DP EURASIA BV

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the years ended 31 December 2024 and 2023

	Notes	2024	2023
Revenue	3	**7,574,271**	6,934,047
Cost of sales	3	**(4,363,044)**	(4,233,707)
Gross profit		**3,211,227**	2,700,340
General administrative expenses		**(1,215,122)**	(1,094,040)
Marketing and selling expenses		**(1,134,170)**	(1,086,414)
Other operating (loss) / income, net		**16,218**	(34030)
Operating profit		**878,153**	485,856
Foreign exchange income	5	**30,115**	159,484
Financial income	5	**127,846**	131,237
Financial expense	5	**(939,741)**	(681,012)
Monetary gain		**534,892**	515,370
Profit/ (loss) before income tax		**631,266**	610,935
Tax expense	17	**(93,367)**	(24,518)
Profit from continuing operations		**537,899**	586,417
Loss from discontinued operations		**(63,993)**	(194,738)
PROFIT FOR THE PERIOD		**473,906**	391,679
Other comprehensive expense		**(13,990)**	12,200
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations, net of tax		**(1,700)**	(4,163)
Items that may be reclassified to profit or loss			
- Currency translation differences		**(12,290)**	16,363
Total comprehensive income		**459,916**	403,879

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 2024 and 2023

Assets	Notes	31 Dec 2024	31 Dec 2023
Trade receivables	11	**47,442**	47,911
Lease receivables	14	**232,950**	228,556
Right-of-use assets	8	**332,106**	397,973
Property and equipment	6	**422,274**	371,949
Intangible assets	7	**311,977**	264,177
Goodwill	9	**558,098**	558,098
Deferred tax assets		**11,014**	-
Other non-current assets	14	**225,105**	180,657
Non-current assets		**2,140,966**	2,049,321
Cash and cash equivalents		**275,968**	753,802
Trade receivables	11	**897,434**	740,982
Lease receivables	14	**91,693**	84,841
Inventories	13	**403,480**	557,653
Current income tax assets		**-**	-
Other current assets	14	**210,288**	402,122
Current assets		**1,878,863**	2,539,400
Assets held for sale		**-**	-
Total assets		**4,019,829**	4,588,721
Equity			
Paid in share capital		**38,514**	36,353
Reserves		**31,803**	-
Share premium		**444,355**	441,632
Contribution from shareholders		**28,968**	147,327
Other reserves not to be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations		**(32,890)**	(31,190)
Other reserves to be reclassified to profit or loss			
- Currency translation differences		**(629,816)**	(617,526)
Retained earnings		**860,426**	418,323
Total equity		**741,360**	394,919
Liabilities			
Financial liabilities	15	**-**	104,670
Lease liabilities	15	**409,960**	443,277
Long-term provisions for employee benefits	14	**19,773**	23,807
Deferred tax liability	17	**-**	4,255
Other non-current liabilities	14	**232,119**	246,862
Non - current liabilities		**661,852**	822,871
Financial liabilities	15	**645,736**	1,243,709
Lease liabilities	15	**195,912**	195,892
Trade payables	11	**1,128,003**	1,366,838
Provisions		**32,149**	46,675
Other current liabilities	14	**614,817**	517,816
Current liabilities		**2,616,617**	3,370,930
Liabilities related to assets held for sale		**-**	-
Total liabilities		**3,278,469**	4,193,801
Total liabilities and equity		**4,019,829**	4,588,720

