CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the years ended 31 December 2023 and 2022

	Notes	2023	2022
Revenue	3	**4,802,678**	3,657,469
Cost of sales	3	**(2,932,361)**	(2,300,989)
Gross profit		**1,870,317**	1,356,480
General administrative expenses		**(757,757)**	(464,638)
Marketing and selling expenses		**(752,475)**	(571,020)
Other operating (loss) / income, net		**(23,570)**	(9,368)
Operating profit		**336,515**	311,454
Foreign exchange income	5	**110,462**	140,911
Financial income	5	**90,898**	180,634
Financial expense	5	**(471,706)**	(396,028)
Monetary gain		**368,574**	78,262
Profit/ (loss) before income tax		**434,743**	315,232
Tax expense	17	**(16,982)**	17,690
Profit from continuing operations		**417,761**	332,922
Loss from discontinued operations	21	**(134,880)**	(347,819)
PROFIT /(LOSS) FOR THE PERIOD		**282,881**	(14,897)
Other comprehensive expense		**13,479**	(263,850)
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations, net of tax		**(2,884)**	(9,649)
Items that may be reclassified to profit or loss			
- Currency translation differences		**(81,246)**	(248,176)
- Currency translation differences from discontinued operations		**97,609**	(6,025)
Total comprehensive loss		**296,360**	(278,747)

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

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the years ended 31 December 2023 and 2022

Assets	**Notes**	**31 Dec 2023**	31 Dec 2022
Trade receivables	11	**33,184**	26,965
Lease receivables	14	**158,303**	156,983
Right-of-use assets	8	**275,645**	162,370
Property and equipment	6	**257,620**	203,622
Intangible assets	7	**182,975**	151,541
Goodwill	9	**386,552**	386,552
Deferred tax assets	16	**-**	6,892
Other non-current assets	14	**125,127**	114,383
Non-current assets		**1,419,406**	1,209,308
Cash and cash equivalents	10	**522,100**	593,280
Trade receivables	11	**513,221**	490,958
Lease receivables	14	**58,763**	22,534
Inventories	13	**386,243**	393,501
Current income tax assets		**41,532**	74,837
Other current assets	14	**236,986**	267,175
Current assets		**1,758,845**	1,842,285
Assets held for sale	**21**	**-**	717,421
Total assets		**3,178,251**	3,769,014
Equity			
Paid in share capital	19	**36,353**	36,353
Share premium		**441,632**	441,632
Contribution from shareholders	18	**102,042**	76,604
Other reserves not to be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations		**(21,603)**	(18,719)
Other reserves to be reclassified to profit or loss			
- Currency translation differences		**(617,526)**	(633,889)
Retained earnings		**332,630**	49,749
Total equity		**273,528**	(48,270)
Liabilities			
Financial liabilities	15	**72,499**	106,972
Lease liabilities	15	**307,024**	251,150
Long-term provisions for employee benefits	14	**16,489**	22,562
Deferred tax liability	17	**2,947**	-
Other non-current liabilities	14	**170,977**	255,247
Non - current liabilities		**569,936**	635,931
Financial liabilities	15	**861,421**	1,201,577
Lease liabilities	15	**135,679**	70,690
Trade payables	11	**946,703**	583,987
Provisions		**32,328**	5,664
Other current liabilities	14	**358,656**	224,025
Current liabilities		**2,334,787**	2,085,943
Liabilities related to assets held for sale	**21**	**-**	1,095,408
Total liabilities		**2,904,723**	3,817,282
Total liabilities and equity		**3,178,251**	3,769,012

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

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	Share capital	Share premium	Contribution from shareholders	Remeasurement of post-employment benefit obligations	Currency translation differences	Retained earnings	Total equity
Balances at 1 January 2022	36,353	441,632	71,715	(9,070)	(379,688)	64,646	225,588
Remeasurements of post-employment benefit obligations, net	-	-	-	(9,649)	-	-	(9,649)
Currency translation adjustments	-	-	-	-	*(254,201)*	-	*(254,201)*
Total loss for the period	-	-	-	-	-	*(14,897)*	*(14,897)*
Total comprehensive loss	-	-	-	(9,649)	(254,201)	(14,897)	(278,747)
Share-based incentive plans (Note 18)	-	-	4,889	-	-	-	4,889
Balances at 31 December 2022	36,353	441,632	76,604	(18,719)	(633,889)	49,749	(48,270)
Balances at 1 January 2023	**36,353**	**441,632**	**76,604**	**(18,719)**	**(633,889)**	**49,749**	**(48,270)**
Remeasurements of post-employment benefit obligations, net	-	-	-	(2,884)	-	-	(2,884)
Currency translation adjustments	-	-	-	-	*16,363*	-	*16,363*
Total profit for the period	-	-	-	-	-	*282,881*	*282,881*
Total comprehensive loss	**-**	**-**	**-**	**(2,884)**	**16,363**	**282,881**	**296,360**
Share-based incentive plans (Note 18)	-	-	25,438	-	-	-	25,438
Balances at 31 December 2023	**36,353**	**441,632**	**102,042**	**(21,603)**	**(617,526)**	**332,630**	**273,528**

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

		31 December 2023	31 December 2022
Profit before income tax	**Notes**	**434,743**	315,232
Adjustments for:			
Depreciation	6	**74,083**	149,899
Amortisation	7,8	**169,921**	31,224
Performance bonus accrual	14	**61,190**	48,748
Non-cash employee benefits expense – share-based payments	18	**25,438**	8,056
Interest income	5	**(90,898)**	(180,634)
Interest expense	5	**427,501**	368,839
Impairment of tangible and intangible assets		**-**	-
Hyperinflation adjustments		**(350,519)**	(407,465)
Cash flows from discontinued operation		**(512,867)**	(810,406)
Effect of currency translation differences		**33,181**	(733,605)
Changes in operating assets and liabilities			
Changes in trade receivables		**(29,802)**	152,697
Changes in other receivables and assets		**(4,912)**	5,271
Changes in inventories		**7,258**	(24,503)
Changes in contract assets		**(4,981)**	(835)
Changes in contract liabilities		**(76,040)**	(46,010)
Changes in trade payables		**362,716**	(67,465)
Changes in other payables and liabilities		**68,883**	(6,823)
Income taxes paid	17	**33,305**	40,229
Cash flows generated from operating activities		**628,200**	(1,157,551)
Purchases of property and equipment	6	**(133,056)**	(56,876)
Purchases of intangible assets	7	**(111,978)**	(55,319)
Cash flows from discontinued operation		**-**	726,263
Disposals from sale of tangible and intangible assets		**5,410**	27,782
Cash flows used in investing activities		**(239,624)**	**641,850**
Interest paid		**(245,303)**	(280,707)
Interest on leases paid		**(89,571)**	(88,132)
Interest received		**90,898**	137,037
Loans obtained	15	**1,642,752**	1,885,101
Loans paid	15	**(1,522,394)**	(1,372,547)
Cash flows from discontinued operation		**-**	263,086
Payment of lease liabilities	15	**(102,917)**	(261,999)
Cash flows (used in)/generated from financing activities		**(226,535)**	**281,839**
Effects of inflation on cash and cash equivalents		**(233,221)**	407,465
Net increase in cash and cash equivalents		**162,041**	**173,603**
Cash and cash equivalents at the beginning of the period		**593,280**	419,677
Cash and cash equivalents at the end of the period		**522,100**	593,280

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 – The Group's organisation and nature of activities

DP Eurasia N.V. (the "Company"),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 to as the "Group") perform its activities in corporate-owned and franchised stores in Turkey, including providing technical support, control and consultancy services to the franchisees.

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.

As at 31 December 2023, the Group holds franchise operating and sub-franchising rights in 701 stores (622 franchised stores, 79 corporate-owned stores) (31 December 2022: 859 stores (697 franchised stores, 162 corporate-owned stores)).

The consolidated financial statements as at and for the period ended 31 December 2023 have been approved and authorised for issue on XX August 2024 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	**2023 Effective ownership (%)**	2022 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. Please refer to Note 2.4 and Note 21 for the details of the discontinued operations.

Pizza Restaurantları 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 and has corporate and franchised coffee stores under the brand of Coffy. 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.

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

Note 2 – Basis of presentation of consolidated financial statements

2.1 Financial reporting standards

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS as adopted by EU") and interpretations issued by the IFRS Interpretations Committee ("IFRS IC") applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board ("IASB") and Title 9 of Book 2 of the Dutch Civil Code. The policies set out below have been consistently applied to all the periods and the years presented, unless otherwise stated. The consolidated financial statements have been prepared under the historical cost convention.

Domino's Turkey is registered in Turkey; it individually maintains its accounting records in TRY and prepares its statutory financial statements in accordance with the Turkish Financial Reporting Standards ("TFRS"). The stand-alone financial statements of Domino's Turkey are based on the statutory accounting records, with adjustments and reclassifications recorded for the purpose of fair presentation in accordance with IFRS as adopted by the EU.

Domino's Russia is registered in the Russian Federation; it individually maintains its accounting records in RUB and prepares its statutory financial statements in accordance with the Regulations on Accounting and Reporting ("RAR") of the Russian Federation. The stand-alone financial statements of Domino's Russia are based on the statutory accounting records, with adjustments and reclassifications recorded for the purpose of fair presentation in accordance with IFRS as adopted by the EU.

Application of IAS 29 - Hyperinflation in Turkey

The Turkish economy has been designated as a hyperinflationary economy in the first half of 2022 and, as a result, IAS 29 "Financial Reporting in Hyperinflationary Economies" has become applicable to the Group's subsidiaries whose functional currency is the Turkish Lira (Domino's Turkey). IAS 29 requires companies to report the results of the operations in Turkey, as if these had always been highly inflationary. Specifically, IAS 29 requires:

- Adjustment of historical cost of the non-monetary assets and liabilities for the change in purchasing power caused by inflation from the date of initial recognition to the end of the reporting date;
- Non-adjustment of the monetary assets and liabilities, as they are already expressed in the measuring unit current at the end of the reporting period;
- Adjustment of the statement of comprehensive income for inflation and its translation with the average index rate;
- Recognition of gain or loss on net monetary position in profit or loss in order to reflect the impact of inflation rate movement on holding monetary assets and liabilities in local currency.
- There are no items measured at current cost.
- All items in the statement of cash flows are expressed in terms of the measuring unit current at the end of the reporting period.
- The restatement of financial statements in accordance with this Standard may give rise to differences between the carrying amount of individual assets and liabilities in the statement of financial position and their tax bases. These differences are accounted for in accordance with IAS 12 Income Taxes.
- Total cumulative effect of restating non-monetary items in accordance with IAS 29 on opening balance sheet of 1 January 2021 are recognised in retained earnings.

IAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the balance sheet date, and that corresponding figures for previous periods be restated in the same terms. The restatement of the comparative amounts was calculated by means of conversion factors derived from the Turkish nationwide consumer price index ("CPI") published by the State Institute of Statistics ("SIS"). Indices and conversion factors used to restate the comparative amounts until 31 December 2023 are given below:

Date	Index	Conversion factor	Cumulative three-year inflation rate
31 December 2023	1859,38	1,000	268%
31 December 2022	1128,45	1,647	156%
31 December 2021	686.95	2.706	74%

The financial statements of Group's subsidiaries, whose functional currency is the currency of a hyperinflationary economy, are adjusted for inflation and prior year comparatives have been restated for hyperinflation in the consolidated financial statements.

