For Immediate Release 23 March 2021

DP Eurasia N.V.

("DP Eurasia" or the "Company", and together with its subsidiaries, the "Group")

Preliminary Results for the Year Ended 31 December 2020

Growth in online and product innovation drive resilient performance; strong momentum into 2021

Highlights

	For the year ended 31 December		
	2020	**2019**	**Change**
	(in millions of TRY, unless otherwise indicated)		
Number of stores	**771**	**765**	**6**
Group system sales [1]			
Group	**1,569.9**	**1,370.3**	**14.6%**
Turkey	1,069.1	845.7	26.4%
Russia	471.6	503.3	-6.3%
Azerbaijan & Georgia	29.2	21.2	37.9%
Group system sales like-for-like growth[2]			
Group[8]	**17.4%**	**10.7%**	
Turkey	26.0%	13.1%	
Russia (based on RUB)	-12.6%	0.7%	
Group revenue	**1,019.2**	**980.2**	**4.0%**
Group adjusted EBITDA[3] (excl. IFRS 16)	**69.6**	**124.5**	**-44.1%**
Group adjusted net income [4] (excl. IFRS 16)	**(87.1)**	**2.9**	**n.m.**
Group adjusted net debt[5] (excl. IFRS 16)	**242.0**	**226.5**	
Group adjusted EBITDA[3]	131.5	189.8	-30.7%
Group adjusted net loss[4]	(94.0)	(6.3)	n.m.
Turkey adjusted EBITDA[3]	140.9	134.6	4.7%
Turkey adjusted EBITDA[3] (excl. IFRS 16)	118.6	108.7	9.1%
Russia adjusted EBITDA[3]	2.3	63.9	n.m.
Russia adjusted EBITDA[3] (excl. IFRS 16)	(37.3)	24.5	n.m.
Group net loss	(107.6)	(5.6)	n.m.

Financial Highlights

- Group revenue up 4.0% and system sales up 14.6%, driven by like-for-like growth and store openings
  - Turkish systems sales growth of 26.4%
  - Russian system sales decrease of 6.3% (15.3% based on RUB)
- Adjusted EBITDA (excl. IFRS 16) down 44.1% to TRY 69.6 million (2019: TRY 124.5 million)
- Adjusted net loss (excl. IFRS 16) of TRY 87.1 million versus an adjusted net income of TRY 2.9 million in 2019
- Strong liquidity position - TRY 128 million of cash on hand and additional available bank lines of TRY 142 million as at 31 December 2020
- Post-period end, Turkish Private Equity Fund II L.P. sold its remaining 32.81% stake to Jubilant Foodworks Netherlands B.V., wholly-owned subsidiary of Jubilant Foodworks Limited

Operational Highlights

- Six net stores were added in the year, bringing the total number to 771; robust franchisee demand in Turkey more than offset the store closures in Turkey and Russia due to Covid-19 – 33 new store openings vs. 27 store closures in 2020
- Online delivery system sales[(6)] as a share of delivery system sales surpassed 75% (2019: 70%), reflecting our strong online offering and positioning
- Group online system sales[(7)] growth of 40.3%
  - Turkish online system sales[(7)] growth of 55.2%
  - Russian online system sales[(7)] growth of 20.3% (8.8% based on RUB)
- Appointment of Mr. Daniel Rubinowski, ex-Marketing Director of KFC for Russia and CIS, as CEO of Russian Operations to further strengthen the team

Current Trading

System sales growth and like-for-like growth for the first two months of 2021 compared to the same period in 2020 were as follows:

Group system sales growth[(1)]	**For the two months ended 28 February 2021**
Group	**31.4%**
Turkey	48.8%
Russia	1.6%
Azerbaijan & Georgia	29.9%
Group system sales like-for-like growth[(2)]	
Group[(8)]	**37.8%**
Turkey	49.0%
Russia (based on RUB)	6.4%

2021 Outlook

The Group is reinstating guidance for 2021. The management guidance for store openings, like-for-like growth rates and capital expenditure for 2021 is as follows:

	Turkey	**Russia**
Net store openings	30 - 40	15 - 20*
Like-for-like growth rate	21 - 25%	12 - 15%
Capital expenditure	TRY 45 million	RUB 160 million

* Subject to H1'2021 performance

Commenting on the results, Chief Executive Officer, Aslan Saranga said:

"On behalf of the Board, I am pleased to report resilient results for the year in the face of unprecedented trading conditions, which saw operational constraints such as curfews and the suspension of dine-in service resulting from the Covid-19 pandemic. We were able to increase our system sales by 14.6% on the back of our strong Turkish performance. Despite 27 store closures in Turkey and Russia due to Covid-19, we were also able to increase our store portfolio by six during 2020, reaching a total of 771 stores across our four countries of operation.

"The Turkish business performed very strongly from a top line point of view, especially with record-breaking like-for-like growth rates in the second half of the year. New product introductions, such as the extension of the oven-baked sandwich line, new chicken offerings and Döner (chawarma) suite products along with celebrity-endorsed advertising campaigns, and brand-building Euroleague and Eurocup sponsorships contributed significantly to the increase in system sales. Furthermore, as mentioned in our latest trading update, there has also been a Covid-19 inspired shift to home delivery across all consumer sectors. The strong trading in Turkey is continuing in 2021 with like-for-like growth rate of 49.0% in January/February.

"After a slow start to 2020 and further depressed sales performance due to 72 days' curfew in Moscow during the second quarter, the Russian business saw an improving top line performance in the second half of the year. While we recorded a like-for-like growth rate of -12.6% for 2020, we are encouraged by the steady improvement to -1.9% like-for-like growth rate during the last two months of 2020 which gives us momentum going into 2021, as evidenced by the 6.4% like-for-like growth rate in January/February. In line with the Russian Plan outlined in our 2019 results announcement, we began a TV advertising campaign in October and introduced our "New and Improved" Pizza with a new dough formulation and new meat toppings, based on the feedback from our market research. We also introduced two new pizzas and garlic bread in October. These initiatives have been well received and, alongside our Moscow-targeted TV advertising campaigns, have contributed to the improvement in the like-for-like growth rates.

"2020 also saw us surpass the 75% milestone for Group online delivery system sales as a percentage of total delivery system sales. The steady increase of this mix over the last few years is important for the Group as online customers have a higher ordering frequency, customers can be analysed by our CRM systems to come up with different offerings for different segments, and we can provide more targeted advertising to them.

"I would like to welcome Mr. Daniel Rubinowski as our newly appointed CEO of Russian Operations, who brings with him a wealth of QSR experience in the Russian and CIS markets. I would also like to thank our outgoing CEO of Russian Operations, Mr. Mustafa Özgül, for his dedicated service to the company over the years and wish him success in his future endeavours.

"I would also like to thank our outgoing shareholder, Turkish Private Equity Fund II L.P., for its continuous contribution and support to the business since 2010, whilst welcoming Jubilant Foodworks Limited as a new and substantial shareholder.

"2021 has seen the start of the vaccination programmes in Turkey and Russia, and whilst this brings some relief, the Covid-19 pandemic continues to create uncertainty in our markets. However, the resilience shown by the Group in 2020 and the trading momentum carried over to the first two months of 2021 give the Board confidence regarding our market positioning and the prospects for our business in the long term."

Enquiries

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A conference call will be held at 9.30am (GMT) on 23 March 2021 for analysts and investors via the following dial-in details:

Conference call: UK Toll: +44 333 300 0804
UK Toll Free: 0800 358 9473
Participant PIN code: 17853063#
URL for international dial in numbers:
https://event.sharefile.com/d-s7bae1d9235d495a8

DP Eurasia N.V.'s preliminary 2020 results and corporate presentation are available at www.dpeurasia.com. A conference call replay will be available on the website in due course.

Notes

(1) System sales are sales generated by the Group's corporate and franchised stores to external customers and do not represent revenue of the Group.

(2) Like-for-like growth is a comparison of sales between two periods that compares system sales of existing system stores. The Group's system stores that are included in like-for-like system sales comparisons are those that have operated for at least 52 weeks preceding the beginning of the first month of the period used in the like-for-like comparisons for a certain reporting period, assuming the relevant system store has not subsequently closed or been "split" (which involves the Group opening an additional store within the same map of an existing store or in an overlapping area).

(3) EBITDA, adjusted EBITDA and non-recurring and non-trade income/expenses are not defined by IFRS. These items are determined by the principles defined by the Group management and comprise income/expenses which are assumed by the Group management to not be part of the normal course of business and are non-trading items. These items which are not defined by IFRS are disclosed by the Group management separately for a better understanding and measurement of the sustainable performance of the Group. Please refer to Note 3 in the Consolidated Financial statements for a reconciliation of these items with IFRS.

(4) Adjusted net income is not defined by IFRS. Adjusted net income excludes income and expenses which are not part of the normal course of business and are non-recurring items. Management uses this measurement basis to focus on core trading activities of the business segments and to assist it in evaluating underlying business performance. Please refer to Note 3 in the Consolidated Financial statements for a reconciliation of this item with IFRS.

(5) Net debt and adjusted net debt are not defined by IFRS. Adjusted net debt includes cash deposits used as a loan guarantee and cash paid, but not collected during the non-working day at the year end. Management uses these numbers to focus on net debt including deposits not otherwise considered cash and cash equivalents under IFRS. Please refer to Note 16 in the Consolidated Financial statements for a reconciliation of these items with IFRS.

(6) Delivery system sales are system sales of the Group generated through the Group's delivery distribution channel.

(7) Online system sales are system sales of the Group generated through its online ordering channel.

(8) Group like-for-like growth is a weighted average of the country like-for-like growths based on store numbers as described in Note (2) above.

Notes to Editors

DP Eurasia N.V. is the exclusive master franchisee of the Domino's Pizza brand in Turkey, Russia, Azerbaijan and Georgia. The Company was admitted to the premium listing segment of the Official List of the Financial Conduct Authority and to trading on the main market for listed securities of the London Stock Exchange plc on 3 July 2017. The Company (together with its subsidiaries, the "Group") is the largest pizza delivery company in Turkey and the third largest in Russia. The Group offers pizza delivery and takeaway/ eat-in facilities at its 771 stores (568 in Turkey, 190 in Russia, nine in Azerbaijan and four in Georgia as at 31 December 2020), and operates through its owned corporate stores (29%) and franchised stores (71%). The Group maintains a strategic balance between corporate and franchised stores, establishing networks of corporate stores in its most densely populated areas to provide a development platform upon which to promote best practice and maximise profitability. The Group has adapted the Domino's Pizza globally proven business model to its local markets.

