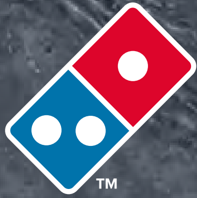

Domino's Pizza®

DP POLAND PLC 2022

ANNUAL REPORT AND ACCOUNTS

Domino's Pizza®

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DP Poland PLC

Annual Report and Accounts 2022

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Company Information

Directors	David Wild - *Non-Executive Chairman* Nils Gornall - *Chief Executive Officer* Edward Kacyrz - *Chief Financial Officer* Przemyslaw Glebocki - *Non-Executive* Jakub Chechelski – *Non-Executive* Jeremy Dibb – *Non-Executive* Andrew Rennie – *Non-Executive*
Secretary	Petershill Secretaries Limited
Registered Office	1 Chamberlain Square Cs Birmingham, England, B3 3AX
Registered Number	7278725
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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	Mazars LLP 160 Midsummer Boulevard Milton Keynes Buckinghamshire MK9 1FF
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" or "the Company"), 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 AIM Market on the London Stock Exchange.

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 2022 year-end there were 113 Domino's Pizza stores across Poland.

In July 2022 the Group acquired the entire share capital of All About Pizza d.o.o. ("AAP") together with exclusive rights of the Master Franchise Agreement concluded in July 2019 with Domino's Pizza International Franchising Inc. At the 2022 year-end APP operated 3 pizza restaurants in Croatia.

Poland has a population of 38 million people and has the potential to become a significant pizza delivery market. Croatia with the population of 4 million people is perceived by the directors to have strategic expansion opportunities given the current lack of chained sectoral competition.

DPP's objective is to establish Domino's Pizza as the leading pizza brand in Poland and Croatia.

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 for Polish market 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. With reference to reverse acquisition of DP Polska S.A. by Dominium S.A. in January 2021 the MFA has been updated to reflect the enlarged chain of stores.

In regards to APP and Croatian market, MFA has been secured for an initial 10 year period from July 2019, with the extension option for additional ten years.

The Group is currently fulfilling both MFAs obligations and works closely with its franchisor partner to ensure that all conditions of the MFA, and amendments thereof, are adhered to.

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 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 is constantly reviewing its cost structure to eliminate non-value adding processes and has chosen a proven, market-leading franchise system to be implemented on the Polish and Croatian markets in the mid-term, 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 and Croatia. 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 via all sales channels. At the same time, the Group is carefully analysing changes in consumer behaviour patterns in order to adapt or develop delivery, take-away and dine-in channels offering and services accordingly.

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 for Polish and Croatian markets and closely monitors changes in relevant local and EU legislation and regulations.

Economic risks
A deterioration in the general economic climate in Poland and Croatia 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 and Croatia, whose economies have 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 to regularly monitor, control and maintain the integrity and efficiency of our 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 Ukraine War started 24th Feb 2022
In 2022, in consequence of the war in Ukraine and slowdown of the global economy, our business profitability was negatively impacted by inflationary pressures on energy, food cost and labour. The Group has taken measures to ensure business cost efficiency and invested in IT solutions supporting it.

Chairman’s Statement

2022 was another transformational year for DP Poland PLC, having strengthened the Board with an enthusiastic “Dominoids” team, conducted the fund raising for further expansion, finalised rebranding of all Dominium stores to “Dominos” brand and expanded operations outside Poland thanks to the acquisition of Croatian All about Pizza d.o.o. (“AAP”) in June 2022. This is the first DP Poland PLC Annual Report to be published since the Polish and Croatian businesses came together.

Against the background of unprecedented challenges presented by inflationary pressures on energy, food costs and labour as a result of the war in Ukraine, much has been achieved by the management team. Nils, our CEO, will provide more detail about this in his statement.

Our board believes that consistent execution of goals and use of critical mass achieved by the acquisition of Dominium in Poland at the beginning of 2021 eventually led to entering the path of improving adjusted EBITDA in the second half of 2022 and management expects this trend to continue over 2023. Take-over of the Croatian business with considerable growth opportunities has been the first step for the Company to expand outside Poland with the ambition to become an important player in the Food & Beverage sector in Eastern Europe . At the end of 2022, the Group operated 113 stores across Poland, and 3 in Croatia, providing an opportunity to leverage economies of scale in operations, procurement and marketing. I am truly excited about the future for DP Poland PLC - we see a long and exciting roadmap ahead, driven by both organic and M&A opportunities. I am confident that our management team will have all necessary capabilities to perform well. Despite the headwinds of current inflationary pressures, we look forward to the day when these headwinds become tailwinds.

Several important changes in the composition of the Board have taken place since June 2022. In June 2022, the CEO and Executive-Director role has been taken over by well experienced - 28 years in Dominos and post-franchisee - Nils Gornall, substituting Piotr Dzierżek in that role. At the same time, Andrew Rennie - post-DPE European CEO - joined the Board as a Non-Executive Director, bringing a wealth of sectoral experience. In August 2022, Malgorzata Potkanska stepped down from the role of CFO and Executive-Director, being replaced in December 2022 by Edward Kacyrz – a Chartered Accountant with 18 years of experience in a number of financial, strategy and management roles. At the end of March 2023, Peter Furlong stepped down from the Board as a Non-Executive Director.

Further to the above changes, effective as of 31st December 2022, after 12 years of chairing the DPP Board, Nick Donaldson decided to retire and stand down from the role of Non-Executive Chairman. I would like to thank Nick for all of his engagement over that time. I am honoured to be nominated to the role of Non-Executive Chairman effective January 2023 and will put all of my efforts in to serving the Group with all of my experience.

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.

I would like to end my first Chairman’s Statement for DPP by thanking our management team and all employees for their superb efforts and outstanding achievements in a year of transformational change for the business. Building sales and customer loyalty in this environment is a big challenge, but the results tell their own story. I would like to also thank our Board Members for their wisdom and strategic leadership to execute the programme successfully. Finally, our Shareholders continue to support the Board as we strive to grow and evolve, creating value. I am excited by our prospects.

With best my wishes.

David Wild
Non-Executive Chairman
29 June 2023

Chief Executive's Review

In 2022, the end of the COVID-19 pandemic and start of the war in Ukraine brought a challenge to the restaurant sector and a need to adapt very quickly to a "new-normal" business environment, full of inflationary pressures on energy, food costs and labour, changing consumer habits and strengthened household budget control. Despite this, DPP have continued to focus on consumer proposition improvement, cost control, network optimisation and business expansion to continue with its strategy.

It was a year of hard work for the Polish team who carried out transformation of the business from restaurant dine-in mode towards speed and quality driven High Volume Mentality via improving product, service and image to address changed consumer habits in the post-COVID-19 economy. For that reason, in order to boost sales, DPP simplified their product portfolio, concentrated on the product quality and consistency as well as simplified pricing schemes as per consumer surveys.

DPP also invested in our people and revamped the training department. We introduced the store managers' bonus schemes, focusing on our most important KPI's and created competitiveness amongst managers, with ranking our stores' performances. This overall improved operations and service offered to consumers significantly.

Furthermore, DPP focused on creating a compelling value proposition in carry-out business and recovery of dine-in business after the cease of COVID-19 restrictions, with no disruption to the development of our dominant delivery channel amounting to £22.9m in 2022 (LFL system sales) and £22.5m in 2021. We still take every occasion to improve our delivery times further to build on this to our competitive advantage, although we already offer one of the most compelling delivery services in Poland.

High Volume Mentality in combination with reduced delivery times (by 14.5% in the second half 2022 vs 2021) visibly improved consumer offering and, thus, consumers awarded us with a considerable 21.0% Like-For-Like (LFL) sales increase for the year 2022 driven by both average ticket price as well as order count. Q1 2023 Like-For-Like saw sales increase by 19.4% Quarter-To-Quarter giving us the privilege to look with optimism to the future.

Observed volume growth in 2022 drove commissary capacity coverage rates up to their highest levels ever recorded, however, further Company growth is not at risk as the capacity can easily be scaled up via introduction of work in shifts or light capital investments. At the same time, growing business scale created the opportunity to renegotiate distribution costs, whilst still maintaining the highest quality standards.

In 2022, DPP looked very closely at cost management. Inflationary pressures were a trigger to speed up IT projects covering the accounting system upgrade, cash and labour management, review energy contracts and reengineer a few basic processes, results of which in overall overbalanced the pressures and the caused adjusted EBITDA trend reversal that we expect to continue over 2023.

At the end of 2022 the Company was at the final stage of network optimisation in Poland (after Dominium S.A. reverse take-over in 2021) delivering three store refurbishments, opening two new locations and eliminating eight loss-making stores in poor locations, ending up the year with 113 points of sales. Such optimisation was a sound decision driving adjusted EBITDA improvement and creating a base for further expansion.

The capital for last year investments as well as further expansion has been secured by the fund raising held in the summer 2022. Simultaneously, DPP's cash position visibly improved. The capital obtained will serve in 2023 for further store network development in Poland and Croatia, store refurbishments, appropriate marketing campaigns reflecting growing brand awareness and additional IT system upgrades.

In July 2022, DPP expanded its operations outside Poland by acquiring All About Pizza d.o.o. (APP) – a company established in Croatia in 2020 with three corporate stores at the date of transaction. The highly fragmented Croatian market gives a well performing APP the chance to take a dominant market position with a good forecast for further network expansion. The take-over transaction was executed via exchange of shares.

We continued to work on the Digital Experience Platform improving content and user experience in all of our points of contacts – webpage, mobile and apps. Additionally, Ukrainian language was added to the Platform answering the needs of the growing number of Ukrainian citizens in Poland and Croatia.

We want to exploit every digital order and delivery opportunity, and for that reason we added Wolt to the current list of aggregators – Pyszne.pl (known in Europe as 'Just take away'), Glovo and UberEats. Additionally, we are reviewing other sales opportunities, as our objective is to generate new orders incrementally, with a higher average spend.

The strong foundation for the DPP business has been built in the last two years. This is the first financial statements which presents the consolidated business of Polish and Croatian entities, and the first year where a clear pivot in business performance is visible, showing the company's hidden potential. The numbers reflect the true financial performance, but include one-off items related to the transformation to High Volume Mentality.

We have seen improvement in adjusted EBITDA, but we aspire for more. Since Q2 2022, we have faced an unprecedented inflationary environment that had an impact on our 2022 profitability, however, food price rises are beginning to abate, with some food costs dropping throughout Q2 2023, which should support profitability in the coming quarters of 2023.

As announced to the market, we are seeking to reduce the inflationary impact through various cost-efficiency initiatives and price increases whilst ensuring we continue to offer the best consumer value. 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 competitive strength to drive market share, grow our brand awareness and consolidate the market further. The board is fully behind this stated strategy of growing market share.

I remain very optimistic about the outlook. We are on the right track to further solidify the strong position of Domino's in Poland.

Nils Gornall
Chief Executive Officer
29 June 2023

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.

2022 was expected to be a pivot year for many industries worldwide as the COVID-19 pandemic was coming to an end. Unfortunately, the war in Ukraine has had a significant impact on the global economy and severely impacted energy prices, food costs and the labour market in Central Eastern Europe where DPP is operating. These inflationary pressures have, inevitably, negatively impacted the whole restaurant sector, however, in particular independent players who could not benefit from the effect of scale, purchase power nor differentiated channels of distribution. At the same time, damaged sector condition created an opportunity for growth for the chained and better organised businesses.