In the consolidated income statement for the twelve months ended on 31 December 2023, the Group recognized a total gain on net monetary position of TRY 368,574 thousand. (31 December 2022: TRY 78,262)

The Group used the conversion coefficient derived from the consumer price index published by Turkish Statistics Institute (TUIK). The conversion coefficient was 1859,38 and 1128,45 on 31 December 2023 and 31 December 2022, respectively. One conversion coefficient per period has been determined and calculated as purchases and sales are relatively fairly divided over the year.

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

Going concern assumption

The 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.

2.2 Principles of consolidation

The consolidated financial statements include the parent company, DP Eurasia N.V. and its subsidiaries for the year ended 31 December 2023. 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 the 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 can 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 at 31 December 2023 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. After disposal of an asset or disposal group inter-group balances are eliminated against discontinued operations. 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 rate differences arising on the translation of a monetary item that forms part of a legal entity's net investment in a foreign operation are recognised in the foreign exchange translation reserve in equity. 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 2023		**31 Dec 2022**	
Currency	**Period End**	**Period Average**	Period End	Period Average
Euros ("EUR")	**32.5739**	**25.6852**	19.9349	17.36424
Russian Roubles ("RUB")	**0.3261**	**0.2755**	0.25948	0.249513

Last year discontinued operations and assets held for sale as a disposal process was initiated and a divestment was anticipated for Russia. However, during 2023 it appeared not possible to divest the company. Therefore, the Group decided to liquidate the Company. Consequently, Russian still classified as discontinued operations, but no assets held for sale in 2023. Impact of provisions is amounting to TRY 28 million.

2.3 New and amended international financial reporting standards
New and amended standards adopted by the Group, which are applicable for the financial statements as at 31 December 2023

A number of new or amended standards became applicable for the current reporting period and the Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2023:

- Narrow scope amendments to IAS 1, Practice Statement 2 and IAS 8; effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

- Amendment to IAS 12 ‐ Deferred tax related to assets and liabilities arising from a single transaction; effective from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

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

2.3 New and amended international financial reporting standards (Continued)

- Amendment to IAS 12 - International tax reform ; The temporary exception is effective for December 2023 year ends and the disclosure requirements are effective for accounting periods beginning on or after 1 January 2023, with early application permitted. These amendments give companies temporary relief from accounting for deferred taxes arising from the Minimum Tax Implementation Handbook international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

The new standards, amendments and interpretations, which are issued but not effective for the financial statements as at 31 December 2023:

- Amendment to IAS 1 ‑ Non-current liabilities with covenants
- Amendments to IFRS 16 – Leases on sale and leaseback
- Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements
- Amendments to IAS 21 - Lack of Exchangeability
- IFRS S1 - General requirements for disclosure of sustainability-related financial information
- IFRS S2 – Climate related disclosures

The amendments are not expected to have an impact on the financial position or performance of the Group.

2.4 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"), see Note 2.5 for the accounting of foreign currency transactions. Foreign currency transactions are translated using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rates at the balance sheet date. Foreign exchange gains and losses resulting from trading activities (trade receivables and payables) denominated in foreign currencies of the Group companies have been accounted for under "other operating income/expenses" whereas foreign exchange gains and losses resulting from the translation of other monetary assets and liabilities denominated in foreign currencies have been accounted for under "financial income/expenses" in the consolidated income statement.

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

2.5 Summary of significant accounting policies

Revenue recognition

(i) Sale of goods – wholesale
The Group sells raw materials and equipment to franchise-owned stores. Sales are recognised at a point in time when control of the products has transferred, being when the products are delivered to the franchisees, franchisees have full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the franchisees' acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the franchisee, and either the franchisees has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied. The financing component is only taken into consideration when the length of the time between the transfer of services and the related consideration is expected to exceed one year, and the effect is material. The Group adjusts the promised amount of consideration for the effects of the time value of money when the timing of payments agreed provides either the customer or the entity with a significant benefit of financing.
Revenue generated from sale of raw materials and equipment to franchise-owned stores is classified under "Franchise revenue and royalty revenue obtained from franchisees" in Notes 3.

(ii) Sale of goods – retail
The Group operates a chain of stores selling and delivering pizza. Revenue from the sale of goods is recognised at a point in time when the store sells a product to the customer. Revenue generated from chain stores selling and delivering pizza is classified under "Corporate revenues" in Notes 3.

Payment of the transaction price is due immediately when the customer purchases the pizza and the pizza is delivered to the customer.

(iii) Revenue from royalties
Royalties are calculated based on franchise-owned store sales to customers, which are recognised on the same basis as the corporate (retail) sales by the Group. Royalties are recognised in the period the related sale occurs. Revenue generated from royalties is classified under "Franchise revenue and royalty revenue obtained from franchisees" in Notes 3.

2.5 Summary of significant accounting policies (Continued)

(iv) Sale of goods – customer loyalty programme
The Group operates a loyalty programme where retail customers accumulate points for purchases made which entitle them to discounts on future purchases. A contract liability for the award points is recognised at the time of the sale. Revenue is recognised when the points are redeemed or when they expire twelve months after the initial sale.

The points provide a material right to customers that they would not receive without entering a contract. Therefore, the promise to provide points to the customer is a separate performance obligation. The transaction price is allocated to the product and the points on a relative stand-alone selling price basis.

Management estimates the stand-alone selling price per point based on the discount granted when the points are redeemed and based on the likelihood of redemption, based on past experience. The stand-alone selling price of the product sold is estimated based on the retail price. Other discounts are not considered as they are only given in rare circumstances.
A contract liability is recognised until the points are redeemed or expire.

(v) Revenue from franchise fees

The Group receives a franchise fee from each franchise that joins the Group and operates under the name of Domino's Pizza; however, the performance obligation of the Group is related to the services provided during the agreement. These franchise fee revenues are deferred during the period of the franchise agreement and those deferred revenues are included in the other non-current liabilities. Revenue generated from royalties is classified under "Other revenues" in Notes 3.

Franchise arrangement involves the right to operate in a specific location as well as other goods and services, such as point-of-sale systems, restaurant concept, menus and benefits from national advertising campaigns. Revenue generates from franchise fees are generated in proportion to time passed since the inception of the franchise contract.

In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed to by the parties to the contract provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component.

(vi) Costs to fulfil a contract
The Group incurs certain costs with Domino's Pizza International related to set up of each franchise contract and IT systems used for recording of franchise revenue. The costs relate directly to the franchise contract, generate resources used in satisfying the contract and are expected to be recovered. They are therefore capitalised as costs to fulfil a contract and are expensed over the life of the contract. Costs to fulfil a contract are classified under "Other assets" in the statement of financial position.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances, credit card receivables and cash at banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of change in value.

Trade receivables
Trade receivables, that are recognised by way of providing goods or services directly to a debtor, are accounted for initially at fair value and subsequently measured at amortised cost, using the effective interest method, less allowance for expected credit losses, if any.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. The allowance for expected credit losses ("ECL") of trade receivables is based on individual assessments of expected non-recoverable receivables as well as on expected credit losses estimated using a provision matrix by reference to past default experience on the trade receivables.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Trade and other payables
Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are recognised initially at fair value and subsequently measured at amortised cost. Trade payables are classified as current liabilities if payment is due within one year or less, otherwise they are presented as non-current liabilities.

Borrowings
Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds and the redemption value is recognised in the income statement over the period of borrowing using the effective interest rate method.

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

Inventories

Raw materials and trade goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure; costs are assigned to individual items of inventory based on weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Financial investments

Classification and measurement

The Group classifies its financial assets in three categories: financial assets carried at amortised cost, financial assets carried at fair value through profit or loss and financial assets carried at fair value through other comprehensive income. Classification is performed in accordance with the business model determined based on the purpose of benefits from financial assets and expected cash flows. Management performs the classification of financial assets at the acquisition date. Financial assets measured at amortised cost are non-derivative financial assets that are held as part of a business model that aims to collect contractual cash flows and that have cash flows that include interest payments on principal dates and principal balances on certain dates under contractual terms.

Classification and measurement

The Group's financial assets which are recognised at amortised cost include, cash and cash equivalents, trade receivables, lease receivables and other receivables. The assets are measured at their fair values in the initial recognition of financial assets and discounted values by using the effective interest rate method in the subsequent accounting. Gains and losses resulting from the valuation of non-derivative financial assets measured at amortised cost are recognised in the consolidated statement of profit and loss.

Financial assets carried at amortised cost

Impairment

The Group has applied a simplified approach for the calculation of impairment on its receivables carried at amortised cost. In accordance with this method, if no provision has been recognised on the trade receivables, lease receivables and other receivables because of a specific event, the Group measures the expected credit loss from these receivables by the lifetime expected credit loss. The calculation of expected credit loss is performed based on the experience of the Group and its expectation based on the macroeconomic indications.

Financial assets carried at fair value

Assets that are held by management for collection of contractual cash flows and/or for selling the financial assets are measured at their fair value. If management does not plan to dispose of these assets in twelve months after the balance sheet date, they are classified as non-current assets. The Group makes a choice for the equity instruments during the initial recognition and elects profit or loss or other comprehensive income for the presentation of fair value gain and loss. The Group has no financial assets carried at fair value in the current financial statements.

(i) Financial assets carried at fair value through profit or loss

Financial assets carried at fair value through profit or loss comprise of "derivative instruments" in the statement of financial position. Derivative instruments are recognised as an asset when the fair value of the instrument is positive, and as a liability when the fair value of the instrument is negative.

(ii) Financial assets carried at fair value through other comprehensive income

Financial assets carried at fair value through other comprehensive income comprise "financial assets" in the statement of financial position. When the financial assets carried at fair value through other comprehensive income are sold, the fair value gain or loss classified in other comprehensive income is classified to retained earnings.

Property and equipment

Property and equipment are carried at cost less accumulated depreciation and any impairment in value. When assets are sold or retired, their cost and accumulated depreciation are eliminated from the related accounts and any gain or loss resulting from their disposal is included in the income statement.

The initial cost of property and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset ready for use. Expenditures incurred after the fixed assets have been put into operation, such as repairs and maintenance, are normally charged to the income statement in the year the costs are incurred. If the asset recognition criteria are met, the expenditures are capitalised as an additional cost of property and equipment.

Except for the construction in progress, depreciation is computed on a straight-line basis over the estimated useful lives. The depreciation terms are as follows:

	Useful life (years)
Machinery and equipment	3-40
Motor vehicles	3
Furniture and fixtures	6-10
Leasehold improvements	5

The expected useful life, residual value and depreciation method are evaluated every year for the probable effects of changes arising in the expectations and are accounted for prospectively.

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Fair value less cost to sell is the amount obtainable from the sale of an asset less the costs of disposal.

Gains or losses on disposals or suspension of property and equipment are determined by sale revenue less net book value and collected amount and included in the related other income or other expense accounts, as appropriate.

Intangible assets

Key money
Key money comprises payments made to former franchisees of the Group to obtain franchising rights back from them (e.g.) the area map and related rights). Key money is capitalised as long-lived assets and amortised over five years on a straight-line basis and subject to impairment reviews. Impairment reviews for key money are undertaken if events or changes in circumstances indicate a potential impairment.

