Domino's Pizza®

DP POLAND PLC 2021
ANNUAL REPORT AND ACCOUNTS

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DP Poland PLC

Annual Report and Accounts 2021

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Company Information

Directors	Nicholas John Donaldson - *Non-Executive Chairman* Piotr Dzierżek - *Chief Executive Officer* Malgorzata Potkanska - *Chief Financial Officer* Przemyslaw Glebocki - *Non-Executive* Jakub Chechelski – *Non-Executive* Jeremy Dibb – *Non-Executive* Peter Furlong – *Non-Executive*
Secretary	Petershill Secretaries Limited
Registered Office	1 Chamberlain Square Cs Birmingham, England, B3 3AX
Registered Number	7278725
Website	www.dppoland.com
Group Head Office – Poland	ul. Dąbrowiecka 30 03-932 Warsaw
Nominated Adviser and Broker	Singer Capital Markets Advisory LLP 1 Bartholomew Lane London EC2N 2AX
Solicitors	Bird & Bird LLP 12 New Fetter Lane London EC4A 1JP
Auditors	Crowe U.K. LLP Riverside House 40-46 High Street Maidstone Kent ME14 1JH
Registrars	SLC Registrars PO Box 5222 Lancing BN99 9FG
Principal Bankers	BNP Paribas Bank Polska S.A. Ul. Piekna 20 00-549 Warsaw

Company Profile

DP Poland PLC ("DPP"), through its wholly owned subsidiary DP Polska S.A. ("DPPSA"), has the exclusive right to develop, operate and sub-franchise Domino's Pizza stores in Poland. DPP is a UK based company listed on the Alternative Investment Market (AIM) in London.

The first Domino's Pizza store was opened in Warsaw in February 2011. In January 2021 the Group acquired the entire share capital of Dominium S.A. ("Dominium") which operated a total of 57 pizza restaurants in various locations across Poland. The exclusive rights of the Master Franchise Agreement have been granted to DPPSA for an initial period of 15 years with an option to renew for a further 10 years, subject to certain conditions. At the 2021 year-end there were 121 Domino's Pizza stores across Poland.

Poland has a population of 38 million people and has the potential to become a significant pizza delivery market. DPP's objective is to establish Domino's Pizza as the leading pizza brand in Poland.

Risk Management

In addition to the review of the business given in the Chairman's Statement and the Chief Executive's Review, the Directors are required by the Companies Act 2006 to describe the principal risks and uncertainties facing the Company and the Group. The following is a summary of the principal risks and uncertainties, their potential impact, and the steps which have been taken by the Directors to mitigate them.

Master Franchise Agreement
The success of the Group and the Company is dependent on the continuation of the Master Franchise Agreement ("MFA") with Domino's Pizza. If the MFA were to be terminated it would prevent the Group from continuing to operate using the Domino's Pizza brand. To mitigate this risk the MFA has been secured for an initial 15 year period from June 2010, which may be renewed for an additional ten year term provided certain conditions are satisfied. The Group works closely with its franchisor partner to ensure that all conditions of the MFA, and amendments thereof, are adhered to. With reference to reverse acquisition the MFA has been updated to reflect the enlarged chain of stores.

Trading environment
It is impossible to predict fully the ongoing demand for the Group's products in its chosen markets and the profits and cash flows which will result from sales of those products. If sales revenues are significantly lower than anticipated, or costs are significantly higher than anticipated, this will negatively affect the Group's profitability and cash flows. To mitigate this risk the Company has chosen a proven, market-leading franchise system, which has already been successful in many markets.

Maintaining and expanding a suitable store portfolio
In order for the Group to implement its strategy (and to ensure compliance with the Domino's Pizza MFA) it will need to maintain and increase the number of its stores throughout Poland. There can be no guarantee that it will be able to identify sufficient suitable locations for new stores. To mitigate this risk, management use a site acquisition strategy utilising a number of separate sources and identifying potential sites well in advance of scheduled openings.

Competition and changes in consumer tastes
Food service businesses are affected by changes in consumer tastes, local and national competition and factors such as demographic trends. Any material change in the market perception of the pizza home delivery and convenience food industry in general, or the Domino's brand in particular, could adversely affect the Group. To mitigate this risk the Group aims to reflect consumer tastes in its product offering and to offer great value, quality and service to its customers.

Regulatory and compliance risks
The Group's operations are subject to a broad range of regulatory requirements, particularly in relation to planning, health and safety, employment, advertising and licensing. Failure to comply with these requirements could result in imposition of fines, damage to the brand and other negative consequences. To mitigate this risk, the Group has implemented a strong training and compliance regime and closely monitors changes in relevant legislation and regulations, including those relating to Covid-19.

Economic risks
A deterioration in the general economic climate in Poland could lead to customers having less disposable income available which might in turn adversely affect the Group's revenues. The Group deliberately operates exclusively in Poland, whose economy has to date been resilient.

Sub-Franchisees
Good relationships with our sub-franchisees are essential to the success of our sub-franchising business. Should these relationships deteriorate, there is a risk that we might lose franchisees or that loans made to them might become wholly or partly unrecoverable. To mitigate this risk it is our policy to work closely with sub-franchisees and to provide great service and support to them. Loans provided to sub-franchisees have where possible, appropriate guarantees to minimize any risk of financial loss.

IT systems and infrastructure
Significant failure in, or successful attacks on, the IT processes of our retail operations could impact online sales and each store's ability to trade. In the event of this happening, website sales could stop, which could have a serious detrimental effect on the financial performance of the Group. To mitigate this risk, it is our policy regularly to monitor, control and maintain the integrity and efficiency of IT infrastructure. Processes are in place to deal with any significant IT security incidents. Contingency plans are in place should any serious IT failures arise.

Impact of a pandemic - Covid-19
Our business was impacted in 2021 by the Covid-19 pandemic during the restrictions period between January – May 2021. Deliveries profited from the restrictions, which negatively impacted the dine-in part of the business, as the restaurants were closed for dine-in for some time. The Group has taken measures to ensure business continuity as far as possible. All restrictions were removed by the Polish government on 28th May 2021.

Chairman's Statement

2021 was a transformational year for DP Poland PLC, having completed the acquisition of Dominium S.A. ("Dominium") in January 2021. This is the first DP Poland Annual Report to be published after twelve months have passed since the businesses came together.

Against the background of unprecedented challenges presented by the COVID-19 pandemic, much has been achieved by your management team. Piotr, our CEO, will provide more detail about this in his statement.

Your board believes the acquisition of Dominium has delivered a level of critical mass which makes the Company a key player in the Polish Food & Beverage sector. At the end of 2021, the Group operated 121 stores across Poland, providing an opportunity to leverage economies of scale in operations, procurement and marketing. I am truly excited about the future for DP Poland - we see a long and exciting roadmap ahead, driven by both organic and other opportunities.

In 2021 DP Poland won the Golden Franny award from DPI for its operational excellence. We congratulate Piotr and his team on this huge achievement in the maiden year following the acquisition of Dominium. I am confident that our management team will perform well in any trading environment. Despite the headwinds of COVID-19 and current inflationary pressures, we look forward to the day when these headwinds become tailwinds.

Meanwhile, at the time of writing this statement, the terrible events in Ukraine – a close neighbour of Poland – continue. Shareholders will, I am sure, be pleased to know that DP Poland is working hard to help the citizens of Ukraine in every way we can. DP Poland has no operations in Ukraine, but does so, in Poland, near the Ukraine border.

Several important changes in the composition of the Board have taken place since year-end 2021. In January 2022, Jeremy Dibb joined the Board as a Non-Executive Director, bringing a wealth of public market experience through his previous roles. In March 2022, Robert Morrish, Non-Executive Director, stepped down after 11 years of dedicated service to DP Poland. In April 2022, Peter Furlong joined the Board as a Non-Executive Director. Peter is a Director of Pageant Holdings, DPP's second largest shareholder, and has been a long-term investor in the Company.

Following these changes, I believe that the composition of the Board provides a strong and diverse range of know-how and experience, well suited to the business and the challenges ahead. We have a strong team of highly skilled Executives and Non-Executives, whose interests are 100% focused on creating shareholder value.

Further changes will occur in 2022 when I will retire as Non-Executive Chairman of DP Poland. It was announced to the London Stock Exchange in April 2022 that I would stand down as Non-Executive Chairman of DP Poland at the Company's 2022 AGM in July 2022. However, I have agreed to stay on until the end of calendar 2022, at the request of the wider Board, in order to help complete certain on-going initiatives whilst providing time to find a suitable successor. I am happy to assist.

I would like to end my final statement as Non-Executive Chairman by thanking our management team and all employees for their superb efforts over the last year. I would like to thank our Board members for their guidance and input in this pivotal year for the Company. Finally, I would like to thank our shareholder base, who have patiently supported DP Poland since my tenure began. It has been a long road to where DP Poland is today. I am excited about the road ahead and what that means for our shareholder base.

With best my wishes.

Nicholas Donaldson
Non-Executive Chairman
14 June 2022

Chief Executive's Review

2021 was a transformational year for DPP following the acquisition of Dominium in January 2021.

It was a year of hard work integrating Dominos and Dominium. We have successfully converted Dominium restaurants to Domino's standards, which required a transition to fresh pizza dough, an investment in 28 walk-in chiller rooms, the redesign of the production areas, the re-organization of 54 makelines, and the installation of 177 new, larger refrigerators. Additionally, 54 signages have been replaced.

The capital investment required for this integration was significant and hampered by various COVID disruptions. However, encouragingly the integration is complete and we are now well positioned for the future.

The operational merger took place and completed in July 2021, as both businesses migrated onto the same I.T. system 'PULSE'. This brought unforeseen challenges and resulted in some delays, but we now are starting to reap the benefits.

As part of the merger, we also took the opportunity to re-design our delivery areas. As a result, in cities such as Warsaw, Wrocław and Kraków, we have been able to reduce our delivery times. We now offer one of the most compelling delivery services in Poland and hope to build further on this competitive advantage. In fact, we have invested further since year end, hiring more drivers and training our staff to be best in class. We believe that this investment will help us to build a sustainable competitive advantage as we continue to be the pizza company of choice in Poland.

We now are working at scale and are happy to say that our commissaries is growing from strength to strength. Profitability in this segment continues to grow and our stores benefit from the economies of scale derived from this core business line. Capacity rates at our commissaries have increased to their highest level and we continue to look for ways to drive more efficiencies here. Production capacity at the branch in Warsaw is at 100%, while the production capacity of the Commissary in Łódź is at 80%. Our partnership with Berto has allowed us to reduce distribution costs, whilst still maintaining the highest quality standards.

These changes required significant investment, which impeded our short-term profitability and cashflows, however the business is now benefitting from this investment. We are looking at ways to increase capacity rates further - including adding overnight shifts in our commissaries to accommodate our increased market share and associated volumes.

Tourism in Poland has yet to recover to the levels experienced pre-COVID, which has negatively impacted our dine-in business. Having said that, we consider the business is getting back to a 'new normal'. On 14th February 2022 students officially went back to school. The more challenging situation has been with regard to selling to offices, even after the lockdown has ended. Most companies have noticed the benefits of working remotely and decided not to return to work in the traditional model. We do hope for further revenue growth when tourism fully returns, and employees return to their offices over time.

We have implemented a Digital Experience Platform and launched our new website and a new smartphone app for placing orders. We have merged many marketing functions and areas, including Google Analytics and Google Ads. Our stores are now fully integrated with the website, on both Android and iOS, as well as with the central data warehouse. In addition, we have been designing customer segmentation models, and applying Marketing Automation.

Thanks to the doubling of the business by number of stores, we have managed to negotiate better terms of cooperation with the largest aggregators in Poland, such as: Pyszne.pl (known in Europe as 'Just take away'), Uber Eats and Glovo. Our objective is to generate new orders incrementally, with a higher average spend.

All these activities have allowed us to develop more quickly. Q3 was a steep learning curve, with the first effects already visible in Q4. Q4 delivered 21% like for like growth (5.3% on delivery and 110.8% on dine-

in). Our enlarged group continues to benefit from the fine tuning of our business, which is largely driven by the first class analytical tools that come from being a Domino's business. We feel that we are only really starting to gather momentum now and the best is ahead of us.

As previously announced in April, our trading through to the end of March was up 21.3% LFL. I am pleased to say that since March our sales have accelerated further. YTD through May our LFL sales are up 25% for the group.

A new strong foundation for the DPP business has been built in 2021. This is the first financial statements which presents the consolidated business, but I believe it does not show its full potential yet. The numbers reflect the true financial performance, but include a lot of one-off items related to integration and the learning curve.

We have seen improvement in profitability, but we aspire for more. Since year end, we have faced an unprecedented inflationary environment that has had an impact on our profitability. As announced to the market, we are seeking to reduce the impact through various cost-efficiency initiatives and price increases. Due to the scale of our business, we believe we are in a much better position than other small players in Poland. We want to use our comparative strength to drive market share, our brand awareness and consolidate the market further - picking up assets and consolidating at attractive prices. The board is fully behind this stated strategy of growing market share. Margin expansion can be optimised at the appropriate time when we have completed our acquisition drive.

At the end of 2020 and the beginning of 2021, we acquired a total of 17 stores from existing sub-franchisees. We also reorganised delivery zones to improve the efficiency of both franchise and corporate stores. As a result, all sub-franchise stores are showing very positive like for like growth. In line with previous strategy, we have developed an incentive programme for existing sub-franchisees. As a result, in 2022 we started a store-opening programme and a sell-down of corporate stores to sub-franchisees. At the same time, we launched a comprehensive programme called the Franchise Academy, which will enable current employees to take over existing corporate stores.

We continue to actively monitor growth opportunities, both organically and through acquisitions.

The Russian invasion of Ukraine is a tragedy. We have started a number of initiatives to help our Ukrainian neighbours, such as:

- We are providing free pizzas for volunteers and refugees.
- We are transporting people and material gifts with our company cars.
- We are organizing collections and donations in our stores and at our office.
- We temporarily hosted 11 special guests in our office. Currently, our new friends are living in a company apartment in the centre of Warsaw.
- We are in contact with the CEO of Domino's Ukraine, in order to help employees from stores which have been shut-down.
- For this purpose, we have created a team responsible for coordinating assistance in employment and accommodation. We have already received the first applications and are organising the formalities.
- We are currently looking for a place to live for other new guests. In the coming days, we will propose a method of financing for aid activities. We also want to take advantage of the help offered by Domino's Germany and Domino's Netherlands.

We know that help will be needed for a long time and our actions must be well coordinated.

I remain very optimistic about the outlook. We are on the right track to further solidify the leading position of Domino's in Poland. We look forward to talking directly with our shareholders to answer any questions and to tell you about further exciting trends and opportunities since our financial year-end.

Piotr Dzierżek
Chief Executive Officer
14 June 2022

Chief Financial Officer's Review

Overview

It is a great pleasure for me to comment on the financial performance of the enlarged Group for the first time as the Company's Chief Financial Officer.

2021 continued to be highly affected by challenges of the COVID-19 pandemic, which had a severe impact on the operations and performance of many industries worldwide, including the restaurant and food delivery sectors in Poland. The ability to provide indoor dine-in services was restricted by Polish Government guidelines twice in 2020: once during the Spring (for 9 weeks) as well as the Autumn (for the last 10 weeks of 2020 since late October 2020, but continuing in 2021 for a further 21 weeks until late May 2021). These restrictions have, inevitably, negatively impacted restaurants' performance, however in contrast, the food delivery sector has thrived. The food delivery sector in Poland has grown significantly during the pandemic and the Group, with its short delivery times, contactless payments and contactless delivery/collection service has benefitted from this sector's growth despite the unfortunate circumstances.

Despite rapid like-for-like sales growth and consistent store rollout program, the Group has been facing continued pressure on labour costs which have been coupled with underutilised operations as a result of its sub-optimal store footprint. We expect that the integration with Dominium will alleviate these pressures.

Reverse takeover

On 8 January 2021 the Company completed a reverse acquisition of Dominium S.A. a company registered in Poland. Further information about the transaction is disclosed in note 18. Although the transaction resulted in Dominium S.A. becoming a wholly owned subsidiary of the Company in accordance with IFRS 3 'Business Combinations' the transaction constitutes a reverse acquisition as the previous shareholders of Dominium S.A. own the majority of the shares of the Company and the directors of Dominium S.A. make up the majority of the Company's board. In substance, the shareholders of Dominium S.A. acquired a controlling interest in the Company and therefore the transaction has been accounted for as a reverse acquisition.

In accordance with IFRS 3 'Business Combinations' Dominium S.A. has been identified as the accounting acquirer (although it is the legal subsidiary) and therefore the comparative consolidated data presented in these financial statements represents the results for and the position of Dominium S.A. only.

Financial Performance

	2021 £	2020 £
System sales	31,159,781	13,982,764
Revenue	29,866,189	13,982,764
Direct Costs	(24,427,738)	(10,998,475)
Selling, general and administrative expenses - *excluding: store pre-opening expenses, depreciation, amortisation and share based payments*	(4,301,176)	(2,314,333)
GROUP EBITDA - *excluding non-cash items, non-recurring items and store pre-opening expenses*	1,137,275	669,955
Store pre-opening expenses	(3,429)	-
Other non-cash and non-recurring items	59,278	479,901
Finance income	1,155,806	4,017
Finance costs	(1,669,527)	(1,312,995)
Foreign exchange losses	(61,911)	(195,381)
Depreciation, amortisation and impairment	(4,867,679)	(2,652,861)
Share based payments	(51,301)	-
Loss before taxation	(4,301,488)	(3,007,364)
Taxation	(58,983)	-
Loss for the period	(4,360,471)	(3,007,364)

The Group Income Statement presented above represents incomparable data for the two periods. As already mentioned due to the IFRS 3 'Business Combinations' requirements comparative data presented in these financial statements represents the results for the position of Dominium S.A. only.