Consistent execution of the strategy over 2022 positioned DPP well in the new economic environment. Thanks to implemented High Volume Mentality, increased focus on operations excellence, stringent cost management and digital platform development, DPP delivered a strong 21.0% LFL top line growth and reversed EBITDA trend, building a solid base for further business development and market shares growth.

Acquisition of All About Pizza d.o.o. (APP)

On 29 July 2022 the Company completed an acquisition with All About Pizza d.o.o. (APP), a company registered in Croatia. Further information about the transaction is disclosed in Note 21. The transaction resulted in APP becoming a wholly owned subsidiary of the Company in accordance with IFRS 3 ‘Business Combinations’ and was concluded via exchange of 100% APP shares for 5% shares of the Company. The APP shareholders – Nils Gornall and Andrew Rennie - were nominated to the Company’s board. The fair value of the identifiable assets and liabilities acquired as at acquisition date amounted to £988,751 and the fair value of the consideration transferred amounted to £2,264,362. An excess of consideration paid over the net assets was attributed to MFA intangible asset.

Financial Performance

	Notes	2022 £	2021 £
System sales*		36,816,825	31,159,781
Revenue	2	35,694,098	29,866,189
Direct Costs		(28,312,921)	(24,427,738)
Selling, general and administrative expenses - *excluding: store pre-opening expenses, depreciation, amortisation and share based payments*	3	(5,687,720)	(4,301,176)
Group adjusted EBITDA - *excluding non-cash items, non-recurring items and store pre-opening expenses*		1,693,457	1,137,275
Store pre-opening expenses		(37,584)	(3,429)
Other non-cash and non-recurring items	6	(500,971)	59,278
Depreciation and amortisation		(4,336,210)	(4,867,679)
Share based payments	31	(137,748)	(51,301)
Foreign exchange gains / (losses)		17,406	(61,911)
Finance income	8	257,984	1,155,806
Finance costs	9	(1,258,850)	(1,669,527)
Loss before taxation	5	(4,302,516)	(4,301,488)
Taxation	10	(57,429)	(58,983)
Loss for the period		(4,359,945)	(4,360,471)

* System Sales - total retail sales including sales from corporate and sub-franchised stores

Revenue

The Group System sales increase by 18.2% was driven by Polish system sales growth by 16.1% (20.2% in Local currency) and Croatian sales after acquisition which comprises 2.1% of the Group System sales.

The Group revenue increased by 19.5% Year-over-Year ("YoY") (23.7% in Local currency) and 21.0% Like-For-Like was primarily driven by the launch of the High Volume Mentality approach and repositioning of distribution channels after the COVID-19 pandemic - the development of carry-out offerings adjusting to consumer habits, and the recovery of the dine-in business, with the Company growing their delivery operations with the main focus being to reduce delivery times.

The growth was satisfactorily divided between average ticket price increase and order count improvement. From a phasing perspective, as profiled later in the Key Performance Indicators section, DPP performance in 2022 consistently improved from quarter to quarter, despite growing inflationary pressures and falling consumer sentiment since the beginning of the war in Ukraine.

Direct costs

Although the Polish economy was subject to one of the highest inflation rates in Europe during 2022, with particular pressure on energy prices (88.3% YoY), food costs (22.1% YoY) and labour market

(7.5% minimal wage increase in 2022), the Group managed to improve its cost position and keep direct costs increase (15.9.% YoY) visibly below the revenue growth (19.5% YoY).

Such results were delivered by implementing cost management projects, including the standardisation of production processes, partial exchange of scooters fleet impacting reduction of maintenance costs, delivery times' improvement, labour management and reduction of energy consumption.

Review of current contract terms and performing an active search of new vendors have allowed the Group to achieve savings on food cost and decrease these costs (as % of revenue) in comparison to 2021.

Selling, general and administrative expenses ("SG&A")
SG&A were equivalent to 15.9% of revenue, which is 1.5 percentage points ("p.p.") higher than in 2021, driven in majority by the higher than minimal wage salary growth (8.7%), higher energy costs in commissary, increased marketing costs supporting volume growth, employee benefits and professional fees.

Other non-cash and non-recurring items
The Group recognised non-cash and non-recurring items in 2022, mainly referring to an IFRS16 adjustment representing right of use assets write-off due to potential store closures in 2023 related to network optimisation in Poland (amounting to £542,488). The other non-cash and non-recurring items include advisors and other fees related to AAP acquisition, VAT refund as well as gains and losses from the sale and liquidation of fixed assets.

Depreciation and amortisation
Depreciation and amortisation expenses consist mainly of right of use assets depreciation charges amounted to £2,272,151 in 2022 (2021: £2,427,823), leasehold improvements depreciation amounted to £804,578 (2021: £924,736) and intangible assets amortisation amounted to £626,252 in 2022 (2021: £674,030).

Finance costs
Finance costs of the Group mainly include interest expense on lease liabilities amounted to £665,084 (2021: £742,862) and interest payable according to loan note issued to Malaccan Holdings Ltd amounted to £333,418 (2021: £420,544).

Taxation
The Group paid no corporation tax in 2022 due to brought forward losses. As the Group has unused tax losses of £17,702,039 available for offset against future profits, it does not expect to pay any corporation tax in 2023.

Group loss for the period
Group loss for the period is broadly stable compared to 2021. This is mainly due to increased inflationary pressures on food and labour costs as well as enhanced selling and administrative costs as a result of higher investment into marketing, followed by three stores refurbishments and two new stores openings.

For the purpose of achieving profits in the future, the board has prepared a twelve month' roadmap for a number of different strategic and operational projects aiming at better consumer proposition (i.e. consumer surveys) reduction of direct costs (review and renegotiation of trading terms within the major cost groups) and fundamental operational costs reduction, covering such areas as the Group structure, commissary setup, processes' optimisation (i.e. new accounting system), automation of processes and labour management (i.e. new labour scheduling system roll-out).

Group Loss for the period*	**2022**	**2021**	**Change %**
Group loss for the period	(4,359,945)	(4,360,471)	+0.01%

* Actual exchange rates for 2022 and 2021

Store Count Poland

Dominos Polska S.A. & Dominium S.A.	1 Jan 2022	M&A	Opened	Closed	31 Dec 2022
Corporate	113	0	2	10*	105
Sub-Franchised	8	0	0	0	8
Total	121	0	2	10*	113

* The number of closed stores includes two seasonal stores being opened only during summer

Store Count Croatia

All About Pizza d.o.o.	1 Jan 2022	M&A 29th July 2022	Opened	Closed	31 Dec 2022
Corporate	0	3	0	0	3
Sub-Franchised	0	0	0	0	0
Total	0	3	0	0	3

Enlarged Group

Store count	1 Jan 2022	M&A	Opened	Closed	31 Dec 2022
Corporate	113	3	2	10	108
Sub-Franchised	8	0	0	0	8
Total	121	3	2	10	116

In 2022 DP Poland opened 2 new corporate stores and closed 10 stores (including 2 seasonal stores). 3 stores were fully refurbished. The acquisition of APP added an additional 3 stores in Croatia to the DPP store network. The chain managed to shorten delivery times by 14.5% in the second half 2022 vs 2021, approaching very close to the European average.

Sales Key Performance Indicators (KPIs)

System sales* were up 18.2% YoY, whereas LFL system sales** were up 21.0% YoY.

	2022	2021	Change %
Group System Sales* £	36,816,825	31,159,781	18.2%
Poland LFL system sales**, % growth	21%	7%	n/a
Poland LFL system order count***, % growth	10%	0%	n/a
Poland Delivery System Sales**** ordered online, % growth	87%	85%	n/a

* System Sales - total retail sales including sales from corporate and sub-franchised stores. Sales from sub-franchised stores are not included in revenue

** Like-for-like System Sales - matching trading periods for the same stores between 1 January and 31 December 2022 and 1 January and 31 December 2021. The Group's system stores that are included in like-for-like System Sales comparisons are those that have operated for at least 1 year preceding the beginning of the first month of the period used in like-for-like comparisons for a certain reporting period, assuming the relevant system store has not been subsequently closed

*** System order count – total retail orders from corporate and sub-franchised stores

**** Delivery System Sales stand for the turnover generated in delivery channel by both corporate and franchisee stores

Like-for-like System Sales growth 2022 vs 2021 per quarter were as follows:

	Q1	Q2	Q3	Q4
LFL system sales growth by quarter	21.8%	25.6%	24.4%	13.4%

Exchange rates

PLN : £1	2022	2021	Change %
Profit & Loss Account	5.4965	5.3108	+3.5%
Balance Sheet	5.2827	5.4702	-3.4%

HRK : £1	2022	2021	Change %
Profit & Loss Account	8.7079	n/a	-
Balance Sheet	8.4950	n/a	-

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"). Financial Statements for our Croatian subsidiary All About Pizza d.o.o. are denominated in Croatian Kuna ("HRK") and translated to Pound Sterling ("GBP"). Under UK adopted international accounting standards the Income Statement for the Group has been converted from PLN and HRK at the average annual exchange rate applicable. The balance sheet has been converted from PLN and HRK to GBP as at the exchange rate at 31 December 2022.

Cash position

	1st January 2022	Cash movement	31st December 2022
Cash in bank	2,701,646	1,408,676	4,110,322

The large cash movement is a result of fundraising completed in August 2022 and cash outflows for a number of different strategic and operational projects.

Inventories

	1st January 2022	Movement	31st December 2022
Raw materials and consumables	667,898	314,212	982,110

An increase of inventory is mainly due to increased purchases of cheese in 2022 due to expected future price increases as well as acquisition of AAP in July 2022.

Trade and other receivables

	1st January 2022	Movement	31st December 2022
Current trade and other receivables	1,219,447	747,540	1,966,987

An increase of trade and other receivables balance is mainly due to prepayments for TV marketing campaign started in the beginning of 2023 and VAT receivables increase.

Cash flows from investing activities

Cash flows from investing activities amounted to £(3,555,378) in 2022 (2021: £357,170) comprise mainly acquisition of property, plant and equipment, software and other intangible assets due to AAP acquisition.

Macro-economic conditions in Poland and Croatia

Polish GDP increased in 2022 by 4.9% YoY. The country is expected to face further inflationary pressures in 2023, although less aggressive than in 2022. The board is constantly monitoring purchase prices to ensure the Group can react to any price increases from its suppliers.

The unemployment rate has stayed at the rates below 3% since 2020, with no signs to grow.

Macro-economic conditions - Poland	2022	2021
Real GDP growth (% growth)	4.9*	6.8
Inflation (% growth)	14.4	5.1
Unemployment Rate (% of economically active population)	2.9	2.9

* First estimate of Polish Statistics Office for the year 2022

Croatian GDP increased in 2022 by 6.3%. The country is still facing inflationary pressures in result of world macroeconomic situation, however, currency change from HRK to EUR effective 1st January 2023 additionally strengthened this pressure in short-term. For that reason, APP has been assigned to supply contracts of the Group to reduce pressure on APP profitability.

Macro-economic conditions - Croatia*	2022	2021
Real GDP growth (% growth)	6.3	13.1
Inflation (% growth)	10.7	2.7
Unemployment Rate (% of economically active population)	7.1	7.6

* Data based on macroeconomic indicators published 27th March 2023 by Croatian National Bank

Sub-franchised stores

There are 8 sub-franchised stores as at 31st December 2022. Sales of sub-franchised stores for 2022 amounted to £2,351,560 (2021: £2,632,464).