Franchise contracts

Franchise contracts are composed of fees paid for the acquisition of the master franchise for the markets in which the Group operates. These are carried at cost less accumulated amortisation and any impairment loss. The useful economic lives of the assets are ten years and are amortised on a straight-line basis.

Software

Computer software, amongst others for online customer interface and financial reporting, is carried at cost less accumulated amortisation and any impairment loss. Externally acquired computer software and software licences are capitalised at the cost incurred to acquire and bring into use the specific software. Internally developed computer software programmes are capitalised to the extent that costs can be separately identified and attributed to software programmes, measured reliably, and that the asset developed can be shown to generate future economic benefits. These assets are considered to have finite useful lives and are amortised on a straight-line basis over the estimated useful economic lives of each of the assets, considered to be between three and five years. Estimated useful lives and the amortisation method are reviewed at the end of each year and the effect of any change in the estimate is accounted for prospectively.

Advertising, promotion and marketing costs are not capitalised and are recognised in the income statement.

Business combinations and goodwill

A business combination is the bringing together of separate entities or businesses into one reporting entity. Business combinations are accounted for using the acquisition method in accordance with IFRS 3.

The consideration transferred for a business combination is the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquired business and in addition, any costs directly attributable to the business combination. The cost of the business combination at the date of the acquisition is adjusted if a business combination contract includes clauses that enable adjustments to the cost of the business combination depending on events after the acquisition date, and the adjustment is measurable more probable than not. Costs of the acquisition are recognised in the related period.

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquire and the fair value of the non-controlling interest in the acquire.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or group of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment.
The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Goodwill is not amortised, but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Impairment of non-financial assets

The carrying values of assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss is recognised at the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Value in use is the present value of estimated future cash flows expected to arise from the use of an asset and from its disposal at the end of its useful life while the fair value less cost to sell is the amount that will be collected from the sale of the asset less costs of disposal.

Estimated future cash flows are typically based on five-year forecasts and terminal values are considered where the asset has an indefinite useful economic life. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash flows from other assets or group of assets.

Foreign currency transactions
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised on the income statement.
Foreign exchange gains and losses related to operational activities are classified above operating profit, whereas foreign exchange gains and losses related to financing are classified below operating profit. See Note 2.4 regarding presentation currency.

Lease transactions

The Group as the lessee
The Group leases various offices, warehouses, retail stores and cars, Rental contracts are typically entered into for fixed periods of three to five years but may have extension options as described in (i) below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Lease agreements are not included in net debt calculations.

In terms of cash outflows, each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Lease transactions are subject to the same rules as other temporary differences. The Company considers the lease as a single transaction in which the asset and liability are integrally linked, so there is no net temporary difference at inception. Subsequently, as differences arise on settlement of the liability and the amortisation of the leased asset, there will be a net temporary difference on which deferred tax is recognised.

Right-of-use assets
Right-of-use assets comprising mainly of stores and vehicles are measured at cost less accumulated depreciation and impairment losses. The right-of-use asset is initially recognised at cost, comprising:

a. amount of the initial measurement of the lease liability;
b. any lease payments made at or before the commencement date, less any lease incentives received;
c. any initial direct costs incurred by the Group; and
d. an estimate of costs to be incurred by the lessee for restoring the underlying asset to the condition required by the terms and conditions of the lease (unless those costs are incurred to produce inventories).

The Group performs subsequent measurement for the right-of-use asset by:

a. netting-off depreciation and reducing impairment losses from the right-of-use assets; and
b. adjusting for certain remeasurements of the lease liability recognised at the present value.

Depreciation is computed on a straight-line basis over the estimated useful lives, weighing the estimated life of the asset, future economic benefits expected and lease term of the asset and chooses the shorter of the three. The depreciation terms are as follows:

	Useful life (years)
Properties	5
Motor vehicles	4-5

For the purpose of impairment testing, right-of-use assets are allocated to each of the stores. Each store to which the right-of-use assets are allocated represents the lowest level within the entity at which the right-of-use assets are monitored for internal management purposes. Right-of-use assets are monitored at the store level. Impairment reviews for right-of-use assets are undertaken if events or changes in circumstances indicate a potential impairment. An impairment loss is recognised at the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Fair value less cost to sell is the amount obtainable from the sale of an asset less the costs of disposal.

Payments associated with the leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. There are no residual value guarantees and the initial direct costs are negligible.

Sub-leases
The Group operates as intermediate lessor for a significant proportion of its leases. The Group has evaluated its rent agreements and classified its sub-leases as financial leases as required in IFRS 16.

Where the Group recognised a leasing agreement from a sub-lease transaction, classified as financial leasing, the right-of-use asset from the head-lease is derecognised and a lease receivable equal to the derecognised right-of-use assets is recognised.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. Lease liabilities are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Lease payments included in the measurement of the lease liability comprise the following:

a. fixed payments, including in-substance fixed payments; and
b. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.

After initial recognition, the lease liability is measured by:

a. increasing the carrying amount to reflect interest on the lease liability;
b. reducing the carrying amount to reflect the lease payments made; and
c. remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

(i) Extension and termination options
In determining the lease liability, the Group considers the extension and termination options. Most of the extension and termination options held are exercisable both by the Group and by the respective lessor.

Extension options are available for all contracts. In more than 90% of the contracts, DP Eurasia has the right to extend the contract unilaterally, which does not need the consent of the landlord. Periods covered by an option to extend the lease term are included in the lease term if the lessee is reasonably certain to exercise that option. The same rationale applies to termination options. The term covered by a termination option is not included in the lease term if the lessee is reasonably certain not to exercise the option. Otherwise, the lease term ends at the point in time when the lessee can exercise the termination option.

(i) Critical judgements in determining the lease term
Lease terms are generally negotiated locally. Contracts are negotiated on an individual basis and contain a wide range of terms and conditions, such as early termination clauses and renewal rights. Termination clauses and renewal rights are included in several leases across the Group's lease agreements. They are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise a renewal right, or not exercise a termination clause. Both options are only included in the lease term if the lease is reasonably certain to be extended or not terminated.

After the commencement date, the Group reassesses the lease term for each contract if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew. Critical judgements used in determining the lease terms are:

- the Group extends the lease term of properties' lease contracts between one and five years; and
- the Group does not extend the lease term on the vehicles' lease contracts.

During the current financial year, there were no revisions related to initially recognised lease liabilities.

The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. Factors that are considered in terminating or renewing leases include, amongst others:

- location of the store;
- leasehold improvements made with a significant remaining value; and
- costs and business disruption required to replace a leased asset.

(ii) Discount rates used
The discount rate to be used should be the interest rate implicit in the lease if that rate can be readily determined. This is the rate of interest that causes the present value of: (a) lease payments; and (b) the unguaranteed residual value to equal the sum of: (i) the fair value of the underlying asset; and (ii) any initial direct costs of the lessor. However, since the implicit rate cannot be readily determined, the incremental borrowing rate is used in calculating the present value of lease payments during the lease terms that are not paid at that date. Incremental borrowing rate is the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The incremental borrowing rate is calculated separately for each operating company, based on currencies that lease agreements are based on. The rate calculated based on a build-up approach whereby each category of leases has an incremental borrowing rate based on the country (and currency) of the lessee and the lease term. The Group uses recent third-party financing from banks and adjusts (if necessary) to reflect changes in financing conditions.

The discount rate is a key variable for lease liabilities and a 1% increase or decrease in the discount rate would decrease or increase total lease liabilities approximately by TRY 3,684 and TRY (4,055), respectively,

(iii) Variable elements used
The variable element is the rent increase rate and is calculated based on the Consumer Price Index ("CPI"), Producer Price Index ("PPI") or an average of both. Variable lease payments are based on an index or a rate and are initially measured using the index or the rate at the commencement date.

Estimation uncertainty arising from variable lease payments
The Group does not forecast future changes of the index/rate; these changes are considered when the lease payments change. Variable lease payments that are not based on an index or a rate are not part of the lease liability, but they are recognised in the income statement when the event or condition that triggers those payments occurs.

Nearly 90% of future lease payments for stores are linked to CPI, PPI or an average of both. Variable payment terms are mostly used to make up for the volatile inflation rates in a country.

Exemptions and simplifications
Payments for leases of low-value assets such as IT equipment (mainly printers, laptops and mobile phones etc.) are not included in the measurement of the lease liabilities within the scope of IFRS 16. Lease payments of these contracts continue to be recognised in profit or loss in the related period.

Provisions, contingent assets and liabilities
Provisions are recognised in the consolidated financial statements when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation. The discount rate used to calculate the present value of the provision should be the pre-tax rate reflecting the functional current market assessments of the time value of money and the risks specific to the liability. The discount rate shall not reflect risks for which future cash flow estimates have been adjusted.

A possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group have not been recognised in these consolidated financial statements and are treated as contingent liabilities and contingent assets.

Volume rebate advances
Volume rebates received in advance are recognised as income within cost of sales on an accruals basis on the expected entitlement earned up to the statement of financial position date. Up-front fees received as volume rebates are recognised as a liability in the financial statements.

Performance bonus accruals
Realisation of the performance bonus depends on the financial and non-financial performance of the Group. Performance bonus accrual is recognised when the Group achieves its minimum requirements and recognised within related payroll expense accounts.

Related parties
Key management personnel, including Directors of the Company and its subsidiaries and members of the senior leadership team, together with their families and companies controlled by or affiliated with them, are considered and referred to as related parties. The Group has determined key management personnel as Executive Directors, members of the Board of Directors and the leadership team. All transactions between related parties have been made considering an arm's length policy.

Parties are considered related to the Group if directly, or indirectly through one or more intermediaries, the party:

- is an associate of the Group;
- is a joint venture in which the Group is a venture;
- is a member of the key management personnel of the Group or its parent;
- is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to; and
- has a post-employment benefit plan for the benefit of employees of the Group, or of an entity that is a related party of the Group.

Taxes

Current and deferred tax
Taxes on income for the year comprise current tax and the change in deferred income taxes. Current year tax liability consists of the taxes calculated over the taxable portion of the current year income by reference to corporate income tax rates enacted as at the date of the statement of financial position and adjustments provided for the previous years' income tax liabilities.

Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

The Group 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.

Deferred income tax liabilities are recognised for all taxable temporary differences, whereas deferred income tax assets resulting from deductible temporary differences are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilised.

Deferred income tax assets and deferred income tax liabilities related to income taxes levied by the same taxation authority are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities.

Employment termination benefit
Provision for employment termination benefits, as required by Turkish labour law, represents the estimated present value of the total reserve of the future probable obligation of the Group companies operating in Turkey arising in case of the retirement of the employees, termination of employment without due cause or call for military service. The provision is based upon actuarial estimations using the estimated liability method. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded to the income statement and movements through the statement of changes in equity in the period in which they arise.

Wages, salaries, contributions to the Russian Federation state pension and social insurance funds, paid annual leave and sick leave and bonuses are accrued in the year in which the associated services are rendered by the employees. The Group has no legal or constructive obligation to make pension or similar benefit payments beyond the unified social tax for its employees in its Russian operations.

Unused vacation rights
Unused vacation rights accrued in the consolidated financial statements represent the estimated total liabilities related to employees' unused vacation days as at the statement of financial position date.

