

**DP Global Group Limited**

**Unaudited interim condensed  
consolidated financial statements**

**For the nine months ended  
30 September 2021**

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## Interim condensed consolidated statement of financial position

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

		30 September 2021	31 December 2020
	Notes	Unaudited	
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	299,314	341,093
Right-of-use assets	8	844,916	752,465
Intangible assets	9	9,526	17,122
Finance sublease receivables		6,031	6,928
Non-current financial assets	12.1	18,962	23,724
Deferred tax assets	6	125,556	117,088
		<b>1,304,305</b>	<b>1,258,420</b>
<b>Current assets</b>			
Inventories	10	24,619	28,388
Prepayments		60,779	43,534
Income tax receivables		2,708	9,433
Taxes receivables		9,361	13,455
Trade and other receivables	13	431,502	308,905
Other current financial assets	12.1	15,808	10,519
Cash and cash equivalents	11	617,806	303,598
		<b>1,162,583</b>	<b>717,832</b>
<b>Total assets</b>		<b>2,466,888</b>	<b>1,976,252</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	19	19.88	19.69
Share premium	19	783,294	758,517
Treasury shares	19	(20,583)	(1,660)
Share-based payments reserve	21	300,382	220,168
Foreign currency translation reserve		171,795	180,670
Accumulated losses		(660,955)	(829,374)
<b>Equity attributable to equity holders of the parent</b>		<b>573,953</b>	<b>328,341</b>
<b>Non-current liabilities</b>			
Interest-bearing loans and borrowings	16	50,000	75,000
Lease liabilities	8	774,577	700,198
Contract liabilities	17	261,606	246,833
Deferred tax liabilities	6	-	294
		<b>1,086,183</b>	<b>1,022,325</b>
<b>Current liabilities</b>			
Interest-bearing loans and borrowings	16	130,548	117,797
Lease liabilities	8	170,705	141,172
Trade and other payables	15	257,578	161,445
Income tax payables		14,628	-
Taxes payables		168,974	121,761
Advances received		5,692	4,863
Government grants	18	2,860	26,863
Contract liabilities	17	55,767	51,685
		<b>806,752</b>	<b>625,586</b>
<b>Total liabilities</b>		<b>1,892,935</b>	<b>1,647,911</b>
<b>Total equity and liabilities</b>		<b>2,466,888</b>	<b>1,976,252</b>

These interim condensed consolidated financial statements were authorized for issue on 01 December 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	Nine months ended 30 September		Three months ended 30 September	
		2021	2020	2021	2020
Revenue recognised from contracts with customers	4	3,598,706	1,997,644	1,261,495	777,648
Other operating income	5.3	80,619	51,444	24,286	20,409
<b>Total operating income</b>		<b>3,679,325</b>	<b>2,049,088</b>	<b>1,285,781</b>	<b>798,057</b>
Raw materials and consumables		(509,823)	(259,845)	(169,002)	(101,321)
Employee benefits	5.1	(1,533,906)	(961,408)	(571,417)	(338,675)
Depreciation and amortization	7,8,9	(209,916)	(173,731)	(72,782)	(57,322)
Distribution and advertising	5.2	(611,342)	(235,997)	(196,705)	(88,386)
Expected credit losses on financial assets		1,765	(6,435)	(44)	(2,957)
Other operating expenses	5.4	(518,677)	(327,317)	(168,104)	(117,346)
<b>Operating profit</b>		<b>297,426</b>	<b>84,355</b>	<b>107,727</b>	<b>92,050</b>
Finance income	5.5	12,800	5,567	2,864	2,060
Finance costs	5.6	(75,237)	(223,519)	(30,658)	(98,419)
<b>Profit/ (loss) before tax</b>		<b>234,989</b>	<b>(133,597)</b>	<b>79,933</b>	<b>(4,309)</b>
Income tax expense	6	(69,213)	(2,265)	(23,270)	(5,611)
<b>Profit/ (loss) for the period</b>		<b>165,776</b>	<b>(135,862)</b>	<b>56,663</b>	<b>(9,920)</b>
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):</i>					
Exchange differences on translation of foreign operations		(1,035)	9,019	859	10,208
<b>Net other comprehensive income that may be reclassified to profit or loss in subsequent periods</b>		<b>(1,035)</b>	<b>9,019</b>	<b>859</b>	<b>10,208</b>
<i>Other comprehensive (loss)/ income that will not be reclassified to profit or loss in subsequent periods (net of tax):</i>					
Exchange differences on translation of foreign operations		(7,840)	160,819	4,018	80,740
<b>Net other comprehensive (loss)/ income that will not be reclassified to profit or loss in subsequent periods</b>		<b>(7,840)</b>	<b>160,819</b>	<b>4,018</b>	<b>80,740</b>
<b>Other comprehensive income (net of tax)</b>		<b>(8,875)</b>	<b>169,838</b>	<b>4,877</b>	<b>90,948</b>
<b>Total comprehensive income for the period, net of tax</b>		<b>156,901</b>	<b>33,976</b>	<b>61,540</b>	<b>81,028</b>
<b>Profit/ (loss) attributable to:</b>					
Equity holders of the parent		165,776	(135,862)	56,663	(9,920)
		<b>165,776</b>	<b>(135,862)</b>	<b>56,663</b>	<b>(9,920)</b>
<b>Total comprehensive income attributable to</b>					
Equity holders of the parent		156,901	33,976	61,540	81,028
		<b>156,901</b>	<b>33,976</b>	<b>61,540</b>	<b>81,028</b>
<b>Earnings per share</b>					
Basic, profit/ (loss) for the for the period attributable to equity holders of the parent	20	₽34	-₽28	₽12	-₽2

**Interim condensed consolidated statement of changes in equity**

for the nine months ended 30 September 2021

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

	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 at 1 January 2021		19.69	758,517	(1,660)	220,168	(829,374)	180,670	328,341
Profit for the period		-	-	-	-	165,776	-	165,776
Other comprehensive income		-	-	-	-	-	(8,875)	(8,875)
<b>Total comprehensive income/ (loss)</b>		-	-	-	-	165,776	(8,875)	156,901
Exercise of options	19	0.19	24,777	-	(24,777)	-	-	0
Settlement of loan issued	14	-	-	(18,923)	-	-	-	(18,923)
Share-based payments reserve	21	-	-	-	104,991	2,643	-	107,634
<b>As at 30 September 2021 (unaudited)</b>		<b>19.88</b>	<b>783,294</b>	<b>(20,583)</b>	<b>300,382</b>	<b>(660,955)</b>	<b>171,795</b>	<b>573,953</b>

for the nine months ended 30 September 2020

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

	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 at 1 January 2020		19.54	737,484	-	160,958	(753,104)	59,567	204,925
Loss for the period		-	-	-	-	(135,862)	-	(135,862)
Other comprehensive loss		-	-	-	-	-	169,838	169,838
<b>Total comprehensive loss</b>		-	-	-	-	(135,862)	169,838	33,976
Exercise of options	19	0.14	19,615	-	(19,615)	-	-	0
Share-based payments reserve	21	-	-	-	59,579	1,839	-	61,418
<b>As at 30 September 2020 (unaudited)</b>		<b>19.68</b>	<b>757,099</b>	<b>-</b>	<b>200,922</b>	<b>(887,127)</b>	<b>229,405</b>	<b>300,319</b>