Performance Review

System sales	For the year ended 31 December		
	2020	2019	Change
	(in millions of TRY, unless otherwise indicated)		
Group system sales [1]			
Group	**1,569.9**	**1,370.3**	**14.6%**
Turkey	1,069.1	845.7	26.4%
Russia	471.6	503.3	-6.3%
Azerbaijan & Georgia	29.2	21.2	37.9%
Group system sales like-for-like growth[2]			
Group[8]	**17.4%**	**10.7%**	
Turkey	26.0%	13.1%	
Russia (based on RUB)	-12.6%	0.7%	

Store Count	As at 31 December					
	2020			2019		
	Corporate	Franchised	Total	Corporate	Franchised	Total
Turkey	106	462	568	123	427	550
Russia	115	75	190	121	82	203
Azerbaijan	-	9	9	-	8	8
Georgia	-	4	4	-	4	4
Total	**221**	**550**	**771**	**244**	**521**	**765**

Although 27 stores were closed due to the pandemic, DP Eurasia was able to finish the year with six net stores added compared to 2019. The Group increased its system sales by 14.6% year-on-year, driven by the strong like-for-like sales growth in Turkey.

The Turkish operations' system sales, representing 68% of Group system sales, increased by 26.4%. The start to the year was strong; however, due to the effects of Covid-19, the second quarter's like-for-like growth lagged the first quarter. In the second half of the year, the Turkish business recorded very strong like-for-like growth rates, partially aided by the tail effect of the reduction of the VAT rate from 8% to 1%. Despite periodical operational constraints due to curfews that hurt the take-away and eat-in channels, the Group achieved a robust 26.0% like-for-like growth in Turkey, mainly attributable to the strategies that were undertaken in sales and marketing. The new product launches, continued celebrity-endorsed marketing and increased delivery focus and demand due to the pandemic were key to the strong like-for-like growth rates. As a result of the pandemic, a total of 14 stores were closed in Turkey; however, on the back of strong like-for-like growth in Turkey in the second half of the year and franchisee demand, a total of 33 stores were opened in the Turkish segment. Active management and optimisation of the Turkish estate, which is ordinary course of business for the Group, continued in 2020. 14 stores were transferred from corporate to franchisee ownership, and one transfer in the opposite direction.

The Russian operations' system sales, representing 30% of Group system sales, decreased by 6.3% (15.3% based on RUB). The Russian operations had like-for-like sales growth of -12.6% for the year, with growth affected by the increased competition, especially in terms of aggregators and fast-food players that are supported by them, as well as the 72-day strict Moscow curfew due to Covid-19 in the second quarter, where like-for-like growth recorded rates of -30-35% in some weeks. The Group embarked on the execution of its Russia plan at the beginning of 2020 and saw a recovery in its like-for-like growth rates to -1.9% in November/December. The Group

had 13 store closures due to Covid-19 in Russia. Refranchising activity was low, with one store transferred from corporate to franchisee ownership, and two store transfers in the opposite direction. Russian franchised stores amounted to 75, representing 39% of the Russian store portfolio.

Delivery Channel Mix and Online like-for-like growth

The following table shows the Group's delivery system sales, analysed by ordering channel and by the Group's two largest countries in which it operates, as a percentage of delivery system sales:

		For the year ended 31 December					
		2020			2019		
		Turkey	Russia	Total	Turkey	Russia	Total
Store		28.5%	10.3%	23.9%	32.0%	18.0%	27.8%
Online	**Group's online platform**	25.9%	71.4%	40.0%	28.5%	80.5%	47.0%
	Aggregator	44.3%	18.3%	35.3%	35.7%	1.5%	22.8%
	Total online	70.2%	89.7%	75.3%	64.2%	82.0%	69.9%
Call centre		1.3%	-	0.9%	3.8%	-	2.1%
Total[6]		100%	100%	100%	100%	100%	100%

The following table shows the Group's online like-for-like growth[2], analysed by the Group's two largest countries in which it operates:

	For the year ended 31 December	
	2020	2019
Group online system sales like-for-like growth[2][7]		
Group[8]	**45.2%**	**29.0%**
Turkey	54.4%	32.6%
Russia (based on RUB)	13.1%	15.4%

The Group's like-for-like growth continues to be driven mainly by the performance of its online ordering platforms. Online delivery system sales as a share of delivery system sales reached 75.3% for the year, which represents a 5.4 percentage point increase on a year-on-year basis.

In Turkey, online system sales like-for-like growth for the period was 54.4%, as a result of which online delivery system sales as a share of delivery system sales reached 70.2% for the period, a 6.0 percentage point increase from a year ago, aided also by an increase in volumes through the aggregator.

In Russia, online system sales like-for-like growth for the period was 13.1%, as a result of which online delivery system sales as a share of delivery system sales reached 89.7% for the period, a 7.7 percentage point increase from a year ago, which was also boosted by the Group's inclusion in an aggregator platform in May after a six-month trial period.

Online system sales continued to outpace the overall system sales growth at 40.3% for the Group. Turkish online system sales grew by 55.2%, while Russian online system sales grew by 20.3% (8.8% based on RUB).

Financial Review

	For the year ended 31 December		
	2020	**2019**	**Change**
	(in millions of TRY)		
Revenue	**1,019.2**	**980.2**	**4.0%**
Cost of sales (excl. IFRS 16)	(695.5)	(645.7)	7.7%
Gross Profit (excl. IFRS 16)	**323.7**	**334.5**	**-3.2%**
General administrative expenses (excl. IFRS 16)	(165.3)	(154.0)	7.3%
Marketing and selling expenses	(169.5)	(137.0)	23.7%
Other operating expenses, net (excl. IFRS 16)	(7.5)	15.1	n.m.
Operating profit (excl. IFRS 16)	**(18.6)**	**58.5**	**n.m.**
Foreign exchange (losses)/gains (excl. IFRS 16)	(16.5)	6.8	n.m.
Financial income (excl. IFRS 16)	10.9	2.4	359.8%
Financial expense (excl. IFRS 16)	(61.0)	(49.3)	23.6%
(Loss)/Profit before income tax (excl. IFRS 16)	**(85.2)**	**18.4**	**n.m.**
Tax expense (excl. IFRS 16)	(15.6)	(14.8)	5.4%
(Loss)/Profit after tax (excl. IFRS 16)	**(100.7)**	**3.6**	**n.m.**
Group adjusted EBITDA[(3)] (excl. IFRS 16)	**69.6**	**124.5**	**-44.1%**
Group adjusted net income [(4)] (excl. IFRS 16)	**(87.1)**	**2.9**	**n.m.**
Group adjusted net debt[(5)] (excl. IFRS 16)	**242.0**	**226.5**	
Group adjusted EBITDA[(3)]	131.5	189.8	-30.7%
Group adjusted net loss [(4)]	(94.0)	(6.3)	n.m.
Turkey adjusted EBITDA[(3)]	140.9	134.6	4.7%
Turkey adjusted EBITDA[(3)] (excl. IFRS 16)	118.6	108.7	9.1%
Russia adjusted EBITDA[(3)]	2.3	63.9	n.m.
Russia adjusted EBITDA[(3)] (excl. IFRS 16)	(37.3)	24.5	n.m.
Group net loss	(107.6)	(5.6)	n.m.

Revenue

Group revenue grew by 4.0% to TRY 1,019.2 million. Turkish segment revenue grew by 20.4% to TRY 673.6 million, while Russian segment revenue decreased by 17.9% to TRY 345.6 million.

Adjusted EBITDA

The Group's adjusted EBITDA (excluding IFRS 16) contracted by 44.1% to TRY 69.6 million. Adjusted EBITDA (excluding IFRS 16) for the Turkish segment, which includes the Azerbaijani and Georgian businesses, was TRY 118.6 million, a year-on-year increase of 9.1%, and adjusted EBITDA (excluding IFRS 16) for the Russian segment was TRY -37.3 million, a decrease from the TRY 24.5 million figure of a year ago. The Group's adjusted EBITDA figure includes TRY 11.9 million of Covid-19 related costs, of which TRY 9.1 million are considered to be of non-recurring nature. The breakdown of these costs between Turkey and Russia was TRY 6.6 million and TRY 5.3 million, respectively. Additionally, costs relating to our Dutch corporate expenses reduced adjusted EBITDA by TRY 11.7 million in 2020. The comparable adverse effect of this item was TRY 8.7 million in 2019, with the increase in 2020 primarily due to the devaluation of the TRY against the EUR and the GBP.

In 2020, the Group's adjusted EBITDA (excluding IFRS 16) margin as a percentage of system sales was 4.4% compared to 9.1% in 2019. The main reasons for the decrease were the contraction in the Russian business due to the operational constraints levied for Covid-19, increased competition, especially due to the aggregators, and the Covid-19 related costs.

Adjusted EBITDA (excluding IFRS 16) margin as a percentage of system sales for the Turkish segment (including Azerbaijan and Georgia) recorded a decrease to 10.8% from 12.5%, mainly due to Covid-19 related costs and an increase in marketing.

The Russian segment margin decreased to -7.9% from 4.9%. The main reason for the decrease is the system sales contraction caused by the pandemic and increased competition from the aggregators. Management has continued with the execution of the plan announced at last year's results announcement and has recorded an improvement on the 2020 adjusted EBITDA margin compared to the H1'2020 adjusted EBITDA margin. The Board continues to remain confident in the medium and long-term potential of the Russian market for DP Eurasia.

Adjusted Net Income

For the year ended 31 December 2020, adjusted net loss (excluding IFRS 16) was TRY 87.1 million. The main reasons for the deterioration in adjusted net income were the contraction in EBITDA as explained previously and the switch to a foreign exchange loss in 2020 from a foreign exchange gain in 2019. The Group does not have any hard currency denominated bank borrowings; however, the Group recorded a foreign exchange loss of TRY 16.5 million due to the intragroup loans made between different jurisdictions versus a foreign exchange gain of TRY 6.8 million in the previous year.

Capital expenditure and Cash conversion

The Group invested TRY 49.0 million of capital expenditure in 2020. The Turkish segment capital expenditure was TRY 32.5 million and the Russian segment capital expenditures amounted to TRY 16.4 million (RUB 171 million).

Cash conversion, defined as (adjusted EBITDA (excluding IFRS 16) - capital expenditure)/adjusted EBITDA (excluding IFRS 16)) for the period was 29.7% (2019: 14.2%) for the Group as a result of prudent capital expenditure management and 72.6% (2019: 65.8%) for the Turkish segment as a result of its strong performance. The Russian segment had negative cash conversion due to its negative adjusted EBITDA.