Share-based incentives
Share-based compensation benefits are provided to members of management via various incentive plans. Information relating to the equity-settled incentive scheme is set out in Note 18.

The fair value of options and share awards granted are recognised as a share-based payment expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the awards granted:

- including any market performance conditions (e.g. the entity's share price); and
- excluding the impact of any service and non-market performance vesting conditions (e.g. remaining an employee of the Group over a specified time)

The total expense is recognised over the vesting period, which is the period over which all the specified vesting conditions are to be satisfied. At the end of each period, the Group revises its estimates of the number of awards that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When options are exercised, the proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

Earnings/(loss) per share
Earnings per share disclosed in the consolidated income statement is determined by dividing net income/(loss) by the weighted average number of shares circulating during the year concerned.

Statement of cash flows
The Group has used the indirect method to prepare the consolidated statement of cash flows. Cash flows in foreign currencies have been translated at transaction rates.

Subsequent events
The Group adjusts the amounts recognised in the consolidated financial statements to reflect the adjusting events after the statement of financial position date. If non-adjusting events after the statement of financial position date have material influences on the economic decisions of users of the consolidated financial statements, they are disclosed in the notes to the consolidated financial statements.

One-off items
Regarding the one-off items policy approved by the Group management, in the presentation of the consolidated income statement, the Group separates one-off items in order to disclose significant non-recurring items and income/expenses which are assumed by the Group management as not part of the normal course of business.

A one-off item is a one-time cost or gain, or series of connected costs or gains, greater than TRY 500 that is non-recurring, does not arise in the ordinary course of business, but from circumstances or events that are approved by Group management such as:

- business combinations (including integration and restructuring costs);
- public offerings;
- litigation settlements;
- significant disposals of assets and businesses;
- other non-recurring events such as:

    - share-based incentives; or
    - excess pension charges such as those arising from a change in legislation and income arising from curtailments of pension plans.

One-off items are applied on a consistent and accrual basis in the consolidated financial statements, In the presentation of the consolidated income statement, the Group separates one-off items in order to disclose significant non-recurring items and incomes/expenses which are assumed by the Group management as not part of the normal course of business. The principal events which may give rise to a one-off item include the restructuring and integration of businesses, public offerings, material litigation costs/gains, the cost of implementing a cost containment programme, income and expenses arising from significant disposals of assets and businesses, sheltered abnormal cost and other specific income and expenses such as share-based incentives and excess pension charges. The Group discloses the consolidated income statement in this way as it provides relevant information which is more closely aligned to how management monitors the performance of the Group.

Assets and liabilities held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets that are carried at fair value, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet. Prior year classification of such assets and liabilities has not been restated.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss and respective balances for the prior years have been restated accordingly.

2.6 Significant accounting estimates

The preparation of consolidated financial statements requires estimates and assumptions to be made regarding the amounts for assets and liabilities at the statement of financial position date and bases for the contingent assets and liabilities as well as the amounts of income and expenses realised in the reporting period. The Group makes estimates and assumptions concerning the future, which, by definition, may not equate to the related actual results. The estimates and assumptions that may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial period are addressed below:

The areas involving significant estimates or judgements are:

- impairment tests for goodwill (Note 9);
- impairment tests for tangible and intangible assets (Notes 6 and 7);
- right-of-use assets, lease receivables and liabilities (Note 8).

Significant judgements or estimates are disclosed in the related notes.

Note 3 – Revenue and cost of sales

	2023	2022
Corporate revenue	**988,165**	841,559
Franchise revenue and royalty revenue obtained from franchisees	**3,508,159**	2,559,963
Other revenue (1)	**306,354**	255,947
Revenue	**4,802,678**	3,657,469
Cost of sales	**(2,932,361)**	(2,300,989)
Gross profit	**1,870,317**	1,356,480

(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 2023 and 2022 are as follows:

	2023	2022
As at 1 January	**284,967**	238,122
Recognised as revenue	**(3,255)**	(3,032)
Changes due to new franchise agreements entered	**72,785**	49,877
As at 31 December	**208,927**	284,967

Unsatisfied long-term franchisee contracts

The amount of performance obligations relating to ongoing contracts of the Group that will be recognised in the future is TRY 252,284 (31 December 2022: TRY 323,343). The Group expects that this amount will be recorded as revenue within ten to fifteen years.

Note 4 – Expenses by nature

	2023	2022
Employee benefit expenses (1)	**692,965**	479,188
Depreciation and amortisation expenses (1)	**223,373**	181,123
	916,338	660,311

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

Note 5 – Financial income and expenses

Foreign exchange (losses)/gains	2023	2022
Foreign exchange gains, net	**110,462**	135,836
Foreign exchange losses on lease liabilities	**-**	5,075
	110,462	140,911

Financial income	2023	2022
Interest income on lease receivables	**50,847**	43,597
Interest income	**40,051**	137,037
	90,898	180,634

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

Note 5 – Financial income and expenses (Continued)

Financial expense	**2023**	2022
Interest expense	**(337,930)**	(280,708)
Interest expense on lease liabilities	**(89,571)**	(88,132)
Other	**(44,205)**	(27,188)
	(471,706)	(396,028)

Note 6 – Property and equipment

	Machinery and equipment	**Motor vehicles**	**Furniture and fixtures**	**Leasehold improvements**	**Construction in progress**	**Total**
Cost						
1 January 2023	**61,850**	**120,101**	**382,186**	**272,459**	**2,519**	**839,115**
Additions	**2,575**	**11,717**	**84,320**	**-**	**34,444**	**133,056**
Disposals	**-**	**-**	**(15,354)**	**(513)**	**(11,908)**	**(27,775)**
31 December 2023	**64,425**	**131,818**	**451,152**	**271,946**	**25,055**	**944,396**
Accumulated depreciation						
1 January 2023	**(39,614)**	**(82,991)**	**(266,056)**	**(246,833)**	**-**	**(635,494)**
Additions	**(6,719)**	**(17,645)**	**(32,105)**	**(17,614)**	**-**	**(74,083)**
Disposals	**-**	**-**	**11,730**	**11,071**	**-**	**22,801**
31 December 2023	**(46,333)**	**(100,636)**	**(286,431)**	**(253,376)**	**-**	**(686,776)**
Net book value	**18,092**	**31,182**	**164,721**	**18,570**	**25,055**	**257,620**

(1) Impact of assets transferred to asset held for sale

Depreciation expense of TRY 60,601 has been charged in cost of sales and TRY 13,482 has been charged in general administrative expenses.

	Machinery and equipment	**Motor vehicles**	**Furniture and fixtures**	**Leasehold improvements**	**Construction in progress**	**Total**
Cost						
1 January 2022	235,414	153,776	468,860	495,443	7,098	1,360,591
Additions	15,907	23,450	31,854	1,163	19,750	92,124
Disposals	(17,934)	(56,713)	(106,989)	(67,028)	(16,785)	(265,449)
Transfers	8,087	-	206	(753)	(7,540)	-
Currency translation adjustments	88,084	397	6,512	59,607	3,199	157,799
Effect of disposal of subsidiaries	(267,708)	(809)	(18,257)	(215,973)	(3,203)	(505,950)
31 December 2022	61,850	120,101	382,186	272,459	2,519	839,115
Accumulated depreciation						
1 January 2022	(134,529)	(109,226)	(342,390)	(426,671)	-	(1,012,816)
Additions	(40,498)	(18,361)	(35,018)	(31,050)	-	(124,927)
Disposals	10,003	44,258	101,362	67,028	-	222,651
Currency translation adjustments	(51,821)	(346)	(4,223)	(51,493)	-	(107,883)
Effect of disposal of subsidiaries	177,231	684	14,213	195,353	-	387,481
31 December 2022	(39,614)	(82,991)	(266,056)	(246,833)	-	(635,494)
Net book value	22,236	37,110	116,130	25,626	2,519	203,621

Amortisation expense of TRY 102,192 has been charged in cost of sales and TRY 22,735 has been charged in general administrative expenses**.**

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

Note 7 – Intangible assets

	Key money	Computer software	Total
Cost			
1 January 2023	**102,302**	**475,934**	**578,236**
Additions	**-**	**111,978**	**111,978**
Disposals	**(7,262)**	**(67)**	**(7,329)**
31 December 2023	**95,040**	**587,845**	**682,885**
Accumulated depreciation			
1 January 2023	**(80,926)**	**(345,769)**	**(426,695)**
Additions	**(4,011)**	**(76,097)**	**(80,108)**
Disposals	**6,825**	**68**	**6,893**
31 December 2023	**(78,112)**	**(421,798)**	**(499,910)**
Net book value	**16,928**	**166,047**	**182,975**

Amortisation expense of TRY 36,824 has been charged in cost of sales and TRY 43,284 has been charged in general administrative expenses.

	Key money	Computer software	Total
Cost			
1 January 2022	138,289	524,812	663,101
Additions	5,367	90,714	96,081
Disposals	(34,120)	(36,672)	(70,792)
Currency translation adjustments	4,671	51,647	56,318
Effect of disposal of subsidiaries	(11,905)	(154,567)	(166,472)
31 December 2022	**102,302**	**475,934**	**578,236**
Accumulated depreciation			
1 January 2022	(91,907)	(377,930)	(469,837)
Additions	(13,467)	(47,960)	(61,427)
Disposals	22,145	36,265	58,410
Currency translation adjustments	(1,719)	(25,881)	(27,600)
Effect of disposal of subsidiaries	4,022	69,737	73,759
31 December 2022	(80,926)	(345,769)	(426,695)
Net book value	**21,376**	**130,165**	**151,541**

Amortisation expense of TRY 28,237 has been charged in cost of sales and TRY 33,190 has been charged in general administrative expenses.

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

Note 8 – Right-of-use assets

Details of right-of-use assets as at 31 December 2023 and 2022 are as follows:

Right-of-use assets	**31 Dec 2023**	**31 Dec** 2022
Stores and building	235,760	149,558
Cars	39,885	12,812
	275,645	**162,370**

Details of lease receivables as at 31 December 2023 and 2022 are as follows:

Lease receivables	**31 Dec 2023**	**31 Dec 2022**
Current	58,763	22,534
Non-current	158,303	156,983
	217,066	**179,517**

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

Note 8 – Right-of-use assets (continued)

Details of lease liabilities as at 31 December 2023 and 2022 are as follows:

	31 Dec 2023	31 Dec 2022
Lease liabilities		
Current	135,679	70,690
Non-current	307,024	251,150
	442,703	**321,840**

Movement of right-of-use assets

	Stores and building	Vehicles	Total
Cost			
1 January 2023	**197,224**	**53,229**	**250,453**
Additions	**179,800**	**47,789**	**227,589**
Disposals	**(76,649)**	**-**	**(76,649)**
31 December 2022	**300,375**	**101,018**	**401,393**
Accumulated depreciation			
1 January 2023	**(47,666)**	**(40,417)**	**(88,083)**
Additions	**(69,097)**	**(20,716)**	**(89,813)**
Disposals	**52,148**	**-**	**52,148**
31 December 2023	**(64,615)**	**(61,133)**	**(125,748)**
Net book value	**235,760**	**39,885**	**275,645**

For the year ended 31 December 2023, depreciation expense of TRY 77,931 has been charged to the cost of sales and TRY 11,882 has been charged to general administrative expenses (31 December 2022: TRY 171,122 and TRY 26,090 respectively).