Going concern

The board considered the Group's forecasts, in particular those relating to the growing sales volume and improved cost management, to satisfy itself that the Group has sufficient resources to continue in operation for the foreseeable future. The Group sales and costs forecasts are based on market-available data with regard to country GDP growth rates, inflation, price trends of main cost items, as well as on historical level of sales volumes and incurred costs as a percentage of sales, taking into account implemented High Volume Mentality, digital platform development and increased focus on operations excellence. The board also considered the Group's cash flow forecasts and successfully concluded stress-test for drop in net sales by 5% versus initial forecast taking into consideration possible changes in inflation and commodity prices. Sensitivity analysis has been completed, and inflation rate would need to increase from 15.1% to 30.0% with no change in revenue to pass these costs increases to customers for there to be an issue with going concern based on future forecasts.

Over the past quarters in 2022, the board of DP Poland has given a considerable thought as to how the Group might define, quantify and minimise the risks related to inflationary pressures in result of the war in Ukraine. As the highest inflation rates were recorded between July and November 2022 with following months to abate, the board considers that the major risks connected with inflation are vanishing, which has already been reflected in the decreasing commodity prices offered by suppliers in Q1 2023, with the forecast for further price reductions.

On the other hand, the board has prepared a twelve month roadmap for a number of different strategic and operational projects aiming at better consumer proposition (i.e. consumer surveys), and fundamental operational costs reduction, covering such areas as the Group structure, commissary setup, processes optimisation (i.e. new accounting system), automation of processes and labour management (i.e. new labour scheduling system roll-out).

The Company's recent equity fundraise made in August 2022, which provided an additional £4.8m (before expenses) of resource, has 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 benefits coming to the business in result of strategy change and High Volume Mentality approach in the near future.

Having considered the Group's cash flows and its liquidity position, and after reviewing the forecast for the next twelve months and beyond, taking into account reasonably possible changes in trading performance, the Directors believe that the Group has 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 commodity prices and inflationary pressures, which remain the most pronounced risks to our going concern assumptions.

Edward Kacyrz
Chief Financial Officer
29 June 2023

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 14. 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 Poland, Croatia 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. An example of such approach is the acquisition of the entire share capital of All About Pizza d.o.o. in July 2022, which has been made taking into consideration the interests of the key stakeholder groups concerning further Company expansion and valuation (shareholders), employment safety (employees), AAP business credibility (potential sub-franchisees and suppliers) and business continuity (community). 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 Board members were able to come to Poland again in 2022 taking into account ceased restrictions.

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. The Board regularly analyses employee rotation metrics and salary benchmarks versus market. Employees' salaries have been increased in 2022 taking into consideration market situation, an increase of minimal statutory requirements and competencies of individual employees bearing in mind the interests of the other stakeholder groups. Members of the UK board have regularly travelled to Poland and Croatia to meet employees as travel restrictions permit. In July 2022 the Group acquired the entire share capital of APP together with exclusive rights of the Master Franchise Agreement. The Group incorporated different activities to engage increased headcount, i.e., added Croatian employees into communication about vision and results, held regular employee meetings online and in-person and provided learning and development opportunities. Employees views are taken into consideration when the board considers development of the Group's strategy, decisions related to talent development, remuneration and the structure of incentive arrangements.

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 in regard to store processes organisation, promotion schemes, funding options, store profitability analysis, as well as to address any concerns.

4. Customers
   We regularly see our customers either in store or when we deliver to their premises, run analysis of consumer opinions (i.e., Google maps, Facebook) as well as hold consumer panels for evaluation of our development concepts. Furthermore, we evaluate consumers' responsiveness to our offering and analyse Google Ads metrics. We analyse customers approval by gathering and evaluating data on customers contribution (i.e., number of returning and new customers), customers origin and behaviour as well as net promoter score. This helps us understand their needs and demands. In addition there is a dedicated call centre which our customers can contact. Customers' views are reflected in decisions on the Group's strategy, the introduction of new product ranges and other operational matters.

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. We openly communicate market trends addressing risks and opportunities for the business as well as discuss potential development opportunities and analyse process optimisation options.

6. Environment and community
   We operate from multiple sites across Poland and Croatia and we ensure that we minimise the effect on the environment. We review energy consumption patterns at our stores' network, promote suppliers able to deliver environmentally friendly products, upgrade stores and use top of the range ovens to produce our quality pizzas ensuring that environmental effects are minimised, particularly those of noise and smell.

Strategic Report approval

The Strategic Report on pages 2 to 14, 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

Edward Kacyrz
Chief Financial Officer
29 June 2023

The Board

The Board of DP Poland PLC comprises two Executive and five Non-Executive Directors.

David Wild (aged 68), ***Non-Executive Chairman***
David brings extensive experience in the consumer sector to the Board, including executive and non-executive roles at publicly listed companies. David was CEO of Domino's Pizza Group, UK/ROI Master Franchisee, from 2014 until 2020, a period where the company expanded significantly through accelerated new store openings. Prior to that, he was CEO of Halfords plc and has prior senior executive experience at Walmart Stores Inc., Tesco Plc and RHM Foods Limited. David held a variety of positions at Tesco over an 18-year period including CEO Central Europe where he managed the entry into Poland and other adjacent territories. In addition to his executive experience, David was previously Senior Independent Director of both Premier Foods plc and Ten Entertainment Group plc. David has a degree in Chemistry from University College, Oxford.

Nils Gornall (aged 44), ***Chief Executive Officer***
Nils is a veteran of Domino's with 28 years of operational experience. Nils joined DPP's board as CEO in August 2022. Nils is also currently the CEO of Domino's Pizza Croatia. Nils opened Domino's in the Croatian market in July 2020. Prior to that Nils acted in various roles for Domino's Pizza Australia, including owning and operating a total of 20 stores as franchisee. Nils has a wealth of knowledge on all things Domino's and has been working in the Quick Service Restaurant (QSR) business his whole career.

Edward Kacyrz (aged 42), ***Chief Financial Officer***
Edward is a Chartered Accountant with 18 years of experience, during which time he has held a number of financial, strategy and management roles at Mars, Levi Strauss, Kimberly Clark and Smyk in Poland. Having started his career in accounting and finance roles, Edward progressed into business development, corporate development, and strategy at Velvet Care and most recently at Smyk, Poland's leading toys and children apparel retailer.

Jeremy Dibb (aged 39), ***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 charter holder and holds an MBA from the University of Oxford.

Andrew Rennie (aged 55), ***Non-Executive Director***
Andrew joined the military at age 16 as an Air Force Avionics' technician and served 10 years, during this period he attended the University of Technology Sydney (UTS) and graduated with a Bachelor of Technical Teaching. Andrew became a Franchisee of Silvio's Dial-a-Pizza in 1994, which was awarded the highest sales and highest profit store in Australia in 1995. Silvio's was then converted to Domino's Pizza and Andrew became one of the biggest franchises owning 13 stores in 3 different states of Australia. After 10 years as a franchisee Andrew was asked to become the 4th shareholder of Domino's Pizza Australia and he swapped his stores for stock in the private company. His role was then the National Corporate Operations director of 120 stores. In 2005 Domino's Australia, then renamed Domino's Pizza Enterprises, (DPE) listed on the ASX at a market Cap of $120m. In 2006 DPE purchased the MFA to France, Belgium and The Netherlands, Andrew moved with his family to France to become CEO of Domino's Pizza France and Belgium. Over the next 4 years the store count was doubled to over 200 stores and sales were tripled, and profits went from loss making to profit making. In 2010 Andrew Moved back to Australia to take up the newly created role of COO Australia and New Zealand, and 12 months later he was named CEO. In 2014 Andrew was asked to relocate back to Europe to become CEO of the DPE European business, and during the next 6 years the business added Domino's Germany which at the time had 13 stores, and today has +400 stores. In 2020 when Andrew retired from DPE the European business had grown from 155 stores in 3 countries

to +1,200 stores in 6 countries and profitability had grown more than 60 times during this tenure. DPE's market cap is now over $7B.

Przemyslaw Glebocki (aged 43), ***Non-Executive Director***
Przemyslaw Glebocki has more than 18 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. Prior to Accession Capital Partners, 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 42), ***Non-Executive Director***
Jakub Chechelski is an Investment Director of Accession Capital Partners in Poland. 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 2022.

Results and Dividends

The loss for the period, after taxation, amounted to £4,359,945 (2021: £4,360,741). 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 23.

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: David Wild, Przemyslaw Glebocki 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 26 - 28.

Audit Committee

An audit committee has been established which consists of three Non-Executive Directors: David Wild, Jakub Chechelski 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., Dominium S.A and in Croatia, All about Pizza 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 receive 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.

Directors and Directors' Interests

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

Jeremy Dibb (appointed 01.01.22)
Andrew Rennie (appointed 01.08.22)
Nils Gornall (appointed 01.08.22)
Edward Kacyrz (appointed 01.12.22)
David Wild (appointed 20.01.23)
Przemyslaw Glebocki
Jakub Chechelski
Robert Nicholas Lutwyche Morrish (resigned 28.02.22)
Piotr Dzierżek (resigned 31.07.22)
Malgorzata Potkanska (resigned 30.09.22)
Nicholas John Donaldson (resigned 31.12.22)
Peter Furlong (resigned 31.03.23)

Following the acquisition of All About Pizza d.o.o., Andrew Rennie and Nils Gornall were appointed as directors on 1 August 2022.

Jeremy Dibb was appointed as director on 1 January 2022 and Edward Kacyrz was appointed as director on 1 December 2022.

David Wild was appointed as Chairman of the Company on 20 January 2023.

In accordance with the Company's Articles of Association David Wild, Jeremy Dibb, Andrew Rennie, Nils Gornall, Edward Kacyrz, Przemyslaw Glebocki and Jakub Chechelski offer themselves for election at the Annual General Meeting.

The following Directors as at 31 December 2022 had interests in the ordinary shares of 0.5p each as follows:

	Number of Ordinary Shares	*Percentage of Ordinary Shares*
Jeremy Dibb	752,295	0.11%
Nils Gornall	2,621,277	0.37%
Andrew Rennie	15,442,553	2.17%

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 £0.005 and £0.08 each.

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 31 May 2023, 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 Limited	278,813,426	39.14
Pageant Holdings	46,163,808	6.48
Fidelity Investments	47,752,021	6.70
Faynon Ltd	39,994,916	5.61
Cantor Fitzgerald	33,532,068	4.71
M&M Holdings SARL	31,875,000	4.47
Canaccord Genuity Group Inc.	30,983,126	4.35

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 foreign currency movements.

As the Group's operations are all in Poland and Croatia, it is exposed to foreign exchange risks primarily with respect to Euros and US Dollars. 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). Sterling has been used as a presentational currency with respect to the key stakeholder groups of the Company listed on AIM Market on the London Stock Exchange.

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 28th July 2023 at 10.00 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 £1,187,470 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. This resolution will additionally confer power on the Directors to allot for cash shares up to an aggregate nominal value of £356,241 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

Mazars 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.

Events after the balance sheet date

On 20 January 2023, David Wild was appointed as an Independent Non-Executive Director and Chair of the Company. On 31 March 2023, Peter Furlong has resigned from the Board as a Non-executive Director.

Future developments of the business

Please refer to page 8 the Strategic report.

Details of branches outside the UK

There are no branches outside the UK. There are two subsidiaries in Poland and one subsidiary in Croatia at the 2022 year-end.

Statement on engagement with customers, suppliers and others with a business relationship with the Company

Please refer to Section 172 of the UK's Companies Act on pages 15-16 of the Strategic report.

On Behalf of the Board

Edward Kacyrz
Chief Financial Officer
29 June 2023

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 7.