To comment on the financial performance of the Group we present below unaudited pro-forma Group Income Statement for the period ended 31 December 2020.

	2021	*Pro-forma unaudited consolidated data* 2020
	£	£
System sales	31,159,781	29,778,642
Revenue	29,866,189	28,958,607
Direct Costs	(24,427,738)	(23,997,851)
Selling, general and administrative expenses - *excluding: store pre-opening expenses, depreciation, amortisation and share based payments*	(4,301,176)	(5,113,105)
GROUP EBITDA - *excluding non-cash items, non-recurring items and store pre-opening expenses*	1,137,275	(152,350)
Store pre-opening expenses	(3,429)	(323)
Other non-cash and non-recurring items	59,278	(1,785,710)
Finance income	1,155,806	87,236
Finance costs	(1,669,527)	(1,849,358)
Foreign exchange losses	(61,911)	(271,548)
Depreciation, amortisation and impairment	(4,867,679)	(4,636,275)
Share based payments	(51,301)	(217,332)
Loss before taxation	(4,301,488)	(8,825,660)
Taxation	(58,983)	-
Loss for the period	(4,360,471)	(8,825,660)

Revenue
The increase in Group's revenue of 3.1% is primarily due to the Group's delivery operations benefitting from the Covid-19 restrictions still relevant for the period January – May 2021 and the improved food delivery dynamics in Poland. The primary drivers for the 7% LFL growth in 2021 was due to an increase in average order value as well as effective price increases. From a phasing perspective, as profiled later in the Key Performance Indicators section, DP Poland's performance in 2021 consistently improved from quarter to quarter, with negative LFL growth during the outset of the Covid-19 pandemic in Q1 to a 21% increase in the last quarter of 2021.

Direct costs
Direct costs increased by 1.8% in 2021 which is lower than the increase in revenues mainly as a result of achieving part of expected reverse takeover synergies. The key drivers of this movement included a substantial increase in national minimum wage in Poland but also high inflation rate in Poland impacting purchases of food to stores. Furthermore, the Group experienced a general increase in costs as a result of franchise stores being acquired from sub-franchisee owners.

Although the Polish economy was subject to one of the highest inflation rates in Europe during 2021, the Group managed to achieve savings on food cost and decrease these costs (as % of revenue) in comparison to 2020. This decrease is a result of achieved synergies on the reverse acquisition.

Throughout 2021 labour cost inflation continued in Poland, representing a challenge for the Group, particularly for newer stores which usually have insufficient sales to absorb the fixed cost element of labour during their early stages. The national minimum wage in Poland in 2021 has been increased by 7.7% (year-on-year) on top of a 16% (year-on-year) increase in 2020.

Selling, general and administrative expenses (“SG&A”)
SG&A were equivalent to 14% of revenue, which is 4 p.p. lower than in 2020. The Group achieved assumed synergies in the area of SG&A by reducing the HQ office rent, several advisory services and other costs.

Other non-cash and non-recurring items
The Group recognised non-cash and non-recurring items in 2021. These include non-recurring income positions like sub-franchise leasehold totalling £122,905 which was the result of the takeover of franchise assets as per signed agreement following the termination of the sub-franchise agreement, release of Frito Lay bonus received by Dominium S.A. before the reverse acquisition totalling £252,004, but also IFRS16 adjustments resulting from changes in lease period and discounts received on some rents for the Covid-19 lockdown periods amounting to £220,014.

Group loss for the period
Group loss for the period decreased by 51%. This is mainly due to achievement of part of the synergies assumed on the reverse acquisition, and increased revenue but also significant decrease in non-recurring costs.

Group Loss for the period*	**2021**	**2020 *Pro-forma unaudited consolidated data***	**Change %**
Group loss for the period	(4,360,471)	(8,825,660)	+51%

* Actual exchange rates for 2021 and 2020

Store count before reverse acquisition

Store count	1 Jan 2021	Opened	Closed	Transferred	31 Dec 2021
Corporate	53	1	-2	8	60
Sub-Franchised	16	0	0	-8	8
Total	69	1	-2	0	68

Reverse takeover

Store count	1 Jan 2021	Opened	Closed	Transferred	31 Dec 2021
Corporate	56	0	-3	0	53
Sub-Franchised	1	0	-1	0	0
Total	57	0	-4	0	53

Enlarged Group

Store count	1 Jan 2021	Opened	Closed	Transferred	31 Dec 2021
Corporate	109	1	-5	8	113
Sub-Franchised	17	0	-1	-8	8
Total	126	1	-6	0	121

In 2021 DP Poland opened 1 new corporate store and closed 5 stores. 8 stores were transferred to Corporate and 2 stores were transferred to Franchisees. The reverse takeover has almost doubled the number of stores in chain in comparison to 2020. The chain managed to shorten delivery times in large cities for example in the Warsaw agglomeration where over 40 stores are placed.

Sales Key Performance Indicators (KPIs)
System Sales were up 4.6% as a result of a 13.0% like-for-like System Sales growth compared to the previous year.

	2021	**2020 *Pro-forma unaudited consolidated data***	**Change %**
System Sales PLN	165,483,363	158,148,412	4.6%
System Sales £*	31,159,781	29,778,642	4.6%
LFL system sales	7%	-6%	13%
LFL system order count	0%	-10%	10%
LFL system order count pre-split	0%	-10%	10%
Delivery System Sales ordered online	85%	85%	-

*For exchange rates please refer to a separate table below (page 13)
Like-for-like System Sales growth per quarter were as follows:

Q1 - 2.4%
Q2 +10.0%
Q3 +0.3%
Q4 +21%

Exchange rates

PLN : £1	2021	2020	Change %
Profit & Loss Account	5.3108	4.9965	+6%
Balance Sheet	5.4702	5.0661	+8%

Financial Statements for our Polish subsidiaries DP Polska S.A. and Dominium S.A. are denominated in Polish Zloty (“PLN”) and translated to Pound Sterling (“GBP”). Under IFRS accounting standards the Income Statement for the Group has been converted from PLN at the average annual exchange rate applicable. The balance sheet has been converted from PLN to GBP as at the exchange rate at 31 December 2021.

Cash position

	1st January 2021 *Pro-forma unaudited consolidated data*	Cash movement	31st December 2021
Cash in bank	1,370,996	1,330,650	2,701,646

The large cash movement is a result of fundraising completed in November 2021, partially offset by expenses incurred with connection to the reverse acquisition.

Macro-economic conditions in Poland

Polish GDP increased during 2021 against a drop in 2020. The country is expected to face further increased inflation during 2022. The board is constantly monitoring purchase prices to ensure the Group can react to any price increases from its suppliers.

The unemployment rate improved in 2021 with a further improvement to note during the start of 2022.

Macro KPIs	2021	2020
Real GDP growth (% growth)	5.9	-2.8
Inflation (% growth)	5.1	3.4
Unemployment Rate (% of economically active population)	2.9	3.2

Going concern

The board considered the Group’s forecasts, in particular those relating to the ongoing integration of Dominium operations into the Group and its expected impact on the Group’s performance, to satisfy itself that the Group has sufficient resources to continue in operation for the foreseeable future.

Over the past quarters in 2020 and 2021, the board of DP Poland has given considerable thought as to how the Group might define, quantify and minimise the risks related to the Covid-19 pandemic. As the number of new Covid-19 cases recorded in Poland reached its peak during the months of March and April in 2021, and has reduced since then, and with the rapid roll-out of the vaccination program, all government restrictions removed on 1 June 2021 the board considers that the pandemic-related risks are reducing. The Company’s recent equity fundraise made in November 2021, which provided an additional £3m (before expenses) of resource, has further improved the Company’s cash balances and its ability to settle the substantial transactions, capital expenditure as well as operating losses, in expectation of the synergistic benefits of the merger.

Having considered the Group's cash flows and its liquidity position, and after reviewing the forecast for the next twelve months and beyond, the Directors believe that the Group have adequate resources to continue operations for the foreseeable future and for this reason they continue to adopt the going concern basis in preparing the financial statements.

That said, the board does take into account the uncertainty related to the future dynamics of the Covid-19 pandemic and inflationary pressures, as well as the uncertainty related to the actual quantum and timing of full synergies being delivered, which remain the most pronounced risks to our going concern assumptions.

Malgorzata Potkanska
Chief Financial Officer
14 June 2022

Section 172 of the UK's Companies Act

This section serves as our section 172 statement and should be read in conjunction with the Strategic report on pages 2 to 15. Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders in their decision making. The Directors continue to have regard to the interests of the Company's employees, customers, suppliers, sub-franchisees, shareholders and other stakeholders, including the impact of its activities on the community, the environment and the Company's reputation, when making decisions on both Poland and the UK. Acting in good faith, the Directors take into consideration what is most likely to promote the success of the Company for its members in the long term. Whilst the importance of giving due consideration to our stakeholders has always been in place, we are explaining in more detail below how the Board engages with our stakeholders. The Directors are fully aware of their responsibilities to promote the success of the Company in accordance with section 172 of the Companies Act 2006.

The Board regularly reviews our principal stakeholders and how we engage with them. Stakeholder's views are discussed in the boardroom throughout the year through information provided by management and also by direct engagement with stakeholders themselves.

Our employees are fundamental to the delivery of our plan. We aim to be a responsible employer in our approach to the pay and benefits our employees receive. The health, safety and well-being of our employees is one of our primary considerations in the way we do business and is discussed at every board meeting. Until Covid-19 prevented it, UK based board members regularly went to Poland to engage with our employees, listen to any concerns and elicit improvements.

As the Board of Directors, our intention is to behave responsibly toward our stakeholders and treat them fairly and equally, so they too may benefit from the successful operation of our business.

The key stakeholder groups are listed below

1. Shareholders

   The board engages with shareholders throughout the year at events such as the AGM and results road shows. The Chairman has met regularly with our largest shareholder in this period.

2. Employees

   There are regular meetings of employees at all levels throughout the company. Store meetings are held weekly and there are area sales managers meetings held every month. Members of the UK board have regularly travelled to Poland to meet employees as travel restrictions permit.

3. Sub franchisees.

   These are key to the growth of the business and there are regular meetings or phone calls with them to provide them with assistance and guidance and to address any concerns.

4. Customers

   We regularly see our customers either in store or when we deliver to their premises. This helps us understand their needs and demands. In addition there is a dedicated call centre which our customers can contact.

5. Suppliers

   Our purchasing team interact with all our suppliers on a regular and often daily basis to ensure that we have a robust supply chain and a solid trading relationship.

6. Stores and commissaries

   We operate from multiple sites across Poland and we ensure that we minimise the effect on the environment. We use top of the range ovens to produce our quality pizzas but we make sure all environmental effects are minimised, particularly those of noise and smell.

Strategic Report approval

The Strategic Report on pages 2 to 15, incorporates the sections: Company Information, Company Profile, Risk Management, Chairman's Statement , Chief Executive's Review and the Finance Director's Review.

By order of the Board

Nick Donaldson
Non-executive Charman
14 June 2022

The Board

The Board of DP Poland PLC comprises 2 Executive and 5 Non-Executive Directors.

Nicholas Donaldson (aged 68), ***Non-Executive Chairman***
Nick, who is a barrister by profession, has worked in investment banking for over 30 years. He is a co-founder of Capital Markets Strategy Limited, an FCA regulated corporate finance business. He is also a founder director of The Fulham Shore plc. Nick has spent the majority of his career providing strategic advice to companies on mergers & acquisitions, flotations and secondary fund raisings.

Piotr Dzierżek (aged 51), ***Chief Executive Officer***
Piotr is the current Chief Executive Officer, having joined Dominium initially in 2000 as Regional Manager, in which position he was responsible for overseeing the operations of 15 restaurants. In 2001 he was promoted to General Manager and until the end of 2017 was responsible for operations, purchasing, IT and office administration. Since 2017 Piotr has been the Chief Executive Officer of Dominium and has led the company's transformation to date. Prior to joining Dominium, Piotr gained experience at Carrefour as pricing manager and buyer; as well as Apollo Electronics, a branded consumer electronics business. Piotr graduated from the faculty of Marketing and Management at the Warsaw School of Economics.

Malgorzata Potkanska (aged 37), ***Chief Financial Officer***
Małgorzata joined Dominium in 2016. She has over 14 years of experience in corporate finance in Europe. Previously she worked at Fox International Channels Poland as Financial Controller and within the PwC Audit department. Alongside her financial experience, Małgorzata has experience in implementation of accounting and consolidations, IT systems, establishment and implementation of internal controls, and also participation in establishing and implementing group financial reporting.

Jeremy Dibb (aged 38), ***Non-Executive Director***
Jeremy joined the board in January 2022. In his current role he sits on the Executive Committee of Kenmare Resources plc, a company listed on the premium segment of the London Stock Exchange, as Head of Corporate Development and Investor Relations. Previously, Jeremy worked as an equity research analyst at Macquarie Capital and Canaccord Genuity, where he was a director of equity research in the Metals and Mining team. Prior to this he worked at Fidelity International and Cazenove Capital (now part of Schroders Asset Management). Jeremy is a CFA charterholder holder and holds an MBA from the University of Oxford.

Peter Furlong (aged 43), ***Non-Executive Director***
Peter has a background working as a debt and equity proprietary trader with Morgan Stanley and RBS. Following this, he joined Pageant Holdings Limited, an Ireland-based family office where he is currently a Director. Pageant Holdings Limited specialises in investments in undervalued stocks and growth equity stories.

Przemyslaw Glebocki (aged 42), ***Non-Executive Director***
Przemyslaw Glebocki has more than 17 years of experience in private equity and corporate finance in Central Europe. He is a Co-Managing Partner and Chief Investment Officer at Accession Capital Partners, until April 2021 operating as Mezzanine Management. Prior to joining Mezzanine Management, Przemyslaw was with Ernst & Young's Corporate Finance and Audit departments. He holds a Masters Degree in Finance and Banking from the Warsaw School of Economics and has pursued study programmes in the U.S. and the Netherlands. He currently sits on the boards of Dominium, Spearhead, Flucar, Private Equity Managers, Nettle and Profi. Przemyslaw is also Chairman of the LBO Committee at the Polish Private Equity and Venture Capital Association.

Jakub Chechelski (aged 41), ***Non-Executive Director***
Jakub Chechelski is an Investment Director of Accession Capital Partners in Poland (until April 2021 operating as Mezzanine Management). He has fifteen years of experience in corporate finance and private equity. Jakub joined Mezzanine Management from Bridgepoint, a leading European mid-cap fund where he spent over six years, covering the CEE region and working on a variety of projects. Prior to that he worked at Enterprise Investors, a leading CEE-focused fund. His sector experience is

particularly strong in the consumer as well as business services space. Prior to his first role in private equity, Jakub worked for Ernst & Young Corporate Finance. Jakub graduated from the faculty of Finance and Banking at the Warsaw School of Economics.

Directors' Report

The Directors are pleased to present their report and the audited financial statements for the year ended 31 December 2021.

Results and Dividends

The loss for the period, after taxation, amounted to £4,360,471 (2020: £3,007,364 Dominium S.A. only). The Directors do not recommend payment of a dividend to ordinary shareholders.

Corporate Governance

The Company has adopted the Quoted Companies Alliance Corporate Governance Code. Details of the principles of the Code and how they are applied by the company are set out in the Corporate Governance Statement on page 24.

Board Meetings

The Company holds regular Board meetings throughout the year.

Nominations and Remuneration Committee

The Nominations and Remuneration Committee comprises three Non-Executive Directors: Nicholas Donaldson, Jeremy Dibb and Jakub Chechelski. The overall policy of the committee is to consider and propose remuneration and benefit packages to the Chief Executive Officer and other senior managers in the Group which are appropriate to retain and motivate them to meet the objectives set by the Board. Full details of the Company's remuneration policy and the remuneration paid to all Directors is set out in the Remuneration Report on pages 27 and 28.

Audit Committee

An audit committee has been established which consists of three Non-Executive Directors, Jakub Chechelski, Nicholas Donaldson and Jeremy Dibb. The committee is responsible for ensuring that the financial performance of the Group is properly reported upon and monitored, for meeting the auditors and reviewing the reports from the auditors relating to accounts and internal control systems.

Health and Safety

High standards of health and safety management are promoted at all levels within the Group. As required under the Polish Labour Code, DP Polska S.A. and Dominium S.A. have appointed an external health and safety consultancy to advise on all aspects of employee health and safety. Regular audits for compliance are carried out by this organisation at our stores and offices and operating companies periodically receives written confirmation that there are no outstanding matters within its operations that pose a danger to the health or safety of its employees.

In addition, the Group's approach to the health, safety and welfare of its employees in all markets is supported by training programmes and written rules relating to health and safety, all of which promote a high level of awareness and commitment within the Group.

Going Concern

In forming their views, the Directors have prepared cash flow forecasts for a 12 month period following the date of signing the balance sheet. As part of the preparation of these forecasts, the Directors have estimated the likely outcome for the number of new stores opened. Before entering into a contract to acquire a new site, the Directors ensure that the Group has sufficient working capital available to allow the completion of the outlet. Based on these forecasts, the Directors have confirmed that there are sufficient cash reserves to fund the business for the period under review.