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 2024

	Share capital	Share premium	Contribution from shareholders	Legal Reserves	Remeasurement of post-employment benefit obligations	Currency translation differences	Retained earnings	Total equity
Balances at 1 January 2023	36,353	441,632	110,600	-	(27,027)	(633,889)	26,644	(45,687)
Remeasurements of post-employment benefit obligations, net	-	-	-	-	(4,163)	-	-	(4,163)
Currency translation adjustments	-	-	-	-	-	*16,363*	-	*16,363*
Total loss for the period	-	-	-	-	-	-	*391,679*	*391,679*
Total comprehensive income	**-**	**-**	**-**	**-**	**(4,163)**	**16,363**	**391,679**	**403,879**
Share-based incentive plans	-	-	36,727	-	-	-	-	36,727
Balances at 31 December 2023	36,353	441,632	147,327	-	(31,190)	(617,526)	418,323	394,919
Balances at 1 January 2024	**36,353**	**441,632**	**147,327**	**-**	**(31.190)**	**(617,526)**	**418,323**	**394,919**
Remeasurements of post-employment benefit obligations, net	-	-	-	-	(1,700)	-	-	(1.700)
Currency translation adjustments	-	-	-	-	-	*(12,290)*	-	*(12.290)*
Total profit for the period	-	-	-	-	-	-	*473,906*	*473,906*
Transfers	*2,161*	*2,723*	*(4,884)*	*31,804*	-	-	*(31,803)*	-
Total comprehensive income	**1,616**	**2,723**	**/4,884)**	**31,804**	**(1,700)**	**(12,290)**	**442,102**	**459,916**
Share-based incentive plan	-	-	(113,475)	-	-	-	-	(113,475)
Balances at 31 December 2024	**38,514**	**444,355**	**28,968**	**31,803**	**(32,890)**	**(629,816)**	**860,426**	**741,360**

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

(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.) 4

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

		31 December 2024	31 December 2023
Profit before income tax	**Notes**	**631,266**	610,935
Adjustments for:			
Depreciation	6	**108,889**	106,960
Amortisation	7,8	**358,850**	245,330
Performance bonus accrual		**88,351**	88,345
Doubtful Accounts Receivable		**(2,994)**	-
Litigation Provision		**(39,799)**	-
Non-cash employee benefits expense – share-based payments		**(115,176)**	36,727
Interest income		**(127,846)**	(131,237)
Interest expense		**882,755**	617,221
Impairment of tangible and intangible assets		**-**	-
Hyperinflation adjustments		**(505,325)**	(489,333)
Cash flows from discontinued operation		**-**	(740,471)
Effect of currency translation differences		**1,000**	47,906
Changes in operating assets and liabilities			
Changes in trade receivables		**(138,258)**	(43,028)
Changes in other receivables and assets		**-**	(7,092)
Changes in inventories		**154,173**	10,479
Changes in contract assets		**-**	(7,192)
Changes in contract liabilities		**(11,246)**	(109,786)
Changes in trade payables		**(238,835)**	523,685
Changes in other payables and liabilities		**228,063**	99,452
Income taxes paid		**-**	48,085
Performance bonus paid		**(61,190)**	-
Cash flows generated from operating activities		**(1.212,678)**	906,986
Purchases of property and equipment	6	**(164,142)**	(192,105)
Purchases of intangible assets	7	**(184,747)**	(161,672)
Cash flows from discontinued operation		**-**	-
Disposals from sale of tangible and intangible assets		**4,928**	7,811
Cash flows used in investing activities		**(343,961)**	(345,966)
Interest paid		**(715,714)**	(483,487)
Interest received		**127,846**	131,237
Loans obtained	15	**995,651**	2.371,785
Loans paid	15	**(1.284,833)**	(2.198,014)
Payment of lease liabilities	15	**(237,797)**	(148,590)
Cash flows (used in)/generated from financing activities		**(1.114,847)**	(327,068)
Effects of inflation on cash and cash equivalents		**(231,733)**	336,722
Net increase in cash and cash equivalents		**(246,130)**	233,953
Cash and cash equivalents at the beginning of the period		**753,802**	856,570
Cash and cash equivalents at the end of the period		**275,968**	753,802

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 B,V, (the "Company"), private 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 B.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 of 31 December 2024, the Group holds franchise operating and sub-franchising rights in 907 stores (790 franchised stores, 117 corporate-owned stores) (31 December 2023: 796 stores (699 franchised stores, 97 corporate-owned stores)),

Subsidiaries

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

Subsidiaries	**2024 Effective ownership (%)**	2023 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 and 4 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.) 6

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 2024 are given below:

Date	Index	Conversion factor	Cumulative three-year inflation rate
31 December 2024	2684,55	1,000	291%
31 December 2023	1859,38	1,444	268%
31 December 2022	1128,45	2,379	156%

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 2024, the Group recognized a total gain on net monetary position of TRY 534,894, (31 December 2023: TRY 515,370)

The Group used the conversion coefficient derived from the consumer price index published by Turkish Statistics Institute (TUIK), The conversion coefficient was 2684,55 and 1859,38 on 31 December 2024 and 31 December 2023, 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.) 7

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 B,V, and its subsidiaries for the year ended 31 December 2024, 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 2024 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 2024		**31 Dec 2023**	
Currency	**Period End**	**Period Average**	Period End	Period Average
Euros (“EUR”)	**36,7362**	**35,4893**	32,5739	25,6852
Russian Roubles (“RUB”)	**0,3271**	**0,3525**	0,3261	0,2755

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 2024 (2023: no assets held for sale).

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 2024

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 2024:

- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current with Covenants; effective for annual reporting periods beginning on or after 1 January 2024. These amendments clarify how conditions that an entity must comply with within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve the information provided about liabilities subject to covenants.

(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.) 8

- IFRS 16 – Lease Liability in a Sale and Leaseback; effective for annual reporting periods beginning on or after 1 January 2024. These amendments clarify the accounting for a sale and leaseback transaction after the date of the transaction. Transactions where lease payments include variable lease payments not linked to an index or rate may be affected. The effects on the Company's financial position and performance are being evaluated.

- Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements; effective for annual reporting periods beginning on or after 1 January 2024. These amendments require disclosures to enhance transparency regarding supplier finance arrangements and their effects on an entity's liabilities, cash flows, and liquidity risk. These disclosure requirements are in response to concerns raised by investors about insufficient transparency regarding such arrangements. The effects on the Company's financial position and performance are being evaluated.

- IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information; effective for annual reporting periods beginning on or after 1 January 2024. This standard sets out the foundational framework for disclosing significant sustainability-related risks and opportunities across a company's value chain.

  IFRS S2 – Climate-related Disclosures; effective for annual reporting periods beginning on or after 1 January 2024. This standard provides the first set of disclosure requirements related to climate risks and opportunities.

- IFRS 17 – Insurance Contracts; effective for annual reporting periods beginning on or after 1 January 2023. This standard replaces IFRS 4, which allowed a wide range of practices. IFRS 17 fundamentally changes the accounting for all entities issuing insurance contracts and investment contracts with discretionary participation features.

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 2024:

- IFRS 17 – Insurance Contracts; effective for annual reporting periods beginning on or after 1 January 2023. It replaces IFRS 4, which permitted a wide variety of accounting practices. IFRS 17 significantly changes the accounting for all entities issuing insurance contracts and investment contracts with discretionary participation features. This change has no impact on the Company's financial position or performance due to the nature of its operations.

- IAS 21 – Lack of Exchangeability; effective for annual reporting periods beginning on or after 1 January 2025. Entities will be affected if they have transactions or operations in a foreign currency that cannot be exchanged into another currency at a particular measurement date. A currency is exchangeable when the entity can obtain another currency (within a normal administrative delay) through a legal market or exchange mechanism. The effects on the Company's financial position and performance are being evaluated.

- Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments; effective for annual periods beginning on or after 1 January 2026 (early adoption permitted). The amendments:
  - clarify derecognition and timing requirements for certain financial assets and liabilities, including those paid via electronic cash transfer systems;
  - provide additional guidance on whether a financial asset meets the solely payments of principal and interest (SPPI) criteria;
  - introduce new disclosures for instruments with contractual terms that may change cash flows (e.g., features linked to ESG targets);
  - update disclosures for equity instruments measured at fair value through other comprehensive income (FVOCI).

  The effects on the Company's financial position and performance are being evaluated.

- IFRS 18 – Presentation and Disclosure in Financial Statements; effective for annual reporting periods beginning on or after 1 January 2027. This is a new standard focusing on updates to the presentation of the statement of profit or loss. Key new concepts introduced include:
  - structure of the statement of profit or loss;
  - mandatory disclosures of management-defined performance measures reported outside of the financial statements; and
  - improved principles for aggregation and disaggregation applicable to primary financial statements and notes in general.