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

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

	Notes	Nine months ended 30 September		Three months ended 30 September	
		2021	2020	2021	2020
<b>Operating activities</b>					
Profit/ (loss) before tax		234,989	(133,597)	79,933	(4,309)
<b>Adjustments to reconcile profit/ (loss) before tax to net cash flows:</b>					
Depreciation of property, plant and equipment	7	75,954	57,278	24,633	17,895
Depreciation of right-of-use assets	8	128,099	110,438	46,293	37,409
Amortisation of intangible assets	9	5,863	6,015	1,856	2,018
Share-based payments expense	21	107,634	61,418	56,830	9,289
Unrealised exchange differences on translation of foreign operations		3,490	(7,568)	6,533	(260)
Profit/ (loss) on disposal of property, plant and equipment		(105)	(157)	100	(36)
Inventory shortage		25,630	18,110	10,695	9,617
Finance income	5.5	(12,800)	(5,567)	(2,864)	(2,060)
Finance costs	5.6	75,237	223,519	30,658	98,419
COVID-19 rent concessions	5.3	(6,878)	(25,578)	(2,631)	(6,168)
Impairment of assets	7,9	36,550	-	-	-
Expected credit losses on financial assets		(1,765)	6,435	44	2,957
Other non-cash		(2,414)	(5,731)	(2,400)	(6,054)
<b>Working capital adjustments:</b>					
Change in trade and other receivables	13	(122,415)	(49,340)	(46,069)	(92,487)
Change in prepayments and taxes receivables		(25,880)	(1,842)	(33,781)	6,150
Change in inventories	10	(21,860)	(21,163)	(16,245)	(12,231)
Change in trade and other payables	15	97,643	28,890	(15,382)	20,449
Change in government grants	18	(27,336)	31,306	(473)	31,306
Change in advances received and taxes payables		48,041	2,495	41,671	17,093
Change in contract liabilities	17	17,908	21,724	10,432	13,042
		<b>635,585</b>	<b>317,085</b>	<b>189,833</b>	<b>142,039</b>
Interest received		4,259	3,060	2,265	1,241
Income tax paid	6	(57,084)	(46,045)	(8,596)	(31,361)
<b>Net cash flows from operating activities</b>		<b>582,760</b>	<b>274,100</b>	<b>183,502</b>	<b>111,919</b>
<b>Investing activities</b>					
Proceeds from sale of property, plant and equipment	8	3,399	448	410	100
Purchase of property, plant and equipment	7,8	(77,958)	(92,614)	(37,844)	(41,137)
Purchase of intangible assets	9	(108)	(188)	-	(188)
Loans granted	16	(3,600)	(1,000)	(3,600)	(1,000)
Repayment of loans issued	16	1,903	610	-	530
Proceeds from sublease	8	1,330	1,132	485	485
<b>Net cash flows used in investing activities</b>		<b>(75,034)</b>	<b>(91,612)</b>	<b>(40,549)</b>	<b>(41,210)</b>
<b>Financing activities</b>					
Payment of principal portion of the lease liabilities	8	(104,493)	(43,013)	(36,612)	(23,886)
Interest paid		(75,757)	(74,429)	(25,020)	(25,591)
Proceeds from borrowings	16	82,432	115,838	82,432	-
Repayment of borrowings	16	(90,828)	(10,710)	(12,238)	(10,710)
<b>Net cash flows used in financing activities</b>		<b>(188,646)</b>	<b>(12,314)</b>	<b>8,562</b>	<b>(60,187)</b>
<b>Net increase in cash and cash equivalents</b>		<b>319,080</b>	<b>170,174</b>	<b>151,515</b>	<b>10,522</b>
Net foreign exchange difference		(4,872)	9,032	(5,992)	4,157
Cash and cash equivalents at 1 January	11	303,598	226,359		
Cash and cash equivalents at 30 September	11	617,806	405,565		

## Notes to the interim condensed consolidated financial statements

for the nine months ended 30 September 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 nine months ended 30 September 2021 were authorised for issue at 01 December 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 15 countries. As at 30 September 2021, the Group operated 741 stores (706 franchised stores, 35 company-owned stores), as at 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 September 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
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 nine months ended 30 September 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 at 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 nine months ended 30 September 2021, the Group made a net income of RUB 165,776 thousand (nine months ended 30 September 2020: net loss RUB 135,862 thousand). Cash and cash equivalents increased from RUB 304 million as at 31 December 2020 to RUB 618 million as at 30 September 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 nine months ended 30 September 2021 and 2020.

For the nine months ended 30 September 2021	Franchising	Corporate- owned stores (Russia)	Venture projects	Total segments	Adjustments and eliminations	Consolidated
<b>Revenue</b>						
External customers	2,372,230	1,214,230	91,542	3,678,002	(79,296)	3,598,706
Inter-segment	127,281	-	-	127,281	(127,281)	-
<b>Total revenue</b>	<b>2,499,511</b>	<b>1,214,230</b>	<b>91,542</b>	<b>3,805,283</b>	<b>(206,577)</b>	<b>3,598,706</b>
Raw materials and consumables	(44,401)	(417,332)	(48,320)	(510,053)	230	(509,823)
Employee benefits	(837,379)	(392,549)	(189,609)	(1,419,537)	(114,369)	(1,533,906)
Distribution and advertising	(610,770)	(52,379)	(19,050)	(682,199)	70,857	(611,342)
Rent and utilities	(37,400)	(156,774)	(24,292)	(218,466)	141,510	(76,956)
Other operating income and expenses	(294,006)	(133,224)	(46,845)	(474,075)	112,973	(361,102)
<b>EBITDA</b>	<b>675,555</b>	<b>61,972</b>	<b>(236,574)</b>	<b>500,953</b>	<b>4,624</b>	<b>505,577</b>
Finance income						12,800
Finance costs						(75,237)
Depreciation and amortization						(209,916)
Expected credit losses on financial assets						1,765
<b>Profit before tax</b>						<b>234,989</b>