After reviewing the impact of Covid-19, cash forecasts, consideration of the Group's cash resources and other appropriate enquiries, the Directors have a reasonable expectation that the Company and

Group have adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Directors and Directors' Interests

The Directors who held office during the period were as follows:

Nicholas John Donaldson
Robert Nicholas Lutwyche Morrish (resigned 01.03.22)
Christopher Humphrey Robertson Moore (resigned 08.01.21)
Gerald William Ford (resigned 08.01.21)
Piotr Dzierżek (appointed 08.01.21)
Przemyslaw Glebocki (appointed 08.01.21)
Jakub Chechelski (appointed 08.01.21)
Malgorzata Potkanska (appointed 01.03.21)
Jeremy Dibb (appointed 01.01.22)
Peter Furlong (appointed 05 04.22)

Following the completion of the reverse acquisition of Dominium S.A., Piotr Dzierżek, Przemyslaw Glebocki, and Jakub Chechelski were appointed as directors on 8 January 2021 and Malgorzata Potkanska was appointed as a director on 1 March 2021.

Jeremy Dibb was appointed as director on 1 January 2022 and Peter Furlong was appointed as director on 5 April 2022.

In accordance with the Company's Articles of Association Nick Donaldon, Piotr Dzierżek, Przemyslaw Glebocki, Jakub Chechelski, Jeremy Dibb, Peter Furlong and Malgorzata Potkanska offer themselves for election at the Annual General Meeting.

The following Directors at 31 December 2021 had interests in the ordinary shares of 0.5p each as follows:

	Number of Ordinary Shares	*Percentage of Ordinary Shares*
Nicholas Donaldson [1]	495,999	0.08%

1. Held through Nicholas Donaldson's personal pension. Nicholas Donaldson has been awarded options over 375,000 of the Company's ordinary shares as follows: The options are exercisable at 0.5 pence each and have a vesting period of two years.

The DP Poland plc Share Incentive Plan provides for awards of restricted shares to employees (and under an addendum by way of sub-plan, non-executive directors of Group companies). The ordinary shares in the Company are held in an Employee Benefit Trust during a vesting period of two years but the participant enjoys certain beneficial ownership rights during that time, and becomes entitled to full rights of ownership once the ordinary shares have vested.

Awards under the Long Term Incentive Share Option Plan and other share option awards take the form of options over the ordinary shares of the company, exercisable at 0.5 pence each. These awards are based on a percentage of the participant's base annual salary.

Directors' indemnities

The Company maintained liability insurance for its Directors and officers during the financial year and up to the date of approval of the Annual Report and Accounts.

Substantial Interests

At 25 May 2022, the Company had been notified under the Disclosure and Transparency Rules of the following major shareholdings and the percentages of voting rights represented by such holdings, excluding the shareholdings and associated voting rights of the Directors noted above.

		Percentage of Ordinary Shares
Malaccan Holdings	278,813,426	44.94
Pageant Holdings	61,634,633	9.93
Fidelity Investments	51,930,142	8.37
Canaccord Genuity Group Inc.	39,683,428	6.40
Faynon Ltd	31,188,158	5.03

Financial Instruments

The Group's principal financial instruments comprise cash at bank or in hand and various items such as trade receivables and payables and loan notes, which arise directly from its operations. It is Group policy that no trading in financial instruments shall be undertaken.

The Group's overseas operations expose it to a variety of financial risks and the Directors have identified that the main risks to the Group in this area are from interest rate and foreign currency movements.

The Group is exposed to cash flow interest risk on its floating rate deposits. The Group is able to manage this by free movement of funds between currencies to maintain the best return for the Group. Cash and borrowing requirements are managed centrally to maximise interest income and minimise interest exposure, whilst ensuring that the Group has sufficient liquid resources to meet the operating needs of its activities.

As the Group's operations are all in Poland, it is exposed to foreign exchange risks primarily with respect to Polish Zlotys, US Dollars and Euros. In each case, where revenues of the Group are in a foreign currency, there is a material match between the currency of the operating company's revenue stream, primary assets, debt and debt servicing (if applicable).

Investments of cash surpluses, borrowings and other financial instruments are made through banks and companies which must fulfil credit rating criteria approved by the Board. Customers are not traded with on credit terms.

All sub-franchisees who are provided with loans from the Group have been through the franchisee selection process, which is considered to be sufficiently robust to ensure an appropriate credit verification procedure.

Annual General Meeting

The Annual General Meeting of the Company will take place at the offices of PwC LLP 1 Embankment Place, London WC2N 6RH on 15 July 2022 at 10 a.m.

The notice of Annual General Meeting contains an ordinary resolution at resolution 12, which seeks to give the Directors authority to allot shares up to a maximum aggregate nominal amount of £10,340,975 and which is representing approximately one third of issued ordinary share capital of the Company at the date of the notice of Annual General Meeting. The Directors do not have any present intention to exercise such authority. The notice of Annual General Meeting also contains a special resolution which will authorise the Directors to allot shares for cash as if the statutory pre-emption provisions under the Companies Act 2006 did not apply to any allotments made by way of rights issue, open offer or other pre-emptive offer to existing shareholders in the exercise of the authority conferred by resolution 5 to 10 in the notice of Annual General Meeting referred to above. This resolution will additionally confer power on the Directors to allot for cash shares up to an aggregate nominal value of £3,102,292 representing approximately ten percent of the current issued share capital of the Company. The Directors have no present intention of issuing any further new ordinary shares in the exercise of such power.

Statement of Disclosure of Information to Auditors

The Directors of the Company who held office at the date of approval of this Annual Report as set out above each confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and

- each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

Crowe U.K. LLP has indicated its willingness to continue as auditor. Accordingly a resolution proposing its re-appointment as auditor will be put to the members at the next Annual General Meeting.

On Behalf of the Board

Nick Donaldson
Non-executive Chairman
14 June 2022

Statement on Corporate Governance

The Directors recognise the importance of good corporate governance and have chosen to adopt the Quoted Companies Alliance Corporate Governance Code (the "QCA Code"). The Company adopted the QCA Code in September 2018.

The QCA Code was developed by the QCA in consultation with a number of small company institutional investors as a corporate governance code applicable to AIM companies. The underlying principle of the QCA Code is that "the purpose of good corporate governance is to ensure that the company is managed in an efficient, effective and entrepreneurial manner for the benefit of all shareholders over the longer term".

It is the responsibility of the non-executive chairman to ensure that the highest practicable standards of corporate governance are in place. The board and staff of the Company are committed to behaving professionally and responsibly to ensure that the highest standards of honesty, integrity and corporate governance are maintained. Enshrining these values through the Company's culture, objectives and processes is essential to support the success of the Company in creating long-term shareholder value.

The QCA corporate governance principles along with a summary of how the Company applies them are set out below.

1. Establish a strategy and business model which promote long-term value for shareholders
DP Poland's purpose, business model and strategy are described in the Strategic Report on page 3

In summary, the purpose is to establish Domino's Pizza as the leading pizza delivery brand in Poland; the business model is to operate both company owned stores ('corporate stores') and to subfranchise stores to third parties, supplied by our production, warehousing and logistics operations ('the commissary'); the strategy is to make the Domino's offer the most available and the most attractive delivery pizza offer in the market. The principal risks and uncertainties affecting the business and how these are mitigated are set out within the Strategic Report on page 4.

2. Seek to understand and meet shareholder needs and expectations
The Company engages with shareholders through regular reporting, emailed updates, face-to-face meetings, telephone conversations and email dialogue. The Chief Executive and Non-Executive Chairman are readily available to investors, contactable by telephone and email via the Company website. The AGM provides a forum for investors to meet the Chief Executive and Non-Executive Chairman and to raise any questions, issues or concerns.

3. Take into account wider stakeholder and social responsibilities and their implications for long-term success
The Company operates in Poland through its wholly owned subsidiaries DP Polska SA and Dominium S.A.. Piotr Dzierżek is President (Chairman) of the DP Polska SA and Dominium S.A. Boards. The board and management team of DP Polska SA and Dominium S.A. is focused on delivering a highly competitive offer to customers and conducts regular market research to understand consumer attitudes towards the Domino's Pizza brand and its offer and to adjust the offer and brand communications accordingly. Customers regularly feedback directly to stores and over social media. Our store teams are trained to listen and respond constructively to that feedback and our central team views and responds constructively to feedback over social media, including Facebook.

The management team is focused on ensuring that the workforce is delivering against customer expectations through thorough training and proper remuneration and incentivization. Employee feedback is taken seriously and conditions of employment and incentivisation are adjusted accordingly. Good relationships with suppliers and partners are important and the Company's management team is focused on maintaining and improving those relationships. As well as with suppliers DP Polska and Dominium S.A. work closely with our franchisor Domino's Pizza International, with regular face-to-face, telephone and email contact across all levels of the business, store to board level.

Poland is a well-regulated market and the management team relies on both in-house and external expertise to ensure that the Company's operations are in compliance with all regulations, corporately and across our company managed 'corporate' stores

4. Embed effective risk management, considering both opportunities and threats, throughout the organisation

The principal risks and uncertainties identified by the directors, their potential impact and the steps taken to mitigate them are reviewed annually and outlined annually under the 'Risk Management' section on page 4 . Both the Board and the management team are responsible for reviewing and evaluating potential risks to the business. The internal controls of the Group are set out in the Financial Reporting Procedures Manual which was reviewed and reported on by the Reporting Accountants in connection with the recent Acquisition. The Committee will carry out an annual risk assessment and review of internal controls, commencing 2022. The Audit Committee has considered the need for an internal audit function and is of the view that, given the size and nature of the Group's operations, there is no current requirement to establish a separate internal audit function.

5. Maintain the board as a well- functioning, balanced team led by the chairman

The Board comprises two Executive Directors and five Non-Executive Directors. Nicholas Donaldson, and Jeremy Dibb are considered to be independent Non-Executive Directors. Details of directors' contracts are described in the Remuneration Report on page 24. Since January 2021, the Company holds fortnightly board meetings which the directors attend, either in person or by telephone conference. The directors are expected to make themselves available for all board meetings, committee meetings as appropriate and as required for ad hoc meetings. Relevant information including a detailed board report and management accounts are circulated to the Directors in advance of board meetings. The Board is supported by the audit and nominations and remuneration committees, as described in the Directors' Report. The audit committee meets with the Company's appointed auditor to review the Company's preliminary annual results and as required ad hoc. The nominations and remuneration committee meets to review and set the Executive Directors' remuneration, to review and set the Executive Directors' long-term incentive plans and to set and approve the Executive Directors' annual bonus plan.

Board and committee meeting attendance in 2021

	Main Board (meetings held 12)	Audit committee (meetings held 1)	Remuneration committee (meetings held 3)
N. Donaldson	12	1	3
R. Morrish	12	1	3
G Ford	n/a	n/a	n/a
C. Moore	n/a	n/a	n/a
P..Dzierżek	9	n/a	n/a
P. Glebocki	9	n/a	n/a
J. Chechelski	9	1	n/a
M. Potkanska	9	1	n/a
J. Dibb	n/a	n/a	n/a
P Furlong	n/a	n/a	n/a

In the event that Directors are unable to attend a meeting their comments on board papers to be considered at the meeting are discussed in advance with the Chairman so that their contribution can be included in the wider Board discussions.

Matters considered by the Audit Committee in 2021

The Audit Committee receives and reviews reports from management and the Company's auditors relating to the interim and annual accounts and keeps under review the accounting and internal controls which the Company has in place. The audit committee undertakes a formal assessment of the auditor's independence each year including a review of non-audit services provided to the Group and related fees; discussion with the auditor of a written report detailing all relationships with the Group and any other parties which could affect independence or the perception of independence; a review of the auditor's own procedures for ensuring the independence of the audit firm and partners and staff involved in the audit, including the regular rotation of the audit partner; and obtaining written confirmation from the auditor that, in their professional judgment, they are independent. The current auditors were appointed in 2010 and a resolution to re-appoint them will be put to shareholders at the AGM on the 15 July 2022.

Audit process
The external auditor prepares an audit plan setting out how the auditor will audit the full-year financial statements. The audit plan is reviewed, agreed in advance and overseen by the Committee. The plan includes the proposed scope of the work, the approach to be taken with the audit and also describes the auditor's assessment of the principal risks facing the business. Prior to approval of the financial statements, the external auditor presents its findings to the Committee, highlighting areas of significant financial judgement for discussion.

6. Ensure that between them the directors have the necessary up to date experience, skills and capabilities
Biographies of the Company's Directors can be found on page 18. The experience of the Directors spans sectoral, professional and executive experience that is highly relevant to the business of the Company. Each of the Directors is employed or directly involved in a range of businesses, which ensures their skillsets are up-to-date. The Company retains a professional auditing company which advises the Audit Committee as required. Directors have direct access to the advice of the Company Secretary.

7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement
The Board proposes to carry out an evaluation of its performance annually, taking into account the Financial Reporting Council's Guidance on Board Effectiveness. All Directors will undergo a performance evaluation before being proposed for re- election to ensure that:

1. Their performance is and continues to be effective;
2. Where appropriate, they maintain their independence; and
3. They are demonstrating continued commitment to the role.

Appraisals will be carried out each year with respect to the Executive Directors. Succession planning is undertaken by the Non-Executive Chairman and the Chief Executive on consideration of the evolving requirements of the Company.

8. Promote a corporate culture that is based on ethical values and behaviours
The board has an ethical approach commensurate with both its responsibilities as an AIM listed company and as the master franchisee of an international consumer brand franchise, for which sound ethics are of fundamental importance. The Directors hold each other to account in meeting a very high ethical standard in their behaviour and decision making. The operating companies DP Polska SA and Dominium S.A. are involved with its community at the store level, engaging with and supporting local charities, schools and sporting events.

9. Maintain governance structures and processes that are fit for purpose and support good decision- making by the board
The Directors recognise the importance of good corporate governance and have chosen to adopt the QCA Code. The Board and staff of the Company are committed to behaving professionally and responsibly to ensure that the highest standards of honesty, integrity and corporate governance are maintained. Enshrining these values through the Company's culture, objectives and processes is essential to support the success of the Company in creating long-term shareholder value.

10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.
The Company encourages two-way communication with both its institutional and private investors and aims to respond quickly to all queries received. The Non-executive Chairman and other directors talk regularly with the Group's major shareholders and ensure that their views are communicated fully to the Board.

Nicholas Donaldson
Non-Executive Chairman
14 June 2022

Remuneration Report

Overview and Policy

The Remuneration Committee comprises Peter Furlong, Jakub Chechelski and Nicholas Donaldson, Non-Executive Directors of the Company. The terms of reference of the committee are that it makes recommendations to the Board on the framework and quantum of executive remuneration.

The overall policy of the committee is to provide remuneration and benefit packages to the Chief Executive and other senior managers in the Group which are appropriate to retain and motivate them to meet the objectives set by the Board.

In determining the mix of short-term reward (salary, bonus and other benefits) and longer-term reward (share incentives), the committee is mindful of the continuing 'development' nature of the business.

Recent survey data indicate that the base pay and total earnings of the Company's Directors are at the lower end of total pay for similar size quoted UK businesses. The current framework of executive remuneration is weighted heavily in favour of longer-term incentives in the form of share incentives, the value of which is dependent upon the share price of the Company and thus 'shareholder value'. The number and pricing of such incentives also reflect the risk to the management of a significant portion of their remuneration being provided in this way.

Directors' Contracts and Remuneration

Chief Executive Officer

Piotr Dzierżek is responsible for the strategic management and development of the Company's business. He receives a UK director's fee of £15,000 per annum. For his directorship of Dominium S.A. and DP Polska S.A. he receives additional fees and salary totalling 312,000 Polish Zloty (approximately equivalent to £58,749) per annum, plus a performance based bonus. His employment may be terminated by 3 months notice by either party.

Chief Financial Officer

Malgorzata Potkanska is responsible for all matters relating to Group finance. She receives a UK director's fee of £15,000 per annum. For her directorship of Dominium S.A. and DP Polska S.A. she receives additional fees and salary totalling 228,000 Polish Zloty (approximately equivalent to £42,931) per annum, plus a performance based bonus. Her employment may be terminated by 3 months notice by either party.

Non-Executive Directors

Nicholas Donaldson is Non-Executive Chairman of the Company. During the year ended 31 December 2021, the fee payable to him was £20,000 per annum. This appointment is terminable on 3 months' notice by either party, and earlier in certain circumstances.

Przemyslaw Glebocki is a Non-Executive Director of the Company. He receives a fee of £10,000 per annum. This appointment is terminable on 3 months' notice by either party, and earlier in certain circumstances.

Jakub Chechelski is a Non-Executive Director of the Company. He receives a fee of £10,000 per annum. This appointment is terminable on 3 months' notice by either party, and earlier in certain circumstances.

Jeremy Dibb is a Non-Executive Director of the Company. He receives a fee of £30,000 per annum. This appointment is terminable on 3 months' notice by either party, and earlier in certain circumstances.

Peter Furlong is a Non-Executive Director of the Company. He receives a fee of £10,000 per annum. This appointment is terminable on 3 months' notice by either party, and earlier in certain circumstances.

Remuneration and Share Incentives in the year to 31 December 2021

Total remuneration, fees and benefits paid or payable to the Directors by the Group for the year ended 31 December 2021 are set out below and amounts in aggregate to £188,521 (2020: £318,100).