Adjusted net debt and Leverage

Excluding the impact of IFRS 16, the Group's adjusted net debt at 31 December 2020 was TRY 242.0 million, representing an increase of 2.0% from 30 June 2020 and an increase of 6.8% from 31 December 2019. The Group's bank borrowings continue to be denominated in its operational currencies of TRY and RUB. As at 31 December 2020, 73% of the Group's bank borrowings were denominated in TRY, compared to 52% as at 31 December 2019, while the remainder is denominated in RUB.

The Group continues its prudent and conservative approach to debt and its absolute net debt position has stayed materially constant as compared to a year ago. However, as a result of the reduced EBITDA performance during the year ended 31 December 2020, its leverage ratio (defined as adjusted net debt (excluding IFRS 16)/adjusted EBITDA (excluding IFRS 16)) was 3.5x as at 31 December 2020 (2019: 1.8x).

The Group's Russian loan facility carries financial covenants, which the Group was unable to meet in 2020 and for which the Group was granted waivers. The Group was also granted waivers for the first two quarters of 2021. In July 2020, DP Eurasia made a prepayment of RUB 0.6 billion under its Russian loan, reducing the principal outstanding to RUB 1.0 billion, of which RUB 0.2 billion is supported by a cash collateral deposit. The Group's strong liquidity position enables it to repay its bank borrowings in Russia if required, and still maintain a strong liquidity position. As at 31 December 2020, DP Eurasia had TRY 128 million of cash at hand (including the TRY 19 million deposit amount in Sberbank) and additional available bank lines of TRY 142 million.

Shareholder Update

On 19 February 2021, Jubilant Foodworks Limited ("JFL"), the largest foodservice company in India, and Fides Food Systems Coöperatief U.A. announced that Jubilant Foodworks Limited and its wholly owned subsidiary, Jubilant

Foodworks Netherlands B.V., have entered into a purchase agreement with Turkish Private Equity Fund II L.P. to fully acquire Fides Food Systems Coöperatief U.A., which holds 32.81% of the ordinary share capital of DP Eurasia, for a price of approximately GBP 24.80 million. The transaction was closed on 9 March 2021.

Jubilant Foodworks Limited is India's largest foodservice company. Its Domino's Pizza franchise extends across a network of 1,314 restaurants in 285 cities (as of 31 December 2020). JFL has the exclusive rights to develop and operate Domino's Pizza brand in India, Sri Lanka, Bangladesh and Nepal. At present, it operates in India, and through its subsidiary companies in Sri Lanka and Bangladesh. JFL also has the exclusive rights to develop and operate Dunkin' Donuts restaurants in India and has 27 restaurants in operation across eight cities in India (as of 31 December 2020). JFL also operates its owned restaurant brands: 'Hong's Kitchen', which serves two cities with seven restaurants in India (as of 31 December 2020) and Ekdum! with three restaurants. JFL is also offering ready-to-cook range of sauces, gravies and pastes under the brand 'ChefBoss'.

The takeover regimes of both the UK and the Netherlands no longer apply to DPEU, including in relation to the recent share acquisition and any further stake-building by a controlling shareholder

As a result of Brexit, companies which formerly had their registered office in one EEA member state and their shares admitted to trading on a regulated market in the UK have now fallen outside the "shared jurisdiction" regime. The shared jurisdiction regime provided that, for such companies, certain rules from the UK Takeover Code and certain rules of the state in which the company is registered apply to takeover activity. Following the end of the transition period at midnight on 31 December 2020, this regime no longer applies such that neither the UK Takeover Code regime nor the home state regime applies since the Dutch mandatory public offer rules only apply to Dutch companies that are listed on a regulated market in the EU/EEA and the London Stock Exchange is no longer an EU/EEA regulated market.

New Appointment

Mr. Daniel Rubinowski has been appointed as the CEO of Russian Operations and is expected to start his role in April. Prior to this, he was Marketing Director of KFC for Russia & CIS for over four years at Yum!. Previously, he spent more than ten years in Beiersdorf AG working in its headquarters in Germany and affiliates in Poland and Russia. Mr. Rubinowski has a degree in Economics from Poznan University of Economics.

Consideration of additional listing

As previously announced, the Board is considering an additional listing on a major stock exchange to complement its current listing on the Main Market of the London Stock Exchange. Upon its initial review, the Board has taken the decision to further investigate the dual listing of DP Eurasia at the Borsa Istanbul. This process remains ongoing and the Company will provide a further update in due course.

Amsterdam, 22 March 2021

The Directors of DP Eurasia N.V. as at the date of this announcement are as set out below:

Peter Williams*
Aslan Saranga, Chief Executive Officer
Frederieke Slot, Company Secretary
Seymur Tarı*
Neil Harper*
Aksel Şahin*
Thomas Singer*

* Non-Executive Directors

Forward looking statements

This press release includes forward-looking statements which involve known and unknown risks and uncertainties, many of which are beyond the Group's control and all of which are based on the Directors' current beliefs and expectations about future events. They appear in a number of places throughout this press release and include all

matters that are not historical facts and include predictions, statements regarding the intentions, beliefs or current expectations of the Directors or the Group concerning, among other things, the results of operations, financial condition, prospects, growth and strategies of the Group and the industry in which it operates.

No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing the Group. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed, or implied in such forward-looking statements.

Forward-looking statements contained in this press release speak only as of the date of this press release. The Company and the Directors expressly disclaim any obligation or undertaking to update these forward-looking statements contained in this press release to reflect any change in their expectations or any change in events, conditions, or circumstances on which such statements are based.

Appendices

Exchange Rates

	For the year ended 31 December			
	2020		2019	
Currency	**Period End**	**Period Average**	**Period End**	**Period Average**
EUR/TRY	9.008	8.014	6.651	6.348
RUB/TRY	0.098	0.096	0.096	0.087
EUR/RUB	90.682	82.408	69.341	72.513

Delivery – Take away / Eat in mix

	For the year ended 31 December					
	2020			2019		
	Turkey	**Russia**	**Total**	**Turkey**	**Russia**	**Total**
Delivery	72.5%	77.7%	74.0%	63.8%	62.2%	63.1%
Take away / Eat in	27.5%	22.3%	26.0%	36.2%	37.8%	36.9%
Total[(2)]	100%	100%	100%	100%	100%	100%

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the years ended 31 December 2020 and 2019

	Notes	2020	2019
Revenue	4	**1,019,163**	980,208
Cost of sales	4	**(689,762)**	(636,466)
Gross profit		**329,401**	343,742
General administrative expenses		**(161,728)**	(150,175)
Marketing and selling expenses		**(169,515)**	(137,043)
Other operating income	6	**15,053**	22,411
Other operating expense	6	**(22,743)**	(7,869)
Operating profit		**(9,532)**	71,066
Foreign exchange (losses)/income	7	**(16,419)**	4,665
Financial income	7	**23,166**	16,100
Financial expense	7	**(90,829)**	(85,103)
(Loss)/profit before income tax		**(93,614)**	6,728
Income tax expense		**(13,969)**	(12,344)
Loss for the period		**(107,583)**	(5,616)
Other comprehensive income/(expense)		**10,162**	(21,708)
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations		**(1,179)**	(137)
- Tax income of these obligations		**236**	30
Items that may be reclassified to profit or loss			
- Currency translation differences		**11,105**	(21,601)
Total comprehensive loss		**(97,421)**	(27,324)
Loss per share [1]	8	**(0.7401)**	(0.0386)

1. Amounts represent the basic and diluted earnings per share.

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2020

Assets	Notes	31 Dec 2020	31 Dec 2019
Trade receivables	13	**16,707**	23,422
Lease receivables	15	**24,674**	39,568
Right-of-use assets	11	**112,895**	180,236
Property and equipment	9	**131,203**	160,043
Intangible assets	10	**73,516**	81,424
Goodwill		**47,413**	47,133
Deferred tax assets	17	**26,500**	18,060
Other non-current assets	15	**40,256**	35,903
Non-current assets		**473,164**	585,789
Cash and cash equivalents	12	**109,036**	70,928
Trade receivables	13	**107,760**	114,493
Lease receivables	15	**16,621**	16,618
Inventories		**61,744**	70,062
Other current assets	15	**73,488**	65,247
Current assets		**368,649**	337,348
Total assets		**841,813**	923,137
Equity			
Paid in share capital		**36,353**	36,353
Share premium		**119,286**	119,286
Contribution from shareholders		**20,600**	19,970
Other reserves not to be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations		**(3,534)**	(2,591)
Other reserves to be reclassified to profit or loss			
- Currency translation differences		**(11,183)**	(22,288)
Retained earnings		**(147,915)**	(40,332)
Total equity		**13,607**	110,398
Liabilities			
Financial liabilities	16	**193,015**	153,159
Lease liabilities	16	**110,549**	184,708
Long-term provisions for employee benefits	15	**2,874**	2,051
Other non-current liabilities	15	**39,867**	37,041
Non-current liabilities		**346,305**	376,959
Financial liabilities	16	**167,181**	164,854
Lease liabilities	16	**72,476**	71,427
Trade payables	13	**173,359**	121,178
Current income tax liabilities	17	**8,931**	8,955
Provisions		**5,740**	5,354
Other current liabilities	15	**54,214**	64,012
Current liabilities		**481,901**	435,780
Total liabilities		**828,206**	812,739
Total liabilities and equity		**841,813**	923,137

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2020

	Share capital	Share premium	Contribution from shareholders	Remeasurement of post-employment benefit obligations	Currency translation differences	Retained earnings	Total equity
Balances at 1 January 2019	36,353	119,286	20,697	(2,484)	(687)	(34,716)	138,449
Remeasurements of post-employment benefit obligations, net	-	-	-	(107)	-	-	(107)
Currency translation adjustments	-	-	-	-	(21,601)	-	(21,601)
Total loss for the period	-	-	-	-	-	(5,616)	(5,616)
Total comprehensive loss	-	-	-	(107)	(21,601)	(5,616)	(27,324)
Share-based incentive plans cancelled	-	-	(2,729)	-	-	-	(2,729)
Share-based incentive plans	-	-	2,002	-	-	-	2,002
Balances at 31 December 2019	36,353	119,286	19,970	(2,591)	(22,288)	(40,332)	110,398
Balances at 1 January 2020	**36,353**	**119,286**	**19,970**	**(2,591)**	**(22,288)**	**(40,332)**	**110,398**
Remeasurements of post-employment benefit obligations, net	**-**	**-**	**-**	**(943)**	**-**	**-**	**(943)**
Currency translation adjustments	**-**	**-**	**-**	**-**	**11,105**	**-**	**11,105**
Total loss for the period	**-**	**-**	**-**	**-**	**-**	**(107,583)**	**(107,583)**
Total comprehensive (loss)/profit	**-**	**-**	**-**	**(943)**	**11,105**	**(107,583)**	**(97,421)**
Share-based incentive plans cancelled	**-**	**-**	**(833)**	**-**	**-**	**-**	**(833)**
Share-based incentive plans	**-**	**-**	**1,463**	**-**	**-**	**-**	**1,463**
Balances at 31 December 2020	**36,353**	**119,286**	**20,600**	**(3,534)**	**(11,183)**	**(147,915)**	**13,607**