3. Segment information *(continued)*

For the nine months ended 30 September 2020	Franchising	Corporate- owned stores (Russia)	Venture projects	Total segments	Adjustments and eliminations	Consolidated
<b>Revenue</b>						
External customers	1,259,173	733,587	16,422	2,009,182	(11,538)	1,997,644
Inter-segment	62,465	-	-	62,465	(62,465)	-
<b>Total revenue</b>	<b>1,321,638</b>	<b>733,587</b>	<b>16,422</b>	<b>2,071,647</b>	<b>(74,003)</b>	<b>1,997,644</b>
Raw materials and consumables	(25,890)	(240,404)	(7,768)	(274,062)	14,217	(259,845)
Employee benefits	(544,229)	(250,164)	(96,342)	(890,735)	(70,673)	(961,408)
Distribution and advertising	(219,559)	(24,917)	(7,999)	(252,475)	16,478	(235,997)
Rent and utilities	(37,692)	(108,655)	(10,448)	(156,795)	101,538	(55,257)
Other operating income and expenses	(194,423)	(76,409)	(30,669)	(301,501)	80,885	(220,616)
<b>EBITDA</b>	<b>299,845</b>	<b>33,038</b>	<b>(136,804)</b>	<b>196,079</b>	<b>68,442</b>	<b>264,521</b>
Finance income						5,567
Finance costs						(223,519)
Depreciation and amortization						(173,731)
Expected credit losses on financial assets						(6,435)
<b>Loss before tax</b>						<b>(133,597)</b>

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

For the three months ended 30 September 2021	Franchising	Corporate- owned stores (Russia)	Venture projects	Total segments	Adjustments and eliminations	Consolidated
<b>Revenue</b>						
External customers	875,116	408,992	31,218	1,315,326	(53,831)	1,261,495
Inter-segment	36,003	-	-	36,003	(36,003)	-
<b>Total revenue</b>	<b>911,119</b>	<b>408,992</b>	<b>31,218</b>	<b>1,351,329</b>	<b>(89,834)</b>	<b>1,261,495</b>
Raw materials and consumables	(14,818)	(129,716)	(15,133)	(159,667)	(9,335)	(169,002)
Employee benefits	(306,007)	(129,491)	(82,343)	(517,841)	(53,576)	(571,417)
Distribution and advertising	(208,321)	(42,951)	(9,078)	(260,350)	63,645	(196,705)
Rent and utilities	(10,259)	(51,433)	(7,836)	(69,528)	44,241	(25,287)
Other operating income and expenses	(114,679)	(76,483)	(9,863)	(201,025)	82,494	(118,531)
<b>EBITDA</b>	<b>257,035</b>	<b>(21,082)</b>	<b>(93,035)</b>	<b>142,918</b>	<b>37,635</b>	<b>180,553</b>
Finance income						(3,294)
Finance costs						(24,500)
Depreciation and amortization						(72,782)
Expected credit losses on financial assets						(44)
<b>Profit before tax</b>						<b>79,933</b>

3. Segment information *(continued)*

For the three months ended 30 September 2020	Franchising	Corporate- owned stores (Russia)	Venture projects	Total segments	Adjustments and eliminations	Consolidated
<b>Revenue</b>						
External customers	482,107	275,921	8,547	766,575	11,073	777,648
Inter-segment	23,885	-	-	23,885	(23,885)	-
<b>Total revenue</b>	<b>505,992</b>	<b>275,921</b>	<b>8,547</b>	<b>790,460</b>	<b>(12,812)</b>	<b>777,648</b>
Raw materials and consumables	(9,413)	(92,844)	(2,983)	(105,240)	3,919	(101,321)
Employee benefits	(192,653)	(90,859)	(38,003)	(321,515)	(17,160)	(338,675)
Distribution and advertising	(74,132)	(11,638)	(1,381)	(87,151)	(1,235)	(88,386)
Rent and utilities	(18,071)	(43,050)	(4,166)	(65,287)	42,065	(23,222)
Other operating income and expenses	(61,042)	(33,738)	(15,486)	(110,266)	36,551	(73,715)
<b>EBITDA</b>	<b>150,681</b>	<b>3,792</b>	<b>(53,472)</b>	<b>101,001</b>	<b>51,328</b>	<b>152,329</b>
Finance income						2,060
Finance costs						(98,419)
Depreciation and amortization						(57,322)
Expected credit losses on financial assets						(2,957)
<b>Loss before tax</b>						<b>(4,309)</b>

**Adjustments and eliminations**

- Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.
- Inter-segment revenues are eliminated upon consolidation and reflected in the 'adjustments and eliminations' column.
- Finance costs and finance income (Note 5) are not allocated to individual segments as the underlying instruments are managed on a group basis.
- Current taxes, deferred taxes (Note 6) and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis.
- Management accounts do not include expenses from share-based payments (Note 21) as these expenses are also managed on a group basis.
- In management accounts revenue from franchise fee is recognised at the moment of cash payment from a franchisee, so this approach differs from the one required by IFRS 15 (Note 4).
- In the interim condensed consolidated financial statement rent of premises is accounted for in accordance with IFRS 16 with the recognition of depreciation and interest expenses in the consolidated profit and losses. Segments EBITDA include rent expense as monthly instalments payable to the lessors.
- In management accounting all the expenditures which arose before the store opening are considered as CAPEX. In IFRS accounting policy such expenditures are split between CAPEX and costs according to their nature.

## 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 nine months ended 30 September 2021				For the three months ended 30 September 2021			
	Franchising	Corporate- owned stores (Russia)	Venture projects	Total	Franchising	Corporate- owned stores (Russia)	Venture projects	Total
<b>Type of goods or service</b>								
Franchise fee	21,382	-	-	21,382	7,532	-	-	7,532
Marketing fee	589,417	-	-	589,417	212,214	-	-	212,214
Royalties	1,252,141	-	-	1,252,141	451,386	-	-	451,386
Retail sales	-	1,213,925	88,064	1,301,989	-	405,231	28,159	433,390
Call-centre services	208,992	-	-	208,992	72,381	-	-	72,381
Other sales	224,785	-	-	224,785	84,592	-	-	84,592
<b>Total revenue from contracts with customers</b>	<b>2,296,717</b>	<b>1,213,925</b>	<b>88,064</b>	<b>3,598,706</b>	<b>828,105</b>	<b>405,231</b>	<b>28,159</b>	<b>1,261,495</b>
<b>Timing of revenue recognition</b>								
Goods and services transferred at a point in time	2,275,335	1,213,925	88,064	3,577,324	820,573	405,231	28,159	1,253,963
Services transferred over time	21,382	-	-	21,382	7,532	-	-	7,532
<b>Total revenue from contracts with customers</b>	<b>2,296,717</b>	<b>1,213,925</b>	<b>88,064</b>	<b>3,598,706</b>	<b>828,105</b>	<b>405,231</b>	<b>28,159</b>	<b>1,261,495</b>