Details of individual Directors' emoluments for the year are as follows: [1]

Name of Director	Year ended 31 December 2021 *salary or fees*	Year ended 31 December 2021 *performance based bonus*	Year ended 31 December 2021 *total emoluments*	Year ended 31 December 2020 *total emoluments*
	£	£	£	£
Nicholas Donaldson	20,000	-	20,000	27,500
Iwona Olbrys *(resigned 16.11.20)*	-	-	-	238,100
Piotr Dzierzek *(appointed 08.01.21)*	73,466	-	73,466	-
Malgorzata Potkanska (appointed *01.03.21)*	55,431	-	55,431	-
Robert Morrish *(resigned 28.02.22)*	20,000	-	20,000	37,500
Przemyslaw Glecbocki *(appointed 08.01.21)*	9,812	-	9,812	-
Jacub Chechelski *(appointed 08.01.21)*	9,812	-	9,812	-
Jeremy Dibb *(appointed 01.01.22)*	-	-	-	-
Peter Furlong *(appointed 05.04.22)*	-	-	-	-
Gerald Ford *(resigned 08.01.21)*	-	-	-	15,000
Total	188,521	-	188,521	318,100

The aggregate value of gains made on exercise of directors' share options during the year was £ nil (2020: £ nil). The aggregate value of share and option awards to directors made during the year was £ nil (2020 £ nil). Piotr Dzierzek was the highest paid director with total emoluments of £73,466.

[1] This schedule is part of the audited information.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report, including the Strategic Report, the Directors' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance UK-adopted international accounting standards. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. They are further responsible for ensuring that the Strategic Report and the Directors' Report and other information included in the Annual Report and Financial Statements is prepared in accordance with applicable law in the United Kingdom.

Financial information is published on the Company's website. The maintenance and integrity of this website is the responsibility of the Directors; the work carried out by the Company's auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may occur to the financial statements after they are initially presented on the website.

It should be noted that legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditors' Report

to the Members of DP Poland plc

Opinion

We have audited the financial statements of DP Poland plc (the "Parent Company") and its subsidiaries (the "Group") for the year ended 31 December 2021, which comprise:

- the Group income statement and Group and Parent Company statement of comprehensive income for the year ended 31 December 2021;
- the Group and Parent Company balance sheets as at 31 December 2021;
- the Group and Parent Company statements of cash flows for the year then ended;
- the Group and Parent Company statements of changes in equity for the year then ended; and
- the notes to the financial statements, including significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK-adopted international accounting standards and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2021 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group's and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- testing the cash flow model provided by management, agreeing the mathematical accuracy and challenging the assumptions made;
- reviewing management's forecasts which show continued growth in both revenue and profitability. Our assessment therefore considered if this will be feasible in light of past losses and recent economic conditions;
- considering the accuracy of past budgeting, as well as a review of the April management accounts compared to forecast; and
- considering the cash position of the business along with current facilities available.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group financial statements as a whole to be £330,000 based on 6% of the loss before other non-cash and non-recurring items, finance income and tax. We believe this to be an appropriate benchmark for materiality as this is one of the ultimate key performance measures for the Group. Overall company materiality for the Parent Company was set at £210,000 based on net assets, restricted so as not to exceed Group materiality.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. This is set at £231,000 for the Group and £147,000 for the Parent Company.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of £7,500. Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

The finance functions of the Parent Company and subsidiaries are based in the UK and Poland respectively.

A member firm of Crowe Global network in Poland (the 'component auditor') undertook a full scope audit of DP Polska S.A. and Dominium S.A. under our direction. We were involved in the audit from the planning stage through to completion which included determining the key risk areas and setting materiality levels for Group audit purposes. This involved a combination of planning conference call meetings, review of audit working papers and meetings and discussions with the audit committee.

DP Polska S.A. and Dominium S.A. account for 86% of the Group's loss before tax, 100% of the Group's revenue and 98% of the Group's net assets.

Due to the war in Ukraine and the displacement of people into Poland our review of the work of the component auditor was completed remotely. We undertook video conference call meetings with the component auditor, accessing the audit working papers remotely to review and challenged the findings and discussed matters with management.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We considered going concern to be a key audit matter. Our observations on this area are set out in the Conclusions relating to Going Concern section of the audit report.

This is not a complete list of all risks identified by our audit.

Key audit matter	***How the scope of our audit addressed the key audit matter***
Carrying value of goodwill, investments and intangibles (notes 12, 14 and 32) The Group holds goodwill at a carrying value of £15.0m, and other intangibles of £2.2m. The Parent Company also holds investments in Group companies of £52m. Recovery of these assets is dependent upon future cash flows which are required to be discounted. There is a risk that forecasts for these future cash flows are not achieved or that cash flows are not discounted at an appropriate rate. If cash flows do not meet expectations the assets may become impaired.	We have reviewed, tested and challenged Management's impairment review of investments, goodwill and intangible assets. The impairment reviews rely on forecasts of future cash flows based on board approved forecasts. We challenged Management on the assumptions made, including the forecast growth rate, profitability and terminal growth rates applied. We also challenged management on the discount rate applied to these forecasts. We have assessed the appropriateness of the related disclosures in the financial statements.
Acquisition accounting (note 18) During the year, the Group became the legal parent of Dominium S.A. Under IFRS 3 due to the relative values of the companies, the transaction is treated as a reverse acquisition, with Dominium S.A. the accounting acquirer and the pre-acquisition DP Poland Group as the accounting acquiree. There is a risk that the acquisition has not been accounted for in accordance with IFRS 3 'Business Combinations' and / or adequate disclosures have not been made.	We obtained a copy of the share purchase agreement and ensured that the acquisition has been correctly accounted for in the financial statements. We challenge management on the identification and measurement of intangible assets based on our knowledge of the business and the industry. We utilised our own valuation specialised to check that the valuation of the Master Franchise Agreement intangible asset was correctly calculated in accordance with IFRS 3 and acceptable valuation practice. We ensured that the disclosures required by IFRS 3 had been made completely and accurately.

Our audit procedures in relation to this matter was designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on the matter individually and we express no such opinion.

Other information

The directors are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial

statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 29, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, the directors are responsible for assessing the Group's and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and Taxation legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and revenue recognition. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases. Our audit procedures to respond to revenue recognition risks included sample testing of income across the year to agree to supporting documentation, and testing income received either side of the year end to ensure this has been recognised correctly.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.
A further description of our responsibilities for the audit of the financial statements is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report
This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Sisson (Senior Statutory Auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

Maidstone

14 June 2022

Group Income Statement

for the year ended 31 December 2021

		Notes	2021 £	2020 £
Revenue		2	29 866 189	13 982 764
Direct Costs			(24 427 738)	(10 998 475)
Selling, general and administrative expenses - *excluding: store pre-opening expenses, depreciation, amortisation and share based payments*			(4 301 176)	(2 314 333)
GROUP EBITDA - *excluding non-cash items, non-recurring items and store pre-opening expenses**			1 137 275	669 956
Store pre-opening expenses			(3 429)	-
Other non-cash and non-recurring items		5	59 278	479 901
Finance income		7	1 155 806	4 017
Finance costs		8	(1 669 527)	(1 312 995)
Foreign exchange losses			(61 911)	(195 381)
Depreciation, amortisation and impairment			(4 867 679)	(2 652 861)
Share based payments			(51 301)	-
Loss before taxation		4	(4 301 488)	(3 007 363)
Taxation		9	(58 983)	-
Loss for the period			(4 360 471)	(3 007 363)
Loss per share	Basic	11	(0,75 p)	(1,06 p)
	Diluted	11	(0,75 p)	(1,06 p)

All of the loss for the year is attributable to the owners of the Parent Company.

Group Statement of comprehensive income

for the year ended 31 December 2021

	2021	2020
	£	**£**
Loss for the period	(4 360 471)	(3 007 363)
Currency translation differences	24 798	46 152
Other comprehensive expense for the period, net of tax to be reclassified to profit or loss in subsequent periods	24 798	46 152
Total comprehensive income for the period	(4 335 673)	(2 961 211)

All of the comprehensive expense for the year is attributable to the owners of the Parent Company.

Company Statement of comprehensive income

for the year ended 31 December 2021

	2021	2020
	£	**£**
Loss for the period	(11 557 307)	(4 822 192)
Total comprehensive income for the period	(11 557 307)	(4 822 192)

All of the loss for the year for both the Company and the Group, is attributable to the owners of the Parent Company.

Group Balance Sheet

at 31 December 2021

	Notes	2021 £	2020 £
Non-current assets			
Goodwill	32	15 008 736	3 111 110
Intangible assets	12	2 207 448	1 651 047
Property, plant and equipment	13	6 135 097	1 289 390
Leases - right of use assets	19	8 237 471	4 222 502
Deferred tax asset	15	-	30 645
Financial assets		-	987
Trade and other receivables	16	820 871	-
		32 409 623	10 305 681
Current assets			
Inventories	17	667 898	193 660
Trade and other receivables	16	1 219 447	556 812
Cash and cash equivalents	22	2 701 646	34 651
		4 588 991	785 123
Total assets		36 998 614	11 090 804
Current liabilities			
Trade and other payables	23	(4 983 665)	(3 384 308)
Borrowings	24	(11 068)	-
Lease liabilities	20	(2 656 091)	(1 515 523)
		(7 650 824)	(4 899 831)
Non-current liabilities			
Lease liabilities	20	(7 027 146)	(3 313 908)
Deferred tax	15	(213 797)	(9 261)
Borrowings	24	(5 840 594)	(5 966 881)
		(13 081 537)	(9 290 050)
Total liabilities		(20 732 361)	(14 189 881)
Net assets		16 266 253	(3 099 077)
Equity	21		
Called up share capital	27	3 097 933	1 648 700
Share premium account		42 551 453	8 124 915
Capital reserve - own shares		(48 163)	-
Retained earnings		(17 228 015)	(12 918 845)
Merger relief reserve		21 282 500	-
Reverse Takeover reserve		(33 460 406)	-
Currency translation reserve		70 951	46 153
Total equity		16 266 253	(3 099 077)

The financial statements were approved by the Board of Directors and authorised for issue on 14 June 2022 and were signed on its behalf by:

Piotr Dzierżek
Director

Malgorzata Potkanska
Director

Company Balance Sheet

at 31 December 2021

	Notes	2021 £	2020 £
Non-current assets			
Investments	14	51 790 168	28 660 000
		51 790 168	28 660 000
Current assets			
Trade and other receivables	16	421 594	472 192
Cash and cash equivalents	22	302 509	1 007 647
		724 103	1 479 839
Total assets		52 514 271	30 139 839
Current liabilities			
Trade and other payables	23	(130 669)	(902 586)
Non Current liabilities			
Borrowings	24	(5 829 461)	-
Net assets		46 554 141	29 237 253
Equity	21		
Called up share capital	27	3 097 933	1 270 542
Share premium account		42 551 453	36 838 450
Retained earnings		(20 377 745)	(8 871 739)
Merger relief reserve		21 282 500	-
Shareholders' Equity		46 554 141	29 237 253

The financial statements were approved by the Board of Directors and authorised for issue on 14 June 2022 and were signed on its behalf by:

Piotr Dzierżek
Director

Malgorzata Potkanska
Director

The loss relating to transactions in the financial statements of the parent company was £11,557,307 (2020: £4,822,192).

DP Poland plc's company registration number is 07278725

Group Statement of Cash Flows

for the year ended 31 December 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Loss before taxation for the period		(4 301 488)	(3 007 364)
Adjustments for:			
Finance income		(1 155 806)	(4 017)
Finance costs		1 669 527	1 312 995
Foreign exchange movements		1 180 246	-
Depreciation, amortisation and impairment		4 867 679	2 652 861
Loss on fixed asset disposal		267 866	75 479
Share based payments expense	28	51 301	-
Operating cash flows before movement in working capital		2 579 325	1 029 954
(Increase) / decrease in inventories		(32 569)	14 604
Decrease / (increase) in trade and other receivabl		144 647	(122 625)
(Decrease)/increase in trade and other payables		(2 276 572)	763 327
Cash generated from operations		414 831	1 685 260
Taxation payable		-	-
Net cash generated from operations		414 831	1 685 260
Cash flows from investing activities			
Payments to acquire software		(170 637)	-
Payments to acquire property, plant and equipment		(720 381)	(115 656)
Payments to acquire intangible fixed assets		(208 004)	(33 393)
Proceeds from disposal of property plant and equipment		90 892	8 183
Repayment of sub-franchisee loans	16	25 233	-
Interest received		3 811	-
Cash acquired from subsidiaries		1 336 256	-
Net cash generated from/(used in) investing activities		357 170	(140 866)
Cash flows from financing activities			
Net proceeds from issue of ordinary share capital		6 121 561	-
Repayment of lease liabilities		(3 474 856)	(1 414 978)
Proceeds from borrowings		-	234 725
Interest paid		(751 711)	(550 266)
Net cash from/(used in) financing activities		1 894 994	(1 730 519)
Net increase/(decrease) in cash		2 666 995	(186 125)
Exchange differences on cash balances		-	2 557
Cash and cash equivalents at beginning of period		34 651	218 219
Cash and cash equivalents at end of period	22	2 701 646	34 651

Company Statement of Cash Flows

for the year ended 31 December 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Loss before taxation		(11 557 307)	(4 822 192)
Adjustments for:			
Finance income		(35)	(4 194)
Finance expense		420 544	-
Foreign exchange movements		(409 904)	-
Impairment charge		11 130 429	3 275 632
Share based payments expense		32 034	154 855
Operating cash flows before movement in working capital		(384 239)	(1 395 899)
Decrease/(increase) in trade and other receivables		50 598	(70 313)
(Decrease)/increase in trade and other payables		(771 917)	829 702
Cash used in operating activities		(1 105 558)	(636 510)
Cash flows from investing activities			
Equity investment in subsidiary company		(5 710 536)	(1 600 000)
Interest received		-	4 194
Interest paid		-	-
Net cash generated from/(used in) investing activities		(5 710 536)	(1 595 806)
Cash flows from financing activities			
Interest received		35	-
Interest paid		(10 640)	-
Net proceeds from issue of ordinary share capital		6 121 561	2 763
Net cash from/(used in) financing activities		6 110 956	2 763
Net increase/(decrease) in cash		(705 138)	(2 229 553)
Exchange differences		409 904	-
Cash and cash equivalents at beginning of period		1 007 647	3 237 200
Cash and cash equivalents at end of period	22	302 509	1 007 647

Group Statement of Changes in Equity

for the year ended 31 December 2021

	Share capital £	Share premium account £	Retained earnings £	Currency translation reserve £	Capital reserve - own shares £	Reverse Takeover reserve £	Merger Relief reserve £	Total £
At 1 January 2020	1 648 700	8 124 915	(9 911 482)	-	-	-	-	(137 867)
Translation difference	-	-	-	46 153	-	-	-	46 153
Loss for the period	-	-	(3 007 363)	-	-	-	-	(3 007 363)
Total comprehensive income for the year	**-**	**-**	**(3 007 363)**	**46 153**	**-**	**-**	**-**	**(2 961 210)**
At 31 December 2020	1 648 700	8 124 915	(12 918 845)	46 153	-	-	-	(3 099 077)
Translation difference	-	-		24 798	-	-	-	24 798
Loss for the period	-	-	(4 360 471)	-	-	-	-	(4 360 471)
Total comprehensive income for the year	**-**	**-**	**(4 360 471)**	**24 798**	**-**	**-**	**-**	**(4 335 673)**
Transfer to reverse takeover reserve	(1 648 700)	(8 124 915)	-	-	-	9 773 615	-	-
Recognition of DP Poland Plc equity	1 270 543	36 838 450	-	-	(48 163)	(20 532 689)	-	17 528 141
Reverse takeover of Dominium	1 418 832	-	-	-	-	(22 701 332)	21 282 500	-
Shares issued (net of expenses)	408 558	5 713 003	-	-	-	-	-	6 121 561
Share based payments	-	-	51 301	-	-	-	-	51 301
Transactions with owners in their capacity as owners	**1 449 233**	**34 426 538**	**51 301**	**-**	**(48 163)**	**(33 460 406)**	**21 282 500**	**23 701 003**
At 31 December 2021	**3 097 933**	**42 551 453**	**(17 228 015)**	**70 951**	**(48 163)**	**(33 460 406)**	**21 282 500**	**16 266 253**

Company Statement of Changes in Equity

for the year ended 31 December 2021

	Share capital £	Share premium account £	Retained earnings £	Relief reserve £	Total £
At 31 December 2019	1 267 779	36 838 450	(4 266 879)	-	33 839 350
Shares issued	2 763	-	-	-	2 763
Share based payments	-	-	217 332	-	217 332
Loss for the year	-	-	(4 822 192)	-	(4 822 192)
Total comprehensive income for the year	**-**	**-**	**(4 822 192)**	**-**	**(4 822 192)**
At 31 December 2020	1 270 542	36 838 450	(8 871 739)	-	29 237 253
Loss for the year	-	-	(11 557 307)	-	(11 557 307)
Total comprehensive income for the year	**-**	**-**	**(11 557 307)**	**-**	**(11 557 307)**
Shares issued	408 558	5 713 003	-	-	6 121 561
Merger relief reserve	1 418 833	-	-	21 282 500	22 701 333
Share based payments	-	-	51 301	-	51 301
Transactions with owners in their capacity as owners	**1 827 391**	**5 713 003**	**51 301**	**21 282 500**	**28 874 195**
At 31 December 2021	**3 097 933**	**42 551 453**	**(20 377 745)**	**21 282 500**	**46 554 141**

Notes to the Financial Statements

for the year ended 31 December 2021

1. ACCOUNTING POLICIES

Authorisation of financial statements and statement of compliance with IFRSs

The DP Poland plc Group and Company financial statements for the period ended 31 December 2021 were authorised for issue by the Board of the Directors on 14 June 2022 and the balance sheets were signed on the Board's behalf by Piotr Dzierżek and Malgorzata Potkanska. DP Poland plc is a public limited company incorporated and domiciled in England & Wales. The Company's ordinary shares are traded on the Alternative Investment Market of the London Stock Exchange.