	Stores and building	Vehicles	Total
Cost			
1 January 2022	**662,732**	**45,782**	**708,514**
Additions	274,179	7,920	282,099
Disposals	(525,695)	(473)	(526,168)
Effect of disposal of subsidiaries	(428,482)	-	(428,482)
Currency translation adjustments	214,490	-	214,490
31 December 2022	**197,224**	**53,229**	**250,453**
Accumulated depreciation			
1 January 2022	**(332,100)**	**(15,612)**	**(347,712)**
Additions	(170,583)	(26,629)	(197,212)
Disposals	399,077	1,824	400,901
Effect of disposal of subsidiaries	185,005	-	185,005
Currency translation adjustments	(129,065)	-	(129,065)
31 December 2022	**(47,666)**	**(40,417)**	**(88,083)**
Net book value	**149,558**	**12,812**	**162,370**

In 2023, interest expense on lease liabilities is TRY 89,671 and the total amount of interest of sub-lease expense is TRY 50,847 (31 December 2022: TRY 88,132 and TRY 43,597 respectively).

In 2023, the total cash outflow for principal of leases and interest of leases is TRY 102,917 and TRY 89,571, respectively. In 2023, the total cash inflow for interest of leases is TRY 50,847 (31 December 2022: TRY 176,597 TRY 88,132 and TRY 43,597 respectively).

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

Note 9 – Goodwill

Movement of goodwill is as follows:

	31 December 2023	31 December 2022
1 January	**386,552**	413,926
Effect of disposal of subsidiary	**-**	(27,374)
31 December	**386,552**	386,552

The goodwill relates to Turkish operations. Management has carried out an impairment test and concluded that the recoverable amount of the individual CGUs is higher than the carrying amount.

Goodwill impairment test

In accordance with IFRS and the accounting policies explained in Note 2.5, the Group performs impairment tests on goodwill to assess whether impairment exists. The Group is obliged to test goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired, as goodwill is deemed to have an indefinite useful life.

In order to perform this test, management is required to compare the carrying value of the relevant cash-generating unit ("CGU"), defined as stores of the Group including goodwill with its recoverable amount. The recoverable amounts of the CGU are determined based on a value in use calculation.

These calculations require estimations and use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. For the purpose of assessing impairment, the discounted cash flows calculated based on the Group's revenue projections for five years are compared to the carrying value of all assets in CGUs, including allocated goodwill.

The Group prepares pre-tax cash flow forecasts derived from the most recent financial budgets approved by management for the next five years and extrapolates cash flows for the remaining term based on the average long-term growth rates of 11.4% for the Turkish market (31 December 2022: 14.2%).

Other key assumptions applied in the impairment tests include the expected product price, capital expenditures, demand for the products, product cost and related expenses which are reflected in the sales growth rate for the upcoming years. Management used sales growth projection rate of 13.4% for Turkey (31 December 2022: 5.1%). Growth projections include inflation expectations for the related CGUs; management determined these key assumptions based on past performance and its expectations on market development, Further, management applied capital expenditure increases of 12%, pre-tax discount rates of 60.7% for 2023, 27.6% for 2022 to reflect Group risks.

Sensitivities – Turkish operations

The assumptions used for value in use calculations to which the recoverable amount is more sensitive are growth rate beyond five years and pre-tax discount rate. Management determined these key assumptions based on past performance and its expectations on market development. Further, management adopts different discount rates each year that reflect specific risks related to the Group as discount rates. Impairment loss has not been recognised for Turkish operations as a result of the impairment tests performed with the above assumptions as at 31 December 2023. A further test with 5% increase in WACC or 5% decrease in growth rate to the above assumptions did not result in any impairment loss, either.

Impairment loss has not been recognised as a result of the impairment tests performed with the above assumptions as at 31 December 2023. A further test with a 5% adverse change to the above assumptions did not result in any impairment loss, either.

Note 10 – Cash and cash equivalents

The details of cash and cash equivalents as at 31 December 2023 and 2022 are as follows:

	31 Dec 2023	31 Dec 2022
Cash	**942**	2,294
Banks	**290,251**	198,312
Term bank deposits (less than three months)	**189,000**	281,762
Credit card receivables(1)	**41,907**	110,912
	522,100	593,280

1. Maturity term of credit card receivables are 30 days on average (31 December 2022: 30 days).

There is no restricted cash as at 31 December 2023 and 2022.

The details of currency of the banks are as follows:

	31 Dec 2023	31 Dec 2022
Turkish Liras	**441,504**	431,577
US Dollars	**30,916**	47,331
Russian Roubles	**4,591**	129
Euro	**2,240**	1,038
	479,251	480,075

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

Note 11 – Trade receivables and payables

a) Short-term trade receivables

	31 Dec 2023	31 Dec 2022
Trade receivables	**471,821**	440,167
Post-dated cheques [(1)]	**42,763**	53,027
	514,584	493,194
Less: Doubtful trade receivables	**(1,363)**	(2,236)
Short-term trade receivables, net	**513,221**	490,958

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 (2022: between 30 and 60 days).

Movement of provision for doubtful receivables is as follows:

	2023	2022
1 January	**2,236**	5,779
Current year (reversals) /charges	**-**	(1,282)
Monetary gain/loss	**(873)**	(2,261)
31 December	**1,363**	2,236

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 2023 also impacted the expected credit losses going forward, resulting in a disposal of TRY 152 recorded as provision for doubtful receivables (31 December 2022: TRY 1,259). The Group also assessed whether the historic pattern would change materially in the future. The expected credit loss applied per ageing bucket is shown as below:

	Not due	0-30 days	31-90 days	91-180 days	181-360 days	Over 360 days
	0.12%	**1.46%**	**4.77%**	**9.93%**	**27.55%**	**52.02%**

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 2023	31 Dec 2022
Post-dated cheques [(1)]	**18,680**	18,910
Trade Receivables	**14,504**	8,055
	33,184	26,965

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

c) Short-term trade and other payables

	31 Dec 2023	31 Dec 2022
Trade payables	**943,328**	577,583
Other payables	**3,375**	6,404
	946,703	583,987

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 2023 and 2022: less than three months).

Note 12 – Transactions and balances with related parties

The details of receivables and payables from related parties as at 31 December 2023 and 2022 and transactions are as follows:

a) Key management compensation

	31 Dec 2023	31 Dec 2022
Short-term employee benefits	**59,292**	54,752
Share-based incentives	**25,437**	8,031
Performance bonuses	**14,179**	6,085
	98,908	68,868

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

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

Note 13 – Inventories

	31 Dec 2023	31 Dec 2022
Raw materials	379,883	384,593
Other inventory	6,360	8,908
Total	**386,243**	393,501

The cost of inventories recognised as expense and included in "cost of sales" amounted to TRY 2,271,592 in 2023 (2022: TRY 1,784,057).

Note 14 – Other current/ non-current receivables, assets and liabilities

Other current receivables and assets	**31 Dec 2023**	**31 Dec 2022**
Advance payments (1)	**184,716**	239,461
Lease receivables	**58,763**	22,534
Contract assets related to franchising contracts (2)	**12,024**	4,866
Prepaid insurance expenses	**7,198**	4,389
Prepaid marketing expenses	**3,410**	12,086
Prepaid taxes and VAT receivable	**1,408**	762
Other (3)	**28,230**	5,611
Total	**295,749**	289,709

1. As at 31 December 2023 and 2022, advance payments are composed of advances given to suppliers for purchasing raw materials and other services.
2. The Group incurs certain costs with Domino's Pizza International related to the setup of each franchise contract and IT systems used for recording of franchise revenue.
3. As at 31 December 2023 and 2022, other includes job and personnel advances, short-term security deposits and other prepayments such as subscriptions and travel expenses.

Other non-current receivables and assets	**31 Dec 2023**	31 Dec 2022
Lease receivables	**158,303**	156,983
Prepaid marketing expenses	**78,431**	73,260
Contract assets related to franchising contracts (1)	**31,333**	33,510
Deposits given	**8,520**	7,613
Other non-current assets (2)	**6,843**	-
Total	**283,430**	271,366

1. 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.
2. The group incurs certain costs with DP International related to the consultancy information systems and license fees for marketing revenue.

Other current liabilities	**31 Dec 2023**	31 Dec 2022
Taxes and funds payable	**127,637**	34,851
Performance bonuses	**61,190**	48,748
Contract liabilities from franchising contracts(1)	**51,738**	42,477
Payable to personnel	**26,216**	17,009
Social security premiums payable	**25,800**	19,406
Unused vacation liabilities	**15,266**	13,998
Advances received from franchisees	**10,874**	9,385
Other expense accruals	**39,935**	38,151
Total	**358,656**	224,025

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 2023**	31 Dec 2022
Contract liabilities from franchising contracts(1)	**157,189**	242,490
Long-term provisions for employee benefits	**16,489**	22,562
Unearned revenue	**13,788**	12,753
Other	**-**	4
Total	**187,466**	277,809

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.

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

Note 15 – Financial liabilities

	31 Dec 2023	31 Dec 2022
Short-term bank borrowings	**800,148**	1,169,705
Short-term financial liabilities	**800,148**	1,169,705
Short-term portions of long-term borrowings	**61,273**	31,872
Short-term portions of long-term leases	**135,679**	70,690
Current portion of long-term financial liabilities	**196,952**	102,562
Total short-term financial liabilities	**997,100**	1,272,267
Long-term bank borrowings	**72,499**	106,972
Long-term leases	**307,024**	251,150
Long-term financial liabilities	**379,523**	358,122
Total financial liabilities	**1,376,623**	1,630,389

As at 31 December 2022, the fair value of the financial liabilities is TRY 1,147,0239 (31 December 2022: TRY 1,296,157).

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

31 December 2023 **Currency**	**Maturity**	**Interest rate (%)**	**Short-term**	**Long-term**
TRY borrowings	**Revolving**	**16.95%**	**800,148**	**-**
RUB borrowings	**2025**	**9.70%-14.30%**	**61,273**	**72,499**
			861,421	**72,499**

31 December 2022 Currency	Maturity	Interest rate (%)	Short-term	Long-term
TRY borrowings	Revolving	19.14%	1,169,705	-
RUB borrowings	2025	9.70%-14.30%	31,872	106,972
			1,201,577	106,972

The redemption schedule of the borrowings as at 31 December 2023 and 2022 is as follows:

	31 Dec 2023	31 Dec 2022
To be paid in one year	**861,421**	1,201,577
To be paid between one to two years	**45,271**	68,264
To be paid between two to three years	**27,228**	38,708
	933,920	1,308,549

The redemption schedule of the leases as at 31 December 2023 and 2022 is as follows:

	31 Dec 2023	31 Dec 2022
Leases to be paid in one year	**135,679**	70,690
Leases to be paid between one to two years	**123,844**	102,517
Leases to be paid between two to three years	**57,348**	71,434
Leases to be paid in three years and more	**125,832**	77,199
	442,703	321,840

Please refer to Note 19 for financial risk management disclosures.