Segments	For the nine months ended 30 September 2020				For the three months ended 30 September 2020			
	Franchising	Corporate- owned stores (Russia)	Venture projects	Total	Franchising	Corporate- owned stores (Russia)	Venture projects	Total
<b>Type of goods or service</b>								
Franchise fee	21,009	-	-	21,009	9,195	-	-	9,195
Marketing fee	181,465	-	-	181,465	93,304	-	-	93,304
Royalties	773,663	-	-	773,663	287,002	-	-	287,002
Retail sales	-	739,687	13,865	753,552	-	280,483	5,990	286,473
Call-centre services	150,821	-	-	150,821	51,620	-	-	51,620
Other sales	117,134	-	-	117,134	50,054	-	-	50,054
<b>Total revenue from contracts with customers</b>	<b>1,244,092</b>	<b>739,687</b>	<b>13,865</b>	<b>1,997,644</b>	<b>491,175</b>	<b>280,483</b>	<b>5,990</b>	<b>777,648</b>
<b>Timing of revenue recognition</b>								
Goods and services transferred at a point in time	1,223,083	739,687	13,865	1,976,635	481,980	280,483	5,990	768,453
Services transferred over time	21,009	-	-	21,009	9,195	-	-	9,195
<b>Total revenue from contracts with customers</b>	<b>1,244,092</b>	<b>739,687</b>	<b>13,865</b>	<b>1,997,644</b>	<b>491,175</b>	<b>280,483</b>	<b>5,990</b>	<b>777,648</b>

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

##### 4.1 Disaggregated revenue information *(continued)*

Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information (Note 3):

	For nine months ended 30 September 2021			For the three months ended 30 September 2021		
	Franchising	Corporate- owned stores (Russia)	Venture projects	Franchising	Corporate- owned stores (Russia)	Venture projects
<b>Revenue</b>						
External customer	2,372,230	1,214,230	91,542	875,116	408,992	31,218
Inter-segment	127,281	-	-	36,003	-	-
	<b>2,499,511</b>	<b>1,214,230</b>	<b>91,542</b>	<b>911,119</b>	<b>408,992</b>	<b>31,218</b>
Inter-segment and other adjustments and eliminations	(202,794)	(305)	(3,478)	(83,014)	(3,761)	(3,059)
<b>Total revenue from contracts with customers</b>	<b>2,296,717</b>	<b>1,213,925</b>	<b>88,064</b>	<b>828,105</b>	<b>405,231</b>	<b>28,159</b>
	For the nine months ended 30 September 2020			For the three months ended 30 September 2020		
	Franchising	Corporate- owned stores (Russia)	Venture projects	Franchising	Corporate- owned stores (Russia)	Venture projects
<b>Revenue</b>						
External customer	1,259,173	733,587	16,422	482,107	275,921	8,547
Inter-segment	62,465	-	-	23,885	-	-
	<b>1,321,638</b>	<b>733,587</b>	<b>16,422</b>	<b>505,992</b>	<b>275,921</b>	<b>8,547</b>
Inter-segment and other adjustments and eliminations	(77,546)	6,100	(2,557)	(14,817)	4,562	(2,557)
<b>Total revenue from contracts with customers</b>	<b>1,244,092</b>	<b>739,687</b>	<b>13,865</b>	<b>491,175</b>	<b>280,483</b>	<b>5,990</b>

##### 4.2 Contract balances and performance obligations

	30 September 2021	31 December 2020
Trade receivables (Note 14)	414,092	299,513
Contract liabilities (Note 18)	317,373	298,518

The Group recognised impairment losses on receivables amounting to RUB 3,398 thousand and RUB 4,563 thousand for the nine months ended 30 September 2021 and 2020, respectively.

Set out below is the amount of revenue recognised from:

For the nine months ended 30 September	2021	2020
Amounts included in contract liabilities at the beginning of the year	22,924	55,605
Performance obligations satisfied in previous years	-	-

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

##### 4.2 Contract balances and performance obligations *(continued)*

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

	30 September 2021	31 December 2020
Within one year	55,767	51,685
More than one year	261,606	246,833

The remaining performance obligations expected to be recognised in more than one year relate to the services provided under franchise fee. The customer loyalty points have an expiration date (Note 17). As the Group does not have an unconditional right to defer customer loyalty points performance obligation this contract liability fully presented as a current liability.

#### 5. Other income and expenses

##### 5.1. Employee benefits

	For the nine months ended 30 September		For the three months ended 30 September	
	2021	2020	2021	2020
	Wages and salaries	1,185,410	719,449	421,055
Social security costs	195,674	166,669	73,853	60,684
Share-based payment expense	107,634	61,418	56,830	9,034
Other expenses	45,188	13,872	19,679	6,406
<b>Total employee benefits</b>	<b>1,533,906</b>	<b>961,408</b>	<b>571,417</b>	<b>338,675</b>

##### 5.2. Distribution and advertising

	For the nine months ended 30 September		For the three months ended 30 September	
	2021	2020	2021	2020
	National marketing campaign	573,577	207,625	181,065
Local marketing of corporate-owned stores	24,479	15,579	4,498	6,410
Other expenses	13,286	12,793	11,142	4,872
<b>Total distribution and advertising</b>	<b>611,342</b>	<b>235,997</b>	<b>196,705</b>	<b>88,386</b>

##### 5.3. Other operating income

	For the nine months ended 30 September		For the three months ended 30 September	
	2021	2020	2021	2020
	Income from operating sublease	35,864	13,664	13,599
Income from government grants (Note 18)	27,336	3,533	473	3,533
COVID-19 rent concessions (Note 8)	6,878	25,578	2,631	6,168
Income on derecognition of ROU assets	2,539	6,029	2,400	6,029
Other income	8,002	2,640	5,183	302
<b>Total other operating income</b>	<b>80,619</b>	<b>51,444</b>	<b>24,286</b>	<b>20,409</b>