Basis of preparation

Both the Group financial statements and the Company financial statements have been prepared and approved by the directors in accordance with UK-adopted international accounting standards, IFRIC Interpretations and the Companies Act 2006. The preparation of financial statements in accordance with UK-adopted international accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Company's accounting policies.

An additional line item for 'Group EBITDA - excluding non-cash items, non-recurring items and store pre-opening expenses' has been presented on the face of the income statement as the Board believes this presentation is relevant to the understanding of the Group's financial performance and is a useful indicator for the underlying cash generated from operations. The Directors believe that presenting store pre-opening expenses separately on the face of the Group Income Statement, below the Group EBITDA line, better reflects the underlying trading performance. Other non-GAAP performance measures used are:

- System sales (the sum of all sales made by both sub-franchised and corporate stores to consumers)
- Like-for-like sales (same store sales for those stores which traded troughout the current and comparative period).

The non-GAAP performance measures may not be comparable with similarly described items reported by other entities.
The Company has taken advantage of the exemption provided under section 408 of the Companies Act 2006 not to publish its individual income statement and related notes.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2021.

The Group and Company financial statements are presented in Sterling. The assets and liabilities of the foreign subsidiaries, whose functional currency is Polish Zloty, are translated into sterling at the rate of exchange ruling at the balance sheet date and their income statements are translated at the average rate for the year. Differences arising from the translation of the opening net investment in the subsidiary are taken to reserves and reported in the Group statement of comprehensive income.

Basis of consolidation

The Group financial statements comprise the financial statements of DP Poland plc, its subsidiary undertakings and the Employee Benefit Trust ("EBT") drawn up to 31 December of each year, using consistent accounting policies. Subsidiary undertakings have been included in the Group financial statements using the purchase method of accounting. Accordingly the Group Income Statement and Group Statement of Cash Flows include the results and cash flows of subsidiaries from the date of acquisition.

Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities and is achieved through direct or indirect ownership of voting rights; currently exercisable or convertible potential voting rights; or by way of contractual agreement. The financial statements of subsidiaries are prepared for the same reporting year as the parent Company, using consistent accounting policies. All inter-company balances and transactions, including unrealised profits arising from them, are eliminated on consolidation.

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

On 8 January 2021 the Company completed a reverse acquisition of Dominium S.A. a company registered in Poland. Further information about the transaction is disclosed in note 18. Although the transaction resulted in Dominium S.A. becoming a wholly owned subsidiary of the Company in accordance with IFRS 3 'Business Combinations' the transaction constitutes a reverse acquisition as the previous shareholders of Dominium S.A. own the majority of the shares of the Company and the directors of Dominium S.A. make up the majority of the Company's board. In substance, the shareholders of Dominium S.A. acquired a controlling interest in the Company and therefore the transaction has been accounted for as a reverse acquisition.

In accordance with IFRS 3 'Business Combinations' Dominium S.A. has been identified as the accounting acquirer (although it is the legal subsidiary) and therefore the comparative consolidated data presented in these financial statements represents the results for and the position of Dominium S.A. only.

Adoption of new and revised standards

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2021

- Definition of Material - Amendments to IAS 1 and IAS 8 and
- Revised Conceptual Framework for Financial Reporting

The Group has also decided to adopt the following amendment early:
-Annual Improvements to IFRS Standards 2018-2020 Cycle.
The amendments listed above did not have any impact on the amounts reconised in prior periods and are not expected to significantly affect the current or future periods.

New standards and interpretations not applied

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the Group. None of these are expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

Intangible assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired separately from a business are carried initially at cost. An intangible asset acquired as part of a business combination is recognised outside goodwill if the asset is separable or arises from contractual or other legal rights and its fair value can be measured reliably. Intangible assets with a finite life are amortised and charged to administrative expenses on a straight line basis over their expected useful lives, as follows:

- Licences: over the duration of the legal agreement;
- Computer software: 2 years from the date when the software is brought into use
- Capitalised loan discounts: over the remaining term of the sub-franchise agreement

The carrying value of intangible assets is reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable.

Goodwill

Goodwill is initially measured at cost and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumedand reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the income statement.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergoes of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired.

The Group performs impairment reviews at the reporting period end to identify any goodwill or intangible assets that have a carrying value that is in excess of it's recoverable amount. Determining the recoverability of goodwill and the intangible assets requires judgement in both the methodology applied and the key variables within that methodology. Where it is determined that an asset is impaired, the carrying value of the asset will be reduced to its recoverable amount with the difference recorded as an impairment charge in the income statment.

In accordance with IAS 36, the Group has tested goodwill for impairment at the reporting date. No goodwill impairment was deemed necessary as at 31 December 2021. For furter details on the impairment review please refer to note 32.

Fixtures, fittings and equipment

Fixtures, fittings and equipment are stated at cost less accumulated depreciation and any impairment in value. Leasehold property comprises leasehold improvements including shopfitting and associated costs.

Depreciation

Depreciation is provided on all tangible non-current assets at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the balance sheet date, of each asset on a straight line basis over its expected useful life, as follows:

Leasehold property	– over the expected lease term
Fixtures, fittings and equipment	– 3 to 10 years

The carrying values of tangible non-current assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

The asset's residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year end.

Assets Under Construction

Assets under construction comprise the cost of tangible fixed assets in respect of stores that have not yet opened and therefore no depreciation has yet been charged. Depreciation will be charged on the assets from the date that they are available for use.

Impairment

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognised in the income statement under the expense category: Depreciation, amortisation and impairment.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Financial instruments

Financial instruments are measured initially at cost, which is the fair value of whatever was paid or received to acquire or incur them.

Financial assets

All of the Group's financial assets are held within a business model whose objective is to collect contractual cash flows which are solely payments of principals and interest and therefore classified as subsequently measured at amortised cost

Financial assets at amortised cost are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The Group's financial assets at amortised cost comprise trade and other receivables, loans to sub-franchisees and cash and cash equivalents in the balance sheet. Loans to sub-franchisees are provided at below market interest rates. The difference between the present value of loans recognised and the cash advanced has been capitalised as an intangible asset in recognition of the future value that will be generated via the royalty income and Commissary sales that will be generated. These assets are amortised over the life of a new franchise agreement of 10 years.

The Group recognises an allowance for expected credit losses ('ECLs') for all financial assets. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or as financial liabilities measured at amortised cost. Financial liabilities at amortised cost comprise trade and other payables, loans and accruals.

Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less. For the purpose of the consolidated and company cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Store pre-opening costs

Operating costs incurred by stores prior to opening are written off to the income statement in the period in which they are incurred and disclosed separately on the face of the income statement.

Inventories

Inventories are stated at the lower of cost and net realisable value. Inventories comprise food and packaging goods for resale. The Group applies a first in first out basis of inventory valuation.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Foreign Currency Translation

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 year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

b) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

c) all resulting exchange differences are recognised within other comprehensive income as a separate component of equity

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Employee share incentive plans

The Group issues equity-settled share-based payments to certain employees (including Directors). These payments are measured at fair value at the date of grant by use of a Black-Scholes model. Vesting is dependent on performance conditions other than conditions linked to the price of the shares of DP Poland plc (market conditions). In valuing equity-settled transactions, no account is taken of these performance conditions. This fair value cost of equity-settled awards is recognised on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest. No cost is recognised for awards that do not ultimately vest.

Leases

The Group as a lessee

At the balance sheet date, the Group leased hundered and twenty one stores, one office, two commissaries and a number of vehicles. Leases for land and buildings are normally for an initial term of 5 years with an option to renew thereafter. Lease payments are subject to regular rent reviews to reflect market rates. The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

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

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated balance sheet.
The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Extension and termination options

In determining the lease liability, the Group considers the extension and termination options. For the majority of leases the Group 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.

Critical judgements in determining the lease term

Leases 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 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. An adjustment to the lease term is only made if the lease is reasonably certain to be extended or not terminated.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the consolidated balance sheet. The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy. Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in 'Other expenses' in profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as lessor

The Group enters into lease agreements as an intermediate lessor with respect to stores operated by sub-franchisees.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The Group evaluates and classifies these subleases as either operating leases or finance leases. Where the sublease transfers substantially all of the risks and rewards arising from right-of-use asset from the head lease, the right-of-use asset from head lease is derecognised and a lease receivable equal to the net investment in the sublease is recognised. Where the sublease does not transfer substantially all of the risks and rewards arising from right-of-use asset from the head lease, the sublease is classified as an operating lease and rent received is recognised in the income statement on a straight line basis over the lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

Current tax

Current tax is the amount of income tax payable on the taxable profit for the period. Current tax assets and liabilities for the current and prior periods are measured at the amounts expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts with the exception of:

- Where the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- For taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures and where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax assets and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Capital instruments

Ordinary shares are classified as equity instruments. Other instruments are classified as liabilities if they contain an obligation to transfer economic benefits and if not they are included in equity. The finance costs recognised in the Income Statement in respect of capital instruments other than equity shares are allocated to periods over the term of the instrument at a constant rate on the carrying amount applying the effective interest method.

Capital reserve - own shares

DP Poland plc shares which are held within the Company's employee benefit trust, for the purpose of providing share based incentives to Group employees are classified as shareholders' equity as 'Capital reserve - own shares' and are recognised at cost. No gain or loss is recognised in the income statement on the purchase or sale of such shares.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration net of returns and value-added taxes. The criteria for recognising revenues are set out in note 2.

Direct Costs

Direct costs comprises foods costs and direct store expenses.

Finance income

Revenue is recognised as interest accrues applying the effective interest method.

Going concern

The Directors must make an assessment as to whether the Group is a going concern. In forming their views, the Directors have prepared cash flow forecasts for a 12 month period following the date of signing the balance sheet. As part of the preparation of these forecasts, the Directors have estimated the likely outcome for the number of new stores opened. Before entering into a contract to acquire a new site, the Directors ensure that the Group has sufficient working capital available to allow the completion of the outlet. Based on these forecasts, the Directors have confirmed that there are sufficient cash reserves to fund the business for the period under review. After reviewing these forecasts, consideration of the Group's cash resources and other appropriate enquiries, the Directors have a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Accounting estimates and judgements

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and judgements. It also requires management to exercise judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group's determination of whether intangibles and investments in subsidiary undertaking are impaired requires an estimation of the value in use of the cash generating units to which the relevant asset or investment is allocated. This requires estimation of future cash flows and the selection of a suitable discount rate. The recoverable amount of the cash generating unit has been determined based on fair value calculated using discounted future cash flows, which are subject to significant estimates due to the growth phase of the business. Future cash flows are based on the Group's business plan. The calculation of the value in use is most sensitive to the following assumptions: store performance; discount rates; store openings in Poland; foreign exchange rates.

The discount rate reflects management's estimate of the return on capital employed for the investment in Poland. The store openings are based on the current business model being used by management, which is progressing in line with expectations. The parent company's investment in DP Polska S.A. had a historical cost of £31.9m prior to the impairment review. The impairment test carried out showed that the investment was impaired and the carrying value after impairment was £28.66m. With effect from 8 January 2021, the Company became the legal parent of Dominium S.A.. As a result of the reverse acquisition the investment value was raised by the amount of £34,26m.The Group has considered its market capitalisation from April 2022 as part of the impairment review. The Group has determined that an impairment of £11.1m in the investment value should be recognised in the accounts of DP Poland plc.

The Group's determination of the amortised cost of sub-franchisee loan receivables also requires an estimation of future cash flows and the selection of a appropriate market rate of interest. The calculation of the Group's total tax charge involves a degree of estimation and judgement in respect of the recoverability of tax losses. Further details of the treatment of deferred tax can be found in note 15.

In applying IFRS 16 'leases' the Group uses estimates and judgement in determining the term of the lease (including extensions), the incremental borrowing rate to be used and the classification of sub-leases between operating leases and finance leases. Further details are shown in the Leases accounting policy above and in note 19.

The Group has also determined a market rate for the loan note presented as borrowing in balance sheet using judgement. Furter details are shown in note 24.

Applying IFRS 3 for accounting of reverse acquisition also required Group's judgement. Further details are shown in note 18.

2. REVENUE

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. All of the revenue is derived in Poland.

Corporate store sales: Contracts with customers for the sale of products to end consumers include one performance obligation. The Group has concluded that revenue from the sale of products should be recognised at a point in time when control of the goods is transferred to the consumer, which is the point of delivery or collection. Sales are recorded approximately 30 minutes before delivery or collection. Revenue is measured at the menu price less any discounts offered.

Royalties, franchise fees and sales to franchisees: Contracts with customers for the sale of products include one performance obligation, being the delivery of products to the end customer. The Group has concluded that revenue from the sale of products should be recognised at a point in time when control of the goods are transferred to the franchisee, generally on delivery. Revenue is recognised at the invoiced price less any estimated rebates. The performance obligation relating to royalties is the use of the Domino's brand. This represents a sales-based royalty with revenue recognised at the point the franchisee makes a sale to an end consumer. Revenue from franchisee fees is recognised when a franchisee opens a store for trading or on completion of sale of one or more stores to a third party, as this is the point at which all performance obligations have been satisfied.

Rental income on leasehold property: Rental income arising from leasehold properties where the lease is an operating lease is recognised on a straight-line basis in accordance with the lease terms. Rental payments are recognised over the period to which they relate. Under IFRS 16 'leases' rents received under finance leases are treated as capital repayments and interest receipts and are excluded from revenues.

Core revenues are ongoing revenues including sales to the public from corporate stores, sales of materials and services to sub-franchisees, royalties received from sub-franchisees and rents received from sub-franchisees. Other revenues are non-recurring transactions such as the sale of stores, fittings and equipment to sub-franchisees. Revenue recognised in the income statement is analysed as follows:

Revenue is divided into 'core revenues' and 'other revenues' as follows:

	2021	2020
	£	£
Core revenue	29 782 191	13 982 764
Other revenue	83 998	-
	29 866 189	13 982 764

Revenue is further analysed as follows:

	2021	2020
	£	£
Corporate store sales	28 204 421	13 982 764
Fixtures and equipment sales to sub-franchisees	83 998	-
Royalties and other sales to sub-franchisees	1 331 355	-
Rental income on leasehold property	246 415	-
	29 866 189	13 982 764

3. SEGMENTAL REPORTING

The Board monitors the performance of the corporate stores and the commissary operations separately and therefore those are considered to be the Group's two operating segments. Corporate store sales comprise sales to the public. Commissary operations comprise sales to sub-franchisees of food, services and fixtures and equipment. Commissary operations also include the receipt of royalty income from sub-franchisees. The Board monitors the performance of the two segments based on their contribution towards Group EBITDA - excluding non-cash items, non-recurring items and store pre-opening expenses. In accordance with IFRS 8, the segmental analysis presented reflects the information used by the Board. No separate balance sheets are prepared for the two operating segments and therefore no analysis of segment assets and liabilities is presented.

Operating Segment contribution

	2021	2021	2020
	£	£	£
	Corporate stores	Commissary	Corporate stores
Revenues from external customers	28 204 421	1 661 768	13 982 764
Direct Costs - corporate stores	(23 791 549)		(10 998 475)
Direct Costs - commissary (variable cost only)		(743 105)	
Store EBITDA	4 412 872		2 984 289
Commissary gross profit		918 663	
Total segment profit		5 331 535	2 984 289
Unallocated expenses		(4 194 260)	(2 314 333)
GROUP EBITDA - excluding non-cash items, non-recurring items and store pre-opening expenses		1 137 275	669 956

Commissary direct costs shown above do not include labour and occupancy costs. These costs are shared across both segments as the commissary supplies corporate stores as well as supplying sub-franchisees. Corporate store direct costs include all costs directly attributable to operating the stores. Store EBITDA represents corporate store sales less store food costs and direct store expenses.

4. LOSS BEFORE TAXATION

This is stated after charging

		2021	2020
		£	£
Auditors and their	– audit of company and group financial statements	80 407	12 609
associates' remuneration	– tax compliance services	2 345	-
Directors' emoluments	– remuneration and fees	188 521	-
Amortisation of intangible fixed assets		674 030	437 815
Depreciation of property, plant and equipment		2 027 915	684 964
and after crediting		-	-
Operating lease income from sub-franchisees		246 415	-
Foreign exchange gains /(losses)		(61 911)	(195 381)

5. OTHER NON-CASH AND NON-RECURRING ITEMS

	2021 £	2020 £
Acquisition - advisors and other expenses	(70 320)	-
Leasehold overtaken	122 905	-
IFRS 16 adjustment	220 014	294 419
Bonus received	252 004	-
Other non-cash and non-recurring items	(465 325)	185 482
	59 278	479 901

Non-recurring Items

Non-recurring items include items, which are not sufficiently large to be classified as exceptional, but in the opinion of the Directors, are not part of the underlying trading performance of the Group.

Leasehold overtaken refers to take over of franchise assets as per signed agreement following the termination of the sub-franchise agreement and IFRS 16 adjustment refers to changes in lease agreement periods and discounts received for the Covid-19 lockdown periods. The other non-cash and non-recurring items position includes the amount of £280,918 of transformation cost.