In summary, the purpose is to establish Domino’s Pizza as the leading pizza delivery brand in Poland and Croatia (please refer to page 7 of the Strategic Report); the business model is to operate company owned stores (‘corporate stores’) and to sub-franchise 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, virtual 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 and Croatia through its wholly owned subsidiaries DP Polska S.A., Dominium S.A. and All About Pizza d.o.o. The board and management team of DP Polska S.A., Dominium S.A. and All About Pizza d.o.o. 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.

The management team is focused on ensuring that the workforce is delivering against customer expectations through thorough training and appropriate remuneration and motivation packages. Employee feedback is taken seriously and conditions of employment 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. While our operations in Croatia are substantially smaller compared to Poland, we strive to achieve the same level of standards in both markets.

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 combination of DP Poland and Dominium. With the support of the Group's auditors, the Audit Committee carries out an annual risk assessment and review of internal controls. 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 six Non-Executive Directors. David Wild, Andrew Rennie and Jeremy Dibb are considered to be independent Non-Executive Directors. Details of directors' contracts are described in the Remuneration Report on page 26 The Company holds regular 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 2022

	Main Board (meetings held 13)	Audit committee (meetings held 1)	Remuneration committee (meetings held 4)	Fundraise committee (meeting held 1)
N. Donaldson	11/13	1/1	4/4	n/a
R. Morrish	3/3	n/a	1/1	n/a
P. Dzierżek	7/8	n/a	n/a	n/a
P. Glebocki	13/13	n/a	4/4	1/1
J. Chechelski	13/13	1/1	4/4	n/a
M. Potkanska	9/9	1/1	n/a	n/a
A. Rennie	4/5	n/a	n/a	n/a
N. Gornall	5/5	n/a	n/a	n/a
E. Kacyrz	2/2	n/a	n/a	n/a
J. Dibb	13/13	1/1	n/a	n/a
P Furlong	5/7	n/a	3/3	1/1

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 2022

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 2022 and will be subject to annual re-appointment.

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 17 - 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 as well as to other external consulting companies, whenever the board finds it necessary to address and mitigate potential risks for the Group, i.e., due diligence process during AAP acquisition or transfer pricing support. Executive directors are employed full-time to run the Group operations. Non-executive directors are expected to attend Board meetings regularly and allocate minimum one day a month to the role.

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 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.

Edward Kacyrz
Chief Financial Officer
29 June 2023

Remuneration Report

Overview and Policy

The Remuneration Committee comprises Przemyslaw Glebocki, Jakub Chechelski and David Wild, 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

Nils Gornall 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., DP Polska S.A. and All About Pizza d.o.o. he received additional fees and salary totalling 56,191 Polish Zloty (approximately equivalent to £10,836), 34,839 Euros (approximately equivalent to £30,269) and 29,995 Croatian Kuna (approximately equivalent to £3,470) for 2022, plus a performance based bonus. His employment may be terminated by 3 months notice by either party.

Chief Financial Officer

Edward Kacyrz is responsible for all matters relating to Group finance. 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 350,000 Polish Zloty (approximately equivalent to £65,000) per annum, plus a performance based bonus. His employment may be terminated by three months’ notice by either party.

Non-Executive Directors

David Wild is a Non-Executive Chairman of the Company. He receives a fee of £35,000 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.

Andrew Rennie 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.

Remuneration and Share Incentives in the year to 31 December 2022

Total remuneration, fees and benefits paid or payable to the Directors by the Group for the year ended 31 December 2022 are set out below and amounts in aggregate to £273,092 (2021: £188,521).

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

Name of Director	Year ended 31 December 2022 *salary or fees*	Year ended 31 December 2022 *performance based bonus*	Year ended 31 December 2022 *total emoluments*	Year ended 31 December 2021 *total emoluments*
	£	£	£	£
Nicholas Donaldson *(resigned 31.12.22)*	20,000	-	20,000	20,000
David Wild *(appointed 20.01.23)*	-	-	-	-
Piotr Dzierzek *(resigned 31.07.22)*	72,562	-	72,562	73,466
Malgorzata Potkanska *(resigned 30.09.22)*	45,181	-	45,181	55,431
Robert Morrish *(resigned 28.02.22)*	3,333	-	3,333	20,000
Przemyslaw Glecbocki*)*	10,000	-	10,000	9,812
Jacub Chechelski	10,000	-	10,000	9,812
Jeremy Dibb *(appointed 01.01.22)*	30,000	-	30,000	-
Peter Furlong *(appointed 05.04.22, resigned 31.03.23)*	7,389	-	7,389	-
David Wild *(appointed 20.01.23)*	-	-	-	-
Andrew Rennie *(appointed 01.07.22)*	15,000	-	15,000	-
Nils Gornall *(appointed 01.08.22)*	49,135	-	49,135	-
Edward Kacyrz *(appointed 01.12.22)*	10,492	-	10,492	-
Total	273,092	-	273,092	188,521

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

Piotr Dzierzek was the highest paid director with total emoluments of £72,562.

Details of Directors' stock option plans are as follows:

Name of Director	Award date	No of options	Amount charged in 2022	Amount charged in 2021
			£	£
Nicholas Donaldson	28.02.2022	375,000	2,378	-
Robert Morrish	28.02.2022	375,000	2,378	-
Andrew Rennie	14.06.2022	14,080,100	51,947	-
Nils Gornall	14.06.2022	10,560,075	38,960	-
Jeremy Dibb	08.11.2022	1,000,000	3,180	-
Piotr Dzierzek	08.11.2022	3,500,000	8,245	-
Edward Kacyrz	01.12.2022	3,520,025	4,486	-
Total		33,410,200	111,592	-

The Group established share option plans on 19th December 2014 and on 13 June 2022.

The aggregate value of gains made on exercise of directors' share options during the year was £ nil (2021: £ nil). The aggregate value of share and option awards to directors made during the year was £ 111,592 (2021 £ nil). There were no contributions paid, or treated as paid, to a pension scheme in respect of directors' qualifying services. There were no payments to third parties for directors' services or payments for loss of office.

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. The Directors confirm that the financial statements give a true and fair view of the assets, liabilities, financial position and the profit or loss of the Company and the Group. 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 2022 which comprise the Group Income Statement, Group Statement of Comprehensive Income, Group Balance Sheet, Company Balance Sheet, Group Statement of Cash Flows, Company Statement of Cash Flows, Group Statement of Changes in Equity, Company Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation 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 2022 and of the group's loss for the year then ended;
- have been properly prepared in accordance with 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; and
- 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 group and the parent 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 SME 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.

In addition to those matters set out in the "Key audit matters" section below, we identified going concern of the group and of the parent company as a key audit matter.

DP Poland PLC operates in the restaurant and food delivery sectors in Poland and in 2022 expanded into Croatia. The impact of Covid-19 in 2020 and 2021 was negative on the performance of the Group, with resultant losses contributing to an accumulative negative distributable reserve.

For the 2022 year end, the Group has been facing continued pressure on labour costs as well as the impact of inflation (exacerbated by the Russian/Ukraine war) on food costs as a result of macroeconomic factors which are further impacting performance resulting in a loss for the 2022 year end.

Therefore, this has been considered a Key Audit Matter.

Our audit procedures to evaluate the directors' assessment of the group's and the parent company's ability to continue to adopt the going concern basis of accounting included but were not limited to:

- Undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern;
- Inspecting the going concern assessment made by the directors to determine whether they believe the entity to be a going concern and whether material uncertainties have been identified;
- Assessing the reasonableness of the assumptions used by the directors' in their forecasts and reviewing the consistency of these against impairment reviews prepared by management. Our internal valuation team as auditor's expert were engaged to review management's impairment review including the forecast;
- Challenging management on the completeness of the identified severe but plausible scenarios applied to the assessment, including with reference to the board's identified business risks;
- Inspecting borrowing agreements and assessing whether compliance with borrowing terms, including repayment and covenant compliance, have been appropriately factored into the assessment, including in stressed scenarios; and
- Evaluating the group's performance in the year as well as post year end information 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 and the 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.

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) we identified, including 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.

The matters set out below are in addition to going concern which, as set out in the "Conclusions relating to going concern" section above, was also identified as a key audit matter.

Key Audit Matter	**How our scope addressed this matter**
Impairment of non-current assets on consolidation and Investment in subsidiaries The total consolidated non-current assets within the financial statements amounts to: £31.9 million. The total investment in subsidiaries for DP Poland Plc within the financial statements amounts to: £33.0 million. The group's accounting policy for goodwill and impairment is set out in the accounting policies	Our audit procedures included, but were not limited to: • We engaged our internal valuation team as auditor's expert to review management's impairment review in line with IAS 36; • We confirmed the relevant knowledge and sector experience of our internal valuations team; • We assessed the appropriateness of the main assumption inputs used by management in their cash flow model

noted to the financial statements. There is a significant risk that goodwill on consolidation is impaired given the value and inherent uncertainty involved in forecasting and discounting future cash flows. The balance is subject to an annual impairment review, to assess whether the recoverable amount of a cash generating unit is in excess or equal to the carrying value of assets, or whether any impairment is required. Significant assumptions are made in the model being the discount rate and the growth rate prepared by management for the basis of their assessment. There may be significantly different outcomes of the assessment if different assumptions were applied in the model, therefore greater level of management judgement is involved in determining the appropriateness of assumptions. Any impairment noted in the goodwill value would trigger an assessment of the impairment of other non-current assets within the cash generating unit, being the other intangible assets and tangible assets. There is a risk that the investment in subsidiaries held in the entity at year end may be impaired. Subsidiaries relate to 100% owned entities DP Polska S.A., Dominium S.A. and All About Pizza d.o.o.. Management are required to perform an annual impairment review to assess whether any assets are needed to be impaired. Where an impairment indicator was identified in an investment, the directors carried out a full impairment review by assessing the net assets of the investment and by using a discounted cash flow model.	being the discount rate, the year-on-year growth rates, and terminal growth rates, including comparison to economic and industry forecasts to ensure assumptions used are reasonable; • We reviewed and challenged management's impairment model to assess the impairment of the goodwill and investment in subsidiaries' value; • We reviewed the impairment model, looking for any disconfirming evidence in post year end data and market information; • We performed sensitivity analysis on the key assumptions and cash flows used within the impairment model to assess the break-even scenario that would trigger an impairment; • We re-performed management's impairment model to confirm its mathematical accuracy; • We provided an assessment on the appropriateness of management's methodology applied in the impairment model against the requirements of the relevant standard (i.e. IAS 36); • We reviewed the historical accuracy of forecasting to actual results; • We reviewed the forecast information included in the impairment calculation, and whether this is consistent with that provided in other areas of the audit; • We tested individual investments for further indicators of impairment; • We performed a stand back review considering relevant internal and external factors including disconfirming information in our assessment of the appropriateness of the methodology and valuation of the goodwill and investments in subsidiaries. **Our observations** Based on the results of our procedures performed, we consider management's impairment review as appropriate, and in line with the Group accounting policy described on page 52.
Acquisition accounting for All About Pizza (PLC consolidated) The group's accounting policy for acquisition accounting in applying IFRS 3 is set out in the accounting policies noted to the financial statements. There is a risk that the intangible value	Our audit procedures included, but were not limited to: • We engaged our internal valuation team as auditor's expert to review the purchase price allocation of the acquisition to Master Franchise Agreement intangible asset value and

recognised on acquisition of All About Pizza d.o.o. has been valued incorrectly in line with IFRS 3. The full purchase price allocation has been attributed to the Master Franchise Agreement Intangible asset recognised on the balance sheet at £1.2m, and this has been assessed as having an indefinite useful life. The acquisition occurred on 29th July 2022, and hence is an 'in year' event. The value of the total identifiable net assets acquired is £989k with the consideration paid by the acquirer being £2.3m. The intangible asset values recognised are material and so we consider this to be a key audit matter.	to ensure this is in line with IFRS 3; • We confirmed the relevant knowledge and sector experience of our internal valuations team; • We obtained management's valuation assessment, which shows the net assets acquired, and the consideration due and corroborate this to a sample of supporting documentation, including the share purchase agreement; • We reviewed and challenged management's expert assessment of the intangible asset having an indefinite useful life; • We reviewed management's value in use model to assess the impairment of the intangible asset value; • We reviewed the model and looked for disconfirming evidence in post year end data and market information; • We performed sensitivity analysis on the key assumptions and cash flows used within the value in use model to assess scenario that would trigger an impairment; • We re-performed the calculation of the value in use model and impairment review, and confirmed its accuracy; • We reviewed the forecast information included in the impairment calculation, and whether this was consistent with that provided in other areas of the audit; and • We performed a stand-back review considering relevant internal and external factors including disconfirming information in our assessment of the appropriateness of the methodology and valuation of the brand valuation. **Our observations** Based on the results of our procedures performed, we consider the purchase price allocation solely to the Master Franchise Agreement intangible asset value and the assessment of an indefinite useful life to not be unreasonable. We consider management's assessment on the impairment of the intangible asset value to be reasonable in line with the Group accounting policy as described on page 48.