  The effects on the Company's financial position and performance are being evaluated.

- IFRS 19 – Subsidiaries without Public Accountability: Disclosures; effective for annual periods beginning on or after 1 January 2027 (early adoption permitted). This standard is applied with other IFRS Standards. A qualifying subsidiary applies the recognition and measurement requirements of IFRS but follows the reduced disclosure requirements in IFRS 19. This aims to balance the information needs of users of financial statements with cost savings for preparers. A subsidiary qualifies if:
  - it is not publicly traded, and
  - it has a parent or intermediate parent that produces publicly available consolidated IFRS financial statements.

  The effects on the Company's financial position and performance are being evaluated.

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

<u>(i) Sale of goods – wholesale</u>
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,

<u>(ii) Sale of goods – retail</u>
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,

<u>(iii) Revenue from royalties</u>
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,

(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,

2,5 Summary of significant accounting policies (Continued)

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

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

2,5 Summary of significant accounting policies (Continued)

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

<u>Key money</u>
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,

<u>Franchise contracts</u>

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,

<u>Software</u>

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,

<u>Business combinations and goodwill</u>

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,

2,5 Summary of significant accounting policies (Continued)

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,

(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,

2,5 Summary of significant accounting policies (Continued)

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

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

	2024	**2023**
Corporate revenue	**1.430.952**	1.426.700
Franchise revenue and royalty revenue obtained from franchisees	**5.782.969**	5.065.037
Other revenue [(1)]	**360.350**	442.310
Revenue	**7.574.271**	6.934.047
Cost of sales	**(4.363.044)**	(4.233.707)
Gross profit	**3.211.227**	2,700,340

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

Note 4 – Expenses by nature

	2024	2023
Employee benefit expenses [(1)]	**1,137,776**	1,000,494
Depreciation and amortisation expenses [(1)]	**441,221**	322,503
	1,578,998	1,322,998

(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	**2024**	2023
Foreign exchange gains, net	**30,115**	159,484
Foreign exchange losses on lease liabilities	**-**	-
	30,115	159,484

Financial income	**2024**	2023
Interest income on lease receivables	**82,186**	73,412
Interest income	**45,660**	57,825
	127,846	131,237

Financial expense	**2024**	2023
Interest expense	**(715,714)**	(487,899)
Interest expense on lease liabilities	**(167,041)**	(129,322)
Other	**(56,986)**	(63,791)
	(939,741)	(681,012)

(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.) 19

Note 6 – Property and equipment

	Machinery and equipment	Motor vehicles	Furniture and fixtures	Leasehold improvements	Construction in progress	Total
Cost						
1 January 2024	**138,499**	**107,804**	**642,560**	**542,463**	**2,892**	**1,434,219**
Additions	**9,018**	**17,842**	**67,040**	**70,241**	**-**	**164,142**
Disposals	**-**	**-**	**(48,884)**	**(10,039)**	**-**	**-58,922**
31 December 2024	**147,518**	**125,647**	**660,717**	**602,665**	**2,892**	**1,539,439**
Accumulated depreciation						
1 January 2024	**(101,384)**	**(77,655)**	**(417,669)**	**(465,562)**	**-**	**(1,062,271)**
Additions	**(9,038)**	**(13,203)**	**(52,774)**	**(33,874)**	**-**	**(108,889)**
Disposals	**-**	**-**	**44,211**	**9,784**	**-**	**53,995**
31 December 2024	**(110,422)**	**(90,858)**	**(426,233)**	**(489,652)**	**-**	**(1,117,164)**
Net book value	**37,096**	**34,789**	**234,484**	**113,013**	**2,892**	**422,274**

Depreciation expense of TRY 42,428 has been charged in cost of sales and TRY 66,460 has been charged in general administrative expenses,