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2020

	Notes	**31 Dec 2020**	31 Dec 2019
Profit/(loss) before income tax		**(93,614)**	6,728
Adjustments for:			
Depreciation	9-11	**98,185**	94,746
Amortisation	10	**29,237**	21,960
Gains on sale of property and equipment	6	**753**	11
Performance bonus accrual		**9,619**	4,562
Non-cash employee benefits expense – share-based payments		**630**	(727)
Interest income	7	**(23,166)**	(16,100)
Interest expense	7	**85,986**	78,506
Impairment of tangible and intangible assets		**11,118**	—
Changes in operating assets and liabilities			
Changes in trade receivables		**13,672**	(52,348)
Changes in other receivables and assets		**(11,148)**	(23,794)
Changes in inventories		**8,318**	7,557
Changes in contract assets	15	**(502)**	(294)
Changes in contract liabilities	15	**6,411**	4,246
Changes in trade payables	13	**52,181**	47,030
Changes in other payables and liabilities		**(18,071)**	27,010
Income taxes paid	17	**(22,224)**	(15,918)
Performance bonuses paid		**(4,047)**	(7,009)
Cash flows generated from operating activities		**143,338**	176,166
Purchases of property and equipment	9	**(15,915)**	(54,715)
Purchases of intangible assets	10	**(26,450)**	(48,228)
Disposals from sale of tangible and intangible assets		**2,967**	15,039
Cash flows used in investing activities		**(39,398)**	(87,904)
Interest paid		**(39,894)**	(40,255)
Interest on leases paid	16	**(20,781)**	(22,031)
Interest received		**9,953**	1,837
Loans obtained	16	**299,497**	165,233
Loans paid	16	**(270,916)**	(85,453)
Payment of lease liabilities	16	**(50,911)**	(60,875)
Cash flows (used in)/generated from financing activities		**(73,052)**	(41,544)
Effect of currency translation differences		**7,220**	(4,234)
Net increase in cash and cash equivalents		**38,108**	42,484
Cash and cash equivalents at the beginning of the period	12	**70,928**	28,444
Cash and cash equivalents at the end of the period	12	**109,036**	70,928

The accompanying notes form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2020

NOTE 1 – THE GROUP'S ORGANISATION AND NATURE OF ACTIVITIES

DP Eurasia N.V. (the "Company"), a public limited company, having its statutory seat in Amsterdam, the Netherlands, was incorporated under the law of the Netherlands on 18 October 2016. Upon incorporation Fides Food Systems Coöperatief U.A. and Vision Lovemark Coöperatief U.A. contributed and transferred all shares in Fidesrus B.V. and Fides Food Systems B.V. and their subsidiaries to the Company. From this point forward, the consolidated Group was formed. This was a transaction under common control.

The consolidated financial statements of DP Eurasia N.V. have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The consolidated financial statements also comply with the financial reporting requirements included in Title 9 of Book 2 of the Dutch Civil Code, as far as applicable.

The Company's registered address is: Herikerbergweg 238, Amsterdam, the Netherlands.

The management report within the meaning of Article 391 of Book 2 of the Dutch Civil Code consists of the following parts of the Annual Report:

The management report within the meaning of Article 391 of Book 2 of the Dutch Civil Code consists of the following parts of the Annual Report:

- Overview: At a glance, Highlights and Key financial figures;
- Management report: Chairman's statement, Competitive advantages, Vision and strategy, Message from the CEO, Key events, Business model, People, Product, Digital, Strategic review, Group Structure and Markets, Remuneration report, Directors' remuneration policy, Annual remuneration report, Board, Leadership team, Board attendance and composition, Corporate governance report, How we manage risk, Board declaration and Shares and shareholders;
- Group financial statements; Consolidated statement of comprehensive income, Consolidated statement of financial position, Consolidated statement of changes in equity, Consolidated statement of cash flows and Notes to the consolidated financial statement;
- Company financial statements: Company income statement, Company balance sheet and Notes to the Company financial statements; and
- Additional information: Independent auditor's report, Contacts and Glossary.

The Company and its subsidiaries (together referred to as the "Group") perform its activities in corporate-owned and franchised stores in Turkey and the Russian Federation, including providing technical support, control and consultancy services to the franchisees.

As at 31 December 2020, the Group holds franchise operating and sub-franchising rights in 771 stores (550 franchised stores, 221 corporate-owned stores) (31 December 2019: 765 stores (521 franchised stores, 244 corporate-owned stores)).

The consolidated financial statements as at and for the period ended 31 December 2020 have been approved and authorised for issue on 22 March 2021 by authorisation of the Board. The financial statements are subject to adoption by the Annual General Meeting.

Subsidiaries

The Company has a total of four fully owned subsidiaries. These entities and the nature of their businesses are as follows:

Subsidiaries	**2020 effective ownership (%)**	2019 effective ownership (%)	Registered country	Nature of business
Pizza Restaurantları A.Ş. ("Domino's Turkey")	**100**	100	Turkey	Food delivery
Pizza Restaurants LLC ("Domino's Russia")	**100**	100	Russia	Food delivery
Fidesrus B.V. ("Fidesrus")	**100**	100	The Netherlands	Investment company
Fides Food Systems B.V. ("Fides Food")	**100**	100	The Netherlands	Investment company

Domino's Russia is established in the Russian Federation. Domino's Russia is operating a pizza delivery network of corporate and franchised stores in the Russian Federation. Domino's Russia has a Master Franchise Agreement (the "MFA Russia") with Domino's Pizza International for the pizza delivery network in Russia until 2030.

Domino's Turkey is established in Turkey. Domino's Turkey is operating a pizza delivery network of corporate and franchised stores in Turkey. Domino's Turkey is a food delivery company, which has a Master Franchise Agreement (the "MFA Turkey") with Domino's Pizza International pizza delivery network in Turkey until 2032. The Group expects the terms of the MFAs to be extended.

Fides Food and Fidesrus are established in the Netherlands. Both Fides Food Systems and Fidesrus are acting as investment companies.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Principles of consolidation

The consolidated financial statements include the parent company, DP Eurasia N.V. and its subsidiaries for the year ended at 31 December 2020. Subsidiaries are fully consolidated from the date on which control is transferred to the Company (the "acquisition date").

Basis of consolidation
The consolidated financial statements include the accounts of the Group on the basis set out in sections below. The financial results of the subsidiaries are fully consolidated from the date on which control is transferred to the Group or deconsolidated from the date that control ceases.

Subsidiaries are all companies over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.
The subsidiaries fully consolidated, the proportion of ownership interest and the effective interest of the Group in these subsidiaries as of 31 December 2020 are disclosed in Note 1.

The result of operations of subsidiaries acquired or sold during the year are included in the consolidated statement of comprehensive income from the acquisition date or until the date of sale.

The statements of financial position and statements of comprehensive income of the subsidiaries are consolidated on a line-by-line basis and the carrying value of the investment held by the Company and its subsidiaries are eliminated against the related shareholders' equity. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.
Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Consolidation of foreign subsidiaries
Financial statements of subsidiaries operating in foreign countries are prepared in the currency of the primary economic environment in which they operate. Assets and liabilities in financial statements prepared according to the Group's accounting policies are translated into the Group's presentation currency, Turkish Liras, from the foreign exchange rate at the statement of financial position date whereas income and expenses are translated into TRY at the average foreign exchange rate. Exchange differences arising from the translation are included in the "currency translation differences" under shareholders' equity.

The foreign currency exchange rates used in the translation of the foreign operations within the scope of consolidation are as follows:

	31 Dec 2020		31 Dec 2019	
Currency	**Period end**	**Period average**	Period end	Period average
Euros	**9.0079**	**8.0138**	6.6506	6.3484
Russian Roubles	**0.0984**	**0.0964**	0.0955	0.0872

2.2 Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency").

The consolidated financial statements are presented in TRY, which is the Group's presentation currency.

NOTE 3 - SEGMENT REPORTING

The business operations of the Group are organised and managed with respect to geographical positions of its operations. The information regarding the business activities of the Group as of 31 December 2020 and 2019 comprise the performance and the management of its Turkish and Russian operations and head office.

The Group has two business segments, determined by management according to the information used for the evaluation of performance and the allocation of resources, the Turkish and Russian operations. Other operations are composed of corporate expenses of Dutch companies. These segments are managed separately because they are affected by economic conditions and geographical positions in terms of risks and returns.

The segment analysis for the periods ended 31 December 2020 and 2019 are as follows:

1 January - 31 December 2020	**Turkey**	**Russia**	**Other**	**Total**
Corporate revenue	**219,499**	**240,199**	**-**	**459,698**
Franchise revenue and royalty revenue obtained from franchisees	**423,490**	**98,020**	**-**	**521,510**
Other revenue	**30,566**	**7,389**	**-**	**37,955**
Total revenue	**673,555**	**345,608**	**-**	**1,019,163**
- At a point in time	***666,218***	***343,102***	**-**	***1,009,320***
- Over time	***7,337***	***2,506***	**-**	***9,843***
Operating profit/(loss)	**91,905**	**(88,996)**	**(12,441)**	**(9,532)**
Capital expenditures	**32,513**	**16,446**	**-**	**48,959**
Tangible and intangible disposals	**(5,548)**	**(9,290)**	**-**	**(14,838)**
Depreciation and amortisation expenses	**(46,787)**	**(80,635)**	**-**	**(127,422)**
Adjusted EBITDA[(1)]	**140,903**	**2,309**	**(11,696)**	**131,516**

31 December 2020	**Turkey**	**Russia**	**Other**	**Total**
Borrowings				
TRY	**264,001**	**-**	**-**	**264,001**
RUB	**-**	**96,195**	**-**	**96,195**
	264,001	**96,195**	**-**	**360,196**
Lease liabilities				
TRY	**62,390**	**-**	**-**	**62,390**
RUB	**-**	**120,635**	**-**	**120,635**
	62,390	**120,635**	**-**	**183,025**
Total	**326,391**	**216,830**	**-**	**543,221**