## 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	
	2021	2020	2021	2020
Professional services	92,945	56,184	34,225	19,226
Utilities and maintenance of premises and offices	76,956	55,257	25,287	23,221
Hosting and infrastructure	70,173	59,535	25,038	19,573
Internet and phone services	67,664	42,195	22,524	15,387
Program software and licenses	52,069	35,880	16,541	11,259
Loss on derecognition of non-current assets	36,550	18,110	-	9,617
Bank charges	25,569	13,964	9,610	4,684
Transportation costs	18,136	11,685	6,626	3,720
Business trips	20,954	10,348	9,909	3,908
Maintenance of production equipment	17,893	10,960	6,315	723
Other expenses	39,768	13,199	12,029	6,028
<b>Total other operating expenses</b>	<b>518,677</b>	<b>327,317</b>	<b>168,104</b>	<b>117,346</b>

### 5.5. Finance income

	For the nine months ended 30 September		For the three months ended 30 September	
	2021	2020	2021	2020
Interest income from loans and deposits	5,134	4,190	2,362	1,600
Interest income on lease deposits	804	721	325	249
Finance income on finance sublease	558	656	177	211
Net exchange difference	6,304	-	-	-
<b>Total finance income</b>	<b>12,800</b>	<b>5,567</b>	<b>2,864</b>	<b>2,060</b>

### 5.6. Finance costs

	For the nine months ended 30 September		For the three months ended 30 September	
	2021	2020	2021	2020
Interest expense on lease liabilities	64,020	67,766	21,476	21,962
Net exchange difference	-	147,901	6,158	71,992
Interest expense on borrowings	11,217	7,852	3,024	4,465
<b>Total finance costs</b>	<b>75,237</b>	<b>223,519</b>	<b>30,658</b>	<b>98,419</b>

## 6. Income tax

The Group calculates income tax expense for the period using the tax rate that would be applicable to the expected total earnings. The major components of income tax expense for the nine months ended 30 September 2021 and 2020 are:

	For nine months ended 30 September		For the three months ended 30 September	
	2021	2020	2021	2020
<b>Current income tax:</b>				
Current income tax charge	(77,975)	(33,530)	(34,632)	(14,106)
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	8,762	31,265	11,362	8,495
<b>Income tax benefit (expense) reported in the statement of profit or loss</b>	<b>(69,213)</b>	<b>(2,265)</b>	<b>(23,270)</b>	<b>(5,611)</b>

On May 3, 2021 DP Global Group Limited incorporated in BVI became a tax resident of the Russian Federation. 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:

	For nine months ended 30 September		For the three months ended 30 September	
	2021	2020	2021	2020
(Loss)/ income before tax	234,989	(133,597)	79,933	(4,309)
<b>Theoretical income tax benefit at 20% tax rate</b>	<b>(46,998)</b>	<b>26,719</b>	<b>(15,987)</b>	<b>862</b>
<b>Adjustments for:</b>				
Tax effect of income and expenses that are not deductible in determining taxable profit	(20,692)	(15,342)	(1,708)	(4,958)
Effect of different tax rates applicable to the Parent and Group's subsidiaries	(1,523)	(13,642)	(5,575)	(1,515)
<b>Income tax benefit (expense) reported in the statement of profit or loss</b>	<b>(69,213)</b>	<b>(2,265)</b>	<b>(23,270)</b>	<b>(5,611)</b>

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

Reflected in the statement of financial position as follows:

	30 September 2021	31 December 2020
Deferred tax assets	125,556	117,088
Deferred tax liabilities	-	(294)
<b>Deferred tax assets, net</b>	<b>125,556</b>	<b>116,794</b>
<b>Reconciliation of deferred tax assets, net</b>	<b>2021</b>	<b>2020</b>
As at 1 January	116,794	104,814
Tax benefit (expense) recognised in profit or loss during the period	8,762	31,265
As at 30 September	125,556	136,079



## 6. Income tax (continued)

Deferred tax relates to the following:

	Consolidated statement of financial position		Consolidated statement of profit or loss	
	30 September 2021	31 December 2020	For nine months ended 30 September	
			2021	2020
Property, plant and equipment	(28,215)	(27,236)	(979)	(1,838)
Right-of-use assets	(144,877)	(136,056)	(8,821)	(3,141)
Intangible assets	7,639	10,464	(2,825)	(384)
Finance sublease receivables	(1,206)	(1,386)	180	160
Trade and other receivables	(19,727)	(12,419)	(7,308)	(548)
Prepayments	973	328	645	802
Other financial assets	2,450	2,036	414	(2)
Lease liabilities	166,228	154,134	12,094	2,678
Trade and other payables	15,454	14,852	602	2,016
Advances received	(7,674)	(4,651)	(3,023)	5,639
Contract liabilities	57,068	53,207	3,861	(1,174)
Government grants	37	(3,357)	3,394	(719)
Tax losses carry forward	77,406	66,878	10,528	27,776
<b>Deferred tax benefit (expense)</b>			<b>8,762</b>	<b>31,265</b>
<b>Net deferred tax assets</b>	<b>125,556</b>	<b>116,794</b>		

## 7. Property, plant and equipment

	Leasehold improvements	Retail and dough	Office equipment and furniture	Transport and vehicles	Construction in progress	Total
		production equipment and furniture				
<b>Cost</b>						
As at 1 January 2021	171,415	269,922	64,213	2,499	18,986	527,035
Additions	7,158	19,028	28,151	125	21,986	76,448
Disposals	(2,466)	(17,431)	(7,229)	(8)	(2,719)	(29,853)
Transfer	10,280	2,911	89	-	(13,280)	-
Translation differences	(452)	64	(4)	(19)	(97)	(508)
As at 30 September 2021	<b>185,935</b>	<b>274,494</b>	<b>85,220</b>	<b>2,597</b>	<b>24,876</b>	<b>573,122</b>
<b>Depreciation and impairment</b>						
As at 1 January 2021	(41,996)	(101,799)	(40,787)	(1,360)	-	(185,942)
Depreciation charge	(21,335)	(40,126)	(14,219)	(274)	-	(75,954)
Impairment	(4,581)	(26,565)	(1,448)	(24)	(1,961)	(34,579)
Disposals	2,466	16,014	4,070	6	-	22,556
Translation differences	48	49	3	11	-	111
As at 30 September 2021	<b>(65,398)</b>	<b>(152,427)</b>	<b>(52,381)</b>	<b>(1,641)</b>	<b>(1,961)</b>	<b>(273,808)</b>
<b>Net book value</b>						
As at 30 September 2021	<b>120,537</b>	<b>122,067</b>	<b>32,839</b>	<b>956</b>	<b>22,915</b>	<b>299,314</b>
As at 1 January 2021	<b>129,419</b>	<b>168,123</b>	<b>23,426</b>	<b>1,139</b>	<b>18,986</b>	<b>341,093</b>