	Machinery and equipment	Motor vehicles	Furniture and fixtures	Leasehold improvements	Construction in progress	Total
Cost						
1 January 2023	134,781	90,887	542,986	509,925	3,636	1,282,217
Additions	3,717	16,916	121,740	49,730	-	192,105
Disposals	-	-	(22,166)	(17,192)	(744)	(40,104)
Transfers	-	-	-	-	-	-
Currency translation adjustments	-	-	-	-	-	-
Effect of disposal of subsidiaries	-	-	-	-	-	-
31 December 2023	138,499	107,804	642,560	542,463	2,892	1,434,219
Accumulated depreciation						
1 January 2023	(91,684)	(52,179)	(388,252)	(456,115)	-	(988,230)
Additions	(9,701)	(25,476)	(46,353)	(25,430)	-	(106,960)
Disposals	-	-	16,936	15,983	-	32,919
Currency translation adjustments	-	-	-	-	-	-
Effect of disposal of subsidiaries	-	-	-	-	-	-
31 December 2023	(101,384)	(77,655)	(417,669)	(465,562)	-	(1,062,271)
Net book value	37,115	30,149	224,891	76,901	2,892	371,949

Amortisation expense of TRY 57,826 has been charged in cost of sales and TRY 49,134 has been charged in general administrative expenses,

(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.) 20

Note 7 – Intangible assets

	Key money	Computer software	Total
Cost			
1 January 2024	**95,144**	**909,062**	**1,004,206**
Additions	**5,245**	**179,502**	**184,747**
Disposals	**-**	**(9)**	**(9)**
31 December 2024	**100,389**	**1,088,555**	**1,188,944**
Accumulated depreciation			
1 January 2024	**(93,026)**	**(647,002)**	**(740,028)**
Additions	**(1,912)**	**(135,034)**	**(136,947)**
Disposals	**-**	**9**	**9**
31 December 2024	**(94,939)**	**(782,028)**	**(876,966)**
Net book value	**5,450**	**306,527**	**311,977**

Amortisation expense of TRY 136,947 has been charged in cost of sales and TRY 83,585 has been charged in general administrative expenses,

	Key money	Computer software	Total
Cost			
1 January 2023	105,629	747,487	853,117
Additions	-	161,673	161,672
Disposals	(10,485)	(99)	(10,583)
Currency translation adjustments	-	-	-
Effect of disposal of subsidiaries	-	-	-
31 December 2023	**95,144**	**909,061**	**1,004,206**
Accumulated depreciation			
1 January 2023	(97,090)	(537,233)	(634,323)
Additions	(5,791)	(109,867)	(115,658)
Disposals	9,854	98	9,953
Currency translation adjustments	-	-	-
Effect of disposal of subsidiaries	-	-	-
31 December 2023	(93,026)	(647,002)	(740,028)
Net book value	**2,118**	**262,059**	**264,177**

Amortisation expense of TRY 62,529 has been charged in cost of sales and TRY 53,129 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 2024 and 2023 are as follows:

Right-of-use assets	**31 Dec 2024**	**31 Dec** 2023
Stores and building	270,559	340,362
Cars	61,547	57,611
	332,106	**397,973**

Details of lease receivables as at 31 December 2024 and 2023 are as follows:

Lease receivables	**31 Dec 2024**	**31 Dec 2023**
Current	91,693	84,841
Non-current	232,950	228,556
	324,643	**313,397**

(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.) 21

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

Details of lease liabilities as at 31 December 2024 and 2023 are as follows:

	31 Dec 2024	31 Dec 2023
Lease liabilities		
Current	195,912	195,892
Non-current	409,960	443,277
	605,872	**639,169**

Movement of right-of-use assets

	Stores and building	Vehicles	Total
Cost			
1 January 2024	**509,088**	**107,984**	**616,982**
Additions	**137,453**	**73,322**	**210,775**
Disposals	**(40,608)**	**(40,635)**	**(81,243)**
31 December 2024	**605,933**	**140,581**	**746,514**
Accumulated depreciation			
1 January 2024	**(168,726)**	**(50,282)**	**(219,008)**
Additions	**(181,627)**	**(40,276)**	**(221,903)**
Disposals	**14,979**	**11,525**	**26,503**
31 December 2024	**(335,374)**	**(79,034)**	**(414,408)**
Net book value	**270,559**	**61,547**	**332,106**