Our application of materiality and an overview of the scope of our audit

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and on the financial statements as a whole. Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Materiality

Overall materiality	Group: £428,000 Parent Company: £267,000
How we determined it	Group: 1.2% of revenue Parent Company: 0.5% of equity
Rationale for benchmark applied	Group: revenue is an appropriate benchmark and is utilised as a KPI by management to monitor the success of the business. Revenue is a common benchmark to be used for materiality calculations across the retail sector. Parent Company: total equity is used as the appropriate benchmark as the nature of the parent is that of a holding company which does not trade, hence revenue and profit before tax would not be appropriate benchmarks. Equity further represents the net asset value position of the company which is what the key users of the financial statements would be most interested in.
Performance materiality	Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole. For Group: We set performance materiality at £278,000 which represents 65% of overall materiality. For Parent: We set performance materiality at £173,000 which represents 65% of overall materiality. We are satisfied 65% is appropriate due to this being a first year audit by Mazars.
Reporting threshold	We agreed with the directors that we would report to them misstatements identified during our audit above £13,000 for the group and £8,000 for the parent as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons. These figures represent 3% of overall materiality.

As part of designing our audit, we assessed the risk of material misstatement in the financial statements, whether due to fraud or error, and then designed and performed audit procedures responsive to those risks. In particular, we looked at where the directors made subjective judgements, such as assumptions on significant accounting estimates.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole. We used the outputs of our risk assessment, our understanding of the group and the parent company, their environment, controls, and critical business processes, to consider qualitative factors to ensure that we obtained sufficient coverage across all financial statement line items.

Our group audit scope included an audit of the group and the parent company financial statements. Based on our risk assessment, DP Polska S.A. and Dominium S.A. within the group were subject to full scope audit, which was performed by the component audit team, with oversight from the group audit team. Our risk assessment includes the parent company, which was subject to a full scope audit performed by the group audit team.

At the parent company level, the group audit team also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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 course of 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the 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 its 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 in relation to which 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 Directors

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 the 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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the group and the parent company and their industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: Bribery Act 2010, Data protection act, employment regulation, pension regulation, health and safety regulation, and the modern slavery act.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the group and the parent company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the group and the parent company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as UK adopted international accounting standards, AIM listing requirements, tax legislation, and the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and

determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, revenue recognition (which we pin-pointed to the occurrence assertion for 'Corporate store sales' and 'Royalties, franchise fees and sales to franchisees', and the completeness assertion for 'Rental income on leasehold property'), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

Our audit procedures in relation to fraud through revenue recognition specific to cut-off included, but were not limited to:

- Substantive test of detail by using a sampling approach at significant risk level to corroborate transactions to external support to evidence occurrence of transactions in the general ledger;
- Analytical review procedures were performed on a store by store basis, and a month by month basis to corroborate trends and any unusual movements; and
- Rental revenue was agreed to rental contracts in place to evidence the annual amount.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

The risks of material misstatement that had the greatest effect on our audit are discussed in the "Key Audit Matters" section of this report.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit 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.

Stephen Brown (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

The Pinnacle

160 Midsummer Boulevard

Milton Keynes

MK9 1FF

29.06.2023

Group Income Statement

for the year ended 31 December 2022

		Notes	2022 £	2021 £
Revenue		2	35,694,098	29,866,189
Direct Costs			(28,312,921)	(24,427,738)
Selling, general and administrative expenses - *excluding: store pre-opening expenses, depreciation, amortisation and share based payments*		3	(5,687,720)	(4,301,176)
Group adjusted EBITDA - *excluding non-cash items, non-recurring items and store pre-opening expenses*			1,693,457	1,137,275
Store pre-opening expenses			(37,584)	(3,429)
Other non-cash and non-recurring items		6	(500,971)	59,278
Depreciation and amortisation			(4,336,210)	(4,867,679)
Share based payments		31	(137,748)	(51,301)
Foreign exchange gains / (losses)			17,406	(61,911)
Finance income		8	257,984	1,155,806
Finance costs		9	(1,258,850)	(1,669,527)
Loss before taxation		5	(4,302,516)	(4,301,488)
Taxation		10	(57,429)	(58,983)
Loss for the period			(4,359,945)	(4,360,471)
Loss per share	Basic	12	(0.67 p)	(0.75 p)
	Diluted	12	(0.67 p)	(0.75 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 2022

	2022	2021
	£	**£**
Loss for the period	(4,359,945)	(4,360,471)
Currency translation differences	(333,785)	24,798
Other comprehensive expense for the period, net of tax to be reclassified to profit or loss in subsequent periods	(333,785)	24,798
Total comprehensive income for the period	(4,693,730)	(4,335,673)

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

Group Balance Sheet

at 31 December 2022

	Notes	2022 £	2021 £
Non-current assets			
Goodwill	13	15,111,002	15,008,736
Intangible assets	14	3,714,479	2,207,448
Property, plant and equipment	15	6,645,301	6,135,097
Leases - right of use assets	22	6,472,965	8,237,471
Trade and other receivables	19	822,042	820,871
		32,765,789	32,409,623
Current assets			
Inventories	20	982,110	667,898
Trade and other receivables	19	1,966,987	1,219,447
Cash and cash equivalents	25	4,110,322	2,701,646
		7,059,419	4,588,991
Total assets		39,825,208	36,998,614
Current liabilities			
Trade and other payables	26	(5,343,028)	(4,983,665)
Lease liabilities	23	(2,834,336)	(2,667,159)
		(8,177,364)	(7,650,824)
Non-current liabilities			
Lease liabilities	23	(5,666,835)	(7,038,279)
Deferred tax	18	(276,099)	(213,797)
Borrowings	27	(6,763,297)	(5,829,461)
		(12,706,231)	(13,081,537)
Total liabilities		(20,883,595)	(20,732,361)
Net assets		18,941,613	16,266,253
Equity	24		
Called up share capital	30	3,561,969	3,097,933
Share premium account		46,925,141	42,551,453
Capital reserve - own shares		(48,163)	(48,163)
Retained earnings		(21,450,212)	(17,228,015)
Merger relief reserve		23,676,117	21,282,500
Reverse Takeover reserve		(33,460,406)	(33,460,406)
Currency translation reserve		(262,834)	70,951
Total equity		18,941,613	16 266253

The financial statements were approved by the Board of Directors and authorised for issue on 29 June 2023 and were signed on its behalf by:

Nils Gornall
Chief Executive Officer

Edward Kacyrz
Chief Financial Officer

Company Balance Sheet

at 31 December 2022

	Notes	2022 £	2021 £
Non-current assets			
Investments	16	32,966,376	51,790,168
Loans granted to subsidiary undertakings	17	171,341	-
		33,137,717	51,790,168
Current assets			
Trade and other receivables	19	146,981	421,594
Cash and cash equivalents	25	65,293	302,509
		212,274	724,103
Total assets		33,349,991	52,514,271
Current liabilities			
Trade and other payables	26	(94,078)	(130,669)
Non Current liabilities			
Borrowings	27	(6,734,149)	(5,829,461)
Net assets		26,521,764	46,554,141
Equity	24		
Called up share capital	30	3,561,969	3,097,933
Share premium account		46,925,141	42,551,453
Retained earnings		(47,641,463)	(20,377,745)
Merger relief reserve		23,676,117	21,282,500
Shareholders' Equity		26,521,764	46,554,141

The financial statements were approved by the Board of Directors and authorised for issue on 29 June 2023 and were signed on its behalf by:

Nils Gornall
Chief Executive Officer

Edward Kacyrz
Chief Financial Officer

The loss relating to transactions in the financial statements of the parent company was £27,401,465 (2021: £11,557,307).

DP Poland plc's company registration number is 07278725

Group Statement of Cash Flows

for the year ended 31 December 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Loss before taxation for the period		(4,302,516)	(4,301,488)
Adjustments for:			
Finance income	8	(257,984)	(1,155,806)
Finance costs	9	1,258,850	1,669,527
Foreign exchange movements		(144,025)	1,180,246
Depreciation, amortisation and impairment		4,336,210	4,867,679
Loss on fixed asset disposal		136,974	267,866
VAT refund - interests	8	231,476	-
Dismantling provision		20,466	-
Share based payments expense	31	137,748	51,301
Operating cash flows before movement in working capital		1,417,199	2,579,325
(Increase) in inventories	20	(314,212)	(32,569)
(Increase) / decrease in trade and other receivables	19	(748,711)	144,647
Increase / (decrease) in trade and other payables	26	359,363	(2,276,572)
Cash generated from operations		713,639	414,831
Taxation payable		-	-
Net cash generated from operations		713,639	414,831
Cash flows from investing activities			
Payments to acquire software		(241,032)	(170,637)
Payments to acquire property, plant and equipment		(1,072,811)	(720,381)
Payments to acquire intangible fixed assets		(62,831)	(208,004)
Proceeds from disposal of property plant and equipment		46,063	90,892
Interest received on sub-franchisee loans	8	16,767	25,233
Interest received on short-term deposits		-	3,811
Cash flows from acquiring a subsidiary	21	(2,241,534)	1,336,256
Net cash (used in) / generated from investing activities		(3,555,378)	357,170
Cash flows from financing activities			
Net proceeds from issue of ordinary share capital		7,231,341	6,121,561
Repayment of lease liabilities		(2,068,948)	(3,474,856)
Repayment of borrowings		(163,539)	-
Interest paid on lease liabilities	9	(665,084)	(751,711)
Net cash from/(used in) financing activities		4,333,770	1,894,994
Net increase in cash		1,492,031	2,666,995
Exchange differences on cash balances		(83,355)	-
Cash and cash equivalents at beginning of period		2,701,646	34,651
Cash and cash equivalents at end of period	25	4,110,322	2,701,646

