

DP Eurasia N.V.

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

Interim Results for the Period Ended 30 June 2021

Full year guidance for Turkey like-for-like raised from 21-25% to 35-40% and adjusted EBITDA expected to be slightly ahead of current market expectations.

Highlights

	For the period ended 30 June		
	2021	2020	Change
(in millions of TRY, unless otherwise indicated)			
Number of stores	789	754	35
Group system sales ⁽¹⁾			
Turkey	754.4	438.9	71.9%
Russia	278.6	212.7	31.0%
Azerbaijan & Georgia	19.3	13.1	47.0%
Total	1,052.2	664.7	58.3%
Group system sales like-for-like growth⁽²⁾			
Group ⁽⁸⁾	53.5%	6.0%	
Turkey	65.0%	13.5%	
Russia (based on RUB)	18.2%	-20.1%	
Revenue	658.0	437.7	50.3%
Turkey adjusted EBITDA⁽³⁾	91.9	50.4	82.4%
Russia adjusted EBITDA⁽³⁾	12.9	(3.0)	n.m.
Adjusted EBITDA⁽³⁾	98.0	42.7	129.7%
Adjusted net income⁽⁴⁾	34.8	(60.9)	n.m.
Adjusted net debt⁽⁵⁾	471.2	445.0	5.9%.

Financial Highlights

- Group revenue up 50.3% and system sales up 58.3%, on the back of unprecedented demand in Turkey and against very weak comparables for H1 2020 in both Turkey and Russia due to the pandemic
 - Turkish systems sales growth of 71.9%
 - Russian system sales growth of 31.0% (15.5% based on RUB)
- Adjusted EBITDA of TRY 98.0 million, representing growth of 129.7% from the previous year
- Adjusted net income of TRY 34.8 million (2020: TRY (60.9) million)
- Strong liquidity position with TRY 110 million of cash at hand and additional available bank lines of TRY 186 million as at 30 June 2021
- Adjusted net debt of TRY 471.2 million as at 30 June 2021 (H1 2020: TRY 445.0 million)

Operational Highlights

- Online delivery system sales⁽⁶⁾ as a share of delivery system sales at 77.5% (June 2020: 75.1%) reflects our continued strong online offering and positioning
- Group online system sales⁽⁷⁾ growth of 77.2%
 - Turkish online system sales growth of 106.7%
 - Russian online system sales growth of 33.2% (17.5% based on RUB)
- 35 net store openings year-on-year

2021 Outlook

Whilst the Board is conscious of the potential continued risks posed by the pandemic, the strong like-for-like performance achieved in Turkey in the first half of the year and the expectation of continued buoyant trading enables raised guidance for full year like-for-like growth rates in Turkey. In late March 2021, guidance was set at 21-25%, which is now being raised to 35-40%.

Given the stronger revenue performance than anticipated earlier in the year, the Board is pleased to report that adjusted EBITDA is now likely to be slightly ahead of the market's current expectations.

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

"On behalf of the Board, I am pleased to report a set of strong results for the first half of 2021 that shows a marked improvement compared to the same period in 2020. We have increased our adjusted EBITDA by 129.7% compared to the same period a year ago on the back of a 50.3% increase in Group revenue.

"Our Turkish business continues to expand in record breaking fashion despite the challenging inflationary environment that we have been experiencing. This is mainly due to our strategy of delivering better value to the customers and better margins to the franchisees for the past 18 months.

"Our Russian business continues to show encouraging signs of improvement and we see positive impact from the implementation of our Russian plan, where we posted positive adjusted EBITDA figures after a loss in the comparable period in 2020.

"Following certain restrictions due to Covid-19, especially related to dine-in service, in the first half of the year, both countries are currently open for business across all three channels. After a slow start to vaccination, both countries have improved their respective vaccination rates, which gives us hope that we will not see any further constraints in the second half of the year.

"Both product and technology innovation continue to be key for the Group. We have launched Çokominos, a chocolate dessert product, and chicken products with different assortment of sauces in Turkey and pear blue cheese pizza and pizza pies in Russia. On the technology front, we have been upgrading the user experience to increase the conversion rates in both the website and the apps.

"The robust franchisee demand has resulted in 16 store openings in Turkey during the first half of the year with a very strong pipeline for the second half of 2021 and beyond. In Russia, we have also added two stores in the first half.

"Digital continues to be the driving force behind our sales with the digital mix in delivery reaching record levels in both Turkey and Russia for the first half of the year.

"Whilst the Board is conscious of the potential continued risks posed by the pandemic, we are increasing our Turkish like-for-like guidance and the Board expects the full year adjusted EBITDA⁽⁶⁾ for 2021 to be slightly higher than the market's current expectations."

Enquiries

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A conference call will be held at 9.30am on 7 September 2021 for analysts and investors via the following dial-in details:

Conference call: UK Toll: +44 3333000804

UK Toll Free: 08003589473

Participant PIN code: 86026261#

URL for international dial in numbers:

http://events.arkadin.com/ev/docs/NE_W2_TF_Events_International_Access_List.pdf

DP Eurasia N.V.'s 2021 interim 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.

⁽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).

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 789 stores (584 in Turkey, 192 in Russia, nine in Azerbaijan and four in Georgia as at 30 June 2021), and operates through its owned corporate stores (28%) and franchised stores (72%). 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 period ended 30 June		
	2021	2020	Change
	(in millions of TRY, unless otherwise indicated)		
Group system sales ⁽¹⁾			
Group	1,052.2	664.7	58.3%
Turkey	754.4	438.9	71.9%
Russia	278.6	212.7	31.0%
Azerbaijan & Georgia	19.3	13.1	47.0%
Group system sales like-for-like growth⁽²⁾			
Group⁽⁸⁾	53.5%	6.0%	
Turkey	65.0%	13.5%	
Russia (based on RUB)	18.2%	-20.1%	
Store Count			
	As at 30 June		
	2021		2020
	Corporate	Franchised	Total
Turkey	103	481	584
Russia	115	77	192
Azerbaijan	-	9	9
Georgia	-	4	4
Total	218	571	789
	Corporate	Franchised	Total
	121	421	542
	120	79	199
	-	9	9
	-	4	4
	241	513	754

DP Eurasia's store count grew by 35 stores year-on-year and by 18 since the end of 2020. The Group increased its system sales by 58.3% year-on-year, driven by a combination of like-for-like sales growth due to unprecedented demand in Turkey and against very weak comparables for H1 2020 in both Turkey and Russia due to the pandemic, and store openings.

The Turkish operations' system sales, representing 72% of Group system sales, increased by 71.9%. The Group achieved 65.0% like-for-like growth in Turkey, overcoming the negative effects of dine-in restrictions by a very strong performance in the delivery channel. As a result of the strong top line performance since the second half 2020, the Company experienced robust franchisee interest in Turkey resulting in a strong store pipeline, laying strong foundations for future growth. The Company's Turkish store count (including Azerbaijan and Georgia) increased by 42 over the last twelve months and sixteen since the end of 2020.