For the year ended 31 December 2024, depreciation expense of TRY 86,464 has been charged to the cost of sales and TRY 135,438 has been charged to general administrative expenses (31 December 2023: TRY 80,406 and TRY 48,481 respectively),

	Stores and building	Vehicles	Total
Cost			
1 January 2023	**332,123**	**38,897**	**362,020**
Additions	259,171	68,998	328,169
Disposals	(73,207)	-	(73,207)
Effect of disposal of subsidiaries	-	-	-
Currency translation adjustments	-	-	-
31 December 2023	**509,088**	**107,894**	**616,982**
Accumulated depreciation			
1 January 2023	**(107,220)**	**(20,373)**	**(127,592)**
Additions	(99,338)	(29,910)	(129,247)
Disposals	37,831	-	37,831
Effect of disposal of subsidiaries	-	-	-
Currency translation adjustments	-	-	-
31 December 2023	**(168,726)**	**(50,282)**	**(219,008)**
Net book value	**340,362**	**57,612**	**397,973**

(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.) 22

Note 9 – Goodwill

Movement of goodwill is as follows:

	31 December 2024	31 December 2023
1 January	**558,098**	558,098
Effect of disposal of subsidiary	**-**	-
31 December	**558,098**	558,098

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 32,5% for the Turkish market (31 December 2023: 11,4%),

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 21,5% for Turkey (31 December 2023: 13,4%), 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 2024, 27,6% for 2023 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 2024, 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 2024, 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 2024 and 2023 are as follows:

	31 Dec 2024	31 Dec 2023
Cash	**926**	1,360
Banks	**91,392**	414,121
Term bank deposits (less than three months)	**76,565**	273,717
Credit card receivables[1]	**106,085**	60,505
	275,968	749,703

1. Maturity term of credit card receivables are 30 days on average (31 December 2023: 30 days),

There is no restricted cash as at 31 December 2024 and 2023,

(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.) 23

Note 11 – Trade receivables and payables

a) Short-term trade receivables

	31 Dec 2024	31 Dec 2023
Trade receivables	**838,688**	676,438
Post-dated cheques (1)	**61,740**	67,557
	900,428	743,995
Less: Doubtful trade receivables	**(2,994)**	(3,013)
Short-term trade receivables, net	**897,434**	740,982

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 (2023: between 30 and 60 days),

Movement of provision for doubtful receivables is as follows:

	2024	2023
1 January	**(3,013)**	(3,227)
Current year (reversals) /charges	**907**	275
Monetary gain/loss	**(888)**	(61)
31 December	**(2,994)**	(3,013)

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 2024 also impacted the expected credit losses going forward, resulting in a disposal of TRY 240 recorded as provision for doubtful receivables (31 December 2023: TRY 219), 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
	0,02%	**0,07%**	**0,09%**	**0,31 %**	**0,40%**	**2,34%**

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 2024	31 Dec 2023
Post-dated cheques (1)	**47,442**	47,911
Lease Receivables	**232,950**	228,556
	280,392	276,467

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

c) Short-term trade and other payables

	31 Dec 2024	31 Dec 2023
Trade payables	**1,126,258**	1,361,966
Other payables	**1,745**	4,872
	1,128,003	1,366,838

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 2024 and 2023: 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 2024 and 2023 and transactions are as follows:

a) Key management compensation

	31 Dec 2024	31 Dec 2023
Short-term employee benefits	**142,336**	106,077
Share-based incentives	**9,893**	36,726
	152,229	142,802

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

(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.) 24

Note 13 – Inventories

	31 Dec 2024	**31 Dec 2023**
Raw materials	395,820	549,663
Merchandise	7,660	7,990
Total	**403,480**	557,653

The cost of inventories recognised as expense and included in “cost of sales” amounted to TRY 3,261,426 in 2024 (2023: TRY 2,271,592),