1 January - 31 December 2019	Turkey	Russia	Other	Total
Corporate revenue	210,833	283,567	-	494,400
Franchise revenue and royalty revenue obtained from franchisees	314,772	91,440	-	406,212
Other revenue	33,729	45,867	-	79,596
Total revenue	559,334	420,874	-	980,208
- At a point in time	*553,396*	*417,732*	-	*971,128*
- Over time	*5,938*	*3,142*	-	*9,080*
Operating profit/(loss)	82,664	175	(11,773)	71,066
Capital expenditures	37,171	69,597	-	106,768
Tangible and intangible disposals	(4,442)	(10,608)	-	(15,051)
Depreciation and amortisation expenses	(50,468)	(66,238)	-	(116,706)
Adjusted EBITDA	134,599	63,889	(8,691)	189,797

31 December 2019	Turkey	Russia	Other	Total
Borrowings				
TRY	164,800	-	-	164,800
RUB	-	153,213	-	153,213
	164,800	153,213	-	318,013
Lease liabilities				
TRY	93,054	-	-	93,054
RUB	-	163,081	-	163,081
	93,054	163,081	-	256,135
Total	257,854	316,294	-	574,148

EBITDA, adjusted EBITDA, net debt, adjusted net debt, adjusted net income and non-recurring and non-trade income/expenses are not defined by IFRS. The amounts provided with respect to operating segments are measured in a manner consistent with that of the financial statements. These items determined by the principles defined by Group management comprise income/expenses which are assumed by the Group management to not be part of the normal course of business and are non-recurring items. These items which are not defined by IFRS are disclosed by Group management separately for a better understanding and measurement of the sustainable performance of the Group.

The reconciliation of adjusted EBITDAs for 2020 and 2019 is as follows:

Turkey	**2020**	2019
Adjusted EBITDA[1]	**140,903**	134,599
Non-recurring and non-trade (income)/expenses per Group management[1]		
One off non-trading costs[2]	**1,449**	131
Share-based incentives	**762**	1,336
EBITDA	**138,692**	133,132
Depreciation and amortisation	**(46,787)**	(50,468)
Operating profit	**91,905**	82,664

Domino's Turkey EBITDA includes TRY 6,629 COVID-19 related costs.

Russia	**2020**	2019
Adjusted EBITDA[1]	**2,309**	63,889
Non-recurring and non-trade (income)/expenses per Group management[1]		
One-off non-trading costs[2]	**11,547**	(461)
Share-based incentives	**(877)**	(2,063)
EBITDA	**(8,361)**	66,413
Depreciation and amortisation	**(80,635)**	(66,238)
Operating (loss)/profit	**(88,996)**	175

Domino's Russia EBITDA includes TRY 5,279 COVID-19 related costs.

Other	**2020**	2019
Adjusted EBITDA[1]	**(11,696)**	(8,691)
Non-recurring and non-trade (income)/expenses per Group management[1]		
Share-based incentives	**745**	-
One off non-trading costs	**-**	3,082
EBITDA	**(12,441)**	(11,773)
Depreciation and amortisation	**-**	-
Operating loss	**(12,441)**	(11,773)

1. EBITDA, adjusted EBITDA and non-recurring and non-trade income/expenses are not defined by IFRS. These items are determined by the principles defined by Group management and comprise income/expenses which are assumed by Group management to not be part of the normal course of business and are non-trading items. These items, which are not defined by IFRS, are disclosed by Group management separately for a better understanding and measurement of the sustainable performance of the Group.
2. The reason for the significant increase in one-off non-trading costs is mainly related to impairment expenses of the tangible and intangible assets.

The reconciliation of adjusted net income as of 31 December 2020 and 2019 is as follows:

	2020	2019
Loss for the period as reported	**(107,583)**	(5,616)
Non-recurring and non-trade (income)/expenses per Group management[(1)]		
Share-based incentives	**630**	(727)
One-off expenses/(income)[2]	**12,996**	18
Adjusted net loss for the period	**(93,957)**	(6,325)

1. Adjusted net income and non-recurring and non-trade income/expenses are not defined by IFRS. Adjusted net income excludes income and expenses which are not part of the normal course of business and are non-recurring items. Management uses this measurement basis to focus on core trading activities of the business segments, and to assist it in evaluating underlying business performance.
2. As of 31 December 2020, the one-off expenses include TRY 11,118 impairment expense of tangible and intangible assets and TRY 1,878 severance payment expenses.

The average headcount for the Group is as follows:

		2020			2019	
Category of activities	**Turkey**	**Russia**	**Netherlands**	Turkey	Russia	Netherlands
Executive and senior management	**11**	**9**	**3**	11	10	3
Store employees	**1,243**	**1,745**	**-**	1,392	1,751	-
Support employees	**205**	**128**	**-**	207	155	-
Commissary employees	**43**	**24**	**-**	41	26	-
Total	**1,502**	**1,906**	**3**	1,651	1,942	3

NOTE 4 - REVENUE AND COST OF SALES

	2020	2019
Corporate revenue	**459,698**	494,400
Franchise revenue and royalty revenue obtained from franchisees	**521,510**	406,212
Other revenue[(1)]	**37,955**	79,596
Revenue	**1,019,163**	980,208
Cost of sales	**(689,762)**	(636,466)
Gross profit	**329,401**	343,742

(1) Other revenue mainly includes handover income, IT income and other income from franchisee.

Revenue recognised in relation to contract liabilities

The movements of performance obligations and revenue recognised in relation to contract liabilities for the years ended 31 December 2020 and 2019 are as follows:

	2020	2019
As of 1 January	**32,905**	28,943
Recognised as revenue	**(9,843)**	(9,080)
Increases due to new franchise agreements entered	**15,751**	13,042
As of 31 December	**38,813**	32,905

Unsatisfied long-term franchisee contracts

The Group recognised net sales amounting to TRY 5,170 with respect to the performance obligations satisfied at a point in time for the year ended 31 December 2020 (31 December 2019: TRY 4,668).

The amount of performance obligations relating to ongoing contracts of the Group that will be recognised in the future is TRY 43,983 (31 December 2019: TRY 37,572). The Group expects that this amount will be recorded as revenue within 10 to15 years.

NOTE 5 - EXPENSES BY NATURE

	2020	2019
Employee benefit expenses [1]	**217,368**	204,091
Depreciation and amortisation expenses [1]	**127,422**	116,706
	344,790	320,797

(1) These expenses are accounted in cost of sales, general administration expenses and marketing expenses.

NOTE 6 - OTHER OPERATING INCOME AND EXPENSES

Other income	**2020**	2019
Marketing service income[1]	**4,054**	9,152
Interest income arising from sales with extended terms	**3,831**	4,841
Foreign exchange gains	**2,921**	2,674
Gain from sale of property and equipment	**447**	2,222
Other	**3,800**	3,522
	15,053	22,411

Other expense	**2020**	2019
Impairment expenses [2]	**11,118**	-
Legal and other provision expenses	**3,813**	3,783
Foreign exchange losses	**2,757**	1,348
Losses from sale of property and equipment	**1,200**	1,666
Other	**3,855**	1,072
	22,743	7,869
Other operating (expense)/ income, net	**(7,690)**	14,542

1. The marketing income mainly includes cross-promotion income.
2. Impairment expenses includes write- offs related to long term assets of low performing stores.

NOTE 7 - FINANCIAL INCOME AND EXPENSES

Foreign exchange (losses)/gains	**2020**	2019
Foreign exchange (losses)/gains, net	**(16,357)**	6,840
Foreign exchange losses on lease liabilities	**(62)**	(2,175)
	(16,419)	4,665

Financial income	**2020**	2019
Interest income on lease liabilities	**13,804**	13,736
Interest income	**9,362**	2,364
	23,166	16,100

Financial expense	**2020**	2019
Interest expense	**(51,401)**	(42,739)
Interest expense on lease liabilities	**(34,585)**	(35,767)
Other	**(4,843)**	(6,597)
	(90,829)	(85,103)

NOTE 8 - EARNINGS/(LOSS) PER SHARE

	31 Dec 2020	31 Dec 2019
Average number of shares existing during the period	**145,372,414**	145,372,414
Net loss for the period attributable to equity holders of the parent	**(107,583)**	(5,616)
Loss per share	**(0.7401)**	(0.0386)

The reconciliation of adjusted earnings per share as of 31 December 2020 and 2019 is as follows:

	31 Dec 2020	31 Dec 2019
Average number of shares existing during the period	**145,372,414**	145,372,414
Net (loss)/profit for the period attributable to equity holders of the parent	**(107,583)**	(5,616)
Non-recurring and non-trade expenses per Group management[1]		
Share-based incentives	**630**	(727)
One-off expenses	**12,996**	18
Adjusted net (loss)/profit for the period attributable to equity holders of the parent	**(93,957)**	(6,325)
Adjusted earnings per share[1]	**(0.6463)**	(0.0435)

1. Adjusted earnings per share and non-recurring and non-trade income/expenses are not defined by IFRS. The amounts provided with respect to operating segments are measured in a manner consistent with that of the financial statements. These items determined by the principles defined by Group management comprises income/expenses which are assumed by Group management to not be part of the normal course of business and are non-recurring items. These items which are not defined by IFRS are disclosed by Group management separately for a better understanding and measurement of the sustainable performance of the Group.

There are no shares or options with a dilutive effect and hence the basic and diluted earnings per share are the same.

NOTE 9 - PROPERTY AND EQUIPMENT

	1 Jan 2020	Additions	Disposals[1]	Transfers	Currency translation adjustments	31 Dec 2020
Cost						
Machinery and equipment	**76,825**	**2,681**	**(548)**	**1,942**	**2,120**	**83,020**
Motor vehicles	**29,975**	**6,594**	**(87)**	**-**	**939**	**37,421**
Furniture and fixtures	**62,552**	**6,364**	**(4,945)**	**-**	**138**	**64,109**
Leasehold improvements	**113,118**	**6,119**	**(12,631)**	**1,789**	**1,953**	**110,348**
Construction in progress	**7,425**	**751**	**(98)**	**(3,731)**	**162**	**4,509**
	289,895	**22,509**	**(18,309)**	**-**	**5,312**	**299,407**
Accumulated depreciation						
Machinery and equipment	**(26,380)**	**(12,652)**	**258**	**-**	**(917)**	**(39,691)**
Motor vehicles	**(19,601)**	**(8,618)**	**87**	**-**	**(688)**	**(28,820)**
Furniture and fixtures	**(28,778)**	**(7,418)**	**2,947**	**-**	**(61)**	**(33,310)**
Leasehold improvements	**(55,093)**	**(16,644)**	**6,303**	**-**	**(949)**	**(66,383)**
	(129,852)	**(45,332)**	**9,595**	**-**	**(2,615)**	**(168,204)**
Net book value	**160,043**					**131,203**

(1) As of 31 December 2020, disposals include an impairment charge of TRY 5,279 (31 December 2019: None).