6. STAFF COSTS

Details of directors' remuneration, which is included in the amounts below, are given in the remuneration report.

	2021 £	2020 £
Wages and salaries and directors' fees	2 359 144	1 558 449
Social security costs	500 177	296 105
Share based payments	51 301	-
	2 910 622	1 854 554

The average monthly number of employees during the year was as follows:

	2021 Number	2020 Number
Operational	243	216
Administration	44	26
Total	287	242

The cost of employees on zero hours contract in stores amounted to 2021 £6,902,503 (2020: £2,030,904).

7. FINANCE INCOME

	2021 £	2020 £
Interest on short-term deposits	3 811	-
Unwinding of discount on loans to sub-franchisees	13 059	-
Finance income on sublease loans	26 131	-
Other finance income	1 112 805	4 017
	1 155 806	4 017

Other finance income comprises mainly of loans written off in Dominium S.A. as a result of the refinancing for the reverse acquisition.

8. FINANCE COSTS

	2021 £	2020 £
Interest expense on lease liabilities	742 862	536 563
Other interest	926 665	776 432
	1 669 527	1 312 995

9. TAXATION

	2021 £	2020 £
Current tax	-	-
Deferred tax expense relating to write down of deferred tax asset	58 983	
Other taxes	-	-
Total tax charge in income statement	58 983	-

The tax on the Group's loss before tax differs from the theoretical amount that would arise using the tax rate applicable to profits of the consolidated entities as follows:

	2021 £	2020 £
Loss before tax	(4 301 488)	(3 007 364)
Tax credit calculated at applicable rate of 19%	(817 283)	(571 399)
Income taxable but not recognised in financial statements	312 041	426 091
Income not subject to tax	(647 083)	(404 481)
Expenses not deductible for tax purposes	1 196 148	161 592
Deffered tax	58 983	
Tax losses for which no deferred income tax asset was recognised	(43 823)	388 197
Total tax charge in income statement	58 983	-

The Directors have reviewed the tax rates applicable in the different tax jurisdictions in which the Group operates. They have concluded that a tax rate of 19% represents the overall tax rate applicable to the Group.

10. LOSS ATTRIBUTABLE TO MEMBERS OF PARENT COMPANY

The loss relating to transactions in the financial statements of the parent company was £11,557,307 (2020: £3,007,364).

11. LOSS PER SHARE

The loss per ordinary share has been calculated as follows:

	2021	2021 £	2020	2020 £
	Weighted average number of shares	Profit / (loss) after tax	Weighted average number of shares	Profit / (loss) after tax
Basic	578 123 216	(4 360 471)	283 766 661	(3 007 363)
Diluted	578 123 216	(4 360 471)	283 766 661	(3 007 363)

The weighted average number of shares for the year excludes those shares in the Company held by the employee benefit trust. At 31st December 2021 the basic and diluted loss per share is the same, as the vesting of JOSS, SIP or share option awards would reduce the loss per share and is, therefore, anti-dilutive.

12. INTANGIBLE ASSETS

Group	Franchise fees and intellectual property rights £	Software £	Capitalised loan discount £	Total £
Cost:				
At 31 December 2019	4 614 842	324 354	-	4 939 196
Foreign exchange movements	(49 462)	(3 477)	-	(52 939)
Additions	29 855	3 079	-	32 934
At 31 December 2020	4 595 235	323 956	-	4 919 191
Acquisition of business	883 853	85 957	59 854	1 029 664
Foreign exchange movements	(391 076)	(55 389)	(17 865)	(464 330)
Additions	149 125	208 004	21 512	378 641
Disposals	(42 717)		(89 294)	(132 011)
At 31 December 2021	5 194 420	562 528	(25 793)	5 731 155
Amortisation				
At 31 December 2019	2 544 338	322 737	-	2 867 075
Foreign exchange movements	(33 244)	(3 502)	-	(36 746)
Amortisation charged for the year	434 693	3 122	-	437 815
At 31 December 2020	2 945 787	322 357	-	3 268 144
Foreign exchange movements	(250 900)	(61 675)	(11 468)	(324 043)
Amortisation charged for the year	524 397	138 097	11 536	674 030
Disposals	(15 139)	-	(79 285)	(94 423)
At 31 December 2021	3 204 145	398 779	(79 217)	3 523 707
Net book value:				
At 31 December 2021	1 990 275	163 749	53 424	2 207 448
At 31 December 2020	1 649 448	1 599	-	1 651 047

Franchise fees consisting of the cost of purchasing the Master Franchise Agreement (MFA) from Domino's Pizza Overseas Franchising B.V. have been capitalised and are written off over the term of the MFA. The difference between the present value of loans to sub-franchisees recognised and the cash advanced has been capitalised as an intangible asset and are amortised over the life of a new franchise agreement of 10 years. The amortisation of intangible fixed assets is included within administrative expenses in the Income Statement. The Group has performed an annual impairment test for the franchise fees and loan discounts and the recoverable amount of the cash generating unit has been determined based on fair value calculated using discounted future cash flows based on the Group's business plan, and incorporating the Directors' estimated 11% discount rate, future store openings and the average Polish Zloty exchange rate for the year ended 31 December 2021. The fair value calculation indicates that no impairment is required. As at 31 December 2021, no reasonably anticipated change in the assumptions would give rise to a material impairment charge.

13. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold property £	Fixtures fittings and equipment £	Assets under construction £	Total £
Cost:				
At 31 December 2019	6 228 563	2 238 326	7 975	8 474 864
Foreign exchange movements	(66 760)	(23 991)	(85)	(90 836)
Additions	8 891	83 448	51 583	143 922
Disposals	(246 532)	(25 333)	-	(271 865)
Transfers	2 655	7 874	(40 384)	(29 855)
At 31 December 2020	5 926 817	2 280 324	19 089	8 226 230
Acquisition of business	3 634 600	2 124 650	19 658	5 778 908
Foreign exchange movements	(849 042)	(545 878)	(2 862)	(1 397 782)
Additions	766 548	392 046	392 169	1 550 763
Disposals	(781 849)	(222 194)	-	(1 004 043)
Transfers	27 912	380 569	(408 481)	-
At 31 December 2021	8 724 986	4 409 517	19 573	13 154 076
Depreciation:				
At 31 December 2019	4 463 156	2 057 409	-	6 520 565
Foreign exchange movements	(52 910)	(23 755)	-	(76 665)
Depreciation charged for the year	535 418	149 546	-	684 964
Disposals	(166 303)	(25 722)	-	(192 025)
At 31 December 2020	4 779 361	2 157 479	-	6 936 840
Foreign exchange movements	(509 507)	(398 978)	-	(908 485)
Depreciation charged for the year	924 736	1 103 179	-	2 027 915
Impairment	-	(262 089)	-	(262 089)
Disposals	(590 478)	(184 724)	-	(775 202)
At 31 December 2021	4 604 112	2 414 867	-	7 018 979
Net book value:				
At 31 December 2021	4 120 874	1 994 650	19 573	6 135 097
At 31 December 2020	1 147 456	122 845	19 089	1 289 390

14. NON CURRENT ASSET INVESTMENTS

	Group £	Company £
Investments in Group undertakings		
At 31 December 2019	-	30 273 155
Investment in subsidiary company - shares subscribed	-	1 600 000
Investment in subsidiary company - capital contribution	-	62 477
Impairment charge	-	(3 275 632)
At 31 December 2020	-	28 660 000
Investment in subsidiary company - shares subscribed	-	34 241 330
Investment in subsidiary company - capital contribution	-	19 267
Impairment charge	-	(11 130 429)
At 31 December 2021	-	51 790 168

Investments in Group undertakings are recorded at cost, which is the fair value of the consideration paid.

The parent company's investment in DP Polska S.A. had a historical cost of £31.9m prior to the impairment review. The impairment test carried out showed that the investment was impaired and the carrying value after impairment was £28.7m. With effect from 8 January 2021, the Company became the legal parent of Dominium S.A.. As a result of the reverse acquisition the investment value was raised by the amount of £34.3m. The Group has determined that an impairment of £11.1m in the investment value should be recognised in the accounts of DP Poland plc. The impairment assesment brought the figure down to £51.8m and was arrived at by looking at the most recent share issue in November 2021 of 8p.

The Company holds 20% or more of the share capital of the following companies, which are included in the consolidation:

Company	*Nature of business*	*Location*	*Class*	*% holding*
DP Polska S.A.	Operation of Pizza delivery restaurants	Poland	Ordinary	100
Dominium S.A.	Operation of Pizza delivery restaurants	Poland	Ordinary	100

The registered office of DP Polska S.A. and Dominium S.A. is: 30 Dabrowiecka Street, 03-932 Warsaw, Poland.

The acquisition of Dominium S.A. was completed on 8th January 2021 - further details are given in note 18. Dominium's business is the operation of delivery and dine-in pizza restaurants.

15. DEFERRED TAX

The Group has unused tax losses of £18,651,179 available for offset against future profits. Polish tax losses are only recognised for deferred tax purposes to the extent that they are expected to be used to reduce tax payable of future profits. Under Polish law, losses can only be carried forward for five years and only 50% of the losses brought forward can be set off in any one year. Polish tax losses expire as follows: £3,891,430 in 2022; £3,186,939 in 2023; £2,384,268 in 2024; £1,686,448 in 2025 and £697,874 in 2026. UK tax losses carried forward at the balance sheet date were £6,136,991.

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Deferred tax liability				
Deferred tax liability				
Property, plant and equipment	(46 622)	(9 261)	-	-
Intangible assets	(167 175)	-	-	-
	(213 797)	(9 261)	-	-

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Deferred tax asset				
Deferred tax asset				
Short term timing differences	-	30 645	-	-
	-	30 645	-	-

Movements in deferred tax

	Property, plant and equipment £	Intangible assets £	Short term timing differences £	Total £
At 31 December 2020	(9 261)	-	30 645	21 384
Acquistion of a business	(164 319)	(12 018)	-	(176 337)
Credited to equity	-	-	-	-
Credited to profit and loss	(28 099)	-	(30 645)	(58 744)
At 31 December 2021	(201 679)	(12 018)	-	(213 697)

16. TRADE AND OTHER RECEIVABLES

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Current				
Trade receivables	362 407	258 256	-	-
Trade receivables from subsidiaries	-	-	396 000	346 000
Other receivables	635 420	161 943	25 594	49 214
Prepayments and accrued income	221 620	90 208	-	76 978
Rent and supplier deposits		46 405	-	-
	1 219 447	556 812	421 594	472 192
Non-current				
Other receivables	820 871	-	-	-
At 31 December	2 040 318	556 812	421 594	472 192

Other receivables includes loans to sub-franchisees which are repayable over between three and seven years. Repayments may be made earlier in the event that sub-franchised stores achieve certain turnover targets earlier than expected. The loans are secured by a charge over certain assets of the sub-franchisees. Other receivables also includes Polish value added tax recoverable in future periods. No receivables are materially past due date. Other than amounts held by the Company, all trade and other receivables are in Polish Zloty. Trade receivables are non - interest bearing and are generally on 30 - 60 days terms.

17. INVENTORIES

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Raw materials and consumables	667 898	193 660	-	-
At 31 December	667 898	193 660	-	-

The cost of inventories recognised as an expense and included in cost of sales amounted to £7,573,606 (2020: £3,363,802).

18. REVERSE ACQUISITION

With effect from 8 January 2021, the Company became the legal parent of Dominium S.A.. The aggregate consideration paid by the legal acquirer was £23,871,998 satisfied by the issue of 283,766,661 new ordinary shares of the Company issued at 8p per ordinary share and £1,170,665 by way of a 1.3m EUR loan note issued in favour of Malaccan Holdings Ltd the former owner of Dominium S.A..

Under IFRS 3, due to the relative values of the companies, the transaction is treated as a reverse acquisition with Dominium S.A. as the accounting acquirer and the pre-acquisition DP Poland Group as the accounting acquiree. As a result of preparing these financial statements in accordance with IFRS 3 comparative data represents Dominium S.A. only.

The loss of the acquiree since the acquisition date amounted to £1,747,861.

Malaccan Holdings Ltd became the majority shareholder with approximately 52.8% of the share capital of the enlarged Group at the time of the transaction. Malaccan Holdings Ltd has subsequently reduced its holding to 45% of the issued share capital.

The Directors believe that the combination of the two businesses will place the Company within the top three pizza chains in Poland in terms of stores and restaurants. The acquisition has almost doubled the number of stores within the Company's portfolio and will provide a basis for further expansion and market penetration into new cities and towns. There are a number of cost savings and synergies which have arisen from the acquisition.

The fair value of the assets and liabilities acquired by the accounting acquirer are as follows:

	Note	January 2021	Fair value adjustment	Total
		£'000	£'000	£'000
Intangible assets		461 665	568 000	1 029 665
Property, plant and equipment		5 778 908	-	5 778 908
Leases - right of use assets		5 173 815	-	5 173 815
Inventories		441 669	-	441 669
Trade and other receivables		2 494 340	-	2 494 340
Cash and cash equivalents		1 336 256	-	1 336 256
Trade and other payables		(3 412 865)	-	(3 412 865)
Income tax payables		-	- -	
Borrowings		(92 000)	-	(92 000)
Lease liabilities		(6 312 464)	-	(6 312 464)
Deferred tax		-	(142 000)	(142 000)
Total identifiable net assets		5 869 324	426 000	6 295 324
Goodwill on acquisition of the DP Poland Group	32			12 127 453
Consideration paid by the accounting acquirer		-	-	18 422 777

Acquisition expenses
The advisors' and other costs incurred by DP Poland plc (the legal acquirer) in acquiring Dominium S.A. amounted to £1,129,643 of which £1,085,573 was incurred during 2020.

Intangible assets
The intangible assets acquired by the accounting acquirer relate to: Franchise fees, intellectual property rights, software and the capitalised loan discount relating to sub-franchisee loans

Trade and other receivables
The Directors consider that the gross contractual amounts of trade receivables and loan receivables are not materially different to the fair values

Borrowings
As part of the reverse acquisition DP Poland plc (the legal acquirer) issued a €1.3million loan note in favour of Malaccan Holdings Ltd the former owner of Dominium S.A.. In addition, outstanding debt of €6.2 million (approximately £5.6 million) that was previously due from Dominium to Malaccan Holdings under certain existing Shareholder Loans was converted into a further unsecured loan note of €6.2 million being issued to Malaccan Holdings on the same terms and in substitution for that outstanding debt. In aggregate, therefore, €7.5 million Loan Notes were issued by DP Poland plc and remain outstanding to Malaccan Holdings upon completion of the acquisition of Dominium S.A.. The Loan Notes are not convertible.

Goodwill

The goodwill recognised by the accounting acquirer is equal to the consideration (as determined under IFRS 3) which was paid by the accounting acquirer less the fair value of the assets and liabilities acquired with the accounting acquiree. The fair value adjustment amounted to £0.6 milion and is presented in Intangible Assets as Master Franchise Agreement asset. The asset will be amortised over the franchise period. The goodwill recognised is made up by the expected synergies of the enlarged business and it is expected that the improved scale of the enlarged business will help the Company to achieve its objective of becoming a market leader in Poland.

In accordance with IAS 36 the Group has performed impairment review of goodwill at the reporting period end. The review included discounted cash flow projections to determine the recoverability of goodwill and the intangible assets. We compared the carrying amount of the assets, inclusive of assigned goodwill, to its respective fair value. Significant assumptions inherent in the valuation methodologies for goodwill are employed and include, but are not limited to, prospective financial information, growth rates, terminal value and discount rates. Based on this quantitative test, we determined that the fair value of assets including goodwill exceeded its carrying amount. After completing our annual impairment reviews we concluded that goodwill was not impaired.

19. LEASES - GROUP AS A LESSEE

Right of Use Assets

	Leasehold property	Total
Cost:	**£**	**£**
At 1 January 2020	6 539 393	6 539 393
Foreign exchange movements	(70 091)	(70 091)
Additions	905 282	905 282
Disposals	(192 346)	(192 346)
At 31 December 2020	7 182 238	7 182 238
Acquisition of business	5 173 815	5 173 815
Foreign exchange movements	(1 190 615)	(1 190 615)
Additions	2 811 295	2 811 295
Adjustment to right-of-use asset lease term	599 283	599 283
Disposal	(244 793)	(244 793)
At 31 December 2021	14 331 223	14 331 223
Accumulated depreciation		
At 1 January 2020	1 656 318	1 656 318
Foreign exchange movements	(36 161)	(36 161)
Charge for the year	1 339 579	1 339 579
At 31 December 2020	2 959 736	2 959 736
Foreign exchange movements	(605 447)	(605 447)
Adjustment to right-of-use asset lease term	1 464 104	1 464 104
Disposal	(152 464)	(152 464)
Charge for the year	2 427 823	2 427 823
At 31 December 2021	6 093 752	6 093 752
Carrying amount		
At 31 December 2021	8 237 471	8 237 471
At 31 December 2020	4 222 502	4 222 502

At the Balance sheet date, the Group's portfolio of leases consisted of 124 leases over 121 store premises, one office and two commissaries. Leases generally have an initial term of 10 years, with an option to extend for an additional period of between 5 and 10 years. Rents payable are generally reviewed at five year intervals. The adjustment to right-of-use asset lease term refers to change in presentation to gross amount and depreciation.