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

Other current receivables, lease receivables and assets	**31 Dec 2024**	**31 Dec 2023**
Advance payments [(1)]	**158,050**	266,691
Lease receivables	**91,693**	84,841
Contract assets related to franchising contracts [(2)]	**10,669**	17,360
Prepaid insurance expenses	**12,756**	10,392
Prepaid marketing expenses	**18,215**	492
Prepaid taxes and VAT receivable	**2,283**	2,033
Other [(3)]	**8,315**	4,076
Total	**301,981**	877,393

1. As at 31 December 2024 and 2023, 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 2024 and 2023, other includes job and personnel advances, short-term security deposits and other prepayments such as subscriptions and travel expenses,

Other non-current receivables, lease receivables and assets	**31 Dec 2024**	31 Dec 2023
Lease receivables	**232,950**	228,556
Prepaid marketing expenses	**86,237**	113,238
Contract assets related to franchising contracts [(1)]	**62,512**	45,238
Deposits given	**20,283**	1,230
Other non-current assets [(2)]	**56,069**	9,880
Total	**458,051**	398,142

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 2024**	31 Dec 2023
Taxes and funds payable	**191,121**	184,281
Performance bonuses	**109,981**	88,345
Contract liabilities from franchising contracts(1)	**99,290**	74,699
Payable to personnel	**37,059**	37,842
Social security premiums payable	**-**	37,250
Unused vacation liabilities	**23,632**	22,041
Advances received from franchisees	**39,577**	15,700
Other expense accruals	**114,156**	57,658
Total	**614.817**	517.816

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 and long term provisions for employee benefits.	**31 Dec 2024**	31 Dec 2023
Contract liabilities from franchising contracts[(1)]	**195,310**	226,948
Long-term provisions for employee benefits	**19,773**	23,807
Unearned revenue	**36,809**	19,907
Other	**-**	-
Total	**251,892**	270.662

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,

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Note 15 – Financial liabilities

	31 Dec 2024	31 Dec 2023
Short-term bank borrowings	**645,736**	1,243,709
Short-term financial liabilities	**645,736**	1,243,709
Short-term portions of long-term borrowings	**-**	-
Short-term portions of long-term leases	**195,912**	195,892
Current portion of long-term financial liabilities	**195,912**	195,892
Total short-term financial liabilities	**841,648**	1,439,601
Long-term bank borrowings	**-**	104,670
Long-term leases	**409,960**	443,277
Long-term financial liabilities	**409,960**	547,947
Total financial liabilities	**1,251,608**	1,987,548

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

31 December 2024 **Currency**	**Maturity**	**Interest rate (%)**	**Short-term**	**Long-term**
TRY and other borrowings	**Revolving**	**51,93%**	**645,890**	**-**
			645,890	**-**

31 December 2023 Currency	Maturity	Interest rate (%)	Short-term	Long-term
TRY and other borrowings	Revolving	50,61%	1,155,245	88,464
			1,155,245	88,464

The redemption schedule of the borrowings as at 31 December 2024 and 2023 is as follows:

	31 Dec 2024	31 Dec 2023
To be paid in one year	**645,890**	1,155,245
To be paid between one to two years	**-**	88,464
To be paid between two to three years	**-**	-
	645,890	1,243,709

The redemption schedule of the leases as at 31 December 2024 and 2023 is as follows:

	31 Dec 2024	31 Dec 2023
Leases to be paid in one year	**195,912**	195,892
Leases to be paid between one to two years	**178,151**	197,695
Leases to be paid between two to three years	**131,855**	174,200
Leases to be paid in three years and more	**99,954**	71,382
	605,872	639,169

As at 31 December 2024 and 2023, the net financial liabilities reconciliation is as follows:

	31 Dec 2024	31 Dec 2023
Cash and cash equivalents	**275,968**	753,802
Financial liabilities and leases to be paid in one year	**(841,648)**	(1,439,601)
Financial liabilities and leases to be paid in one to five years	**(409,960)**	(547,947)
	(975,640)	(1,233,746)

	31 Dec 2024	31 Dec 2023
Cash and cash equivalents	**275,968**	753,802
Financial liabilities and leases – fixed rate	**(1,251,608)**	(1,987,548)
	(975,640)	(1,233,746)