Depreciation expense of TRY 37,079 has been charged in cost of sales and TRY 8,253 has been charged in general administrative expenses.

	1 Jan 2019	Additions	Disposals	Transfers	Currency translation adjustments	31 Dec 2019
Cost						
Machinery and equipment	55,668	20,911	(11,553)	—	11,799	76,825
Motor vehicles	32,963	3,825	(13,082)	—	6,269	29,975
Furniture and fixtures	62,109	9,211	(9,544)	—	776	62,552
Leasehold improvements	91,207	22,798	(13,987)	—	13,100	113,118
Construction in progress	3,024	1,795	—	—	2,606	7,425
	244,971	58,540	(48,166)	—	34,550	289,895
Accumulated depreciation						
Machinery and equipment	(17,975)	(11,120)	6,868	—	(4,153)	(26,380)
Motor vehicles	(18,218)	(8,290)	10,168	—	(3,261)	(19,601)
Furniture and fixtures	(27,848)	(7,271)	6,600	—	(259)	(28,778)
Leasehold improvements	(44,889)	(15,319)	9,242	—	(4,127)	(55,093)
	(108,930)	(42,000)	32,878	—	(11,800)	(129,852)
Net book value	136,041					160,043

Depreciation expense of TRY 33,705 has been charged in cost of sales and TRY 8,295 has been charged in general administrative expenses.

NOTE 10 - INTANGIBLE ASSETS

	1 Jan 2020	Additions	Disposals[1]	Transfers	Currency translation adjustments	31 Dec 2020
Cost						
Key money	**50,622**	**800**	**(7,183)**	**-**	**503**	**44,742**
Computer software	**68,672**	**25,650**	**(5,326)**	**-**	**951**	**89,947**
Franchise contracts	**48,485**	**-**	**-**	**-**	**-**	**48,485**
	167,779	**26,450**	**(12,509)**	**-**	**1,454**	**183,174**
Accumulated amortisation						
Key money	**(12,038)**	**(7,257)**	**1,942**	**-**	**(78)**	**(17,431)**
Computer software	**(28,989)**	**(18,823)**	**4,443**	**-**	**(373)**	**(43,742)**
Franchise contracts	**(45,328)**	**(3,157)**	**-**	**-**	**-**	**(48,485)**
	(86,355)	**(29,237)**	**6,385**	**-**	**(451)**	**(109,658)**
Net book value	**81,424**					**73,516**

(1) As of 31 December 2020, disposals include an impairment charge of TRY 5,109 (31 December 2019: None).

Amortisation expense of TRY 14,520 has been charged in cost of sales and TRY 14,717 has been charged in general administrative expenses.

The Group does not have any intangible assets with an indefinite useful life.

	1 Jan 2019	Additions	Disposals	Transfers	Currency translation adjustments	31 Dec 2019
Cost						
Key money	17,456	29,725	(1,192)	—	4,633	50,622
Computer software	45,573	18,503	(1,349)	—	5,945	68,672
Franchise contracts	48,485	—	—	—		48,485
	111,514	48,228	(2,541)	—	10,578	167,779
Accumulated amortisation						
Key money	(5,342)	(6,967)	1,193	—	(922)	(12,038)
Computer software	(17,178)	(10,145)	1,220	—	(2,886)	(28,989)
Franchise contracts	(40,480)	(4,848)	—	—	—	(45,328)
	(63,000)	(21,960)	2,413	—	(3,808)	(86,355)
Net book value	48,514					81,424

Amortisation expense of TRY 12,994 has been charged in cost of sales and TRY 8,966 has been charged in general administrative expenses.

Franchise contracts

The Group has recognised franchise contracts resulting from a business combination on 26 January 2011 amounting to TRY 48,485 and accounted for them as intangible assets in its consolidated financial statements.

NOTE 11 - RIGHT-OF-USE ASSETS

Details of right-of-use assets as of 31 December 2020 and 2019 are as follows:

	31 Dec 2020	31 Dec 2019[)]
Right-of-use assets		
Properties and vehicles	**112,895**	180,236
	112,895	180,236

Details of lease receivable as of 31 December 2020 and 2019 are as follows:

	31 Dec 2020	31 Dec 2019)
Lease receivables		
Current	**16,621**	16,618
Non-current	**24,674**	39,568
	41,295	56,186

Details of lease liabilities as of 31 December 2020 and 2019 are as follows:

	31 Dec 2020	31 Dec 2019)
Lease liabilities		
Current	**72,476**	71,427
Non-current	**110,549**	184,708
	183,025	256,135

Movement of right-of-use assets

	1 Jan 2020	**Additions**	**Disposals**	**Currency translation adjustments**	**31 Dec 2020**
Right-of-use assets					
Properties and vehicles	**229,432**	**13,285**	**(42,682)**	**4,766**	**204,801**
	229,432	**13,285**	**(42,682)**	**4,766**	**204,801**
Depreciation charge of right-of-use assets					
Properties and vehicles	**(49,196)**	**(52,853)**	**10,199**	**(56)**	**(91,906)**
	(49,196)	**(52,853)**	**10,199**	**(56)**	**(91,906)**
	180,236				**112,895**

For the year ended 31 December 2020, depreciation expense of TRY 45,655 has been charged to the cost of sales and TRY 7,198 has been charged to general administrative expenses (31 December 2019: TRY 44,859 and TRY 7,887, respectively).

	1 Jan 2019	Additions	Disposals	Currency translation adjustments	31 Dec 2019
Right-of-use assets					
Properties and vehicles	162,446	64,855	(30,006)	32,137	229,432
	162,446	64,855	(30,006)	32,137	229,432
Depreciation charge of right-of-use assets					
Properties and vehicles	-	(52,746)	6,325	(2,775)	(49,196)
	-	(52,746)	6,325	(2,775)	(49,196)
	162,446				180,236

In 2020, interest expense on lease liabilities is TRY 20,781 and the total amount of interest of sub-lease expense is TRY 13,804 (31 December 2019: TRY 22,031 and TRY 13,736, respectively).

In 2020, the total cash outflow for principle of leases and interest of leases is TRY 44,317 and TRY 34,585, respectively. In 2020, the total cash inflow for interest of leases is TRY 13,804, respectively (31 December 2019: TRY 60,875, TRY 35,767 and TRY 13,736).

Expenses of low-value assets are TRY 62 (31 December 2020: TRY 60).

NOTE 12 - CASH AND CASH EQUIVALENTS

The details of cash and cash equivalents as of 31 December 2020 and 2019 are as follows:

	31 Dec 2020	31 Dec 2019
Cash	**1,249**	897
Banks	**19,867**	16,744
Term bank deposits (less than three months)	**69,500**	42,745
Credit card receivables[1]	**18,420**	10,542
	109,036	70,928

1. Maturity term of credit card receivables are 30 days on average (31 December 2019: 30 days).

There is no restricted cash as of 31 December 2020 and 2019.

The details of functional currency of the banks is as follows:

	31 Dec 2020	31 Dec 2019
TRY	**75,546**	12,228
RUB	**1,490**	45,451
USD	**12,057**	-
EUR	**274**	1,276
Other	**-**	534
	89,367	59,489

NOTE 13 - TRADE RECEIVABLES AND PAYABLES

a) Short-term trade receivables

	31 Dec 2020	31 Dec 2019
Trade receivables	**89,091**	89,419
Post-dated cheques [1]	**22,932**	27,154
	112,023	116,573
Less: Doubtful trade receivable	**(4,263)**	(2,080)
Short-term trade receivables, net	**107,760**	114,493

1. Post-dated cheques are the receivables from franchisees resulting from store openings.

The average collection period for trade receivables is between 30 and 60 days (2019: between 30 and 60 days).

Movement of provision for doubtful receivables is as follows:

	2020	2019
1 January	**2,080**	92
Current year charges	**2,657**	1,988
Write-off	**(474)**	-
	4,263	2,080

The Group applied IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade, lease and other receivables based on historical losses. The Group analysed the impact of IFRS 9 and the historical losses that were incurred in 2020 also impacted the expected credit losses going forward, resulting in an additional TRY 955 recorded as provision for doubtful receivables (31 December 2019: TRY 606). The Group also assessed whether the historic pattern would change materially in the future. The expected credit loss applied per aging bucket is shown as below:

Not due	0-30 days	31-90 days	91-180 days	181-360 days	Over 360 days
0.20%	**2.00%**	**4.07%**	**7.92%**	**16.86%**	**46.80%**

Lease receivables have no history if default and expected credit loss percentages are close to zero and its effect is immaterial, so the table below consists of only trade and other receivables.

b) Long-term trade receivables

	31 Dec 2020	31 Dec 2019
Trade receivables	**539**	7,467
Post-dated cheques[1]	**16,168**	15,955
	16,707	23,422

1. Post-dated cheques are the receivables from franchisees resulting from store openings.

c) Short-term trade and other payables

	31 Dec 2020	31 Dec 2019
Trade payables	**168,329**	108,995
Other payables	**5,030**	12,183
	173,359	121,178

The weighted average term of trade payables is less than three months. Short-term payables with no stated interest are measured at original invoice amount unless the effect of imputing interest is significant (31 December 2020 and 2019: less than three months).