The Russian operations' system sales, representing 26% of Group system sales, increased by 31.0% (15.5% based on RUB). The Group reported 18.2% like-for-like growth in Russia during the period as it was lapping the 72-day lock down period in Moscow in 2020. The Group added two stores since the end of 2020, whilst Russian store count decreased by seven over the last twelve months.

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 period ended 30 June						
2021			2020			
	Turkey	Russia	Total	Turkey	Russia	Total
Store	25.6%	7.7%	22.2%	28.3%	10.9%	23.5%
Online						
Group's online platform	25.9%	69.5%	36.5%	25.1%	73.9%	41.5%
Aggregator	48.1%	22.9%	41.0%	44.4%	15.2%	33.6%
Total online	74.0%	92.3%	77.5%	69.5%	89.1%	75.1%
Call centre	0.4%	-	0.3%	2.3%	-	1.4%
Total⁽⁶⁾	100%	100%	100%	100%	100%	100%

The following table shows the Group's online like-for-like growth⁽²⁾⁽⁷⁾, analysed by the Group's two largest countries in which it operates:

	For the period ended 30 June	
	2021	2020
Group online system sales like-for-like growth⁽²⁾⁽⁷⁾		
Group⁽⁸⁾	73.6%	32.3%
Turkey	91.2%	38.6%
Russia (based on RUB)	19.2%	8.9%

The Group's like-for-like growth continues to be driven by the performance of its online ordering platforms. Online delivery system sales as a share of delivery system sales reached 77.5% for the period, which represents a 2.4 percentage point increase on a year-on-year basis.

In Turkey, online system sales like-for-like growth for the period was 91.2%, as a result of which online delivery system sales as a share of delivery system sales reached 74.0% for the period, a 4.5 percentage point increase from a year ago. This performance was aided also by an increase in volumes through the aggregator and an addition of a second aggregator as a new channel.

In Russia, online system sales like-for-like growth for the period was 19.2%, as a result of which online delivery system sales as a share of delivery system sales reached 92.3% for the period, a 3.2 percentage point increase from a year ago, aided by the Group's participation in an aggregator in May 2020.

Online system sales continued to outpace the overall system sales growth at 77.2% for the Group. Turkish online system sales grew by 106.7%, while Russian online system sales grew by 33.2% (17.5% based on RUB).

Financial Review

	For the period ended 30 June		
	2021	2020	Change
	(in millions of TRY)		
Revenue	658.0	437.7	50.3%
Cost of sales	(426.8)	(309.3)	38.0%
Gross Profit	231.2	128.4	80.1%
General administrative expenses	(95.5)	(76.9)	24.1%
Marketing and selling expenses	(112.2)	(79.5)	41.0%
Other operating expenses, net	(1.1)	(0.9)	22.4%
Operating profit	22.5	(29.0)	n.m.
Foreign exchange gains/(losses)	48.6	(7.6)	n.m.
Financial income	9.0	12.7	-29.1%
Financial expense	(42.3)	(45.5)	-7.1%
Profit/(Loss) before income tax	37.8	(69.4)	n.m.
Tax expense	(17.8)	0.9	n.m.
Profit/(Loss) after tax	19.9	(68.5)	n.m.
 Turkey adjusted EBITDA⁽³⁾	91.9	50.4	82.4%
Russia adjusted EBITDA⁽³⁾	12.9	(3.0)	n.m.
Adjusted EBITDA⁽³⁾	98.0	42.7	129.7%
Adjusted net income⁽⁴⁾	34.8	(60.9)	n.m.
Adjusted net debt⁽⁵⁾	471.2	445.0	5.9%

Revenue

Group revenue grew by 50.3% to TRY 658.0 million. Turkey segment revenue grew by 60.0% to TRY 454.1 million, while Russia segment revenue grew by 32.5% to reach TRY 204.0 million.

Adjusted EBITDA

The Group's adjusted EBITDA grew by 129.7% to TRY 98.0 million. Adjusted EBITDA for the Turkish segment, which includes the Azerbaijani and Georgian businesses, was TRY 91.9 million, a year-on-year increase of 82.4%, and adjusted EBITDA for the Russian segment was TRY 12.9 million. The Group's adjusted EBITDA for H1 2020 figure included TRY 8.6 million of Covid-19 related costs. The same figure for H1 2021 is TRY 1.0 million. Additionally, costs relating to the Group's Dutch corporate expenses reduced adjusted EBITDA by TRY 6.7 million in the first half of 2021. The comparable adverse effect of this item was TRY 4.7 million for the same period in 2020, with the increase in 2021 primarily due to the further devaluation of the TRY against the EUR and the GBP.

For the period ended 30 June 2021, the Group's adjusted EBITDA margin as a percentage of system sales was 9.3% compared to 6.4% over the same period in 2020. The main reason for the increase was the improvement in the operational constraints the Group was subject to in the first half of 2020.

Adjusted EBITDA margin as a percentage of system sales for the Turkish segment (including Azerbaijan and Georgia) recorded an increase to 11.9% from 11.1% mainly due to the strong sales performance creating operating leverage through the system.

The Russian segment margin increased to 4.6% from -1.4% as it returned to profitability after a loss in the period twelve months ago. The main reasons for the increase are the system sales growth achieved and cost cutting measures undertaken in the middle of last year despite increased competition from the aggregators.

Adjusted Net Income

For the period ended 30 June 2021, adjusted net income was TRY 34.8 million. The growth in revenue and adjusted EBITDA as well as the foreign exchange gains due to the devaluation of the TRY against the RUB were the main reasons for the return to profitability. While the Group's bank facilities are TRY and RUB denominated, the Group recorded a foreign exchange gain of TRY 48.6 million primarily due to the devaluation of the TRY against the RUB versus a foreign exchange loss of TRY 7.6 million in the same period of the previous year.

Capital expenditure and Cash conversion

The Group incurred TRY 24.5 million of capital expenditure in the period ended 30 June 2021. The Turkish segment capital expenditure was TRY 18.5 million and the Russian segment capital expenditures amounted to TRY 6.0 million (RUB 57.4 million).

Cash conversion, defined as (adjusted EBITDA - lease expenses - capital expenditure)/(adjusted EBITDA - lease payments)) for the period increased to 61.9% (H1 2020: -103.3%) for the Group as a result of the pandemic and increased competition in Russia. The Turkish segment improved its cash conversion to 77.2% (H1 2020: 57.8%) as a result of its vastly improved adjusted EBITDA and prudent capital expenditure management. The Russian segment had negative cash conversion due to its negative adjusted EBITDA minus lease payment figure.

Adjusted net debt and leverage

The Group's adjusted net debt at 30 June 2021 was TRY 471.2 million, representing an increase of 5.9% from 30 June 2020. The Group's bank borrowings and lease liabilities continue to be denominated in its operational currencies of TRY and RUB. As at 30 June 2021, 54% of the Group's bank borrowings and lease liabilities were denominated in TRY, while 46% is denominated in RUB.

The Group's leverage ratio (defined as adjusted net debt/adjusted EBITDA) decreased to 2.5x as at 30 June 2021 from 3.2x at the end of 2020 as a result of the improving EBITDA performance.