As at 31 December 2023 and 2022, the net financial liabilities reconciliation is as follows:

	31 Dec 2023	31 Dec 2022
Cash and cash equivalents	**522,100**	593,280
Financial liabilities and leases to be paid in one year	**(997,100)**	(1,284,798)
Financial liabilities and leases to be paid in one to five years	**(379,523)**	(345,591)
	(854,523)	**(1,037,109)**

	31 Dec 2023	31 Dec 2022
Cash and cash equivalents	**522,100**	593,280
Financial liabilities and leases – fixed rate	**(1,376,623)**	(1,630,389)
	(854,523)	**(1,037,109)**

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

Note 15 – Financial liabilities (Continued)

31 December 2023	**Short-term financial liabilities and leases**	**Long-term financial liabilities and leases**	**Total**
1 January financial liabilities	**(1,259,735)**	**(316,071)**	**(1,575,806)**
Net cash flow effect, loans received	**(1,383,330)**	**(259,422)**	**(1,642,752)**
Net cash flow effect, loans paid	**1,303,150**	**219,244**	**1,522,394**
Net cash flow effect, leasing payments	**51,759**	**51,158**	**102,917**
Other non-cash transaction	**(144,537)**	**(205,759)**	**(350,296)**
Currency translation adjustments	**(52,011)**	**35,193**	**(16,818)**
Inflation impact	**487,604**	**96,136**	**583,740**
31 December financial liabilities	**(997,100)**	**(379,521)**	**(1,376,623)**

(*) Other non-cash transactions are comprised of new lease additions, cancellations and/or modifications.

31 December 2022	Short-term financial liabilities and leases	Long-term financial liabilities and leases	Total
1 January financial liabilities	(1,009,949)	(843,453)	(1,853,402)
Net cash flow effect, loans received	(1,885,101)	-	(1,885,101)
Net cash flow effect, loans paid	1,306,206	66,341	1,372,547
Net cash flow effect, leasing payments	196,057	65,943	262,000
Other non-cash transactions (*)	(301,179)	(136,429)	(437,608)
Currency translation adjustments	(71,818)	(93,011)	(164,829)
Effect of disposal of subsidiaries	154,501	428,009	582,510
Inflation effect	351.548	196.529	548.077
31 December financial liabilities	(1,259,735)	(316,071)	(1,575,806)

The reconciliation of adjusted net debt as at 31 December 2023 and 2022 is as follows:

Note 16 – Commitments, contingent assets and liabilities

a) Guarantees given and received for trade receivables are as follows:

	31 Dec 2023	31 Dec 2022
Guarantee letters given	**29,768**	67,401
	29,768	67,401

	31 Dec 2023	31 Dec 2022
Guarantee notes received	**162,765**	176,996
Guarantee letters received	**297,913**	325,516
	460,678	502,512

Guarantee notes and letters are received as collateral for trade receivables.

b) Legal cases

The Group does not expect any material risk in any current legal cases in accordance with the opinions of its legal advisers; therefore, it has not recognised any provision for these legal cases in the consolidated financial statements as at 31 December 2023.

Subsequent to the year ending 31 December 2023, as a result of on-going bankruptcy proceedings in Russia, the company has incurred additional TRY 28 million provision for claims for DP Russia balances.

Note 17 – Tax assets, liabilities and tax expense

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 25.8%. No further taxes are payable on this profit unless the profit is distributed.

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

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 25% (31 December 2022: 23%) 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).

Companies are required to pay advance corporate tax quarterly at the rate of 25% 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 2022: 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

Corporate tax liability for the consolidated financial statements for the year consists of the following:

	31 Dec 2023	31 Dec 2022
Corporate tax calculated	**-**	-
Prepaid taxes (-)	**(41,532)**	74,837
Current income tax asset / liability	**(41,532)**	74,837

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

	2023	2022
Current period corporate tax expense	**(6,483)**	-
Deferred tax income / (expense)	**(10,499)**	17,690
Total tax expense	**(16,982)**	17,690

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

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

	2023	
Profit/(loss) before tax	**434,743**	31
Tax rate	**25.8%**	2
Corporate tax at statutory rates	**(112,164)**	(81
Disallowable expenses	**(3,479)**	(5
Unrecognised tax losses	**(9,646)**	(14
Differences in tax rates	**-**	
Inflation adjustments, not subject to tax	**(49,179)**	(81
Discounts and exceptions (*)	**157,636**	19
Other, net	**(150)**	
Total tax expense	**(16,982)**	1

(*) Includes the tax impact related to write-off of receivables from Russian subsidiary, which eliminated consolidated level.

The breakdown of cumulative temporary differences and the resulting deferred income tax assets/liabilities at 31 December 2023 and 2022 using statutory tax rates are as follows:

	31 December 2023		31 December 2022	
	Temporary differences	**Deferred tax assets/ (liabilities)**	Temporary differences	Deferred tax assets/ (liabilities)
Contract liabilities from franchising contracts	**19,087**	**4,772**	164,053	54,064
Right of use assets and lease liability	**(89,332)**	**(22,333)**	(20,732)	(6,831)
Legal provisions	**4,251**	**1,063**	3,438	1,134
Unused vacation liabilities	**15,266**	**3,816**	8,495	2,799
Provision for employee termination benefit	**16,489**	**4,122**	13,693	4,512
Other	**(28,703)**	**(7,176)**	(41,354)	(13,628)
Property, equipment and intangible assets (*)	**51,154**	**12,789**	(106,695)	(35,158)
Deferred income tax assets, net		**(2,947)**		6,892

(*) Includes the effect of adjustments related to inflation accounting within the scope of the communiqué numbered 32415 of the Tax Procedure Law dated 30 December 2023.

Note 18 – Share-based payments

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

In May 2019, Aslan Saranga was granted an LTIP award over 332,706 shares vesting in May 2022 subject to achievement of adjusted EBITDA targets measured over the period 2019-2021. As the performance condition was not achieved, no shares will vest for Aslan Saranga in May 2022. In May 2020, Aslan Saranga was granted an LTIP award over 506,212 shares vesting in May 2023 subject to achievement of adjusted EBITDA targets measured over the period 2020-2022.

Long-term incentive plan for 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.

The weighted-average fair value of the options granted under the plan is TRY 190 per option and has been estimated.
using the Black-Scholes option pricing model:

Under these three existing plans, an amount of TRY 25,438 has been charged for 2023, whereas TRY 4,889 has been charged for 2022 and the cumulative charge is TRY 102,042 as at 31 December 2023 (31 December 2022: TRY 76,604).

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

Note 19 – Equity

The shareholders and the shareholding structure of the Group at 31 December 2023 and 2022 are as follows:

	31 December 2023		31 December 2022	
	Share (%)	**Amount**	**Share (%)**	**Amount**
Jubilant FoodWorks Netherlands B.V.	40.3	14,670	49.0	17,828
Public shares	54.6	19,849	45.3	16,453
Vision International N.V.(*)	4.9	1,777	5.6	2,027
Other	0.2	57	0.1	45
		36,353		**36,353**

(*) Vision Lovermark Coöperatief UA merged with Vision International N.V. (acquiring entity)

As at 31 December 2023, the Group's 145,372,414 (31 December 2022: 145,372,414) shares are issued and fully paid for. On 3 July 2017, just prior to the IPO, the Company issued (i) 13,046,726 ordinary shares, with a nominal value of EUR 0.12 each, in the capital of the Company to Vision Lovemark Coöperatief U.A. and (ii) 117,420,534 ordinary shares, with a nominal value of EUR 0.12 each, in the capital of the Company to Fides Food Systems Coöperatief U.A., which was paid up by debiting the Company's share premium reserve by TRY 31,239. Also, on 3 July 2017, as part of its IPO, the Company issued 10,372,414 new ordinary shares with a nominal value of EUR 0.12 each. As a result, the Company's issued and outstanding share capital increased to TRY 36,353 (divided into 145,372,414 ordinary shares). After the IPO, 52.1% of the shares became public. The net proceeds received by the Company from the IPO is TRY 94,132 (TRY 9,075 per share). DP Eurasia's authorised share capital is EUR 60,000,000.

Share amount	**2023**	2022
1 January	**145,372,414**	145,372,414
Addition	**-**	-
31 December	**145,372,414**	145,372,414

The nominal value of each share is EUR 0.12 (2022: EUR 0.12). There is no preference stock.

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

Jubilant Food Works Limited and Arslan Saranga, all together, are the ultimate controlling party of the Company.

Cancellation of listing

On 28 November 2023, the board of the Company's majority shareholder, Jubilant Foodworks Netherlands B.V. ("Jubilant Foodworks"), announced its intention to launch an offer for the entire issued and outstanding share capital of DP Eurasia not already owned by Jubilant Foodworks (the "Original Offer"). On 16 January 2024, the Independent DP Eurasia Directors and Jubilant Foodworks announced that they had reached an agreement on the terms of a recommended increased and final cash offer to be made by Jubilant Foodworks for the entire issued and outstanding share capital of DP Eurasia not already owned by Jubilant Foodworks at a price of 110 pence per DP Eurasia Share (the "Increased Offer"). Jubilant Foodworks has satisfied the relevant requirements for the cancellation of the listing and admission to trading of DP Eurasia Shares.

Accordingly, the listing of DP Eurasia Shares on the premium listing segment of the Official List and the trading of DP Eurasia Shares on the London Stock Exchange's Main Market was cancelled on 8.00 a.m. (London time) on 28 February 2024 (the "Delisting").

Note 20 – Financial instruments and financial risk management

a) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

To maintain or re-arrange the capital and debt structure, the Group may change the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets.

The Group is exposed to a variety of financial risks due to its operations. These risks include credit risk, market risk (foreign exchange risk, price risk and interest rate risk) and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial position and performance.

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

b.1) Credit risk
The Group considers its maximum credit risk at 31 December 2023 to be TRY 523,516 (31 December 2022: TRY 465,554), which is the total of the Group's financial assets.

Credit risk is managed on a Group basis, except for credit risk relating to trade receivable and other receivable balances. Each local entity is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Risk control assesses the credit quality of the customer, considering its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. It is Group policy that deposits are made with repositories of BA2 credit rating or higher as defined by Moody's.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables, lease receivables, other receivables and contract assets. To measure the expected credit losses, trade receivables, lease receivables, other receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to payments to Domino's Pizza International and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The ageing of past due but not impaired financial assets is as follows:

	31 Dec 2023	31 Dec 2022
Less than a month	**6,785**	1,903
One to three months	**10,357**	6,948
Three to six months	**2,577**	1,134
Over six months	**2,385**	451
Total	**22,104**	10,437

	31 Dec 2023	31 Dec 2022
Trade receivables		
Counterparties without external credit rating		
Group 1	**4,295**	7,076
Group 2	**764,146**	513,082
Group 3	**-**	-
Total	**768,441**	520,158

- Group 1 – New customers (less than six months);
- Group 2 – Existing customers (more than six months) with no defaults in the past; and
- Group 3 – Existing customers (more than six months) with some defaults in the past.

b.2) Liquidity risk
The Group uses banks as well as its suppliers and shareholders as funding resources. The Group's liquidity risk is continuously evaluated through determining and monitoring changes in funding conditions required for achieving the targets set in the Group's strategy.

The Group manages its liquidity risk by monitoring expected and actual cash flows on a regular basis and by maintaining continuity of funds, borrowings and reserves through matching the maturities of financial assets and liabilities. The Group periodically and uses loans between Group companies to ensure there is enough liquidity to carry out its operations.