Company Statement of Cash Flows

for the year ended 31 December 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Loss before taxation		(27,401,466)	(11,557,307)
Adjustments for:			
Finance income		(818,128)	(35)
Finance expense		576,416	420,544
Foreign exchange movements		389,243	(409,904)
Impairment charge		26,781,124	11,130,429
Share based payments expense		72,315	32,034
Operating cash flows before movement in working capital		(400,496)	(384,239)
Decrease in trade and other receivables	19	274,613	50,598
(Decrease) in trade and other payables	26	(36,591)	(771,917)
Cash used in operating activities		(162,474)	(1,105,558)
Cash flows from investing activities			
Equity investment in subsidiary company		(7,891,899)	(5,710,536)
Loans granted to subsidiary undertakings	17	(170,867)	-
Interest received		818,128	35
Net cash (used in) investing activities		(7,244,638)	(5,710,501)
Cash flows from financing activities			
Interest paid		-	(10,640)
Net proceeds from issue of ordinary share capital		7,231,341	6,121,561
Net cash from financing activities		7,231,341	6,110,921
Net decrease in cash		(175,772)	(705,138)
Exchange differences		(61,444)	409,904
Cash and cash equivalents at beginning of period		302,509	1,007,647
Cash and cash equivalents at end of period	25	65,293	302,509

Group Statement of Changes in Equity

for the year ended 31 December 2022

	Share capital	Share premium account	Retained earnings	Currency translation reserve	Capital reserve - own shares	Reverse Takeover reserve	Merger Relief reserve	Total
	£	£	£	£	£	£	£	£
At 1 January 2021	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**
Translation difference	-	-	-	(333,785)	-	-	-	(333,785)
Loss for the period	-	-	(4,359,945)	-	-	-	-	(4,359,945)
Total comprehensive income for the year	**-**	**-**	**(4,359,945)**	**(333,785)**	**-**	**-**	**-**	**(4,693,730)**
Shares issued (net of expenses)	464,036	4,373,688	-	-	-	-	2,393,617	7,231,341
Share based payments	-	-	137,748	-	-	-	-	137,748
Transactions with owners in their capacity as owners	**464,036**	**4,373,688**	**137,748**	**-**	**-**	**-**	**2,393,617**	**7,369,089**
At 31 December 2022	**3,561,969**	**46,925,141**	**(21,450,212)**	**(262,834)**	**(48,163)**	**(33,460,406)**	**23,676,117**	**18,941,613**

Company Statement of Changes in Equity

for the year ended 31 December 2022

	Share capital	Share premium account	Retained earnings	Relief reserve	Total
	£	£	£	£	£
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**
Loss for the year	-	-	(27,401,465)	-	(27,401,465)
Total comprehensive income for the year	**-**	**-**	**(27,401,465)**	**-**	**(27,401,465)**
Shares issued)	464,036	4,373,688	-	-	4,837,724
Merger relief reserve	-	-	-	2,393,617	2,393,617
Share based payments	-	-	137,748	-	137,748
Transactions with owners in their capacity as owners	**464,036**	**4,373,688**	**137,748**	**2,393,617**	**7,369,089**
At 31 December 2022	**3,561,969**	**46,925,141**	**(47,641,462)**	**23,676,117**	**26,521,764**

Notes to the Financial Statements

for the year ended 31 December 2022

1. ACCOUNTING POLICIES

Authorisation of financial statements and statement of compliance with IFRSs

The DP Poland plc Group and Company financial statements for the year ended 31 December 2022 were authorised for issue by the Board of the Directors on 29 June 2023 and the balance sheets were signed on the Board's behalf by Nils Gornall and Edward Kacyrz. 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 adjusted 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. 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 throughout 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 2022.

The Group and Company financial statements are presented in Sterling. The assets and liabilities of the foreign subsidiaries, whose functional currency is Polish Zloty and Croatian Kuna, 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.

With effect from 29 July 2022, the Company became the legal parent of All About Pizza d. o.o. Further information about the transaction is disclosed in note 21. The transaction resulted in APP becoming a wholly owned subsidiary of the Company in accordance with IFRS 3 'Business Combinations'.

Adoption of new and revised standards

The accounting policies adopted in the preparation of the Group financial statements are consistent with those followed in the preparation of the Group's financial statements for the year ended 31 December 2021, except for the adoption of new standard, interpretations, and amendments to standards effective as of 1 January 2022.

The amendments and interpretations below were applied in 2022 and had no significant impact on the accounting policies applied:

- Amendments to IFRS 3 - Reference to the Conceptual Framework
- Amendments to IAS 16 - Property, Plant and Equipment: Proceeds before Intended Use
- Amendments to IAS 37 - Onerous Contracts – Costs of Fulfilling a Contract

New standards and interpretations not applied

Below amendments to standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted. The Group has not early adopted the new or amended standards in preparing these consolidated financial statements:

- IFRS 17 Insurance Contracts
- Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
- Amendments to IAS 12 Income taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

It is expected that the standards will not have a material impact on the Group.

Below are standards and amendments that are issued but not yet approved by the UK. The Group will apply the standard once approved by the UK:

- Amendments to IAS 1: Classification of liabilities as current or non-current and Non-current Liabilities with Covenants
- Amendment to IFRS 16 – Leases on sale and leaseback

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:

- Franchise fees and intellectual property rights: over the duration of the legal agreement;

- Computer software: 2 years from the date when the software is brought into use; and

- Capitalised loan discounts: the life of sub-franchise agreements of 10 years.

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 assumed and 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 synergies 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 statement.

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 2022. For further details on the impairment review please refer to note 13.

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 fair value less costs to sell , the estimated future cash flows are discounted to their present value using a post-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.

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

Borrowings

Borrowings are recognised initially at fair value net of directly attributable transaction costs.

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

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.

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 recognised in other comprehensive income. When a foreign operation is partially disposed of or sold, exchange differences are reclassified from equity to profit or loss on disposal of the net investment.

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 116 stores, one office, three 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 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

The Group recognises revenue from the following major sources:

- Corporate store sales;
- Royalties, franchise fees and sales to franchisees; and
- Rental income on leasehold property.

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. The Group recognises revenue when it transfers control of a product or service to a customer. The criteria for recognising revenues are set out in note 2.

Direct Costs

Direct costs comprises foods costs and direct store expenses.

Finance income

Income 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 UK-adopted international accounting standards 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.

Judgements

Purchase price allocation of the acquisition of AAP

Applying IFRS 3 for accounting of acquisition required Group's judgement. The Directors have assessed the key nature and attributes of the assets of the businesses acquired and in particular the value of the separable intangible assets. The Directors have concluded that materially, the value is all attributable to the Master Franchise Agreement and are satisfied that it is appropriate to attribute the full value of the intangible asset acquired to brand value. Further details are shown in note 21.

Assessment of indefinite useful life of the Master Franchise Agreement intangible asset

Identification of Master Franchise Agreement's useful life recognised as at acquisition date of All About Pizza d.o.o. also required judgement. As there is no foreseeable limit to the period over which Master Franchise Agreement is expected to generate net cash inflows for the entity, the Group identified Master Franchise Agreement to have an indefinite useful life.

Estimation uncertainties

Impairment

The Group's determination of whether intangibles and investments in subsidiary undertaking are impaired requires an estimation of the fair value less costs of disposal 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 the fair value less costs of disposal 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 fair value is most sensitive to the following assumptions: store performance; discount rates; store openings in Poland and Croatia; 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 Polish subsidiaries, i.e., DP Polska S.A. and Dominium S.A., had a historical cost of £57.4m. With effect from 29 July 2022, the Company became the legal parent of All About Pizza d.o.o. The parent company's investment in Croatian subsidiary had a historical cost of £ 2.4m. Further details are shown in note 16. The Group has determined that an impairment of £26.8m in the investment value should be recognised in the accounts of DP Poland plc.

Amortised cost of sub-franchisee loan receivables and loan notes

The Group's determination of the amortised cost of sub-franchisee loan receivables at initial recognition requires the estimation of the initial fair value of the below-market rate loans provided to the franchisees. Recoverability of such loans is an ongoing estimation uncertainty and is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of sub-franchisees' actual default in the future.

The Group has also determined the amortised cost of borrowings, which requires the estimation of the initial fair value of the below-market rate loans provided by Malaccan Holdings. The loans have been discounted to a market rate of 5.3% calculated based on EURIBOR and additional margin, which required accounting estimates to be done. Further details are shown in note 27.

Lease liability – estimating an incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as estimation of a credit margin).

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 and Croatia.

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.

Sales of materials and services to sub-franchisees: Contracts with franchisees for the sale of products include one performance obligation, being the delivery of products to the end franchisee. 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.

Royalties received from sub-franchisees: 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: 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:

	2022	**2021**
	£	**£**
Core revenue	35,693,133	29,782,191
Other revenue	965	83,998
	35,694,098	29,866,189

Revenue is further analysed as follows:

	2022	**2021**
	£	**£**
Corporate store sales	34,299,189	28 204,421
Royalties received from sub-franchisees	220,185	1,064,338
Sales or materials and services to sub-franchises	933,038	267,017
Rental income on leasehold property	240,721	246,415
Fixtures and equipment sales to sub-franchisees	965	83,998
	35,694,098	29,866,189

Revenue by country:

	2022	**2021**
	£	**£**
Poland	34,930,108	29,866,189
Croatia	763,990	-
	35,694,098	29,866,189

3. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	2022	**2021**
	£	**£**
Selling expenses	1,350,333	1,014,155
General and administrative expenses	4,337,387	3,287,021
	5,687,720	4,301,176

4. 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

	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
	Corporate stores	Commissary	Group	Corporate stores	Commissary	Group
Revenues from external customers	34,299,189	1,394,909	35,694,098	28,204,421	1,661,768	29,866,189
Direct Costs - corporate stores	(27,893,400)			(23,791 549)		
Direct Costs - commissary (variable cost only)		(419,521)			(743,105)	
Store EBITDA	6,405,789			4,412,872		
Commissary gross profit		975,388			918,663	
Total segment profit		7,381,177			5,331,535	
Unallocated expenses		(5,687,720)			(4,194,260)	
GROUP EBITDA - excluding non-cash items, non-recurring items and store pre-opening expenses		1,693,457			1,137,275	
Store pre-opening expenses		(37,584)			(3,429)	
Other non-cash and non-recurring items		(500,971)			59,278	
Depreciation and amortisation		(4,336,210)			(4,867,679)	
Share based payments		(137,748)			(51,301)	
Foreign exchange gains		17,406			(61,911)	
Finance income		257,984			1,155,806	
Finance costs		(1,258,850)			(1,669,527)	
Loss before taxation		**(4,302,516)**			**(4,301,488)**	

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.

The Group does not have reliance on any major customers.

5. LOSS BEFORE TAXATION

This is stated after charging

	2022	2021
	£	£
Auditors and their associates' remuneration	124,524	80,407
Directors' emoluments	273,092	188,521
Amortisation of intangible fixed assets	626,252	674,030
Depreciation of property, plant and equipment	3,709,958	2,027,915

Piotr Dzierzek was the highest paid director in 2022 with total emoluments of £72,562. 3,500,000 share options have been granted to Piotr Dzierzek in November 2022 in accordance with Share Option Plan announced in June 2022. There are no pension contributions or defined benefit pensions attributable to Piotr Dzierzek.

6. OTHER NON-CASH AND NON-RECURRING ITEMS

	2022	2021
	£	£
Acquisition - advisors and other expenses	(61,225)	(70,320)
Leasehold overtaken	-	122,905
IFRS 16 adjustment - impairment	(609,320)	-
IFRS 16 adjustment - other	33,416	220,014
Discount settlements on supplier agreement termination	-	252,004
VAT refund	182,535	-
Other non-cash and non-recurring items	(46,377)	(465,325)
	(500,971)	59,278

Other non-cash and non-recurring Items

Other non-cash and 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.