As at 30 June 2021, long term bank borrowings made up 57% of the Group's total bank borrowings.

The Group continues to have a strong liquidity position, having access to cash at hand and additional borrowing capacity available from its Turkish banks. As at 30 June 2021, the Group had TRY 110 million of cash at hand and additional available bank lines of TRY 186 million.

The Group's strong liquidity position enables it to prepay its bank borrowings in Russia if required, and still maintain a strong liquidity position. The Group obtained a waiver from Sberbank with respect to its covenants for all four quarters of 2021 and is in negotiations to reset the covenants or repay the remaining loan. The principal outstanding under the Sberbank loan currently amounts to RUB 0.9 billion, of which RUB 0.2 billion is supported by a cash collateral deposit.

Board compliance statement

The Board of DP Eurasia N.V. declares that, to the best of their knowledge, the attached condensed combined and consolidated financial statements give a true and fair view of the assets, liabilities, financial position and the result of DP Eurasia N.V. and its subsidiaries included in the attached condensed combined and consolidated financial statements and the interim report includes a fair review of the information required pursuant to section 5:25d, subsections 8 and 9 of the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht).

Amsterdam, 7 September 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

Shyam S. Bhartia*

Hari S. Bhartia*

Pratik R. Pota*

David Adams*

* Non-Executive Directors

Auditor's Involvement

This Interim Report for the six months ended 30 June 2021, and the attached condensed consolidated financial statements included herein have been reviewed but not audited by an external auditor.

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

Currency	For the period ended 30 June			
	2021		2020	
	Period End	Period Average	Period End	Period Average
EUR/TRY	10.365	9.485	7.708	7.132
RUB/TRY	0.119	0.105	0.097	0.093
EUR/RUB	86.203	89.547	78.678	77.961

Delivery – Take away / Eat in mix

	For the period ended 30 June					
	2021			2020		
	Turkey	Russia	Total	Turkey	Russia	Total
Delivery	83.2%	77.2%	81.4%	70.0%	77.4%	72.4%
Take away / Eat in	16.8%	22.8%	18.6%	30.0%	22.6%	27.6%
Total⁽²⁾	100%	100%	100%	100%	100%	100%

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2021 AND 30 JUNE 2020**

(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

	Notes	30 June 2021	30 June 2020
Revenue	4	658,038	437,745
Cost of sales	4	(426,797)	(309,339)
GROSS PROFIT		231,241	128,406
General administrative expenses		(95,511)	(76,934)
Marketing and selling expenses		(112,178)	(79,534)
Other operating expense		(1,090)	(891)
OPERATING PROFIT/(LOSS)		22,462	(28,953)
Foreign exchange gains/(losses)	6	48,569	(7,594)
Financial income	6	8,985	12,664
Financial expense	6	(42,254)	(45,506)
PROFIT/(LOSS) BEFORE INCOME TAX		37,762	(69,389)
Tax expense	20	(17,844)	882
Income tax expense		(14,456)	(4,574)
Deferred tax (expense)/income		(3,388)	5,456
PROFIT/(LOSS) FOR THE PERIOD		19,918	(68,507)
OTHER COMPREHENSIVE EXPENSE		(53,764)	(16,735)
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations, net of tax		(415)	165
- Tax income/(expense) of these obligations		104	(41)
Items that may be reclassified to profit or loss			
- Currency translation differences		(53,453)	(16,859)
TOTAL COMPREHENSIVE LOSS		(33,846)	(85,242)
Earnings/(loss) per share	7	0.14	(0.47)

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2021 AND 31 DECEMBER 2020**

(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

ASSETS	Notes	30 June 2021	31 December 2020
Trade receivables	13	17,415	16,707
Lease receivables	10	36,533	24,674
Right-of-use assets	10	106,519	112,895
Property and equipment	8	136,110	131,203
Intangible assets	9	80,801	73,516
Goodwill	11	49,427	47,413
Deferred tax assets	20	27,914	26,500
Other non-current assets	16	51,726	40,256
Non-current assets		506,445	473,164
Cash and cash equivalents	12	85,831	109,036
Trade receivables	13	120,818	107,760
Lease receivables	10	15,483	16,621
Inventories	15	98,925	61,744
Other current assets	16	76,622	73,488
Current assets		397,679	368,649
TOTAL ASSETS		904,124	841,813

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2021 AND 31 DECEMBER 2020**

(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

	Notes	30 June 2021	31 December 2020
EQUITY			
Paid in share capital	19	36,353	36,353
Share premium		119,286	119,286
Contribution from shareholders	21	21,930	20,600
Other reserves			
not to be reclassified to profit or loss			
- Remeasurements of post-employment			
benefit obligations		(3,845)	(3,534)
Other reserves			
to be reclassified to profit or loss			
- Currency translation differences		(64,636)	(11,183)
Retained earnings		(127,997)	(147,915)
Total equity		(18,909)	13,607
LIABILITIES			
Financial liabilities	17	220,438	193,015
Lease liabilities	17	124,260	110,549
Long-term provisions for employee benefits	16	3,134	2,874
Other non-current liabilities	16	43,833	39,867
Non - current liabilities		391,665	346,305
Financial liabilities	17	168,876	167,181
Lease liabilities	17	67,314	72,476
Trade payables	13	218,386	173,359
Current income tax liabilities	20	9,759	8,931
Provisions		7,035	5,740
Other current liabilities	16	59,998	54,214
Current liabilities		531,368	481,901
TOTAL LIABILITIES		923,033	828,206
TOTAL LIABILITIES & EQUITY		904,124	841,813

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2021 30 JUNE 2020

(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

	Share capital	Share premium	Contribution from shareholders	Remeasurement of post-employment benefit obligations	Currency translation differences	Retained earnings	Total Equity
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	-	-	-	124	-	-	124
Currency translation adjustments	-	-	-	-	(16,859)	-	(16,859)
Total loss for the period	-	-	-	-	-	(68,507)	(68,507)
<i>Total comprehensive loss</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>124</i>	<i>(16,859)</i>	<i>(68,507)</i>	<i>(85,242)</i>
Share-based incentive plans (Note 21)	-	-	726	-	-	-	726
Balances at 30 June 2020	36,353	119,286	20,696	(2,467)	(39,147)	(108,839)	25,882
Balances at 1 January 2021	36,353	119,286	20,600	(3,534)	(11,183)	(147,915)	13,607
Remeasurements of post-employment benefit obligations, net	-	-	-	(311)	-	-	(311)
Currency translation adjustments	-	-	-	-	(53,453)	-	(53,453)
Total profit for the period	-	-	-	-	-	19,918	19,918
<i>Total comprehensive loss</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>(311)</i>	<i>(53,453)</i>	<i>19,918</i>	<i>(33,846)</i>
Share-based incentive plans (Note 21)	-	-	1,330	-	-	-	1,330
Balances at 30 June 2021	36,353	119,286	21,930	(3,845)	(64,636)	(127,997)	(18,909)