As at 31 December 2023, and 2022, the liquidity risks arising from the Group's financial liabilities consisted of the following:

	31 December 2023					
Maturities in accordance with agreements	**Carrying value**	**Total cash outflows in accordance with contract**	**Less than 3 months**	**3-12 months**	**1-5 Years**	**Over 5 Years**
Non-derivative financial liabilities						
Borrowings	**933,920**	**942,452**	**360,684**	**500,737**	**81,031**	**-**
Leases	**442,703**	**553,816**	**40,873**	**120,277**	**392,666**	**-**
Third-party trade payables	**946,703**	**952,310**	**952,310**	**-**	**-**	**-**
Total	**2,323,326**	**2,448,578**	**1,353,867**	**621,014**	**473,697**	**-**

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

		31 December 2022				
Maturities in accordance with agreements	Carrying value	Total cash outflows in accordance with contract	Less than 3 months	3-12 months	1-5 Years	Over 5 Years
Non-derivative financial liabilities						
Borrowings	1,308,549	1,320,504	505,368	733,675	81,461	-
Leases	321,840	402,618	29,714	87,440	285,464	-
Third-party trade payables	583,987	587,446	587,446	-	-	-
Total	2,214,376	2,310,568	1,122,528	821,115	366,925	-

Loans from banks comprise short-term loans obtained for working capital needs and other long-term loans. The total amount includes accrued interest and the related loans.

As at 31 December 2023 and 2022, the categories of financial instruments of the Group are as follows:

31 December 2023	**Note**	**Assets and liabilities at amortised cost**	**Loans and receivables**	**Available for sale financial assets**	**Financial assets or liabilities at fair value through profit or loss**	**Carrying value**
Financial assets		**522,100**	**763,471**	**-**	**-**	**1,285,571**
Cash and cash equivalents		**522,100**	**-**	**-**	**-**	**522,100**
Trade receivables		**-**	**546,405**	**-**	**-**	**546,405**
Lease receivables		**-**	**217,066**	**-**	**-**	**217,066**
Other current assets		**-**	**-**	**-**	**-**	**-**
Financial liabilities		**2,323,326**	**-**	**-**	**-**	**2,323,326**
Financial liabilities		**933,920**	**-**	**-**	**-**	**933,920**
Leases		**442,703**	**-**	**-**	**-**	**442,703**
Trade and other payables		**946,703**	**-**	**-**	**-**	**946,703**

31 December 2022	Note	Assets and liabilities at amortised cost	Loans and receivables	Available for sale financial assets	Financial assets or liabilities at fair value through profit or loss	Carrying value
Financial assets		593,280	697,440	-	-	1,290,720
Cash and cash equivalents		593,280	-	-	-	593,280
Trade receivables		-	517,923	-	-	517,923
Lease receivables		-	179,517	-	-	179,517
Other current assets		-	-	-	-	-
Financial liabilities		2,214,376	-	-	-	2,214,376
Financial liabilities		1,308,549	-	-	-	1,308,549
Leases		321,840	-	-	-	321,840
Trade and other payables		583,987	-	-	-	583,987

b.3) Market risk
The Group's activities also expose it to market risk, including interest rate risk, foreign currency risk, and price risk. The Group doesn't carry any loans in currencies other than the operating company currencies on its balance sheet.

The Group manages its financial instruments centrally in accordance with the Group's risk policies via the Treasury Group in the Finance Department. The Group's cash inflows and outflows are monitored on a regular basis and compared to the monthly and yearly cash flow budgets and forecasts.

Interest rate risk
The Group is exposed to market interest rate fluctuations on its floating rate debt. Increases in benchmark interest rates could increase the interest cost of floating rate debt and increase the cost of future borrowings. The Group's ability to manage interest costs also has an impact on reported results.

On 31 December 2023, interest rates were fixed on approximately 100% of the net debt for 2023 (100% for 2022). The average interest rate on short-term borrowings in 2023 was 44.92% (2022: 18.48%).

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

The financial instruments of the Group which are sensitive to interest rates are stated in the following table:

	31 Dec 2023	31 Dec 2022
Financial instruments with floating interest		
Financial liabilities	**93,592**	138,840
- *6 months or less*	**-**	8,502
- *6 - 12 months*	**64,477**	62,190
- *1 - 5 years*	**29,115**	68,148
Financial instruments with fixed interest		
Financial liabilities - repricing dates	**1,283,032**	1,491,548
- *6 months or less*	**729,021**	1,092,410
- *6 - 12 months*	**524,846**	149,093
- *1 - 5 years*	**29,165**	250,045

Assuming that all other variables remain constant, a 1.0 percentage point increase in floating interest rates on a full-year basis as at 31 December 2023 would have led to no additional finance costs (2022: no additional finance costs), A 1.0 percentage point decrease in floating interest rates on a full-year basis would have an equal but opposite effect. The Group's objective is to minimise net interest cost and balance the amounts of debt at fixed and floating rates over time. Most of the debt has interest charged at a fixed rate. This limits the impact that changes to floating rates have on the Group's finance expenses.

Foreign currency risk

The Group is operating in multiple countries and is subject to the risk that changes in foreign currency values impact the value of the Group's sales, purchases, assets and borrowings. On 31 December 2023, the exposure to the Group from companies holding assets and liabilities other than in their functional currency amounted to TRY (7,861) (31 December 2022: TRY 15,482).

As an estimation of the approximate impact of the residual risk, with respect to financial instruments, the Group has calculated the impact of a 20% change in exchange rates.

Impact on income statement

A 20% strengthening of the Euro against key currencies to which the Group is exposed would have led to approximately an additional TRY (1.237) loss in the income statement (2022: TRY 3,142 gain).

A 20% weakening of the Euro against these currencies would have led to an equal but opposite effect.

Price risk

As at 31 December 2023, the Group does not have financial instruments classified as available for sale, or fair value through profit and loss, which are exposed to market price fluctuations. Price risk does arise from an increase in commodity prices. This price risk is managed locally where advanced purchases of raw materials are made to achieve lower prices and bulk purchases are made to achieve discounts from suppliers.

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

Note 21 – Assets and liabilities held for sale and discontinued operations

The following criterias have been met for a sale to be highly probable as of 31 December 2023 and 2022:

- The board has decided to sell the asset and liability of Russian operation.
- An active programme to locate a buyer and complete the plan has been initiated by the management. There are potential buyers, and the management has started the negotiation with the potential buyers and official offers have been obtained.
- The management has expected to be completed the sale transaction within one year from the date of classification.

Aforementioned criteria have been met as of 31 December 2022 since in December 2022, the Board has decided to explore the options to sell its Russian operations with completion expected in the second half of 2023. In accordance, DP Russia operations are reported within discontinued operations and its assets and liabilities are recognised as assets held for sale and liabilities for sales as at 31 December 2022

However, in the subsequent period to August 2023, the management was not able to obtain any feasible offers for the Russian business and has decided to apply for the bankruptcy process, thus not qualifying for asset-held for sale criteria as of 31 December 2023. Results of the Russian operation has been consolidated in their corresponding financial statement line items

ASSETS	**31 December 2022**
Trade receivables	11,277
Lease receivables	5,541
Right-of-use assets	243,475
Property and equipment	118,468
Intangible assets	92,711
Goodwill	27,375
Deferred tax assets	22,009
Other non-current assets	22,610
Non-current assets	**543,466**
Cash and cash equivalents	7,379
Trade receivables	78,506
Lease receivables	12,935
Inventories	33,520
Other current assets	41,615
Current assets	**173,955**
TOTAL ASSETS	**717,421**
LIABILITIES	
Financial liabilities	227,657
Lease liabilities	200,352
Deferred tax liability	5,986
Other non-current liabilities	31,139
Non - current liabilities	**465,134**
LIABILITIES	
Financial liabilities	58,249
Lease liabilities	96,252
Trade payables	341,031
Provisions	1,574
Other current liabilities	133,168
Current liabilities	**630,274**
TOTAL LIABILITIES	**1,095,408**
TOTAL EQUITY	**377,986**

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

Note 21 – Assets and liabilities held for sale and discontinued operations (Continued)

The discontinued operations profit and loss account presented relates to Russia. As per 31 December 2023, DP Eurasia N.V. is in the process of liquidation for Russia, the results of these discontinued operations are presented separately. Details of the Loss from discontinued operations are as follows:

	31 December 2023	31 December 2022
INCOME OR LOSS		
Revenue	342,494	1,253,065
Cost of sales	(261,243)	(959,588)
GROSS PROFIT	**81,251**	**293,477**
General administrative expenses	(98,117)	(236,965)
Marketing and selling expenses	(55,444)	(239,745)
Other operating income, net (*)	(179,615)	(1,395,060)
OPERATING PROFIT / (LOSS)	**(251,925)**	**(1,578,293)**
Foreign exchange losses	18,008	67,970
Financial income	157,622	1,385,907
Financial expense	(124,868)	(173,450)
(LOSS) BEFORE INCOME TAX	**(201,163)**	**(297,866)**
Tax expense	**66,283**	**(49,953)**
Income tax expense	-	-
Deferred tax expense	66,283	(49,953)
Loss from discontinued operations	**(134,880)**	**(347,819)**

Impairment charges related to write off of assets in Russia are recognised in Other operating income, net financial statement line item.

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

COMPANY INCOME STATEMENT

For the years ended 31 December 2023 and 2022

	Notes	2023	2022
Income statement			
General administrative expenses	6	**(80,332)**	(28,115)
Operating profit		**(80,332)**	(28,115)
Foreign exchange gains/(losses)		**64,162**	4,869
Financial income/(expense)		**(21,216)**	(10,791)
Net income from subsidiaries	2	**320,267**	254,394
Profit before income tax		**282,881**	220,357
Tax expense		-	-
Profit for the year		**282,881**	220,357

Assets	Notes	**31 Dec 2023**	31 Dec 2022
Subsidiaries		**617,247**	280,315
Non-current assets		**617,247**	280,315
Cash and cash equivalents	3	**848**	388
Trade receivables		**9,580**	5,789
Other current assets		**9,453**	365
Current assets		**24,902**	6,542
Total assets		**642,149**	286,857
Equity			
Paid in share capital	4	**36,353**	36,353
Share premium		**543,674**	518,236
Other legal reserves		**(617,526)**	(633,889)
Retained earnings		**276,520**	59,047
Result for the year		**282,881**	220,357
Total equity		**521,902**	200,104
Liabilities			
Financial liabilities		**32,319**	64,921
Non-current liabilities		**32,319**	64,921
Financial liabilities		**61,273**	19,341
Accounts payable		**16,162**	566
Other current liabilities		**10,494**	1,925
Current liabilities		**87,929**	21,832
Total liabilities		**120,248**	86,753
Total liabilities and equity		**642,149**	286,857

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

NOTES TO THE COMPANY FINANCIAL STATEMENTS

For the year ended 31 December 2023

Note 1 – Basis of presentation of statutory financial statements

1.1 Basis of preparation

The Company financial statements of DP Eurasia N.V. (hereafter, the “Company”) have been prepared in accordance with Part 9, Book 2 of the Dutch Civil Code. In accordance with sub 8 of article 362, Book 2 of the Dutch Civil Code, the Company’s financial statements are prepared based on the accounting principles of recognition, measurement and determination of profit, as applied in the consolidated financial statements. These principles also include the classification and presentation of financial instruments, being equity instruments or financial liabilities.