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

Note 15 – Financial liabilities (Continued)

31 December 2024	**Short-term financial liabilities and leases**	**Long-term financial liabilities and leases**	**Total**
1 January financial liabilities	**(1.439.601)**	**(547.947)**	**(1.987.548)**
Net cash flow effect, loans received	**(1.068.996)**	**(130.505)**	**(1.199.500)**
Net cash flow effect, loans paid	**1.481.151**	**41.479**	**1.522.630**
Net cash flow effect, leasing payments	**(197.118)**	**-**	**(197.118)**
Other non-cash transaction	**(59.823)**	**59.823**	**-**
Currency translation adjustments	**1**	**(999)**	**(997)**
Inflation impact	**442.743**	**168.188**	**610.928**
31 December financial liabilities	**(841.648)**	**(409.960)**	**(1.251.608)**

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

31 December 2023	Short-term financial liabilities and leases	Long-term financial liabilities and leases	Total
1 January financial liabilities	(1.818.790)	(456.339)	(2.275.129)
Net cash flow effect, loans received	(1.997.235)	(374.550)	(2.371.785)
Net cash flow effect, loans paid	1.881.472	316.542	2.198.014
Net cash flow effect, leasing payments	74.729	73.861	148.590
Other non-cash transactions (*)	(208.681)	(297.072)	(505.753)
Currency translation adjustments	(75.093)	50.811	(24.282)
Inflation effect	703.997	138.801	842.797
31 December financial liabilities	(1.439.601)	(547.947)	(1.987.548)

The reconciliation of adjusted net debt as at 31 December 2024 and 2023 is as follows:

Note 16 – Commitments, contingent assets and liabilities

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

	31 Dec 2024	31 Dec 2023
Guarantee letters given	**27,271**	42,978
	27,271	42,978

	31 Dec 2024	31 Dec 2023
Guarantee notes received	**398,910**	261,391
Guarantee letters received	**160,474**	433,964
	559,383	695,355

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 2024,

As of the year ending 31 December 2024, as a result of on-going bankruptcy proceedings in Russia, the company has incurred additional TRY 25 million provision for claims for DP Russia balances,

(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.) 27

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,

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 2023: 25%) 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 2023: 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 2024	31 Dec 2023
Corporate tax calculated	**72,949**	-
Prepaid taxes (-)	**(75,735)**	(59,963)
Current income tax asset / liability	**(2,786)**	(59,963)

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

	2024	2023
Current period corporate tax expense	**(72,949)**	(9,361)
Deferred tax income / (expense)	**(20,418)**	(15,157)
Total tax expense	**(93,367)**	(24,518)

(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.) 29

The breakdown of cumulative temporary differences and the resulting deferred income tax assets/liabilities at 31 December 2024 and 2023 using statutory tax rates are as follows:

	31 December 2024		31 December 2023	
	Temporary differences	**Deferred tax assets/ (liabilities)**	Temporary differences	Deferred tax assets/ (liabilities)
Contract liabilities from franchising contracts	**(146,717)**	**36,679**	(27,558)	6,889
Right of use assets and lease liability	**80,460**	**(20,115)**	128,977	(32,244)
Legal provisions	**(6,190)**	**1,548**	(6,137)	1,534
Unused vacation liabilities	**(23,632)**	**5,908**	(22,041)	5,510
Provision for employee termination benefit	**(26,974)**	**6,744**	(23,807)	5,952
Other	**(71,074)**	**17,926**	41,441	(10,360)
Bonus Provision	**(55,409)**	**13,852**	-	-
Property, equipment and intangible assets (*)	**206,112**	**(51,528)**	(73,855)	18,464
Deferred income tax assets, net		**11,014**		(4,255)

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

Details of special shareholder rights
DP Eurasia B,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 B,V, has no common shares without profit rights and no non-voting shares,

Amsterdam, the Netherlands August 2025
Management Board

Sd/-
Mr. Parthiv Arun Metha
Director

Sd/-
Mr. Anant Kumar Malekar
Director