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2021 AND 30 JUNE 2020**

(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

	Notes	30 June 2021	30 June 2020
Profit/(Loss) before income tax		37,762	(69,389)
Adjustments for:			
Depreciation	8,10	47,110	49,172
Amortisation	9	13,570	14,835
Gains on sale of property and equipment		293	728
Impairment of property and equipment and intangible assets	8,9	3,616	5,321
Performance bonus accrual		5,084	-
Non-cash employee benefits expense -			
share based payments	21	1,330	726
Interest income	6	(8,985)	(12,664)
Interest expense	6	39,326	45,506
Changes in operating assets and liabilities			
Changes in trade receivables		(12,975)	20,762
Changes in other receivables and assets		(7,293)	12,547
Changes in inventories		(37,181)	10,205
Changes in contract assets		(2,085)	198
Changes in contract liabilities		(7,596)	(3,881)
Changes in trade payables		45,027	36,216
Changes in other payables and liabilities		20,544	(751)
Income taxes paid		(13,627)	(11,562)
Performance bonuses paid		(8,784)	(4,119)
Cash flows generated from operating activities		115,136	93,850
Purchases of property and equipment		(7,360)	(7,227)
Purchases of intangible assets	9	(17,156)	(13,248)
Disposals from sale of tangible and intangible assets		3,873	997
Cash flows used in investing activities		(20,643)	(19,478)
Interest paid		(22,257)	(24,855)
Interest on leases paid		(6,883)	(9,272)
Interest received		2,236	5,444
Loans obtained		213,000	309,497
Loans paid	17	(195,437)	(151,564)
Payment of lease liabilities	17	(46,804)	(51,064)
Cash flows (used in)/ generated from financing activities		(56,145)	78,186
Effect of currency translation differences		(61,553)	7,525
Net increase/ (decrease) in cash and cash equivalents		(23,205)	160,083
Cash and cash equivalents at the beginning of the period	12	109,036	70,928
Cash and cash equivalents at the end of the period	12	85,831	231,010

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 30 JUNE 2021

(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

NOTE 1 - GROUP'S ORGANIZATION AND NATURE OF ACTIVITIES

DP Eurasia N.V. (the "Company"), public limited company, having its statutory seat in Amsterdam, the Netherlands, was incorporated under the law of the Netherlands on 18 October 2016. The Company has been incorporated by integrating shares of Fides Food Systems Coöperatief U.A. and Vision Lovemark Coöperatief U.A. in Fidesrus B.V. and Fides Food Systems B.V. Acquisitions occurred on 18 October 2016 when the Company acquired Fidesrus and Fides Foods and their subsidiaries and from this point forward consolidated Group was formed. This was a transaction under common control.

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

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

As at 30 June 2021, the Group hold franchise operating and sub-franchising right in 789 stores (571 franchise stores, 218 corporate-owned stores) (31 December 2020: 771 stores (550 franchise stores, 221 corporate-owned stores).

Subsidiaries

The Company has a total of four fully-owned subsidiaries. The entities included in the scope of the condensed consolidated financial interim information and nature of their business is as follows:

Subsidiaries	30 June 2021 Effective ownership (%)	30 June 2020 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 the Netherlands	Food delivery Investment company
Fidesrus B.V. ("Fidesrus")	100	100	Netherlands	Investment
Fides Food Systems B.V. ("Fides Food")	100	100	the Netherlands	company

Pizza Restaurants LLC is established in the Russian Federation. Domino's Russia is operating a pizza delivery network of company and franchise-owned stores in 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.

NOTE 1 - GROUP'S ORGANIZATION AND NATURE OF ACTIVITIES (Continued)

Pizza Restaurantlari A.Ş. ("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.

Significant changes in the current reporting period

The condensed interim consolidated financial statements have been prepared assuming that the Group will continue as a going concern and be able to realise its assets and discharge its liabilities in the normal course of business. The Group recorded a net profit of TRY 19,918 for the first half of 2021. The Group's current liabilities exceed its current assets by TRY 133,689 as of 30 June 2021. The Group realized operating profit for the first half of 2021 compared to a net loss of TRY 68,507 due to the actions taken in 2020, such as cost optimization and restructuring in Russia management team.

Due to continuing operating loss in Russia,

- a- financial covenants of Groups Russia loan facility have not been met but the Group was able to obtain waivers for March, June, September and December 2021 period-ends. The Group's strong liquidity position enables it to repay its bank borrowings in Russia if required, and still maintain a strong liquidity position.
- b- impairment cost of TRY 4.790 has been recognized for low performing stores.

However, trading performance across the Group has continued its strong momentum throughout the first half of the year, with 18 stores being opened in Turkey and Russia.

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 March 9, 2021.

NOTE 2 - BASIS OF PRESENTATION OF INTERIM FINANCIAL STATEMENTS

2.1 Basis of preparation

These condensed consolidated interim financial statements for the six months period ended 30 June 2021 have been prepared in accordance with International Accounting Standard 34 ("IAS 34") Interim Financial Reporting.

The interim report does not include all the notes of the type normally included in the annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2020 and any public announcements made by the Company during the interim reporting period. These condensed interim financial statements were approved for issue on 6 September 2021. The financial statements have been reviewed, not audited.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Seasonality of operations

There is no significant seasonality effect on the Group's revenue. According to financial year ended 31 December 2020, 43% of revenues accumulated in the first half year, with 57% accumulating in the second half.

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 ('TRY'), 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:

Currency	30 June 2021		31 December 2020		30 June 2020	
	Period End	Period Average	Period End	Period Average	Period End	Period Average
Euros	10.3645	9.48537	9.0079	8.0138	7.708	7.1322
Russian Rubles	0.11942	0.10525	0.0984	0.0964	0.0972	0.0933

NOTE 2 - BASIS OF PRESENTATION OF INTERIM FINANCIAL STATEMENTS (Continued)

2.2 New and amended international financial reporting standards as adopted by European Union

New and amended standards adopted by the Group, which are effective for the interim financial statements as at 30 June 2021

A number of new or amended standards became applicable for the current reporting period:

- Amendment to IFRS 16, 'Leases' – Covid-19 related rent concessions Extension of the Practical expedient
- Amendments to IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform Phase 2
- Amendments IFRS 4, 'Insurance contracts', deferral of IFRS 9

These standards did not have any impact on the Group's accounting policies and did not require retrospective adjustments.

The new standards, amendments and interpretations, which are issued but not effective for the interim financial statements as at 30 June 2021

- IFRS 17, 'Insurance contracts'
- Amendments to IAS 1, Presentation of financial statements on classification of liabilities
- A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 17 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16
- Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8
- Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction

These standards are not expected to have any impact on the Group's accounting policies.

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 30 June 2021 and 2020 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 the economic conditions and geographical positions in terms of risks and returns.