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

Note 1 – Basis of presentation of statutory financial statements (Continued)

The Company has prepared its Annual Report in accordance with EU directives as implemented in Part 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board for the year ended 31 December 2023.

In case no other policies are mentioned, refer to the accounting policies in the consolidated financial statements of this Annual Report. For an appropriate interpretation, the Company financial statements of DP Eurasia N.V. should be read in conjunction with the consolidated financial statements.

The Company is registered with the trade register of the Chamber of Commerce in the Netherlands under the number 67090753.

The Company prepared its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

The total number of employees is 3 (2022: 3).

1.2 Summary of significant accounting policies

Investments in consolidated subsidiaries
Consolidated subsidiaries are all entities (including intermediate subsidiaries) over which the Company has control. The Company controls an entity when it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. Subsidiaries are recognised from the date on which control is transferred to the Company or its intermediate holding entities. They are derecognised from the date that control ceases. Subsidiaries of the parent company are accounted for using the equity method. In case of a negative net asset value of a subsidiary a provision will be formed when the company has a contractual obligation.

When measuring interests in a participating interest with an equity deficit, other long-term interests in the participating interest that actually shall be regarded as part of the net investment are also taken into account. To the extent that there are receivables still outstanding after these items have been written down, further reduction in value is taken into account.

Since the subsidiary operated in Turkey requires to prepare the financial statements according to IAS29 in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the balance sheet date, and that corresponding figures for previous periods be restated in the same terms.

The Company applies the acquisition method to account for acquiring subsidiaries, consistent with the approach identified in the consolidated financial statements. The consideration transferred for the acquisition of a subsidiary is the fair value of assets transferred by the Company, liabilities incurred to the former owners of the acquiree, and the equity interests issued by the Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired, and liabilities and contingent liabilities assumed in an acquisition are measured initially at their fair values at the acquisition date and are subsumed in the net asset value of the investment in consolidated subsidiaries. Acquisition-related costs are expensed as incurred.

Note 2 – Subsidiaries
The movement schedule for the investment in subsidiaries as at 31 December 2023 and 2022 is as follows:

1 January 2022	295,405
Net income from subsidiaries	254,394
Currency translation difference	26,232
Remeasurement of post-employment benefit obligations	(9,649)
Share-based incentive plans	4,889
Hyperinflation impact on Turkish subsidiary	(294,749)
1 January 2023	280,315
Net income from subsidiaries	**320,267**
Currency translation difference	**16,363**
Remeasurement of post-employment benefit obligations	**(2,884)**
Share-based incentive plans	**25,438**
Hyperinflation impact on Turkish subsidiary	**(22,251)**
31 December 2023	**617,247**

The Company is liable for the finance liabilities of its subsidiary in Russia, for which a provision was recognised as per 31 December 2022. The difference between total result for the year in the consolidated financial statements and company-only financial statements is resulting from release of provisions related to Russian entity in the company-only financial statements, amounting to TRY229 million. In addition Sberbank loan of Russian subsidiary has been paid by Turkish subsidiary in 2023.

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

Note 3 – Cash and cash equivalents

The details of cash and cash equivalents as at 31 December 2023 and 2022 are as follows:

	31 Dec 2023	31 Dec 2022
Cash	**848**	3,365
	848	3,365

	31 Dec 2023	31 Dec 2022
Euro	**773**	303
US Dollars	**25**	29
Russian Roubles	**40**	41
Other	**10**	15
	848	388

Note 4 – Equity

The movements in shareholders' equity are as follows:

	Share capital	Share premium	Currency translation reserves	Retained earnings	Result for the year	Total equity
Balances 1 January 2022	**36,353**	**513,347**	**(379,688)**	**2,029**	**62,874**	**234,915**
Remeasurements of post-employment benefit obligations, net	-	-	-	(5,856)	-	(5,856)
Appropriation of the result preceding year	-	-	-	62,874	(62,874)	-
Currency translation adjustments	-	-	(254,201)	-	-	(254,201)
Share-based incentive plans	-	4,889	-	-	-	4,889
Total income for the year	-	-	-	-	220,357	220,357
Balances at 31 December 2022	**36,353**	**518,236**	**(633,889)**	**59,047**	**220,357**	**200,104**
Remeasurements of post-employment benefit obligations, net	-	-	-	(2,884)	-	(2,884)
Appropriation of the result preceding year	-	-	-	220,357	(220,357)	-
Currency translation adjustments	-	-	16,363	-	-	16,363
Share-based incentive plans	-	25,438	-	-	-	25,438
Total income for the year	-	-	-	-	282,881	282,881
Balances at 31 December 2023	**36,353**	**543,674**	**(617,526)**	**276,520**	**282,881**	**521,902**

The difference between total result for the year in the consolidated financial statements and company-only financial statements is resulting from release of provisions related to Russian entity in the company-only financial statements, amounting to TRY229 million. The Group has no dividend payment to the Company as at 31 December 2023 (31 December 2022: none).

The shareholders and the shareholding structure of the Company at 31 December 2023 and 2022 are as follows:

	31 December 2023		**31 December 2022**	
	Share (%)	**Amount**	**Share (%)**	**Amount**
Fides Food Systems Coöperatief U.A.	**40.3**	**14,670**	32.8	11,928
Public shares	**54.6**	**19,849**	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 at 31 December 2023, the Company's 145,372,414 (31 December 2022: 145,372,414) shares are issued and fully paid for.

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

Note 5 – Equity (Continued)

On 3 July 2017, just prior to the IPO, the Company issued (i) 13,046,726 ordinary shares, with a nominal value of EUR 0.12 each, in the capital of the Company to Vision Lovemark Coöperatief U.A. and (ii) 117,420,534 ordinary shares, with a nominal value of EUR 0.12 each, in the capital of the Company to Fides Food Systems Coöperatief U.A., which was paid up by debiting the Company's share premium reserve by TRY 31,239. Also, on 3 July 2017, as part of its IPO, the Company issued 10,372,414 new ordinary shares with a nominal value of EUR 0.12 each. As a result, the Company's issued and outstanding share capital increased to TRY 36,353 (divided into 145,372,414 ordinary shares). After the IPO, 52.1% of the shares became public. The net proceeds received by the Company from the IPO is TRY 94,132 (TRY 9,075 per share). DP Eurasia's authorised share capital is EUR 60,000,000.

In February 2019, Fides Food Systems Coöperatief U.A. sold 14,537,241 million existing ordinary shares in DP Eurasia N.V. in an accelerated bookbuild offering addressed to institutional investors. After this transaction, 62.1% of the shares became public. ,

	2023	2022
1 January	**145,372,414**	145,372,414
Addition	**—**	—
31 December	**145,372,414**	145,372,414

The nominal value of each share is EUR 0.12 (2022: EUR 0.12). There is no preference stock.

Fidesrus BV has applied to the court for OOO Pizza LLC's bankruptcy on 12 September 2023 Bankruptcy proceedings in Russia usually go through two stages that are supervision and receivership proceedings. The aim of the supervision proceeding is to improve the financial standing of the debtor. Receivership proceedings begin when the supervision is completed and is obvious that the company is unable to reinstate its financial standing. Receivership usually ends with liquidation of the company. Usually, the duration of this stage is approximately from one to three years.

Cancellation of listing

On 28 November 2023, the board of the Company's majority shareholder, Jubilant Foodworks Netherlands B.V. ("Jubilant Foodworks"), announced its intention to launch an offer for the entire issued and outstanding share capital of DP Eurasia not already owned by Jubilant Foodworks (the "Original Offer"). On 16 January 2024, the Independent DP Eurasia Directors and Jubilant Foodworks announced that they had reached an agreement on the terms of a recommended increased and final cash offer to be made by Jubilant Foodworks for the entire issued and outstanding share capital of DP Eurasia not already owned by Jubilant Foodworks at a price of 110 pence per DP Eurasia Share (the "Increased Offer"). Jubilant Foodworks has satisfied the relevant requirements for the cancellation of the listing and admission to trading of DP Eurasia Shares.

Accordingly, the listing of DP Eurasia Shares on the premium listing segment of the Official List and the trading of DP Eurasia Shares on the London Stock Exchange's Main Market was cancelled on 8.00 a.m. (London time) on 28 February 2024 (the "Delisting").

Share premium
Share premium represents the total of differences resulting from the contribution of Fides Food Systems 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 for acquired companies and the differences between the proceeds and the nominal value of the shares issued at the IPO.

Retained earnings
The Board determined the result over 2023 as follows:

	2023	2022
1 January	**59,047**	2,029
Remeasurements of post-employment benefit obligations, net	**(2,884)**	(5,856)
Appropriation of the result preceding year	**220,357**	62,874
31 December	**59,047**	276,520

Headcount information of the Group is 1,807 employees (2022: 1,454 employees)

Note 6 – General administrative expenses

	2023	2022
Consultancy expenses	**41,717**	**19,508**
Payroll expenses	**12,741**	**7,731**
Legal expenses	**14,357**	**-**
Other	**11,517**	**876**
Total	**80,332**	**28,115**

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

Note 7 – Audit fees

For the year ended 31 Dec 2023	PwC NL	Other PwC network	Total PwC Network	Other audit firm
Audit of financial statements	**5,794**	**3,566**	**14,101**	**611**
Other audit service	**670**	**2,732**	**5,297**	**-**
Total audit services	**6,464**	**6,298**	**19,398**	**611**
Tax services	**—**	**1,172**	**1,172**	**—**
Other non-audit services	**—**	**—**	**---**	**—**
Total	**6,464**	**7,470**	**20,570**	**611**

The fees listed above relate to the procedures applied to the Company and its consolidated Group entities by accounting firms and external auditors as referred to in article 1(1) of the Dutch Accounting Firms Oversight Act (Dutch acronym: "Wta") as well as by Dutch and foreign-based accounting firms, including their tax services and advisory groups.

These fees relate to the audit of the 2022 financial statements, regardless of whether the work was performed during the financial year.

For the year ended 31 Dec 2022	PwC NL	Other PwC network	Total PwC network	Other audit firm
Audit of financial statements	4,492	2,121	9,489	2,877
Other audit service	773	974	2,897	1,150
Total audit services	5,264	3,094	12,386	4,027
Tax services	—	387	387	—
Other non-audit services	—	36	36	—
Total	5,264	3,518	12,809	4,027

Note 8 – Employees

During 2023, the average number of employees, based on full-time equivalents, was three (2022: three).

Of these, two employees are working outside of the Netherlands.

Note 9 – Commitments and contingencies not included in the balance sheet

Tax group liability
The Company is the parent of the Group's fiscal unity in the Netherlands and is therefore liable for the liabilities of said fiscal unity as a whole. The fiscal unity consists of DP Eurasia N.V., Fidesrus B.V. and Fides Food Systems B.V.

Other information
Proposal for profit allocation
With due observance of Dutch law and the articles of association, it is proposed that the net income of TRY 282,881 is added to the retained earnings. Furthermore, with due observance of article 43, paragraph 7, it is proposed that no dividend payment will be paid over 2023.

Details of special shareholder rights
DP Eurasia N.V. shareholders have no special rights, see corporate governance for more information about voting rights.

Details of shares without profit rights and non-voting rights
DP Eurasia N.V. has no common shares without profit rights and no non-voting shares.

Amsterdam, the Netherlands July 2024

Management Board
Aslan Saranga
Deepak Kumar Jajodia

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