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

The Group has lease contracts for premises (stores, offices, dough production centers and other premises in Russia) and equipment for dough production centers. As of 30 September 2021 the Group had arrangements (subject to IFRS 16) for 40 corporate-owned stores (31 December 2020: 38), 3 dough production centers (31 December 2020: 3), 5 management offices (31 December 2020: 5) and 1 warehouse. 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 6,878 thousand as a part of other income (Note 5.3)

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

	Right-of-use assets			Lease liabilities
	Premises and offices	Equipment	Total	Total
<b>As at 1 January 2020</b>	<b>672,312</b>	-	<b>672,312</b>	<b>(759,739)</b>
Additions	179,064	108,284	287,348	(259,394)
Depreciation expense of right-of-use assets	(139,118)	(12,415)	(151,533)	-
Change as a result of modification and revaluation	(33,617)	-	(33,617)	34,695
Derecognition of lease contracts	(27,847)	-	(27,847)	34,701
Translation differences	5,802	-	5,802	(5,201)
Interest expense on lease liabilities	-	-	-	(89,540)
COVID-19 rent concessions	-	-	-	28,194
<b>Total cash flows</b>	-	-	-	<b>174,914</b>
<b>As at 31 December 2020</b>	<b>656,596</b>	<b>95,869</b>	<b>752,465</b>	<b>(841,370)</b>
Additions	248,431	-	248,431	(246,128)
Depreciation expense of right-of-use assets	(115,683)	(12,416)	(128,099)	-
Change as a result of modification and revaluation	22,245	-	22,245	(22,339)
Derecognition of lease contracts	(49,923)	-	(49,923)	52,462
Translation differences	(203)	-	(203)	722
Interest expense on lease liabilities	-	-	-	(64,020)
COVID-19 rent concessions	-	-	-	6,878
Total cash flows	-	-	-	168,513
<b>As at 30 September 2021</b>	<b>761,463</b>	<b>83,453</b>	<b>844,916</b>	<b>(945,282)</b>

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

The following are the amounts recognised in profit or loss:

	For the nine months ended 30 September		For the three months ended 30 September	
	2021	2020	2021	2020
Depreciation expense of right-of-use assets	(128,099)	(110,438)	(46,293)	(37,409)
Interest expense on lease liabilities	(64,020)	(67,766)	(21,467)	(21,962)
Expense relating to short-term leases	(8,091)	(6,396)	(3,383)	(3,318)
Income from subleasing right-of-use assets	558	656	177	211
COVID-19 rent concessions	6,878	25,578	2,631	6,168
Income on derecognition of ROU assets	2,539	6,029	2,400	6,029
COVID-19 sublease rent concessions	(125)	(323)	-	-
<b>Total expense recognised in profit or loss</b>	<b>(190,360)</b>	<b>(152,660)</b>	<b>(65,935)</b>	<b>(50,281)</b>

As at 30 September 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 171,040 thousand: RUB 16,268 thousand within one year, RUB 154,772 thousand within ten years. As at 31 December 2020: RUB 113,055 thousand.

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

## 9. Intangible assets

Intangible assets of the Group consist of computer software with net book value RUB 9,526 thousand as of 30 September 2021, RUB 17,122 thousand as of 31 December 2020. Useful life of these intangibles is up to 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 246,474 thousand for the nine months ended 30 September 2021 (RUB 212,809 thousand for the nine months ended 30 September 2020), RUB 62,112 thousand for the three months ended 30 September 2021 (RUB 66,102 thousand for the three months ended 30 September 2020).

## 10. Inventories

	30 September 2021	31 December 2020
Raw materials	18,494	23,020
Semifinished goods	1,334	1,009
Finished goods and goods for resale	4,791	4,359
<b>Total inventories at cost</b>	<b>24,619</b>	<b>28,388</b>

## 11. Cash and cash equivalents

	30 September 2021	31 December 2020
Cash at bank and on hand	344,873	246,975
Short-term deposits	266,397	50,922
Cash in transit	6,536	5,701
<b>Total cash and cash equivalents</b>	<b>617,806</b>	<b>303,598</b>

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

## 12. Financial assets and financial liabilities

### 12.1 Financial assets

	30 September 2021		31 December 2020	
	Current	Non-current	Current	Non-current
Trade and other receivables (Note 13)	431,502	-	308,905	-
<b>Other financial assets:</b>	<b>15,808</b>	<b>18,962</b>	<b>10,519</b>	<b>23,724</b>
Loans issued (Note 14)	4,767	-	7,955	10,615
Lease prepayments	11,041	18,962	2,564	13,109
<b>Total current and non-current financial assets</b>	<b>447,310</b>	<b>18,962</b>	<b>319,424</b>	<b>23,724</b>
<b>Total financial assets</b>		<b>466,272</b>		<b>343,148</b>

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

### 12.2 Financial liabilities

	30 September 2021		31 December 2020	
	Current	Non-current	Current	Non-current
Trade and other payables (Note 15)	257,578	-	161,445	-
Lease liabilities (Note 8)	170,705	774,577	141,172	700,198
Interest-bearing loans and borrowings (Note 16)	130,548	50,000	117,797	75,000
<b>Total current and non-current financial liabilities</b>	<b>558,831</b>	<b>824,577</b>	<b>420,414</b>	<b>775,198</b>
<b>Total financial liabilities</b>		<b>1,383,408</b>		<b>1,195,612</b>

### 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 September 2021	31 December 2020
Trade receivables	419,255	302,793
Other receivables	17,410	9,392
	<b>436,665</b>	<b>312,185</b>
Allowance for expected credit losses	(5,163)	(3,280)
<b>Total current receivables</b>	<b>431,502</b>	<b>308,905</b>

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

	2021	2020
<b>As at 1 January</b>	<b>3,280</b>	<b>1,834</b>
Provision for expected credit losses	3,398	4,563
Recovery of provision	(1,510)	(1,419)
Translation difference	(5)	52
<b>As at 30 September</b>	<b>5,163</b>	<b>5,030</b>

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

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 September 2021		31 December 2020	
			Current	Non-current	Current	Non-current
Yukon Ltd	2%	Oct 2021	-	-	1,838	-
Private individual	4%	Jan 2039	-	-	3,746	10,344
Loan to an employee	9%	Dec 2021	1,093	-	1,026	-
Dodo Pizza USA Retail Inc	7%	Feb 2025	-	-	1,345	271
Loan to the ultimate controlling shareholder	9%	Jul 2022	3,674	-	-	-
<b>Total loans issued</b>			<b>4,767</b>	<b>-</b>	<b>7,955</b>	<b>10,615</b>

#### Details of loan agreements:

- **Yukon Ltd (2% loan):** the loan is GBP denominated and was repaid in January 2021.
- **Private individual (4% loan):** the loan is USD denominated and secured by 13,905 shares in Dodo Pizza USA Retail Inc and 11,500 shares in DP Global Group Limited. Credit losses are calculated for the unsecured part of the loan using estimated share price as at 30 June 2021 for shares pledged.