NOTE 3 - SEGMENT REPORTING (Continued)

The segment analysis for the periods ended 30 June 2021 and 2020 are as follows:

1 January-30 June 2021	Turkey	Russia	Other	Total
Corporate revenue	129,362	136,831	-	266,193
Franchise revenue and royalty revenue obtained from franchisees	294,021	61,022	-	355,043
Other revenue	30,682	6,120	-	36,802
Total revenue	454,065	203,973	-	658,038
- <i>At a point in time</i>	450,085	202,786	-	652,871
- <i>Over time</i>	3,980	1,187	-	5,167
Operating profit/(loss)	67,945	(38,739)	(6,744)	22,462
Capital expenditures	18,478	6,038	-	24,516
Tangible and intangible disposals	(2,825)	(1,342)	-	(4,167)
Depreciation and amortisation expenses	(22,638)	(38,042)	-	(60,680)
Adjusted EBITDA	91,913	12,854	(6,744)	98,023
30 June 2021	Turkey	Russia	Other	Total
<i>Borrowings</i>				
TRY	240,653	-	-	240,653
RUB	-	102,689	45,972	148,661
	240,653	102,689	45,972	389,314
<i>Lease liabilities</i>				
TRY	72,068	-	-	72,068
RUB	-	119,506	-	119,506
	72,068	119,506	-	191,574
Total	312,721	222,195	45,972	580,888

NOTE 3 – SEGMENT REPORTING (Continued)

1 January-30 June 2020	Turkey	Russia	Other	Total
Corporate revenue	94,947	108,822	-	203,769
Franchise revenue and royalty revenue obtained from franchisees	176,292	42,401	-	218,693
Other revenue	12,542	2,741	-	15,283
Total revenue	283,781	153,964	-	437,745
- <i>At a point in time</i>	280,825	152,570	-	433,395
- <i>Over time</i>	2,956	1,394	-	4,350
Operating profit/(loss)	23,035	(47,271)	(4,717)	(28,953)
Capital expenditures	16,485	8,137	-	24,622
Tangible and intangible disposals	(997)	-	-	(997)
Depreciation and amortisation expenses	(24,816)	(39,191)	-	(64,007)
Adjusted EBITDA	50,379	(2,989)	(4,717)	42,673
30 June 2020	Turkey	Russia	Other	Total
<i>Borrowings</i>				
TRY	326,418	-	-	326,418
RUB	-	154,169	-	154,169
	326,418	154,169	-	480,587
<i>Lease liabilities</i>				
TRY	78,547	-	-	78,547
RUB	-	142,378	-	142,378
	78,547	142,378	-	220,925
Total	404,965	296,547	-	701,512

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.

NOTE 3 – SEGMENT REPORTING (Continued)

The reconciliation of adjusted EBITDAs as of 30 June 2021 and June 2020 is as follows:

Turkey	30 June 2021	30 June 2020
Adjusted EBITDA (*)	91,913	50,379
Non-recurring and non-trade (income)/expenses per Group Management (*)		
<i>One off non-trading costs</i>	-	1,449
<i>Share-based incentives</i>	1,330	1,079
EBITDA	90,583	47,851
<i>Depreciation and amortisation</i>	(22,638)	(24,816)
Operating profit	67,945	23,035
Russia	30 June 2021	30 June 2020
Adjusted EBITDA (*)	12,854	(2,989)
Non-recurring and non-trade (income)/expenses per Group Management (*)		
<i>One off non-trading costs (**)</i>	13,551	5,444
<i>Share-based incentives</i>	-	(353)
EBITDA	(697)	(8,080)
<i>Depreciation and amortisation</i>	(38,042)	(39,191)
Operating loss	(38,739)	(47,271)

(*) 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.

(**) The reason for the significant increase in one-off non-trading costs is mainly related to impairment expenses of the tangible and intangible assets and consultancy expenses due to cost reduction program.

NOTE 3 - SEGMENT REPORTING (Continued)

<u>Other</u>	30 June 2021	30 June 2020
Adjusted EBITDA (*)	(6,744)	(4,717)
Non-recurring and non-trade (income)/expenses per Group Management (*)		
<i>One off non-trading costs</i>	-	-
EBITDA	(6,744)	(4,717)
Depreciation and amortisation	-	-
Operating loss	(6,744)	(4,717)

- (*) 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 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.

The reconciliation of adjusted net income as of 30 June 2021 and 2020 is as follows:

	30 June 2021	30 June 2020
Profit/(loss) for the period as reported	19,918	(68,507)
Non-recurring and non-trade (income)/expenses per Group Management (*)		
Share-based incentives	1,330	726
One-off expenses	13,551	6,893
Adjusted net profit/(loss) for the period	34,799	(60,888)

- (*) 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.

NOTE 4 - REVENUE AND COST OF SALES

	30 June 2021	30 June 2020
Corporate revenue	266,193	203,769
Franchise revenue and royalty		
revenue obtained from franchisees	355,043	218,693
Other revenue (*)	36,802	15,283
Revenue	658,038	437,745
Cost of sales	(426,797)	(309,339)
Gross profit	231,241	128,406

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

NOTE 5 - EXPENSES BY NATURE

	30 June 2021	30 June 2020
Employee benefit expenses (**)	(124,254)	(100,498)
Depreciation and amortisation expenses (**)	(60,680)	(64,007)

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

NOTE 6 - FOREIGN EXCHANGE LOSSES, FINANCIAL INCOME AND EXPENSES

Foreign exchange gains / (losses)	30 June 2021	30 June 2020
Foreign exchange gains/(losses), net	48,110	(8,582)
Foreign exchange gains on lease liabilities	459	988
	48,569	(7,594)
Financial income	30 June 2021	30 June 2020
Interest income from lease receivables	6,749	7,220
Interest income	2,236	5,444
	8,985	12,664
Financial expense	30 June 2021	30 June 2020
Interest expense	(25,694)	(29,014)
Interest expense on lease liabilities	(13,632)	(16,492)
Other	(2,928)	-
	(42,254)	(45,506)

NOTE 7 - EARNINGS PER SHARE

The reconciliation of adjusted profit/(loss) per share as of 30 June 2021 and 2020 is as follows:

	30 June 2021	30 June 2020
Average number of shares existing during the period	145,372	145,372
Net gain/(loss) for the period attributable to equity holders of the parent	19,918	(68,507)
Earnings/(loss) per share	0.14	(0.47)

The reconciliation of adjusted earnings/(loss) per share as of 30 June 2021 and 2020 is as follows:

	30 June 2021	30 June 2020
Average number of shares existing during the period	145,372	145,372
Net profit/(loss) for the period attributable to equity holders of the parent	19,918	(68,507)
Non-recurring and non-trade expenses per Group Management (*)		
Share-based incentives	1,330	726
One-off expenses	13,551	6,893
Adjusted net loss for the period attributable to equity holders of the parent	34,799	(60,888)
Adjusted Earnings/(loss) per share (*)	0.24	(0.42)

(*) Adjusted earnings per share 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 the Group management comprises incomes/expenses which are assumed by the Group management that are not part of the normal course of business and are non-recurring 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.

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

The earning/ (loss) per share presented for the period ended 30 June 2021 is based on the issued share capital of DP Eurasia N.V. at the date of its incorporation.