Amounts recognised in profit and loss	**2021** **£**	**2020** **£**
Depreciation expense on right-of-use assets	2 427 823	1 339 579
Interest expense on lease liabilities	742 863	536 563

	2021 £	**2020** £
The total cash outflow for leases amounted to	3 120 050	1 627 884

20. LEASE LIABILITIES

	2021 £	**2020** £
Total lease liabilities	9 683 237	4 829 431

Analysed as:		
Non-current	7 027 146	3 313 908
Current	2 656 091	1 515 523

Maturity analysis	**2021** £	**2020** £
Within one year	2 656 091	1 515 523
1 - 2 years	2 310 187	1 040 855
2 - 3 years	1 787 291	941 882
3 - 4 years	1 506 870	507 577
4 - 5 years	1 061 573	567 515
5 - 6 years	259 627	143 618
Onwards	101 598	91 727

It is the Group’s policy to lease certain of its fixtures and equipment under leases. The average lease term is 10 years. For the year ended 31 December 2021, the average effective borrowing rate was 7.72 per cent. Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. All lease obligations are denominated in Polish Zloty, Euros or US Dollars

The fair value of the Group’s lease obligations as at 31 December 2021 is estimated to be £9,683,237 using 7.72% discount rate. This is based on a the rate for Polish Government bonds with a similar maturity to the lease terms and adding a credit margin that reflects the secured nature of the lease obligation.

The Group’s obligations under leases are secured by the lessors’ rights over the leased assets.

21. EQUITY

"Called up share capital" represents the nominal value of equity shares issued.
"Share premium account" represents the premium paid on the Company’s 0.5p Ordinary shares.
"Capital reserve - own shares" represents the cost of shares repurchased and held in the employee benefit trust (EBT).
"Retained earnings" represents retained losses of the Group.
"Merger relief reserve" represents the excess of the value of the consideration shares issued to the shareholders upon the reverse takeover over the fair value of the assets acquired.
"Reverse Takeover reserve" represents the accounting adjustments required to reflect the reverse takeover upon
"Currency translation reserve" represents exchange differences arising from the translation of the financial statements of the Group’s foreign subsidiaries.

22. CASH AND CASH EQUIVALENTS

	Group **2021** **£**	Group 2020 £	**Company** **2021** **£**	**Company** **2020** **£**
Cash at bank and in hand	2 701 646	34 651	302 509	1 007 647
At 31 December	2 701 646	34 651	302 509	1 007 647

23. TRADE AND OTHER PAYABLES

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Current				
Trade payables	3 248 333	1 821 157	54 669	361 086
Other payables	546 734	612 799	6 667	5 603
Accrued expenses	1 188 598	950 352	69 333	535 897
At 31 December	4 983 665	3 384 308	130 669	902 586

24. BORROWINGS

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Current interest bearing borrowings				
Finance lease liabilities	11 068	-	-	-
At 31 December	11 068	-	-	-

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Non current interest bearing loans and borrowings				
Finance lease liabilities	11 133	-	-	-
Borrowing	5 829 461	5 966 881	5 829 461	-
At 31 December	5 840 594	5 966 881	5 829 461	-

Finance lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default. As part of the reverse acquisition DP Poland plc (the legal acquirer) issued a €1.3million loan note in favour of Malaccan Holdings Ltd the former owner of Dominium S.A.. In addition, outstanding debt of €6.2 million (approximately £5.6 million) that was previously due from Dominium to Malaccan Holdings under certain existing Shareholder Loans was converted into a further unsecured loan note of €6.2 million being issued to Malaccan Holdings on the same terms and in substitution for that outstanding debt. In aggregate, therefore, €7.5 million Loan Notes were issued by DP Poland plc and remain outstanding to Malaccan Holdings upon completion of the acquisition of Dominium S.A.. The loans are repayable in 2024, is unsecured with 3% interest payable and have been discounted to a market rate of 8% in accordance with IAS 39.

Gross finance lease liabilities – minimum lease payments:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
No later than 1 year	11 068	-	-	-
Later than 1 year and no later than 5 years	11 133	-	-	-
Later than 5 years	-	-	-	-
Future finance charges on finance leases			-	-
			-	-
Present value of finance lease liabilities	22 201	-	-	-

25. ANALYSIS OF MOVEMENTS IN NET FUNDS

	01 January 2020	Acquisition	Cash flows	Non cash movements	Foreign exchange novements	31 December 2020
	£	£	£	£	£	£
Cash and cash equivalents	218 219	-	(186 125)	-	2 557	34 651
Borrowings	(5 042 710)	-	(234 725)	(635 397)	(54 049)	(5 966 881)
Lease liabilities - current	(1 380 043)	-	53 618	(174 306)	(14 792)	(1 515 523)
Lease liabilities - non-current	(3 812 181)	-	1 361 360	(822 227)	(40 860)	(3 313 908)
Net debt	(10 016 715)	-	994 128	(1 631 930)	(107 144)	(10 761 661)

	01 January 2021	Acquisition	Cash flows	Non cash movements	Foreign exchange novements	31 December 2021
	£	£	£	£	£	£
Cash and cash equivalents	34 651	1 336 256	1 330 739	-	-	2 701 646
Borrowings: finance leases - current	-	(55 740)	44 672	-	-	(11 068)
Borrowings: finance leases - non-current	-	(36 185)	25 052	-	-	(11 133)
Borrowings	(5 966 881)	(1 107 409)		834 925	409 904	(5 829 461)
Lease liabilities - current	(1 515 523)	(971 592)	228 351	(397 327)	-	(2 656 091)
Lease liabilities - non-current	(3 313 908)	(5 340 872)	3 176 781	(1 549 147)	-	(7 027 146)
Net debt	(10 761 661)	(6 175 542)	4 805 595	(1 111 549)	409 904	(12 833 253)

26. FINANCIAL INSTRUMENTS

Categories of financial instruments

	2021 Financial assets at amortised cost	2021 Financial liabilities at amortised cost	2021 Financial liabilities at fair value	2020 Financial assets at amortised cost	2020 Financial liabilities at amortised cost
	£	£	£	£	£
GROUP					
Financial Assets					
Cash at bank	2 701 646			34 651	
Trade receivables	362 407			258 256	
Other receivables - current	635 420			161 943	
Other receivables - non current	463 800			-	
Sublease receivables	-			-	
Total	4 163 273			454 850	
Financial Liabilities					
Trade payables		(3 248 333)			(1 821 157)
Borrowing		(5 829 461)			-
Finance leases - current		(11 068)			-
Finance leases - non current		(11 133)			-
Other liabilities - current		(546 734)			(612 799)
Lease liabilities - current		(2 656 091)			(1 515 523)
Lease liabilities - non current		(7 027 146)			(3 313 908)
Accruals - current		(1 188 598)			(950 352)
Total		(20 518 564)			(8 213 739)
Net		(16 355 291)			(7 758 889)

	2021	2021	2020	2020
	Financial assets at amortised cost	Financial liabilities at amortised cost	Financial assets at amortised cost	Financial liabilities at amortised cost
	£	£	£	£
COMPANY				
Financial Assets				
Cash at bank	302 509		1 007 647	
Trade receivables	396 000		346 000	
Other receivables	25 894		49 214	
Total	724 403		1 402 861	
Financial Liabilities				
Trade payables		(54 669)		(361 086)
Other liabilities - current		-		(5 187)
Accruals		(69 333)		(535 897)
Total		(124 002)		(902 170)
Net	600 401		500 691	

The fair value of the Group's financial assets and liabilities is not considered to be materially different from the carrying amount as set out above. No financial assets are significantly past due or impaired.

Maturity of the Group's financial liabilities

	2021 Finance leases	2021 Trade and other payables	2021 Borrowings	2021 Total	2020 Finance leases	2020 Trade and other payables	2020 Borrowings	2020 Total
	£	£	£	£	£	£	£	£
Due within one year	11 068	4 983 665	-	4 994 733	-	3 384 308	-	3 384 308
Due within two to five years	11 133	-	5 829 461	5 840 594	-	-	5 966 881	5 966 881
Due after five years	-	-	-	-	-	-	-	-
	22 201	4 983 665	5 829 461	10 835 327	-	3 384 308	5 966 881	9 351 189

Capital Risk Management

The Group aims to manage its overall capital so as to ensure that companies within the Group continue to operate as going concerns, whilst maintaining an optimal capital structure to reduce the cost of capital.

The Group's capital structure represents the equity attributable to shareholders of the company together with borrowings and cash and cash equivalents.

Currency Risk

The foreign currency risk stems from the Group's foreign subsidiary which trades in Poland and whose revenues and expenses are mainly denominated in local currencies. Additionally, some Group transactions are also denominated in US Dollar and Euro currencies. The Group is therefore subject to foreign currency risk due to exchange rate movements that will affect the Group's operating activities and the Group's net investment in its foreign subsidiary. In each case where revenues of the Group are in a foreign currency, there is a material match between the currency of each operating company's revenue stream, primary assets, debt and debt servicing (if applicable).

The carrying amount in Sterling, of the Group's foreign currency denominated monetary assets and liabilities at the reporting dates is as follows:

	2021	2020
Assets	£	£
Polish Zlotys	4 092 403	1 422 838
Liabilities		
Polish Zlotys	15 572 709	9 223 592
Euro	5 840 594	5 966 881

Sensitivity analysis

The potential impact on Group net loss and equity reserves from a 20% weakening of the Polish Zloty against sterling affecting the reported value of financial assets and liabilities would be an increased net loss and reduction in Group reserves of £2,265,973. A depreciation of 20% has been selected for the analysis as an illustration on the basis that it is a reasonable estimate of a likely market fluctuation**.**

An appreciation of 20% against Sterling would produce an equal and opposite effect.

Interest Rate Risk

Interest rate risk arises on the Group's cash and cash equivalents. All of the Group's cash and cash equivalents earn interest at variable rates.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest on the financial instrument balances at the reporting date and the stipulated change taking place at the beginning of the financial period and held constant throughout the reporting period.

At the reporting date, if interest rates had been 1% higher and all other variables were held constant, the effect on the Group's net result and equity reserves would have been an increase of £27,016. If exchange rates had been changed by 1% and all other variables were held constant, the effect on the Group's financial result would have been an amount of £10,0640.

Credit Risk

Exposure to credit risk is limited to the carrying amount of financial assets recognised at the balance sheet date, namely cash and cash equivalents, trade and other receivables and loans to subfranchisees.

The Group manages its exposure to this risk by applying Board-approved limits to the amount of credit exposure to any one counterparty and employs minimum credit worthiness criteria as to the choice of counterparty, thereby ensuring that there are no significant concentrations of credit risk.

All sub-franchisees who are provided with loans from the Group have been through the franchisee selection process, which is considered to be sufficiently robust to ensure an appropriate credit verification procedure.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (‘ECLs’) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs and recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision procedure that is based on the percentage cost if insuring its receivables against loss from default. Historic credit loss experience, adjusted for forward-looking factors specific to the debtors, the economic environment and relevant security and guarantees from sub-franchisees are also taken into account. The movement in the allowance for doubtful debts during the year is as follows:

	2021	2020
	£	£
Balance at 01 January	-	-
Acquisition of business	934 132	-
Impairment loss made during the year	222 528	-
Reversal of previously recognised impairment loss	(670 744)	-
Balance at 31 December	**485 916**	-

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Surplus funds are invested on a short term basis at money market rates and therefore such funds are available at short notice.

27. SHARE CAPITAL

		2021 £	2020 £
Called up, allotted and fully paid:			
254,108,324 (2020: 254,108,324)	Ordinary shares of 0.5 pence each	3 097 933	1 270 542

Movement in share capital during the period

	Number	Nominal value £	Consideration £
At 31 December 2019	253 555 798	1 267 779	40 692 904
Management share awards 2020	413 295	2 067	2 067
Share options exercised 2020	139 231	696	696
At 31 December 2020	254 108 324	1 270 542	40 695 667
Placing January 2021	327 516 661	1 637 583	26 201 333
Placing November 2021	37 500 000	187 500	3 000 000
Share options exercised 2021	461 530	2 308	2 308
At 31 December 2021	619 586 515	3 097 933	69 899 308

The Company does not have an authorised share capital.

DP Poland Employee Benefit Trust ("EBT")

The trustee of the EBT holds 2,482,928 ordinary shares in the Company for the purposes of satisfying outstanding and potential awards under the Company's Joint Ownership Share Scheme, Share Option Scheme and the Share Incentive Plans. The historic cost of these shares was £51,565 with a net contribution of £6,115 made by the JOSS award holders to acquire their joint interests. The shares held by the EBT had a market value of £155,181 at 31 December 2021.

28. SHARE BASED PAYMENTS

	Group 2021 £	Group 2020 £
Share based payments expense	51 301	-

The Company has provided four types of share-based incentive arrangements.

Type of arrangement	*Vesting period*	*Vesting conditions*
Joint Ownership Share Scheme	2.5 - 3.5 years	Achievement of store growth and financial targets
Employee Share Incentive Plan	2 years	Two years service
Non-Executive Directors' Share Incentive Plan	2 years	Two years service
Employee Share Option Plan	Variable*	Detailed individual performance targets
Long Term Incentive Option Plan	2.3 years	Detailed company performance targets

The Company established the Joint Ownership Share Scheme ("JOSS") and the Share Incentive Plans on 25 June 2010, the Employee Share Option Plan on 06 May 2011 and the Long Term Incentive Share Option Plan on 19th December 2014. The Group has calculated charges for the JOSS and share option awards using a Black-Scholes model. Volatility and risk free rates have been calculated for each JOSS grant based on expected volatility over the vesting period and current risk free rates at the time of each award. Volatility assumptions are estimates of future volatility based on historic volatility and current market conditions .

Assumptions used in the valuation of share option awards were as follows:

Award date	Exercise price	Expected volatility	Risk free rate	Expected dividends	Option life in years	IFRS2 fair value per share option
11 January 2018	0.5 pence	50%	0,50%	-	3 Years	£0,4115
01 June 2018	0.5 pence	50%	0,50%	-	2 Years	£0,3331
11 October 2018	0.5 pence	50%	0,50%	-	3 Years	£0,3062
14 May 2019	0.5 pence	50%	0,50%	-	3 Years	£0,0865

The share based payments charge for the year by scheme was as follows:

	2021	**2020**
Share Incentive Plan	-	-
Other Share Options	51 301	-
Long Term Incentive Share Option Plan	-	-
	51 301	-

All of the above amounts related to equity-settled share based payment transactions.

Share scheme awards outstanding

Scheme and date of award	Hurdle or exercise price	Outstanding 31.12.20 No.	Awarded in period No.	Exercised in period No.	Lapsed in period No.	Outstanding 31.12.21 No.
JOSS 25 June 2010	23.08 pence + 3% per annum	283 936	-	-	-	283 936
SIP 27 July 2010	n/a	100 000	-	-	-	100 000
SIP 30 May 2012	n/a	75 000	-	-	-	75 000
SIP 19 June 2013	n/a	279 221	-	-	-	279 221
SIP 18 June 2014	n/a	413 604	-	-	-	413 604
SIP 17 April 2015	n/a	486 486	-	-	-	486 486
SIP 03 May 2016	n/a	346 154	-	-	-	346 154
SIP 24 May 2017	n/a	191 490	-	-	-	191 490
SIP 24 May 2018	n/a	173 913	-	-	-	173 913
Share options 03 May 2016	0.5 pence	383 158	-	249 834	133 324	-
Share options 22 May 2017	0.5 pence	206 770	-	41 354	-	165 416
Share options 11 January 2018	0.5 pence	96 000	-	72 000	-	24 000
Share options 01 June 2018	0.5 pence	88 236	-	-	-	88 236
Share options 11 October 2018	0.5 pence	355 469	-	-	-	355 469
2020 performance bonus share awards	0.5 pence	-	82 959	82 959	-	-

The weighted average remaining contractual life of outstanding share options is 1.34 years (2020: 1.36 years). The number share options exercisable at 31 December 2021 was 633,122 with a weighted average exercise price of 0.5 pence (2020: 1,129,633 shares with a weighted average exercise price of 0.5 pence).

29. CAPITAL COMMITMENTS

At 31 December 2021 there were no amounts contracted for but not provided in the financial statements (2020: £0) for the Group.

30. RELATED PARTY TRANSACTIONS

During the period the group and company entered into transactions, in the ordinary course of business, with other related parties. The transactions with directors of the company are disclosed in the Directors' Remuneration Report. Transactions with key management personnel (comprising the Directors and key members of management in Poland) are disclosed below:

	Group 2021 £	**Group 2020 £**
Short-term employee benefits	271 005	91 865
Share-based payments	-	-
At 31 December	271 005	91 865

The Company made a charge of £50,000 to DP Polska S.A. for management services provided in 2021. The balance owed by DP Polska S.A. to DP Poland plc as at 31 December 2021 was £396,000 (2020: £346,000).
The Company also has a borrowing from Malaccan Holdings Ltd. a significant shareholder which totalled £5,840,594 (2020:£5,966,881)

31. EVENTS AFTER THE BALANCE SHEET DATE

Issue of ordinary shares

On 18 January 2022, 226,563 ordinary shares of 0.5 pence each in the capital of the Company were issued to satisfy the exercise of options granted to some employees of the Company.
On 7 March 2022 Gerald Ford and Christopher Moore, previous Non-Executive Directors of the Company, were issued 187,500 and 375,000 ordinary shares of 0.5 pence each in the capital of the Company respectively.
On 29 March 2022, 82,959 ordinary shares of 0.5 pence each in the share capital of the Company were issued at a price of 7.25 pence to satisfy the payment of a bonus for the H2 2020 period, payable in shares, to a former employee.
The number of ordinary shares in issue at the date of this report is 620,458,537 ordinary shares of 0.5 pence each.