During the nine months ended 30 September 2021 parties have made 2 loan settlements by the transfer of pledged shares of DP Global Group Limited. The amount of settlement by 800 was determined on the base of estimated share price USD 20.78 as at 31 December 2020. The amount of settlement by 8,300 shares was determined on the base of estimated share price USD 25.64 as at 30 June 2021. 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 600 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 11,500 shares in DP Global Group Limited. As at 30 September 2021 the loan is stated as a less expected credit loss. Credit losses are calculated for the unsecured part of the loan using estimated share price as at 30 June 2021 for shares pledged.

During the nine months ended 30 September 2021 parties have made 2 loan settlements by the transfer of pledged shares of DP Global Group Limited. The amount of settlement by 200 shares was determined on the base of estimated share price USD 20.78 as at 31 December 2020. The amount of settlement by 1,000 shares was determined on the base of estimated share price USD 25.64 as at 30 June 2021. For more information, refer to the table below.

- **Loan to the ultimate controlling shareholder:** the loan is RUB denominated and unsecured.

**14. Loans issued (continued)**
**Changes in loans issued:**

	1 January 2021	Reclass	Cash out- flows	Interest charged	Cash in- flows	Loan settlement by shares	Expected credit losses	Translation differences	30 September 2021
<b>Current loans issued</b>									
Yukon Ltd (2% loan)	1,838	-	-	2	(1,908)	-	-	68	-
Private individual (4% loan)	3,746	10,282	-	613	-	(16,910)	2,318	(49)	-
Private individual (9% loan)	1,026	-	-	67	-	-	-	-	1,093
Dodo Pizza USA Retail Inc (7% loan)	1,345	269	-	122	-	(2,013)	406	(129)	-
Loan to the ultimate controlling shareholder	-	-	3,600	74	-	-	-	-	3,674
<b>Total current loans issued</b>	<b>7,955</b>	<b>10,551</b>	<b>3,600</b>	<b>878</b>	<b>(1,908)</b>	<b>(18,923)</b>	<b>2,724</b>	<b>(110)</b>	<b>4,767</b>
<b>Non-current loans issued</b>									
Yukon Ltd (2% loan)	-	-	-	-	-	-	-	-	-
Private individual (4% loan)	10,344	(10,282)	-	-	-	-	-	(62)	-
Private individual (9% loan)	-	-	-	-	-	-	-	-	-
Dodo Pizza USA Retail Inc (7% loan)	271	(269)	-	-	-	-	-	(2)	-
Loan to the ultimate controlling shareholder	-	-	-	-	-	-	-	-	-
<b>Total non-current loans issued</b>	<b>10,615</b>	<b>(10,551)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(64)</b>	<b>-</b>
<b>Total loans issued</b>	<b>18,570</b>	<b>-</b>	<b>3,600</b>	<b>878</b>	<b>(1,908)</b>	<b>(18,923)</b>	<b>2,724</b>	<b>(174)</b>	<b>4,767</b>

**15. Trade and other payables**

	30 September 2021	31 December 2020
Trade payables	114,409	77,160
Payables to employees	129,189	77,881
Other payables	13,980	6,404
<b>Total trade and other payables</b>	<b>257,578</b>	<b>161,445</b>

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 60-day terms;
- Payables to employees are non-interest bearing and are normally settled on 30-day terms;
- Other payables are non-interest bearing and have an average term of 2-3 months;
- For terms and conditions with related parties see Note 23.

**16. Interest-bearing loans and borrowings**

	Interest rate	Maturity	30 September 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	50,693	50,000	38,729	75,000
Bank credit from Sberbank	3%	Oct 2022	79,855	-	-	-
<b>Total interest-bearing loans and borrowings</b>			<b>130,548</b>	<b>50,000</b>	<b>117,797</b>	<b>75,000</b>

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

- **Letter of credit from Sberbank (9.85% credit):** 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.
- **Bank credit from Sberbank (3% loan):** The amount of RUB 82,432 thousand was received from Sberbank OJSC in August 2021. The loan was accounted at fair value using the alternative interest rate 11% as specified by the loan contract. The balance will be repaid by instalments till October 2022. The difference between fair value and actual cash inflow was accounted in accordance with IAS 20 as Government grant (Note 18).

Changes in liabilities arising from financing activities:

	1 January 2021	Reclass	Cash in-flows	Interest accrued	Cash out-flows	Fair value revaluation	30 September 2021
<b>Current interest-bearing loans and borrowings</b>							
Loan from the ultimate controlling shareholder	38,729	25,000	-	7,255	(20,291)	-	50,693
Letter of credit from Sberbank	79,068	-	-	3,206	(82,274)	-	-
Bank credit from Sberbank	-	-	82,432	756	-	(3,333)	79,855
<b>Total current interest-bearing loans and borrowings</b>	<b>117,797</b>	<b>25,000</b>	<b>82,432</b>	<b>11,217</b>	<b>(102,565)</b>	<b>(3,333)</b>	<b>130,548</b>
<b>Non-current interest-bearing loans and borrowings</b>							
Loan from the ultimate controlling shareholder	75,000	(25,000)	-	-	-	-	50,000
Letter of credit from Sberbank	-	-	-	-	-	-	-
Bank credit from Sberbank	-	-	-	-	-	-	-
<b>Total non-current interest-bearing loans and borrowings</b>	<b>75,000</b>	<b>(25,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,000</b>
<b>Total interest-bearing loans and borrowings</b>	<b>192,797</b>	<b>-</b>	<b>82,432</b>	<b>11,217</b>	<b>(102,565)</b>	<b>(3,333)</b>	<b>180,548</b>

## 17. Contract liabilities

	30 September 2021	31 December 2020
Franchise fee contract liability	285,850	269,882
Customer loyalty points	31,523	28,636
<b>Total contract liabilities</b>	<b>317,373</b>	<b>298,518</b>
Current	55,767	51,685
Non-current	261,606	246,833

Contract liabilities transactions	Franchise fee contract liability		Customer loyalty points	
	2021	2020	2021	2020
<b>As at 1 January</b>	<b>269,882</b>	<b>267,990</b>	<b>28,636</b>	<b>33,175</b>
Deferred	37,441	35,438	34,702	17,421
Recognised as revenue	(20,527)	(21,009)	(31,815)	(19,974)
Translation difference	(946)	4,889	-	-
<b>As at 30 September</b>	<b>285,850</b>	<b>287,308</b>	<b>31,523</b>	<b>30,622</b>
Current	24,244	26,697	31,523	30,622
Non-current	261,606	260,611	-	-

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

In August 2021 Sberbank OJSC issued a loan in amount of RUB 82,432 thousand. The loan was given at a below-market rate of interest and was treated as a government grant. The loan was recognised and measured in accordance with IFRS 9 Financial Instruments. The benefit of the below-market rate of interest was measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received.