NOTE 8 - PROPERTY AND EQUIPMENT

	1 January 2021	Additions	Disposals	Transfers	Impairment(*)	Currency translation adjustments	30 June 2021
Cost							
Machinery and equipment	83,020	1,910	(1,758)	49	-	15,417	98,638
Motor vehicles	37,421	9,557	(12,840)	11	-	6,422	40,571
Furniture and fixtures	64,109	3,270	(666)	1,322	-	1,170	69,205
Leasehold improvements	110,348	1,569	(1,969)	(598)	(5,446)	12,776	116,680
Construction in progress	4,509	611	-	(784)	-	147	4,483
	299,407	16,917	(17,233)	-	(5,446)	35,932	329,577
Accumulated depreciation							
Machinery and equipment	(39,691)	(6,079)	867	-	-	(7,991)	(52,894)
Motor vehicles	(28,820)	(4,351)	11,232	-	-	(5,170)	(27,109)
Furniture and fixtures	(33,310)	(3,759)	411	-	-	(552)	(37,210)
Leasehold improvements	(66,383)	(7,437)	1,479	-	3,525	(7,438)	(76,254)
	(168,204)	(21,626)	13,989	-	3,525	(21,151)	(193,467)
Net book value	131,203						136,110

For the period ended 30 June 2021, depreciation expense of TRY17,890 has been charged in cost of sales and TRY3,736 has been charged in general administrative expenses.

(*) The Group has impaired tangible assets due to store closures.

NOTE 8 - PROPERTY AND EQUIPMENT (Continued)

	1 January 2020	Additions	Disposals	Transfers	Impairment	Currency translation adjustments	30 June 2020
Cost							
Machinery and equipment	76,825	499	-	2,200	(128)	1,394	80,790
Motor vehicles	29,975	4,147	-	-	(84)	611	34,649
Furniture and fixtures	62,552	2,978	(329)	-	-	84	65,285
Leasehold improvements	113,118	2,096	(434)	1,401	(4,595)	1,122	112,708
Construction in progress	7,425	1,654	-	(3,601)	(95)	20	5,403
	289,895	11,374	(763)	-	(4,902)	3,231	298,835
Accumulated depreciation							
Machinery and equipment	(26,380)	(6,009)	-	-	-	(659)	(33,048)
Motor vehicles	(19,601)	(4,518)	-	-	84	(476)	(24,511)
Furniture and fixtures	(28,778)	(3,764)	34	-	-	(44)	(32,552)
Leasehold improvements	(55,093)	(8,286)	80	-	1,539	(678)	(62,438)
	(129,852)	(22,577)	114	-	1,623	(1,857)	(152,549)
Net book value	160,043						146,286

For the period ended 30 June 2020, depreciation expense of TRY17,789 has been charged in cost of sales and TRY4,788 has been charged in general administrative expenses.

NOTE 9 - INTANGIBLE ASSETS

	1 January 2021	Additions	Disposals	Impairment	Currency translation adjustments	30 June 2021
Cost						
Key money	44,742	558	(1,434)	(2,280)	2,903	44,489
Computer software	89,947	16,598	(741)	(589)	7,423	112,638
Franchise contracts	48,485	-	-	-	-	48,485
	183,174	17,156	(2,175)	(2,869)	10,326	205,612
Accumulated depreciation						
Key money	(17,431)	(3,062)	511	737	(724)	(19,969)
Computer software	(43,742)	(10,508)	741	437	(3,285)	(56,357)
Franchise contracts	(48,485)	-	-	-	-	(48,485)
	(109,658)	(13,570)	1,252	1,174	(4,009)	(124,811)
Net book value	73,516					80,801

For the period ended 30 June 2021, amortisation expense of TRY5,972 has been charged in cost of sales and TRY7,598 has been charged in general administrative expenses.

(*) The Group has impaired intangible assets due to store closures.

	1 January 2020	Addition s	Disposal s	Impairmen t	Currency translation adjustment s	30 June 2020
Cost						
Key money	50,622	592	(424)	(2,342)	269	48,717
Computer software	68,672	12,656	(139)	(2,329)	608	79,468
Franchise contracts	48,485	-	-	-	-	48,485
	167,779	13,248	(563)	(4,671)	877	176,670
Accumulated depreciation						
Key money	(12,038)	(3,759)	205	603	(85)	(15,074)
Computer software	(28,989)	(8,652)	10	2,026	(249)	(35,854)
Franchise contracts	(45,328)	(2,424)	-	-	-	(47,752)
	(86,355)	(14,835)	215	2,629	(334)	(98,680)
Net book value	81,424					77,990

For the period ended 30 June 2020, amortisation expense of TRY6,286 has been charged in cost of sales and TRY8,549 has been charged in general administrative expenses.

NOTE 10 - RIGHT OF USE ASSETS

Details of right-of-use assets as of 30 June 2021 and 31 December 2020 are as follows:

	30 June 2021	31 December 2020
Right-of-use assets		
Properties	105,938	111,636
Vehicles	581	1,259
	106,519	112,895

Details of lease receivable as of 30 June 2021 and 31 December 2020 are as follows:

	30 June 2021	31 December 2020
Lease receivables		
Current	15,483	16,621
Non-current	36,533	24,674
	52,016	41,295

Details of lease liabilities as of 30 June 2021 and 31 December 2020 are as follows:

	30 June 2021	31 December 2020
Lease liabilities		
Current	67,314	72,476
Non-current	124,260	110,549
	191,574	183,025

The movement of right-of-use assets as of 30 June 2021 and 2020 are as follows:

	2021	2020
Opening - 1 January	112,895	180,236
Depreciation	(25,484)	(26,595)
Current year additions	7,927	9,046
Current year disposals	(6,101)	(18,748)
Currency translation adjustments	17,282	1,801
Closing - 30 June	106,519	145,740

For the period ended 30 June 2021, amortisation expense of TRY23,653 has been charged in cost of sales and TRY1,831 has been charged in general administrative expenses (30 June 2020: TRY22,969 and TRY3,626, respectively).

The total amount of interest of sub-lease income is TRY6,749 as of 30 June 2021(30 June 2020: 7,220).

As of June 2021, the total cash outflow for principle of leases and interest of leases is TRY46,804 and TRY6,883, respectively (30 June 2020: TRY51,064 and TRY9,272).

NOTE 11 – GOODWILL

	30 June 2021	31 December 2020
1 January	47,413	47,133
Currency translation impact	2,014	280
31 December	49,427	47,413

These Goodwill relates to Turkish and Russian cash generating units at the amounts TRY 36,023 and TRY 13,404 respectively (31 December 2020: TRY36,023 and TRY11,390 (RUB96,016) respectively).

NOTE 12 - CASH AND CASH EQUIVALENTS

The details of cash and cash equivalents as of 30 June 2021 and 31 December 2020 are as follows:

	30 June 2021	31 December 2020
Cash	836	1,249
Banks	56,873	19,867
Term bank deposits (less than three months)	21,500	69,500
Credit card receivables	6,622	18,420
	85,831	109,036

Maturity term of credit card receivables are 30 days on average (31 December 2020: 30 days).