The war in Ukraine started in February 2022 and as of the date of publishing this financial statement it has not impacted the profitability of the Group.

32. GOODWILL

Cost	**Group**
	£
At 1 January 2020	2 881 283
Additions	-
At 31 December 2020	2 881 283
Additions	12 127 453
At 31 December 2021	15 008 736

Carrying amount	**Group**
	£
At 31 December 2021	15 008 736

The goodwill recognised by the accounting acquirer is equal to the consideration (as determined under IFRS 3) which was paid by the accounting acquirer less the fair value of the assets and liabilities acquired with the accounting acquiree. The fair value adjustment amounted to £0.6 milion and is presented in Intangible Assets as Master Franchise Agreement asset. The asset will be amortised over the franchise period. The goodwill recognised is made up by the expected synergies of the enlarged business and it is expected that the improved scale of the enlarged business will help the Company to achieve its objective of becoming a market leader in Poland.

In accordance with IAS 36 the Group has performed impairment review of goodwill at the reporting period end. The impairment test has been undertaken by assessment recoverable amount of the CGU to which the goodwill has been allocated, against the carrying value of this CGU. The review included discounted cash flow projections to determine the recoverability of goodwill and the intangible assets. We compared the carrying amount of the assets, inclusive of assigned goodwill, to its respective fair value. Significant assumptions inherent in the valuation methodologies for goodwill are employed and include, but are not limited to, prospective financial information, growth rates, terminal value and discount rates. The discount rate is reviewed annually to take into account the current market assessment of the time value of money and the risks specific to the CGU and rates used by comparable companies. The discount rate used to calculate value-in-use is 8%. Costs are reviewed for inflation and other cost pressures. The long term growth rate used was 3%. Based on this quantitative test, we determined that the fair value of assets including goodwill exceeded its carrying amount. After completing our annual impairment reviews we concluded that goodwill was not impaired.

33. VAT

Dominium is a party to a number of court and administrative proceedings, the subject of which is to determine the amount of VAT paid by the company for the period 2011-2016. The disputes relate to the rate at which VAT is applied on sales made by Dominium, which is something that is affecting a number of companies operating in the fast food sector in Poland (including DP Polska). Dominium were applying a lower (5 per cent.) rate of VAT on sales, whereas the tax authorities in Poland were of the opinion that a higher (8 per cent.) rate should have been applied instead. As a result, Dominium have retrospectively applied the higher (8 per cent.) rate for this period and have made additional VAT payments to cover the shortfall to the tax authorities in Poland. Accordingly, Dominium started to apply the higher 8 per cent. rate and have sought recovery of the additional amounts paid due to the application of the higher rate. Some of the proceedings that Dominium brought have been suspended due to certain questions affecting major food service operators in Poland, which have been resolved by the European Court of Justice in favour of food service operators. In other proceedings, applications for a suspension of payment of the VAT liability arising from the increased VAT rate have been filed due to these issues and these have been approved for suspension.

The liabilities resulting from the decisions made to-date, totalling approximately PLN 7.0 million, have been paid by Dominium. The dispute has been resolved in favour of Dominium with reference to VAT for the year 2014 and Dominium is entitled to refund the VAT paid to Polish tax authorities in the amount of approximately PLN 2.0 milion. The dispute is separated for all of the years mentioned above but Polish courts should follow the favourable decision given by Supreme Administrative Administrative Court for year 2014.

Under the terms of the Acquisition Agreement, one half of any amounts that have been overpaid in respect of the application of the higher VAT rate and which may be refunded by the Polish tax authorities to Dominium shall be paid by the Group to Malaccan Holdings Ltd..

DP POLAND PLC

Notice of Annual General Meeting

To be held 1 Embankment Place, London WC2N 6RH on Friday 15 July 2022 at 10 a.m.

Dear Shareholder,

Annual General Meeting – DP Poland PLC (incorporated and registered in England and Wales with Company number: 07278725)

Please find enclosed a Notice convening the Annual General Meeting ("**AGM**") of DP Poland PLC (the "**Company**") which will be held 1 Embankment Place, London WC2N 6RH on Friday 15 July 2022 at 10 a.m.

EXPLANATIONS OF THE PROPOSED RESOLUTIONS

Resolutions 1 to 12 are proposed as Ordinary Resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolution 13 is proposed as a Special Resolution. This means that for this resolution to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

RESOLUTION 1 - Annual Report and Financial Statements

The Directors are required to present to the AGM the report of the directors and the Financial Statements of the Company for the year ended 31 December 2021.
The Annual Report and Financial Statements, which include the report of the Company's auditors on the Financial Statements, will be provided to all members and relevant parties no later than twenty one clear days prior to the AGM date. A copy of the Annual Report and Financial Statements will also be made available for viewing and/or download from the publications section of the Company's website at https://dppoland.com

RESOLUTION 2 - Delay of the Annual General Meeting

The Company's Annual General Meeting has been delayed to a date later than the prescribed requirement of no later than six months the day following the accounting reference date. This is in contravention of section 336(1) of the Act. The decision to delay the AGM has been considered by the Directors, who have concluded this is in the best interests of the Company. The delay has enabled the completion of the annual report and accounts in line with regulatory standards and audit procedures.

RESOLUTIONS 3 & 4 - Appointment of Auditors and Authorisation of their Remuneration

The Company is required to appoint auditors at each Annual General Meeting at which accounts are laid before the Company to hold office until the conclusion of the next such meeting. Resolution 3 proposes the reappointment of Crowe U.K. LLP as auditors of the Company and Resolution 4 authorises the Directors to fix their remuneration.

RESOLUTIONS 5, 6, 7, 8, 9, 10 & 11 - Appointment and re-election of Directors

The Articles of Association of the Company require:

- a number of Directors nearest to but not greater than one third of the Directors holding office to retire by rotation at an Annual General Meeting;
- any director not otherwise required to retire by rotation to retire at the third Annual General Meeting of the Company after his last appointment or re-appointment; and
- any director appointed since the last Annual General Meeting to retire and stand for re-election.

Accordingly, at the Annual General Meeting:

- Jeremy Dibb & Peter Furlong who were appointed as Directors since the last Annual General Meeting, will offer themselves for election; and
- in accordance with co-opted best practice each of the other Directors - Nicholas John Donaldson, Piotr Dzierżek, Malgorzata Potkanska, Jakub Chechelski and Przemyslaw Glebocki will retire and being eligible, will offer themselves for re-election ;

Therefore, resolutions 5, 6, 7, 8, 9, 10 & 11 propose the re-appointment of Nicholas John Donaldson, Piotr Dzierżek, Malgorzata Potkanska, Jakub Chechelski, Przemyslaw Glebocki and the appointment of Jeremy Dibb & Peter Furlong as Directors.

RESOLUTION 12 - Allotment of shares

This Resolution authorises the Directors to allot equity securities up to an aggregate nominal amount of £1,034,098. This represents approximately one third of the current issued share capital of the Company.

This authority will expire at the conclusion of the next annual general meeting of the Company held after the date on which this Resolution is passed or (if earlier) on 15 months after this Resolution is passed unless previously renewed, varied or revoked by the Company in general meeting

RESOLUTION 13 - Disapplication of statutory pre-emption rights

It is proposed to disapply the statutory pre-emption rights of shareholders within certain limits as set out in Resolution 12. This authority will permit the Directors to make a rights issue or other pre-emptive offer to existing shareholders without the need to comply with the technical requirements of the statutory pre-emption provisions and gives the Directors power to make issues for cash otherwise than to existing shareholders on a pre-emptive basis up to a maximum nominal amount of £310,229. This authority is mainly to allow for the issuance of capital for cash to support capital investment programmes and working capital requirements. This represents approximately 10% of the current issued share capital of the Company.

This authority will expire at the conclusion of the next annual general meeting of the Company held after the date on which this Resolution is passed or (if earlier) 15 months after this Resolution is passed unless previously renewed, varied or revoked by the Company in general meeting.

Recommendation

Your directors believe that the proposals set out in this letter are in the best interests of the shareholders as a whole and are most likely to promote the success of the Company for the benefit of its members as a whole. The directors unanimously recommend that you vote in favour of the Resolutions as the directors propose to do in respect of their own holdings.

Yours sincerely
Nicholas Donaldson
Chairman

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of the members of the DP Poland PLC (the "**Company**") will be held 1 Embankment Place, London WC2N 6RH on Friday 15 July 2022 at 10 a.m.

Members will be asked to consider and, if thought fit, pass the resolutions set out below. Resolutions 1 to 12 will be proposed as Ordinary Resolutions and Resolution 13 will be proposed as a Special Resolution.

ORDINARY RESOLUTIONS

1. To receive and adopt the Company's financial statements and annual accounts for the financial year ended 31 December 2021 together with the Directors' report and auditors' report on the accounts.

2. That, pursuant to section 239 of the Companies Act 2006 (the "**Act**") the omission of the Directors for the delay of holding the AGM outside of the prescribed period set out under section 336(1) of the Act, be and hereby is ratified.

3. To re-appoint Crowe U.K. LLP as auditors of the Company in accordance with section 489 of the Act to hold office until the conclusion of the next AGM at which the accounts of the Company are laid.

4. To authorise the Directors of the Company to determine the auditors' remuneration for the coming financial year.

5. To re-elect Nicholas John Donaldson as a Director of the Company.

6. To re-elect Piotr Dzierżek as a Director of the Company.

7. To re-elect Malgorzata Potkanska as a Director of the Company.

8. To elect Jeremy Dibb as a Director of the Company.

9. To elect Peter Furlong as a Director of the Company.

10. To re-elect Jakub Chechelski as a Director of the Company.

11. To re-elect Przemyslaw Glebocki as a Director of the Company.

12. That the Directors be and are hereby generally and unconditionally authorised for the purposes of section 551 of the Act to exercise all powers of the Company to allot equity securities (within the meaning of section 560 of the Act) up to an aggregate nominal amount of £1,034,098 representing one third of the current issued share capital of the Company, provided that this authority shall, unless renewed, varied or revoked by the Company in general meeting, expire on the earlier of 15 months after the passing of this Resolution or at the completion of the next AGM of the Company, but the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry, and the Directors may allot equity securities in pursuance of such offer or agreement notwithstanding that the authority conferred by this Resolution has expired. This authority is in substitution for all previous authorities conferred upon the Directors pursuant to section 551 of the Act, but without prejudice to the allotment of any equity securities already made or to be made pursuant to such authorities.

SPECIAL RESOLUTION

13. That, subject to the passing of Resolution 11 above, the Directors be and are empowered pursuant to section 570 of the Act to allot equity securities (within the meaning of section 560 of the Act) wholly for cash pursuant to the authority conferred by Resolution 11 above as if section 561 of the Act or any pre-emption provisions contained in the Company's articles of association (the **"Articles"**) did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:

    a. in connection with an offer of equity securities by way of rights issue to holders of equity securities in proportion (as near as may be practicable) to their respective holdings of such equity securities, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or any legal or practical problems in or under the laws of any territory, or the requirements of any regulatory body or stock exchange; and

    b. otherwise, than pursuant to sub-paragraph (a) above up to an aggregate nominal amount of £310,229 representing approximately ten percent of the current issued share capital of the Company.

    Such authority (unless previously revoked, varied or renewed) shall expire on the earlier of 15 months after the passing of this Resolution or the conclusion of the next AGM of the Company, save that the

Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if the power conferred by this resolution had not expired.

By order of the board

Petershill Secretaries Limited
One Chamberlain Square
Birmingham
B3 3AX

Date: 14 June 2022

Registered Office
One Chamberlain Square
Birmingham
B3 3AX

Date: 14 June 2022

NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING ("AGM")

Entitlement to attend and vote

1. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), the Company specifies that entitlement to attend and vote at the AGM, and the number of votes which may be cast at the AGM, will be determined by reference to the Company's register of members at 9.00 a.m. (London time) on 12 July 2022 or, if the AGM is adjourned, at close of business on the date which is two days before the day of the adjourned general meeting (as the case may be). In each case, changes to the register of members after such time will be disregarded.

2. Those wishing to attend the AGM in person should express their interest by 9.00 a.m. on 12 July 2022 via an email to info@dppoland.com.

Appointment of proxies

3. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the AGM and you should have received a Form of Proxy with this Notice of Meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the Form of Proxy.

4. A proxy does not need to be a member of the Company but must attend the AGM to represent you. Further information is set out below. If you wish your proxy to speak on your behalf at the AGM you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.

5. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact the registrar of the Company. If a member appoints more than one proxy to attend the meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by the member, by requesting a hard copy by calling the Registrar SLC Registrars on 0203 890 2122. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. SLC Registrars is open between 9.00 a.m. and 5.00 p.m., Monday to Friday excluding public holidays in England and Wales.

6. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the AGM.

Appointment of proxy using hard copy form of proxy

7. The notes to the Form of Proxy explain how to direct your proxy, how to vote on each resolution or withhold their vote.

8. To appoint a proxy using the Form of Proxy, the form must be:

   (a) completed and signed;

   (b) sent or delivered to SLC Registrars, PO Box 5222, Lancing, BN99 9FG or sent by scanned PDF emailed to proxy@slcregistrars.com; and

   (c) received by SLC Registrars no later than 9.00 a.m. on 13 July 2022.

9. In the case of a member which is a company, the Form of Proxy must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

10. Any power of attorney or any other authority under which the Form of Proxy is signed (or a duly certified copy of such power or authority) must be included with the Form of Proxy.

Appointment of proxy by joint members

11. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Changing proxy instructions

12. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

13. Where you have appointed a proxy using the hard-copy Form of Proxy and would like to change the instructions using another hard-copy Form of Proxy, please contact SLC Registrars, Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH

14. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

15. In order to revoke a proxy instruction, you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to SLC Registrars, Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by SLC Registrars no later than 9.00 a.m. on 13 July 2022.

16. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

17. Appointment of a proxy does not preclude you from attending the AGM and voting in person. If you have appointed a proxy and attend the AGM in person, your proxy appointment will automatically be terminated.

Corporate representatives

18. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

CREST members

19. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf.

20. CREST members who wish to appoint one or more proxies through the CREST system may do so by using the procedures described in “the CREST voting service” section of the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed one or more voting service providers, should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or a proxy instruction made using the CREST voting service to be valid, the appropriate CREST message (a “CREST proxy appointment instruction”) must be properly authenticated in accordance with the specifications of CREST’s operator, Euroclear UK & Ireland Limited (“Euroclear”), and must contain all the relevant information required by the CREST Manual. To be valid the message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must be transmitted so as to be received by the Registrars, as the Company’s “issuer’s agent”, (CREST ID: 7RA01) 48 hours before the time appointed for holding AGM or adjourned meeting (as such a message cannot be transmitted on weekends or on other days when the CREST system is closed). After this time any change of instruction to a proxy appointed through the CREST system should be communicated to the appointee through other means.

21. The time of the message’s receipt will be taken to be when (as determined by the timestamp applied by the CREST Applications Host) the issuer’s agent is first able to retrieve it by enquiry through the CREST system in the prescribed manner. Euroclear does not make available special procedures in the CREST system for transmitting any particular message. Normal system timings and limitations apply in relation to the input of CREST proxy appointment instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or a CREST sponsored

member or has appointed any voting service provider, to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as is necessary to ensure that a message is transmitted by means of the CREST system by any particular time. CREST members and, where applicable, their CREST sponsors or voting service providers should take into account the provisions of the CREST Manual concerning timings as well as its section on “Practical limitations of the system”. In certain circumstances the Company may, in accordance with Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001 or the CREST Manual, treat a CREST proxy appointment instruction as invalid. The CREST Manual can be reviewed at www.euroclear.com.

22. CREST members and, where applicable, the sponsors or voting service provider(s), should note that CREST does not make available a special procedure in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of proxy instructions. It is the responsibility of the CREST members concerned to take (or of the CREST member is a CREST personal member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s) such sections as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection CREST members and where applicable their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST proxy instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Issued shares and total voting rights

23. As at 16 June 2022 (being the last business day prior to the publication of this notice of meeting), the Company’s issued share capital comprised 620,458,537 ordinary shares of £0.005 each. Each ordinary share carries the right to one vote at the AGM Company therefore, the total number of voting rights in the Company on 16 June 2022 is 620,458,537.

Questions at the AGM

24. Under section 319A of the Companies Act 2006, the Company must answer any question you ask relating to the business being dealt with at the AGM unless:

    (a) answering the question would interfere unduly with the preparation for the AGM or involve the disclosure of confidential information;

    (b) the answer has already been given on a website in the form of an answer to a question; or

    (c) it is undesirable in the interests of the Company or the good order of the AGM that the question be answered.

    Shareholders are encouraged to submit questions to the Board in advance of the AGM by emailing info@dppoland.com by no later than 9.00 a.m. on 13 July 2022. The Board will consider all questions received and, if appropriate and relating to the business of the AGM, provide a written response or publish answers on a thematic basis on our website www.dppoland.com

Communication

25. You may not use any electronic address provided either in this Notice of Meeting or any related documents (including the letter with which this Notice of Meeting was enclosed and Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.

Inspection of documents

26. The following will be available for inspection at the place of the meeting prior to and during the AGM:

    (a) copies of service contracts of executive directors;

    (b) copies of letters of appointment of non-executive directors; and

    (c) a copy of the Company's articles of association.

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PARTY