IFRS 16 adjustment - impairment refers to right of use assets write-off due to potential store closures in 2023. IFRS 16 adjustment – other refers to movements in right of use assets due to changes in lease agreement periods in 2022 and 2021 as well as discounts received in 2021 for the COVID-19 lockdown periods. The other non-cash and non-recurring items position in 2022 includes gains and losses from the sale and liquidation of fixed assets, provision for dismantling of stores and other items. The other non-cash and non-recurring items in 2021 include conversion costs results from reverse acquisition, losses from the liquidation of fixed assets and other items.

7. STAFF COSTS

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

	2022 £	2021 £
Zero hours contracts in stores	9,412,583	6,902,503
Wages and salaries and directors' fees	2,452,567	2,359,144
Social security costs	371,871	500,177
Share based payments	137,748	51,301
	12,374,769	9,813,125

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

	2022 Number	2021 Number
Operational	179	243
Administration	35	44
Total	214	287

8. FINANCE INCOME

	2022 £	2021 £
VAT refund - interests	231,476	-
Unwinding of discount on loans to sub-franchisees	9,417	13,059
Finance income on loans to sub-franchisees	16,767	26,131
Interest on short-term deposits	-	3,811
Other finance income	324	1,112,805
	257,984	1,155,806

Other finance income in 2021 mainly comprises loans written off in Dominium S.A. as a result of the refinancing for the reverse acquisition.

9. FINANCE COSTS

	2022 £	2021 £
Interest expense on lease liabilities	665,084	742,862
Other interest	593,766	926,665
	1,258,850	1,669,527

Other interest in 2022 mainly comprises interest payable according to loan note issued to Malaccan Holdings Ltd.

10. TAXATION

	2022 £	2021 £
Current tax	-	-
Deferred tax expense relating to recognition of deferred tax liability	57,429	58,983
Other taxes	-	-
Total tax charge in income statement	57,429	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:

	2022 £	2021 £
Loss before tax	(4,302,516)	(4,301,488)
Tax credit calculated at applicable rate of 19%	(817,478)	(817,283)
Income taxable but not recognised in financial statements	97,402	312,041
Income not subject to tax	(570,648)	(647,083)
Expenses not deductible for tax purposes	2,234,215	1,196,148
Tax losses for which no deferred income tax asset was recognised	(886,062)	15,160
Total tax charge in income statement	57,429	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.

11. LOSS ATTRIBUTABLE TO MEMBERS OF PARENT COMPANY

The loss relating to transactions in the financial statements of the parent company was £27,401,465 (2021: £11,557,307).

12. LOSS PER SHARE

The loss per ordinary share has been calculated as follows:

	2022 £	2022 £	2021 £	2021 £
	Weighted average number of shares	Profit / (loss) after tax	Weighted average number of shares	Profit / (loss) after tax
Basic	653,776,085	(4,359,945)	578,123,216	(4,360,471)
Diluted	653,776,085	(4,359,945)	578,123,216	(4,360,471)

The weighted average number of shares for the year excludes those shares in the Company held by the employee benefit trust. At 31st December 2022 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.

13. GOODWILL

Cost	Group
	£
At 31 December 2020	2,881,283
Additions	12,127,453
At 31 December 2021	15,008,736
Additions	-
Foreign exchange movements	102,266
At 31 December 2022	15,111,002

Carrying amount	Group
	£
At 31 December 2022	15,111,002

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 goodwill recognised is allocated to Polish entities cash generating unit and is made up by the expected synergies of the enlarged business and management expertise brought by new Chief Executive Officer and Non-Executive Director to DP Poland PLC's business.

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 less costs of disposal. 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. Prospective sales and costs forecasts are made for the following five years (i.e., FY23-FY27) and are based on market-available data with regard to country GDP growth rates, inflation, price trends of main cost items, as well as on historical level of sales volumes and incurred costs as a percentage of sales, taking into account implemented High Volume Mentality, digital platform development and increased focus on operations excellence. 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 fair value is declining from 13.6% in FY23 to 10.6% in FY27 (i.e., 13.6% in FY23, 12.9% in FY24, 12.1% in FY25, 11.3% in FY26 and 10.6% in FY27 and beyond). 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.

The following sensitivities have been performed:

- Poland: a 0.5% decrease in the growth rate would result in the carrying amount of the goodwill value being greater than the recoverable amount. A 0.5% increase in discount rate would result in the carrying amount of goodwill value being greater than the recoverable amount.
- Croatia: The recoverable amount is not deemed to be sensitive to a decrease in growth rate, as decreasing by 1% would still leave headroom between the carrying value of the goodwill and the recoverable amount. A 1% increase in discount rate would result in the carrying amount of goodwill value being greater than the recoverable amount.

14. INTANGIBLE ASSETS

Group	Franchise fees and intellectual property rights £	Software £	Capitalised loan discount £	Total £
Cost:				
At 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
Acquisition of business - AAP	1,471,428	282,589	-	1,754,017
Foreign exchange movements	195,567	142,990	5,542	344,519
Additions	62,831	241,032	-	303,863
Disposals	-	-	-	-
At 31 December 2022	6,924,665	1,229,139	(20,250)	8,133,555
Amortisation				
At 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)	3,523,706
Foreign exchange movements	171,673	93,436	4,009	269,118
Amortisation charged for the year	527,030	90,278	8,944	626,252
Disposals	-	-	-	-
At 31 December 2022	3,902,848	582,493	(66,264)	4,419,077
Net book value:				
At 31 December 2022	3,021,817	646,646	46,014	3,714,479
At 31 December 2021	1,990,275	163,749	53,424	2,207,448

Franchise fees consisting of the cost of purchasing the Master Franchise Agreement (MFA) from Domino's Pizza Overseas Franchising B.V. have been capitalised in 2021 and are written off over the term of the MFA. As at 31.12.2022 net book value of MFA amounted to £492,267 with remaining amortization period of 13 years. Master Franchise Agreement between AAP and Domino's Pizza International Franchising Inc. have been capitalized in 2022 and is measured at cost less any accumulated impairment losses. As there is no foreseeable limit to the period over which Master Franchise Agreement is expected to generate net cash inflows for the entity, the Group identified Master Franchise Agreement to have an indefinite useful life. MFA is allocated to AAP cash generating unit. Net book value of AAP MFA amounted to £1,275,612 as at 31.12.2022. 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 sub-franchise agreements 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 Polish and Croatian cash generating units have been determined based on fair value calculated using discounted future cash flows based on the business plan, and incorporating the Directors' estimated discount rate (10.6% in FY27 and beyond for Polish CGU and 12.5% in FY27 and beyond for AAP CGU), future store openings and the average Polish Zloty and Croatian Kunas exchange rate for the year ended 31 December 2022. The fair value calculation indicates that no impairment is required. As at 31 December 2022, no reasonably anticipated change in the assumptions would give rise to a material impairment charge.

15. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold improvements £	Fixtures fittings and equipment £	Assets under construction £	Total £
Cost:				
At 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
Acquisition of business – AAP	341,007	270,218	-	611,225
Foreign exchange movements	413,953	388,155	8,324	810,432
Additions	196,617	272,251	603,943	1,072,811
Disposals	(813,019)	(278,656)	-	(1,091,675)
Transfers	158,339	243,548	(401,887)	-
At 31 December 2022	9,021,883	5,305,033	229,953	14,556,869
Depreciation:				
At 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
Foreign exchange movements	265,301	307,049	-	572,350
Depreciation charged for the year	800,829	636,978	-	1,437,807
Other adjustments	(99,303)	-	-	(99,303)
Disposals	(747,750)	(270,517)	-	(1,018,267)
At 31 December 2022	4,823,189	3,088,377	-	7,911,566
Net book value:				
At 31 December 2022	4,198,693	2,216,655	229,953	6,645,301
At 31 December 2021	4,120,874	1,994,650	19,573	6,135,097

The depreciation of property, plant and equipment is included within direct and administrative expenses in the Income Statement.

16. NON CURRENT ASSET INVESTMENTS

	Group £	Company £
Investments in Group undertakings		
At 31 December 2020	-	28,660,000
Investment in subsidiary company - shares subscribed – Dominium S.A.	-	34,241,330
Investment in subsidiary company - capital contribution	-	19,267
Impairment charge	-	(11,130,429)
At 31 December 2021	-	51,790,168
Investment in subsidiary company - shares subscribed – DP Polska S.A.	-	4,703,100
Investment in subsidiary company - shares subscribed - All About Pizza d.o.o.	-	2,382,979
Investment in subsidiary company - shares subscribed - Dominium S.A.	-	805,820
Investment in subsidiary company - capital contribution	-	65,433
Impairment charge	-	(26,781,124)
At 31 December 2022	-	32,966,376

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

The parent company's investment in Polish subsidiaries, i.e., DP Polska S.A. and Dominium S.A., have a historical cost of £57.4m prior to the impairment review. The impairment test carried out showed that the investment was impaired and the carrying value after impairment was £30.6m. With effect from 29 July 2022, the Company became the legal parent of All About Pizza d.o.o. The parent company's investment in Croatian subsidiary had a historical cost of £2.4m. The Group has determined that an impairment of £26.8m in the investment value should be recognised in the accounts of DP Poland plc. The impairment assessment brought investments in subsidiary down to £33.0m and was arrived at by fair value calculated using discounted future cash flows.

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 and dine-in restaurants	Poland	Ordinary	100
Dominium S.A.	Operation of Pizza delivery and dine-in restaurants	Poland	Ordinary	100
All About Pizza d.o.o.	Operation of Pizza delivery and dine-in restaurants	Croatia	Ordinary	100

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

The registered office of All About Pizza d.o.o. is: 1 Kneza Mislava Street, Zagreb, Croatia.

The acquisition of Dominium S.A. was completed on 8th January 2021. The acquisition of All About Pizza d.o.o. was completed on 29th July 2022 - further details are given in note . All About Pizza's business is the operation of delivery and dine-in pizza restaurants.

17. LOANS GRANTED TO SUBSIDIARY UNDERTAKINGS

The Company has provided €200k loan to AAP in August 2022 following the acquisition. The loan is repayable by 31.12.2024, is unsecured with 3% interest payable and have been discounted to a market rate of 5.3% in accordance with IFRS 9.

18. DEFERRED TAX

The Group has unused tax losses of £17,702,039 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: £3,719,946 in 2023; £32,888,786 in 2024; £2,166,198 in 2025; £1,142,536 in 2026 and £419,892 in 2027. UK tax losses carried forward at the balance sheet date were £6,596,996. AAP tax losses carried forward at the balance sheet date were £767,685.

	Group 2022 £	**Group 2021 £**	**Company 2022 £**	**Company 2021 £**
Deferred tax liability				
Deferred tax liability				
Property, plant and equipment	(120,226)	(56,200)	-	-
Intangible assets	(149,651)	(150,049)	-	-
Interest on loans	(5,826)	(7,548)		
Accruals	(396)	-		
	(276,099)	(213,797)	-	-

Movements in deferred tax

	Property, plant and equipment	Intangible assets	Interest on loans	Accruals	Total
	£	£	£	£	£
At 31 December 2021	(56,200)	(150,049)	(7,548)	-	(213,797)
Credited to equity	(4,368)	(299)	(191)	(15)	(4,873)
Credited to profit and loss	(59,658)	697	1 913	(381)	(57,429)
At 31 December 2022	(120,226)	(149,651)	(5,826)	(396)	(276,099)

19. TRADE AND OTHER RECEIVABLES

	Group 2022	Group 2021	Company 2022	Company 2021
	£	£	£	£
Current				
Trade receivables	482,382	362,407	-	-
Trade receivables from subsidiaries	-	-	67,246	396,000
Other receivables	903,114	635,420	11,295	25,594
Prepayments and accrued income	581,491	221,620	68,440	-
	1,966,987	1,219,447	146,981	421,594
Non-current				
Other receivables	822,042	820,871	-	-
At 31 December 2022	2,789,029	2,040,318	146,981	421,594

Other non-current receivables include loans to sub-franchisees which are repayable over between four and nine years. Other current receivables include loans to sub-franchisees repayable over less than one year. 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 current receivables also includes Polish and Croatian 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 and Croatian Kuna. Trade receivables are non - interest bearing and are generally on 0 - 30 days terms.