NOTE 13 - TRADE RECEIVABLES AND PAYABLES

a) Short-term trade receivables

	30 June 2021	31 December 2020
Trade receivables	102,620	89,091
Post-dated cheques (*)	23,318	22,932
	125,938	112,023
Less: Doubtful trade receivable	(5,120)	(4,263)
	Short-term trade receivables, net	120,818
	107,760	

The average collection period for trade receivables is between 30 and 60 days (2020: 30 and 60 days).

b) Long-term trade receivables

	30 June 2021	31 December 2020
Trade receivables	1,239	539
Post-dated cheques (*)	16,176	16,168
	17,415	16,707

(*) Post-dated cheques are the receivables from franchisees resulting from store openings.

c) Short-term trade and other payables

	30 June 2021	31 December 2020
Trade payables	205,788	168,329
Other payables	12,598	5,030
	218,386	173,359

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.

NOTE 14 - TRANSACTIONS WITH RELATED PARTIES

Key management compensation

	30 June 2021	30 June 2020
Short-term employee benefits	20,081	11,144
Share-based incentives	1,330	726
	21,411	11,870

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

NOTE 15 - INVENTORIES

	30 June 2021	31 December 2020
Raw materials	97,196	57,292
Other inventory	1,729	4,452
	98,925	61,744

NOTE 16 - OTHER ASSETS AND LIABILITIES

Other current assets

	30 June 2021	31 December 2020
Advance payments (*)	48,730	56,208
Prepaid taxes and VAT receivable	9,572	4,175
Prepaid marketing expenses	5,998	3,001
Deposits for loan guarantees (**)	2,354	1,437
Prepaid insurance expenses	2,122	1,532
Contract assets related to franchising contracts (***)	870	879
Other	6,976	6,256
	76,622	73,488

(*) As of 30 June 2021, advance payments are composed of advances given to suppliers for the purchasing raw material and other services.

(**) The Group repaid a portion of its loans to Sberbank Moscow and the TRY 23,899 (RUB 200 million) cash deposit condition that was made as collateral by Fidesrus

(***) 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.

NOTE 16 - OTHER ASSETS AND LIABILITIES (Continued)

Other non-current assets

	30 June 2021	31 December 2020
Long-term deposits for loan guarantees (*)	21,545	17,760
Prepaid marketing expenses	16,955	12,620
Deposits given	6,841	5,585
Contract assets related to franchising contracts (**)	6,385	4,291
Total	51,726	40,256

(*) The Group repaid a portion of its loans to Sberbank Moscow and the TRY 23,899 (RUB 200 million) cash deposit condition that was made as collateral by Fidesrus.

(**) 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.

Other current liabilities

	30 June 2021	31 December 2020
Payable to personnel	10,105	6,368
Unused vacation liabilities	9,894	7,977
Contract liabilities from franchising contracts (*)	7,745	5,672
Taxes and funds payable	5,753	5,212
Performance bonuses	5,084	9,619
Social security premiums payable	4,898	4,077
Volume rebate advances	4,793	5,364
Advances received from franchisees	2,211	4,239
Other expense accruals	9,515	5,686
Total	59,998	54,214

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

Other non-current liabilities

	30 June 2021	31 December 2020
Contract liabilities from franchising contracts (*)	43,833	38,311
Long term provisions for employee benefits	3,134	2,874
Other	-	1,556
Total	46,967	42,741

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

NOTE 17 - FINANCIAL LIABILITIES

	30 June 2021	31 December 2020
Short term bank borrowings	66,849	54,088
Short-term financial liabilities	66,849	54,088
Short-term portions of long-term borrowings	102,027	113,093
Short-term portions of long-term leases	67,314	72,476
Current portion of long-term financial liabilities	169,341	185,569
Total short-term financial liabilities	236,190	239,657
Long-term bank borrowings	220,438	193,015
Long-term leases	124,260	110,549
Long-term financial liabilities	344,698	303,564
Total financial liabilities	580,888	543,221

30 June 2021

Currency	Maturity	Interest rate (%)	Short-term	Long-term
TRY borrowings	Revolving	12.03	161,074	79,579
RUB borrowings	2024	9.08	7,802	140,859
			168,876	220,438

31 December 2020

Currency	Maturity	Interest 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

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 3.0;
- 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.

The loan agreement between Sberbank Moscow and Domino's Russia is subject to covenant clauses whereby Group, Turkish and Russian Divisions are required to meet certain ratios. As of 30 June 2021, Sberbank has waived the covenant conditions for 2020 year end, as well as the first, second, third and fourth quarters of 2021.

NOTE 17 - FINANCIAL LIABILITIES (Continued)

The redemption schedule of the borrowings as of 30 June 2021 and 31 December 2020 is as follows:

	30 June 2021	31 December 2020
To be paid in one year	168,876	167,181
To be paid between one to two years	95,209	63,762
To be paid between two to three years	61,769	76,941
To be paid between three years and more	63,460	52,312
	389,314	360,196

The details of the finance lease liabilities as of 30 June 2021 and 31 December 2020 are as follows:

	30 June 2021	31 December 2020
Leases to be paid in one year	67,314	72,476
Leases to be paid between one to two years	40,831	37,045
Leases to be paid between two to three years	28,191	28,403
Leases to be paid between three years and more	55,238	45,101
	191,574	183,025

The details of the fair value of the financial liabilities as of 30 June 2021 and 31 December 2020 are as follows:

	30 June 2021		31 December 2020	
	Carrying value	Fair value	Carrying value	Fair value
Borrowings	389,314	450,010	360,196	387,504
Leases	191,574	234,996	183,025	212,353
Total	580,888	685,006	543,221	599,857

NOTE 17 - FINANCIAL LIABILITIES (Continued)

The reconciliation of adjusted net debt as of 30 June 2021 and 31 December 2020 is as follows:

	30 June 2021	31 December 2020
Short-term bank borrowings	66,849	54,088
Short-term portions of long-term borrowings	102,027	113,093
Short-term portions of long-term leases	67,314	72,476
Long-term bank borrowings	220,438	193,015
Long-term leases	124,260	110,549
Total borrowings	580,888	543,221
Cash and cash equivalents (-)	(85,831)	(109,036)
Net debt	495,057	434,185
Non-recurring items		
per Group management		
Long-term deposit for loan guarantee	(23,899)	(19,197)
Adjusted net debt (*)	471,158	414,988

(*) 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 18 - COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

a) Guarantees given to third parties as of 30 June 2021 and December 2020 are as follows;

	30 June 2021	31 December 2020
Guarantee letters given	4,743	4,451
	4,743	4,451

b) Guarantees received for trade receivables are as follows:

	30 June 2021	31 December 2020
Guarantee notes received	63,944	54,174
Guarantee letters received	65,572	23,315
	129,516	77,489

c) Tax contingencies

The Russian transfer pricing legislation is generally aligned with the international transfer pricing principles developed by the Organisation for Economic Co-operation and Development ("OECD") but has specific characteristics. This legislation provides the possibility for tax authorities to make transfer pricing adjustments and impose additional tax liabilities in respect of controlled transactions (transactions with related parties and some types of transactions with unrelated parties), provided that the transaction price is not arm's length.