The government grants were 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.

	<u>Government grant</u>
<b>As at 1 January 2021</b>	<b>26,863</b>
Received	3,333
Income recognised for the period	27,336
<b>As at 30 September 2021</b>	<b>2,860</b>

## 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. There was no effect on the balance sheet value.



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

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 21)	24,000	-	0.19	24,777	
Settlement of loan issued (Note 14)	-	10,300	-	-	(18,923)
<b>At 30 September 2021</b>	<b>4,882,400</b>	<b>11,500</b>	<b>19.88</b>	<b>783,294</b>	<b>(20,583)</b>

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 nine months ended 30 September 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 nine months ended 30 September 2021 is 30 RUB and for the three months ended 30 September 2021 is 10 RUB. As the Group incurred a loss for the nine months ended 30 September 2020 and for the three months ended 30 September 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.

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

**20. Earnings per share (continued)**

	For the nine months ended 30 September		For the three months ended 30 September	
	2021	2020	2021	2020
Profit/(Loss) attributable to ordinary equity holders of the parent for basic earnings	165,776	(135,862)	56,663	(9,920)
Weighted average number of ordinary shares for basic EPS	4,867,555	4,843,100	4,874,726	4,847,800
Effect of dilution from share options granted to employees, number of shares	654,645	416,056	647,474	411,404
Weighted average number of ordinary shares adjusted for the effect of dilution	5,522,200	5,259,156	5,522,200	5,259,204
Basic earnings/(loss) per share	₱34	-₱28	₱12	-₱2
Diluted earnings/(loss) per share	₱30	-	₱10	-

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, 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 ESOP-II, and also don't dilute the total amount of shares of the Group.

The exercise price of the most share options is equal to \$0.1. 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 March 2021 The Group has made a buy-back of vested options. 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 nine months of 2021 and the whole year of 2020.

	For the nine months ended 30 September	
	2021	2020
Expense arising from equity-settled share-based payment transactions	107,634	61,418
<b>Total expense arising from share-based payment transactions</b>	<b>107,634</b>	<b>61,418</b>

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

### 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
		-	-		-	-
<b>Outstanding at 1 January 2020</b>	<b>297,500</b>	<b>0.01</b>	<b>9.68</b>	<b>77,000</b>	<b>0.91</b>	<b>10.26</b>
Granted during the year	68,300	0.01	11.85	-	-	-
Exercised during the year	(18,600)	0.01	10.52	(4,400)	0.01	6.57
Expired during the year	(17,000)	0.01	12.56	-	-	-
<b>Outstanding at 30 September 2020</b>	<b>330,200</b>	<b>0.01</b>	<b>9.93</b>	<b>72,600</b>	<b>0.96</b>	<b>10.48</b>
Exercisable at 30 September 2020	164,400	0.01	10.59	19,900	1.41	5.75
<b>Outstanding at 1 January 2021</b>	<b>360,900</b>	<b>0.01</b>	<b>11.37</b>	<b>71,100</b>	<b>0.98</b>	<b>10.56</b>
Granted during the year	206,561	0.01	20.24	-	-	-
Exercised during the year	(24,000)	0.01	14.00	(2,300)	0.01	5.55
Buyback during the year	(4,100)	-	-	(200)	-	-
Expired during the year	(15,205)	0.01	15.61	(200)	0.01	6.13
<b>Outstanding at 30 September 2021</b>	<b>524,156</b>	<b>0.01</b>	<b>14.71</b>	<b>68,400</b>	<b>1.02</b>	<b>10.77</b>
Exercisable at 30 September 2021	211,400	0.01	11.25	17,600	2.39	5.71

The weighted average remaining contractual life for the share options outstanding as at 30 September 2021 was 1.25 years (2020: 0.91 years).

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

	30 September 2021	31 December 2020
Dividend yield (%)	-	-
Expected volatility (%)	64.85	49.23
Risk-free interest rate (%)	3.46	4.14
Weighted average share price (\$)	24.47	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.

In August 2021 one of the Group entities received a bank loan in amount RUB 82.4 million subsidised by the Russian Federation. The aim of the Government is to support financial stability of retail companies. For more details refer to Notes 16 and 18.

## 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 nine and three months ended 30 September 2021 and 2020, as well as balances with related parties as at 30 September 2021 and 31 December 2020:

		Sales to related parties		Amounts owed by related parties	Amounts owed to related parties	
		For the nine months	For the three months			
Other related parties	2021	4,218	453	120	778	
	2020	3,127	1,145	140	53	
Key management personnel of the Group	2021	-	-	10	1,644	
	2020	-	-	-	1,302	
		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)			2021	7,255	2,277	100,693
			2020	2,888	2,619	116,966
		Interest accrued		Amounts owed by related parties		
		For the nine months	For the three months			
Loans to related parties						
The ultimate controlling shareholder (Note 14)			2021	74	74	3,674
			2020	-	-	-

23. Related parties *(continued)*

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

	For the nine months ended		For the three months ended	
	30 September		30 September	
	2021	2020	2021	2020
Wages and salaries	31,961	12,878	12,254	5,705
Share-based payment transactions	13,470	5,694	10,883	1,635
<b>Total compensation paid to key management personnel</b>	<b>45,431</b>	<b>18,572</b>	<b>23,137</b>	<b>7,340</b>

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

Date of grant	Vesting date	Exercise price as at 30 September 2021	30 September 2021	31 December 2020 Restated
			Number outstanding	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	-	600
2020	2021	\$ 0.01	100	-
2020	2022	\$ 0.01	100	-
2020	2023	\$ 0.01	200	-
2021	2022	\$ 0.01	6,680	-
2021	2023	\$ 0.01	6,680	-
2021	2024	\$ 0.01	6,680	-
2021	2025	\$ 0.01	4,760	-
<b>Total</b>			<b>88,000</b>	<b>54,100</b>

## 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.