NOTE 14 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The details of receivables and payables from related parties as of 31 December 2020 and 2019 and transactions is as follows:

a) Key management compensation

	31 Dec 2020	31 Dec 2019
Short-term employee benefits	**22,399**	18,212
Share-based incentives	**1,463**	2,002
	23,862	20,214

There are no loans, advance payments or guarantees given to key management.

b) Board compensation

	Executive Directors		Non-Executive Directors				
Year ending 31 December 2020	Aslan Saranga	Frederieke Slot	Peter Williams	Tom Singer	Seymur Tari	İzzet Talu	Aksel Sahin
Base salary (TRY)	**2,514,253**	**774,647**	**1,302,397**	**603,444**	—	—	—
Benefits (TRY)	**217,338**	**184,312**	**—**	**—**	—	—	—
Pension (TRY)	**—**	**283,681**	**—**	**—**	—	—	—
Annual bonus (TRY)	**—**	**—**	**—**	**—**	—	—	—
Long-term incentives (TRY)	**544,131**	**—**	**—**	**—**	—	—	—
Total (TRY)	**3,275,722**	**1,242,640**	**1,302,397**	**603,444**	**—**	**—**	**—**
Total (local currency)	**3,275,722**	**€153,120**	**£145,000**	**£67,183**	**—**	**—**	**—**

	Executive Directors		Non-Executive Directors				
Year ending 31 December 2019	Aslan Saranga	Frederieke Slot	Peter Williams	Tom Singer	Seymur Tari	İzzet Talu	Aksel Sahin
Base salary (TRY)	2,295,945	634,840	1,083,930	502,221	—	—	—
Benefits (TRY)	171,479	146,013	—	—	—	—	—
Pension (TRY)	—	224,733	—	—	—	—	—
Annual bonus (TRY)	748,086	—	—	—	—	—	—
Long-term incentives (TRY)	614,971	—	—	—	—	—	—
Total (TRY)	3,830,481	1,005,586	1,083,930	502,221	—	—	—
Total (local currency)	₺3,830,481	€158,400	£150,000	£69,500	—	—	—

Notes to the table – methodology

Base salary
This represents the cash paid or receivable in respect of the financial year.

Benefits
This represents the taxable value of all benefits paid or receivable in respect of the relevant financial year. Aslan Saranga's benefits included private health cover and company car. Frederieke Slot's benefits included medical disability allowance, mobility allowance and education, communication and IT allowances.

Pension
Aslan Saranga receives no pension provision; Frederieke Slot received a pension allowance worth 36% of base salary. As explained in Remuneration report, this allowance has been reduced to 10% of base salary in 2021.

Annual bonus
This represents the total bonus payable for the relevant financial year under the ADBP. Chief Executive Officer's 2020 annual bonus pays out at zero

Long-term incentives
This row relates to the expense recognised for the LTIP awards during the period in accordance with IFRS. Since no LTIP awards have been vested to Executive Directors during the period, this column has a zero figure in the remuneration report.

On 8 May 2018, Aslan Saranga was granted an LTIP award amounting to 279,322 shares (share price GBP 1.88), with a vesting date of May 2021 subject to achievement of an EBITDA growth target. As the performance condition was not achieved, no shares will vest for Aslan Saranga as LTIP awards for 2018 in May 2021. On 3 May 2019, Aslan Saranga was granted an LTIP award amounting to 332,706 shares (share price GBP 0.88) which will vest in May 2022 subject to achievement of an EBITDA growth target. On 14 May 2020, Aslan Saranga was granted an LTIP award amounting to 506,212 shares (share price GBP 0.59) which will vest in May 2023 subject to achievement of an EBITDA growth target.

Local currency totals
Part of Aslan Saranga's remuneration and the whole of Frederieke Slot's remuneration is paid in Euros and Peter Williams' and Tom Singer's remuneration is wholly paid in Pound Sterling. Total amounts received by each individual in local currency are shown in the final row of the above table. In the other columns of the table, remuneration has been converted into Turkish Lira for consistency with the financial statements.

NOTE 15 - OTHER RECEIVABLES, ASSETS AND LIABILITIES

Other current receivable and assets	31 Dec 2020	31 Dec 2019
Advance payments[1]	**56,208**	36,217
Lease receivables	**16,621**	16,618
Prepaid taxes and VAT receivable	**4,175**	2,740
Prepaid marketing expenses	**3,001**	1,486
Prepaid insurance expenses	**1,532**	1,029
Deposits for loan guarantees[2]	**1,437**	18,683
Contract assets related to franchising contracts[3]	**879**	482
Other [4]	**6,256**	4,610
Total	**90,109**	81,865

1. As of 31 December 2020 and 2019, advance payments are composed of advances given to suppliers for the purchasing raw material and other services.
2. In 2020, the Group repaid a portion of its loans to Sberbank Moscow and the TRY 19,197 (RUB 195 million) cash deposit condition that was made as collateral by Fidesrus.
3. The Group incurs certain costs with Domino's Pizza International related to the set-up of each franchise contract and IT systems used for recording of franchise revenue.
4. As of 31 December 2020 and 2019, other includes job and personnel advances, short-term security deposits and other prepayments such as subscriptions and travel expenses.

Other non-current receivable and assets	31 Dec 2020	31 Dec 2019
Lease receivables	**24,674**	39,568
Long-term deposits for loan guarantees[1]	**17,760**	15,570
Prepaid marketing expenses	**12,620**	8,232
Contract assets related to franchising contracts[2]	**4,291**	4,186
Deposits given	**5,585**	7,915
Total	**64,930**	75,471

1. In 2020, the Group repaid a portion of its loans to Sberbank Moscow and the TRY 19,197 (RUB 195 million) cash deposit condition that was made as collateral by Fidesrus.
2. The Group incurs certain costs with DP International related to the set-up of each franchise contract and IT systems used for recording of franchise revenue.

Other current liabilities	**31 Dec 2020**	31 Dec 2019
Performance bonuses	**9,619**	4,961
Unused vacation liabilities	**7,977**	7,523
Payable to personnel	**6,368**	8,044
Contract liabilities from franchising contracts[1]	**5,672**	2,908
Volume rebate advances	**5,364**	7,805
Taxes and funds payable	**5,212**	13,351
Advances received from franchisees	**4,239**	4,057
Social security premiums payable	**4,077**	4,109
Other expense accruals	**5,686**	11,254
Total	**54,214**	64,012

1. The Group incurs certain revenue with the set-up of each franchise contract and these franchise fee revenues are deferred over the period of the franchise agreement.

Other non-current liabilities	**31 Dec 2020**	31 Dec 2019
Contract liabilities from franchising contracts [1]	**38,311**	34,664
Long-term provision for employee benefits	**2,874**	2,051
Other	**1,556**	2,377
Total	**42,741**	39,092

1. The Group incurs certain revenue with the set-up of each franchise contract and these franchise fee revenues are deferred over the period of the franchise agreement.

NOTE 16 - FINANCIAL LIABILITIES

	31 Dec 2020	31 Dec 2019
Short-term bank borrowings	**54,088**	164,800
Short-term financial liabilities	**54,088**	164,800
Short-term portions of long-term borrowings	**113,093**	54
Short-term portions of long-term leases	**72,476**	71,427
Current portion of long-term financial liabilities	**185,569**	71,481
Total short-term financial liabilities	**239,657**	236,281
Long-term bank borrowings	**193,015**	153,159
Long-term leases	**110,549**	184,708
Long-term financial liabilities	**303,564**	337,867
Total financial liabilities	**543,221**	574,148

As of 31 December 2020, the fair value of the financial liabilities is TRY 532,408 (31 December 2019: TRY 572,439).

The summary information of short-term and long-term bank borrowings is as follows:

31 December 2020		**Interest**		
Currency	**Maturity**	**rate (%)**	**Short-term**	**Long-term**
TRY borrowings	**Revolving**	**10.48**	**154,960**	**109,041**
RUB borrowings	**2024**	**9.70**	**12,221**	**83,974**
			167,181	**193,015**

31 December 2019		Interest		
Currency	Maturity	rate (%)	Short-term	Long-term
TRY borrowings	Revolving	10,88	164,800	—
RUB borrowings	2024	9.70	54	153,159
			164,854	153,159

The loan agreement between Sberbank Moscow and Domino's Russia is subject to covenant clauses whereby the Group, Domino's Turkey and Domino's Russia are required to meet certain ratios. The financial indicator of:

Domino's Russia, which requires the ratio of financial debt to adjusted EBITDA for the relevant period should not be more than 4.5;

Domino's Turkey, which requires the ratio of financial debt to adjusted EBITDA for the relevant period should not be more than 2.5; and

the Group, which requires the ratio of financial debt to adjusted EBITDA for the relevant period, should not be more than 3.5.

As of 31 December 2020, Sberbank has waived the covenant conditions for 2020 year end, as well as the first and second quarters of 2021. The Group is currently in discussions with Sberbank to reset the covenants for 2021.

The redemption schedule of the borrowings as of 31 December 2020 and 2019 is as follows:

	31 Dec 2020	31 Dec 2019
To be paid in one year	**167,181**	164,854
To be paid between one to two years	**63,762**	4,627
To be paid between two to three years	**76,941**	44,522
To be paid between three years and more	**52,312**	104,010
	360,196	318,013

The redemption schedule of the leases as of 31 December 2020 and 2019 is as follows:

	31 Dec 2020	31 Dec 2019
Leases to be paid in one year	**72,476**	71,427
Leases to be paid between one to two years	**37,045**	77,979
Leases to be paid between two to three years	**28,403**	39,897
Leases to be paid between three years and more	**45,101**	66,832
	183,025	256,135

As of 31 December 2020 and 2019, the net financial liabilities reconciliation is as follows:

	31 Dec 2020	31 Dec 2019
Cash and cash equivalents	**109,036**	70,928
Financial liabilities and leases to be paid in one year	**(239,657)**	(236,281)
Financial liabilities and leases to be paid in one to five years	**(303,564)**	(337,867)
	(434,185)	(503,220)

	31 Dec 2020	31 Dec 2019
Cash and cash equivalents	109,036	70,928
Financial liabilities and leases – fixed rate	(543,221)	(316,294)
Financial liabilities – floating rate	-	(257,854)
	(434,185)	(503,220)

31 December 2020	**Short-term financial liabilities and leases**	**Long-term financial liabilities and leases**	**Total**
1 January financial liabilities	**(236,281)**	**(337,867)**	**(574,148)**
Net cash flow effect, loans received	**(201,166)**	**(98,331)**	**(299,497)**
Net cash flow effect, loans paid	**136,397**	**134,519**	**270,916**
Net cash flow effect, leasing payments	**50,911**	**-**	**50,911**
Other non-cash transaction, leasing payment	**20,781**	**-**	**20,781**
Interest on financial liabilities	**(2,345)**		**(2,345)**
Currency translation adjustments	**(7,954)**	**(1,885)**	**(9,839)**
31 December financial liabilities	**(239,657)**	**(303,564)**	**(543,221)**

31 December 2019	Short-term financial liabilities and leases	Long-term financial liabilities and leases	Total
1 January financial liabilities	(44,330)	(171,276)	(215,606)
Net cash flow effect, loans received	(147,443)	(17,790)	(165,233)
Net cash flow effect, loans paid	5,668	79,785	85,453
Net cash flow effect, leasing payments	60,875	—	60,875
Other non-cash transaction, leasing payment	22,031	—	22,031
Unrealised FX gain and loss	(88,045)	(211,662)	(299,707)
Interest on financial liabilities	(17,311)	—	(17,311)
Currency translation adjustments	(27,726)	(16,924)	(44,650)
31 December financial liabilities	(236,281)	(337,867)	(574,148)

The reconciliation of adjusted net debt as of 31 December 2020 and 2019 is as follows:

	31 Dec 2020	31 Dec 2019
Short-term bank borrowings	**54,088**	164,854
Short-term portions of long-term lease borrowings	**185,569**	71,427
Long-term bank borrowings	**193,015**	153,159
Long-term lease and borrowings	**110,549**	184,708
Total borrowings	**543,221**	574,148
Cash and cash equivalents (-)	**(109,036)**	(70,928)
Net debt	**434,185**	503,220
Non-recurring items per Group management		
Long-term deposit for loan guarantee	**(19,197)**	(34,253)
Adjusted net debt[1]	**414,988**	468,967

1. Net debt, adjusted net debt and non-recurring and non-trade items are not defined by IFRS. Adjusted net debt includes cash deposits used as a loan guarantee and cash paid, but not collected, during the non-working day at the year end. Management uses these numbers to focus on net debt to take into account deposits not otherwise considered cash and cash equivalents under IFRS.

