	11,232	13,312	3,993

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:

Date of grant	Vesting date	Exercise price at 30 June 2021	Restated*	
			30 June 2021	31 December 2020
			Number outstanding	Restated Number outstanding
2016	2016	\$ 0.01	-	200
2017	2017	\$ 0.01	3,000	-
2017	2018	\$ 0.01	13,500	12,300
2017	2019	\$ 0.01	14,100	12,900
2017	2020	\$ 0.01	10,100	8,900
2017	2021	\$ 0.01	10,100	8,900
2017	2022	\$ 0.01	1,500	300
2019	2020	\$ 0.01	2,100	2,000
2019	2021	\$ 0.01	2,100	2,000
2019	2022	\$ 0.01	2,100	2,000
2019	2023	\$ 0.01	2,100	2,000
2019	2024	\$ 0.01	2,100	2,000
2020	2020	\$ 0.01	1,600	600
2020	2021	\$ 0.01	100	-
2020	2022	\$ 0.01	100	-
2020	2023	\$ 0.01	200	-
Total			64,800	54,100

24. Commitments and contingencies
Legal claims contingency

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

Commitments

The Group does not have any contractual commitments.

25. Events after reporting date

There were no significant events after the reporting date.