Tax liabilities arising from transactions between companies within the Group are determined using actual transaction prices. It is possible, with the evolution of the interpretation of the transfer pricing rules, that such transfer prices could be challenged. The impact of any such challenge cannot be reliably estimated; however, it may be significant to the financial position and/or the overall operations of the Group.

The Group includes companies incorporated outside of Russia. The tax liabilities of the Group are determined on the assumption that these companies are not subject to Russian profits tax, because they do not have a permanent establishment in Russia. This interpretation of relevant legislation may be challenged but the impact of any such challenge cannot be reliably estimated currently; however, it may be significant to the financial position and/or the overall operations of the Group.

As Russian tax legislation does not provide definitive guidance in certain areas, the Group adopts, from time to time, interpretations of such uncertain areas that reduce the overall tax rate of the Group. While management currently estimates that the tax positions and interpretations that it has taken can probably be sustained, there is a possible risk that an outflow of resources will be required should such tax positions and interpretations be challenged by the tax authorities. The impact of any such challenge cannot be reliably estimated; however, it may be significant to the financial position and/or the overall operations of the Group.

NOTE 18 - COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Management will vigorously defend the Group's positions and interpretations that were applied in determining taxes recognised in these consolidated financial statements if these are challenged by the authorities.

NOTE 19 - EQUITY

The shareholders and the shareholding structure of the Group at 30 June 2021 and 31 December 2020 are as follows:

	30 June 2021		31 December 2020	
	Share (%)	Amount	Share (%)	Amount
Fides Food Systems Coöperatief U.A.	32.8	11,928	32.8	11,928
Public shares	62.1	22,591	62.1	22,591
Vision Lovemark Coöperatief U.A.	4.9	1,777	4.9	1,777
Other	0.2	57	0.2	57
		36,353		36,353

As of 30 June 2021, the Group's 145,372,414 shares are issued and fully paid for.

The nominal value of each share is EURO 0.12 (2020: EURO 0.12). There is no preference stock.

DP Eurasia's authorised share capital is EUR 60,000,000.

As of 30 June 2021, the Group's 145,372,414 (30 June 2020: 145,372,414) shares are issued and fully paid for.

NOTE 19 - EQUITY (Continued)**Share premium**

Share premium represents differences resulting from the incorporation of Fides Food by Fides Food Systems Coöperatief U.A. at a price exceeding the face value of those shares and differences between the face value and the fair value of shares issued at the IPO.

Ultimate controlling party

The ultimate controlling party of the Company is Jubilant Foodworks Limited There is no individual ultimately controlling the Group.

NOTE 20 - INCOME 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 condensed consolidated financial information, has been calculated on a separate-entity basis. The tax rate used for the period to 30 June 2021 is 25% (31 December 2020: 25%).

Corporate tax liability for the year consists of the following:

	30 June 2021	31 December 2020
Corporate tax calculated	14,456	22,201
Prepaid taxes (-)	(4,697)	(13,270)
Tax liability	9,759	8,931

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

	30 June 2021	30 June 2020
Current period corporate tax expense	(14,456)	(4,574)
Deferred tax (expense)/income	(3,388)	5,456
Tax expense	(17,844)	882

NOTE 20 - INCOME TAX (Continued)

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

	30 June 2021	30 June 2020
Profit before tax	37,762	(69,389)
Corporate tax at statutory rates (25%)	(9,441)	17,347
Disallowable expenses	(7,168)	(6,552)
Unrecognised tax losses	543	(6,087)
Differences in tax rates	(976)	(3,627)
Other, net	(802)	(199)
Total tax expense	(17,844)	882

The breakdown of cumulative temporary differences and the resulting deferred income tax assets/liabilities at 30 June 2021 and 31 December 2020 using statutory tax rates are as follows:

	30 June 2021		31 December 2020	
	Temporary differences	Deferred tax assets/ (liabilities)	Temporary differences	Deferred tax assets/ (liabilities)
Carry forward tax losses (*)	60,231	12,046	49,653	9,931
Contract liabilities from franchising contracts	49,646	11,929	42,959	8,592
Expense accruals	23,808	4,762	21,804	4,361
Right of use assets and lease liability	20,143	4,129	19,639	3,928
Legal provisions	5,617	1,404	5,740	1,148
Unused vacation liabilities	4,391	1,098	4,021	804
Provision for employee termination benefit	3,134	784	2,874	575
Bonus accruals	-	-	9,132	1,826
	166,970	36,152	155,822	31,165
Property and equipment and intangible assets			(27,763)	(5,553)
Other	(23,000)	(6,516)	4,440	888
	(29,140)	(8,238)	(23,323)	(4,665)
Deferred income tax assets, net		27,914		26,500

(*) Consists of carry forward losses of Domino's Russia. Domino's Russia has not recognised any additional tax assets on carry forward losses in 2020 and first half of 2021, the change is the result of the currency translation differences between Russian Roubles and Turkish Lira.

NOTE 21 - SHARE BASED PAYMENTS

The Phantom Option Scheme

The Phantom Option Scheme was completed after %100 stake sale by Turkish Private Equity Fund II L.P. (Note-1)

Senior management long term incentive plan

A share incentive scheme was put in place on 8 May 2018. According to the incentive scheme employees were granted an option to acquire shares, at a strike price of GBP 1.85 with an expiry date of 8 May 2021, based on performance targets of the Group for the upcoming three years, and continuing employment until the date of vesting based on performance targets of the Group for the upcoming three years, and continuing employment until the date of vesting. The shares under the option will vest at the end of the scheme period.

Vesting of 2018-2020 LTIP cycle is completed as of 8 May 2021. No shares vested for Aslan Saranga as the performance condition was not met for 2018-2020 cycle.

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.

Long-term incentive plan for new board adviser

On 7 September 2020, Andrew Rennie, Domino's Pizza Enterprises Limited's ex-CEO of European Operations, agreed to join the Group as Board Adviser. He obtained a call option from the major shareholder Fides Coop for 4 million DPEU shares at a strike price of GBP 1.05 with an expiry date of 30 September 2022.

Under these three existing plans, an amount of TRY 1,330 has been charged for 2021, whereas TRY 1,463 has been charged for 2020 and the cumulative charge is TRY 21,930 as at 30 June 2021 (31 December 2020: TRY 20,600).

NOTE 22 - SUBSEQUENT EVENT

No subsequent events.

Review report

To: the board of directors of DP Eurasia N.V.

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements for the six-month period ended 30 June 2021 of DP Eurasia N.V., Amsterdam, which comprises the condensed consolidated statement of financial position as at 30 June 2021, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity, the condensed consolidated statement of cash flows for the period then ended and the notes to the condensed consolidated interim financial statements. The board of directors is responsible for the preparation and presentation of this (condensed) interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope

We conducted our review in accordance with Dutch law including standard 2410, Review of Interim Financial Information Performed by the Independent Auditor of the entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements for the six-month period ended 30 June 2021 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union.

Amsterdam, 6 September 2021
PricewaterhouseCoopers Accountants N.V.

Original has been signed by B.A.A. Verhoeven RA