NOTE 17 - TAX ASSETS, LIABILITIES AND TAX EXPENSE

Corporate tax
The Group is subject to taxation in accordance with the tax regulations and the legislation effective in the countries in which the Group companies operate. Therefore, provision for taxes, as reflected in the consolidated financial statements, has been calculated on a separate-entity basis.

The Netherlands
Dutch tax legislation does not permit a Dutch parent company and its foreign subsidiaries to file a consolidated Dutch tax return. Dutch resident companies are taxed on their worldwide income for corporate income tax purposes at a statutory rate of 25%. No further taxes are payable on this profit unless the profit is distributed.

Services incurred by Dutch parent companies may generally be divided into two kinds of services being group services for which costs are incurred for the economic and commercial benefit of subsidiaries and shareholder services for which costs are incurred for activities provided in the capacity of the shareholder. All costs incurred by the Company are shareholder services (costs incurred for activities provided in the capacity of shareholder) and not group services (costs incurred for the economic or commercial benefit of subsidiaries).

Since shareholder services are not for the benefit of any one specific subsidiary, it is not required to re-charge these fees or costs to a subsidiary or to subsidiaries.
If certain conditions are met, income derived from foreign subsidiaries is tax exempted in the Netherlands under the rules of the Dutch participation exemption. However, certain costs such as acquisition costs are not deductible for Dutch corporate income tax purposes. Furthermore, in some cases the interest payable on loans to affiliated companies is non-deductible.

When income derived by a Dutch company is subject to taxation in the Netherlands as well as in other countries, generally avoidance of double taxation can be obtained under the extensive Dutch tax treaty network or under Dutch domestic law.

Dividend distributions are subject to 15% Dutch withholding tax. However, under the Netherlands' extensive tax treaty network, this rate can, in many cases, be significantly reduced if certain conditions are met.

Turkey
The Corporate Tax Law was amended by Law No, 5520, dated 13 June 2006. Most of the articles of the new Corporate Tax Law (No 5520) came into force on 1 January 2006. Corporate tax is payable at a rate of 22% (31 December 2019: 22%) on the total income of the Group after adjusting for certain disallowable expenses, exempt income and investment and other allowances (e.g. research and development allowance). No further tax is payable unless the profit is distributed (except for withholding tax at the rate of 19.8%, calculated on an exemption amount if an investment allowance is granted in the scope of Income Tax Law Temporary Article 61).

With the Law on Amendments to Certain Laws and Tax Laws and Decrees by the Courts dated 28 November 2017, the tax rate has been changed to 22% for corporate tax and advance tax of corporate earnings for the 2018, 2019 and 2020 taxation periods.

Companies are required to pay advance corporate tax quarterly at the rate of 22% on their corporate income in Turkey. Advance tax is payable by the 17th of the second month following each calendar quarter end. Advance tax paid by corporations is credited against the annual corporate tax liability. If, despite offsetting, there remains a paid advance tax amount, it may be refunded or offset against other liabilities to the government.

Russia
Income taxes have been provided for in the consolidated financial statements in accordance with legislation enacted or substantively enacted by the end of the reporting period. The income tax charge comprises current tax and deferred tax and is recognised in profit or loss for the year, except if it is recognised in other comprehensive income or directly in equity because it relates to transactions that are also recognised, in the same or a different period, in other comprehensive income or directly in equity.

Current tax is the amount expected to be paid to, or recovered from, the taxation authorities in respect of taxable profits or losses for the current and prior periods. Taxable profits or losses are based on estimates if financial statements are authorised prior to filing relevant tax returns. Taxes other than on income are recorded within operating expenses as established in Chapter 25 of the Tax Code of the Russian Federation. Corporate tax is payable at a rate of 20% (31 December 2019: 20%) as identified in Article 247 of the Tax Code of the Russian Federation Special rules may apply in cases where a different from 20% tax rate is used.

Deferred income tax is provided using the balance sheet liability method for tax loss carry forwards and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In accordance with the initial recognition exemption, deferred taxes are not recorded for temporary differences on initial recognition of an asset or a liability in a transaction other than a business combination if the transaction, when initially recorded, affects neither accounting nor taxable profit. Deferred tax balances are measured at tax rates enacted or substantively enacted at the end of the reporting period, which are expected to apply to the period when the temporary differences will reverse, or the tax loss carry forwards will be utilised.

Corporate tax liability for the year consists of the following:

	31 Dec 2020	31 Dec 2019
Corporate tax calculated	**22,201**	15,318
Prepaid taxes (-)	**(13,270)**	(6,363)
Tax liability	**8,931**	8,955

Tax income and expenses included in the statement of comprehensive income are as follows:

	2020	2019
Current period corporate tax expense	**(22,201)**	(15,318)
Deferred tax income/(expense)	**8,232**	2,974
Tax expense	**(13,969)**	(12,344)

The reconciliation of the tax expense in the statement of comprehensive income is as follows:

	2020	2019
Profit before tax	**(93,614)**	6,728
Corporate tax at statutory rates (25%)	**23,404**	(1,682)
Disallowable expenses	**(15,672)**	(7,423)
Unrecognised tax losses	**(15,623)**	(5,287)
Differences in tax rates	**(5,351)**	1,646
Other, net	**(727)**	402
Total tax expense	**(13,969)**	(12,344)

The effective tax rate, calculated as a percentage of income before income tax, was (15)% in 2020 (2019: 183%).

The breakdown of cumulative temporary differences and the resulting deferred income tax assets/liabilities at 31 December 2020 and 2019 using statutory tax rates are as follows:

	31 Dec 2020		31 Dec 2019	
	Temporary differences	**Deferred tax assets/ (liabilities)**	Temporary differences	Deferred tax assets/ (liabilities)
Carry forward tax losses[1]	**49,653**	**9,931**	48,180	9,636
Contract liabilities from franchising contracts	**42,959**	**8,592**	34,826	7,486
Expense accruals	**21,804**	**4,361**	15,275	3,057
Right-of-use assets and lease liability	**19,639**	**3,928**	13,625	2,845
Bonus accruals	**9,132**	**1,826**	4,695	1,011
Legal provisions	**5,740**	**1,148**	5,354	1,143
Unused vacation liabilities	**4,021**	**804**	3,368	741
Provision for employee termination benefit	**2,874**	**575**	2,051	451
Other	**4,440**	**888**	1,173	211
	160,262	**32,053**	128,547	26,581
Property and equipment and intangible assets	**(27,763)**	**(5,553)**	(38,390)	(8,521)
	(27,763)	**(5,553)**	(38,390)	(8,521)
Deferred income tax assets, net		**26,500**		18,060

1. Consists of carry forward losses of Domino's Russia.

Deferred income tax assets recognition of Fidesrus

Deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Various factors are considered to assess the probability of the future utilisation of deferred tax assets, including past operating results, operational plan, expiration of tax losses carried forward, and tax planning strategies. If actual results differ from these estimates or if these estimates must be adjusted in future periods, the financial position, results of operations and cash flows may be negatively affected. In the event that the assessment of future utilisation of deferred tax assets must be reduced, this reduction will be recognised in the income statement.

Based on the change in the tax code in the Russian Federation after 31 December 2015, previously applied limitation on carry forward tax losses for a ten-year period has been abolished and any losses incurred since 2007 will be carried forward until fully recognised.

Domino's Russia recognises tax assets for the tax losses carried forward to the extent that the realisation of the related tax benefit through the future taxable profits is probable. Domino's Russia recognises deferred income tax assets arising from tax losses, tax discounts and other temporary differences with the estimates and assumptions relying on Domino's Russia management's five-year business plan and potential growth opportunities in Russia.

Movement of the deferred tax for the years ended 31 December 2020 and 2019 are as follows:

	31 Dec 2020	31 Dec 2019
Balance at the beginning of the year	**18,060**	11,622
Charged to the statement of income	**8,232**	2,974
Currency translation difference	**(28)**	3,434
Charged to other comprehensive income	**236**	30
Balance at the end of the year	**26,500**	18,060

NOTE 18 - SUBSEQUENT EVENTS

On 19 February 2021, Jubilant Foodworks Limited, the largest foodservice company in India, and Fides Food Systems Coöperatief U.A. announced that Jubilant Foodworks Limited and its wholly owned subsidiary, Jubilant Foodworks Netherlands B.V., have entered into a purchase agreement with Turkish Private Equity Fund II L.P. to fully acquire Fides Food Systems Coöperatief U.A., which holds 32.81% of the ordinary share capital of DP Eurasia, for a price of approximately GBP 24.80 million. The transaction was closed on 9 March 2021. Following the closing of the transaction, the Company announced that it will hold an extraordinary General Meeting on 21 April 2021. The business of the EGM will be to consider and, if thought fit, approve certain resolutions including the appointment of Messrs Shyam S. Bhartia, Hari S. Bhartia and Pratik R. Pota as non-executive directors replacing Mr Seymur Tari, Ms Aksel Şahin and Mr Neil Harper as shareholder representatives pursuant to the relationship agreement between the Company and Fides Food Systems. Mr. Seymur Tari, Ms. Aksel Şahin and Mr. Neil Harper have tendered their resignations to take effect immediately after the appointment of Messrs Shyam S. Bhartia, Hari S. Bhartia and Pratik R. Pota.

According to the waiver obtained from Sberbank on 24 December 2020, the Company, Fidesrus B.V. and its Turkish subsidiary are required to sign additional agreements as guarantors until 15 April 2021, as required by the amendment to the Sberbank Loan Agreement dated 20 December 2019. The Group expects no difficulty in meeting this requirement.