20. INVENTORIES

	Group 2022	Group 2021	Company 2022	Company 2021
	£	£	£	£
Raw materials and consumables	982,110	667,898	-	-
At 31 December	982,110	667,898	-	-

The cost of inventories recognised as an expense and included in cost of sales amounted to £9,703,447 (2021: £7,573,606).

21. ACQUISITION OF ALL ABOUT PIZZA D. O. O.

With effect from 29 July 2022, the Company became the legal parent of All About Pizza d. o.o. All About Pizza d.o.o signed a Franchise Agreement with Domino's Pizza International Franchising Inc. in July 2019 to operate Domino's stores in Croatia and operated three corporate stores in Zagreb at the date of transaction.

The Company has entered into a Share Purchase Agreement to acquire All About Pizza d.o.o for approximately £2.4 million satisfied by the issue of 29,787,234 Consideration Shares at 8 pence per share. In addition, Andrew Rennie, has subscribed for 2,127,660 First Subscription Shares, at a price of 8 pence per share, and will subscribe for a further 3,191,489 Second Subscription Shares, at a price of 8 pence per share, within 12 months following completion of the Transaction.

Further to the completion of the acquisition of All About Pizza d.o.o. Nils Gornal, Chief Executive Officer of All About Pizza d.o.o., and Andrew Rennie, ex-CEO of Domino's Pizza Enterprises in Europe, were appointed as Chief Executive Officer and Non-Executive Director of DP Poland PLC, respectively.

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

	Note	29 July 2022
		£
Intangible assets		478,406
Tangible fixed assets		611,225
Leases - right of use assets		267,877
Inventories		41,303
Trade and other receivables		65,180
Cash and cash equivalents		22,828
Trade and other payables		(37,504)
Borrowings		(192,687)
Lease liabilities		(267,877)
Total identifiable net assets		988,751
Master Franchise Agreement	14	1,275,611
Consideration paid by the accounting acquirer		2,264,362
AAP revenue post-acquisition		763,990
AAP PBT post-acquisition		(267,973)

Acquisition expenses

The advisors' and other costs incurred by DP Poland PLC in acquiring All About Pizza d.o.o. amounted to £57,564 in 2022.

Intangible assets

Intangible assets acquired relate to: software and entry fee for lease agreement for one of the stores of AAP.

Tangible fixed assets

Tangible fixed assets include: leasehold improvements, equipment (i.e., restaurant, computer and office equipment) and e-bikes.

Trade and other receivables

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

Borrowings

Borrowings of All About Pizza represent liabilities for financial loans to previous shareholders, which has been repaid after the completion of transaction.

Master Franchise Agreement

An excess of consideration (as determined under IFRS 3) which was paid by the accounting acquirer over the fair value of the assets and liabilities acquired was attributed to Master Franchise Agreement (MFA). The Group has performed impairment review of MFA at the reporting period end. The review included discounted cash flow projections to determine the recoverability of MFA and the intangible assets. We compared the carrying amount of the assets, inclusive of MFA, to its respective fair value calculated as the recoverable amount of Croatian cash generating unit using discounted future cash flows based on the business plan and future store openings. Significant assumptions inherent in the valuation methodologies are employed and include, but are not limited to, prospective financial information, 2.5% growth rate, terminal value and discount rates declining from 13.7% in FY23 to 12.5% in FY27 (i.e., 13.7% in FY23, 13.4% in FY24, 13.1% in FY25, 12.8% in FY26 and 12.5% in FY27 and beyond). Based on this quantitative test, we determined that the fair value of assets exceeded its carrying amount. After completing our annual impairment reviews we concluded that MFA was not impaired.

22. LEASES

GROUP AS A LESSEE

Right of Use Assets

Cost:	**Leasehold property £**	**Total £**
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
Disposals	(244,793)	(244,793)
At 31 December 2021	14,331,223	14,331,223
Acquisition of business	267,877	267,877
Foreign exchange movements	654,739	654,739
Additions	655,352	655,352
Adjustment to right-of-use asset lease term	(51,773)	(51,773)
Disposal	(666,255)	(666,255)
At 31 December 2022	15,191,163	15,191,163
Accumulated depreciation		
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
Foreign exchange movements	430,854	430,854
Adjustment to right-of-use asset lease term	524,131	524,131
Disposal	(602,689)	(602,689)
Charge for the year	2,272,151	2,272,151
At 31 December 2022	8,718,199	8,718,199
Carrying amount		
At 31 December 2022	6,472,965	6,472,965
At 31 December 2021	8,237,471	8,237,471

At the Balance sheet date, the Group's portfolio of leases consisted of 119 leases over 116 store premises, one office and three 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. The depreciation of Right of Use Assets is included within direct and administrative expenses in the Income Statement. Rents payable are generally reviewed at five year intervals. The adjustment to right-of-use asset lease term is related to the review of the terms of lease agreements and represents right of use assets write-off due to potential store closures in 2023. Please also refer to note 6.

Amounts recognised in profit and loss	**2022 £**	**2021 £**
Depreciation expense on right-of-use assets	2,272,151	2,427,823
Interest expense on lease liabilities	665,084	742,863

	2022 £	**2021** £
The total cash outflow for leases amounted to	3,116,715	3,231,486

GROUP AS A LESSOR

The Group enters into lease agreements as an intermediate lessor with respect to stores operated by sub-franchisees. These leases have terms of between 1 and 5 years with a 5 year extension option, but no longer than the term of the main lease agreement. The lessee does not have an option to purchase the property at the expiry of the lease period. Rental income recognised by the Group during the year is £240,721 (2021: £246,415).

Future minimum rentals receivable under non-cancellable operating leases as at 31 December are, as follows:

Maturity analysis	**2022** **£**	**2021** £
Within one year	102,047	100,339
1 - 2 years	92,781	98,550
2 - 3 years	92,781	89,601
3 - 4 years	46,308	89,601
4 - 5 years	15,390	44,720
Onwards	-	14,863
At 31 December	349,307	437,674

23. LEASE LIABILITIES

	2022 £	**2021** £
Total lease liabilities	8,501,171	9,705,438
Analysed as:		
Non-current	5,666,835	7,038,279
Current	2,834,336	2,667,159

Maturity analysis	**2022** £	**2021** £
Within one year	2,834,336	2,678,292
1 - 2 years	2,199,312	2,310,187
2 - 3 years	1,802,235	1,787,291
3 - 4 years	1,056,548	1,506,870
4 - 5 years	363,632	1,061,573
5 - 6 years	125,686	259,627
Onwards	119,422	101,598

For the year ended 31 December 2022, the average effective borrowing rate was 8.63 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 or Euros.

The fair value of the Group's lease obligations as at 31 December 2022 is estimated to be £8,501,171 using 8.63% discount rate. This is based on 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.

24. EQUITY

"Called up share capital" represents the nominal value of equity shares issued. An increase in share capital in 2022 is due to the increase in share capital for Dominium S.A., the increase in share capital for DP Polska S.A. and the increase in share capital for the acquisition of All About Pizza d.o.o.

"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 and acquisition of All About Pizza d. o.o. over the fair value of the assets acquired.

"Reverse Takeover reserve" represents the accounting adjustments required to reflect the reverse takeover upon consolidation.

"Currency translation reserve" represents exchange differences arising from the translation of the financial statements of the Group's foreign subsidiaries.

25. CASH AND CASH EQUIVALENTS

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Cash at bank and in hand	4,110,322	2,701,646	65,293	302,509
At 31 December	4,110,322	2,701,646	65,293	302,509

26. TRADE AND OTHER PAYABLES

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Current				
Trade payables	3,032,651	3,248,333	14,189	54,669
Other payables	335,729	546,734	-	6,667
Accrued expenses	1,974,648	1,188,598	79,889	69,333
At 31 December	5,343,028	4,983,665	94,078	130,669

Dismantling provision for the stores closed in 2022 amounting to £21,294 is included within Accrued expenses and provisions as 31 December 2022.

27. BORROWINGS

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Non current interest bearing loans and borrowings				
Borrowing	6,763,297	5,829,461	6,734,149	5,829,461
At 31 December	6,763,297	5,829,461	6,734,149	5,829,461

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 as at 31.12.2024, is unsecured with 3% interest payable and have been discounted to a market rate of 5.3% in accordance with IFRS 9.

28. ANALYSIS OF MOVEMENTS IN NET FUNDS

	01 January 2021	Acquisition	Cash flows	Non cash movements	Foreign exchange movements	31 December 2021
	£	£	£	£	£	£
Cash and cash equivalents	34,651	1,336,256	1,330,739	-	-	2,701,646
Borrowings	(5,966,881)	(1,107,409)	-	834,925	409,904	(5,829,461)
Lease liabilities - current	(1,515,523)	(1,027,332)	273,023	(397,327)	-	(2,667,159)
Lease liabilities - non-current	(3,313,908)	(5,377.057)	3,201,833	(1,549,147)	-	(7,038,279)
Net debt	(10,761,661)	(6,175,542)	4,805,595	(1,111,549)	409,904	(12,833,253)

	01 January 2022	Acquisition	Cash flows	Non cash movements	Foreign exchange movements	31 December 2022
	£	£	£	£	£	£
Cash and cash equivalents	2,701,646	22,828	1,469,203	-	(83,355)	4,110,322
Borrowings	(5,829,461)	(192,687)	163,539	(565,567)	(339,121)	(6,763,297)
Lease liabilities - current	(2,667,159)	(66,604)	11,068	(111,641)	-	(2,834,336)
Lease liabilities - non-current	(7,038,279)	(152,249)	2,057,880	(534,187)	-	(5,666,835)
Net debt	(12,833,253)	(388,712)	3,701,690	(1,211,395)	(422,476)	(11,154,146)

29. FINANCIAL INSTRUMENTS

Categories of financial instruments

	2022 Financial assets at amortised cost	2022 Financial liabilities at amortised cost	2021 Financial assets at amortised cost	2021 Financial liabilities at amortised cost
	£	£	£	£
GROUP				
Financial Assets				
Cash and cash equivalents	4,110,322		2,701,646	
Trade receivables	482,382		362,407	
Other receivables - current	903,114		635,420	
Other receivables - non current	452,125		463,800	
Total	5,947,943		4,163,273	
Financial Liabilities				
Trade payables		(3,032,651)		(3,248,333)
Borrowing		(6,763,297)		(5,829,461)
Other liabilities - current		(335,729)		(546,734)
Lease liabilities - current		(2,834,336)		(2,667,159)
Lease liabilities - non current		(5,666,835)		(7,038,279)
Accruals - current		(1,974,648)		(1,188,598)
Total		(20,607,496)		(20,518,564)
Net		(14,659,553)		(16,355,291)
COMPANY				
Financial Assets				
Cash and cash equivalents	65,293		302,509	
Trade receivables	67,246		396,000	
Other receivables	79,735		25,894	
Total	212,274		724,403	
Financial Liabilities				
Trade payables		(14,189)		(54,669)
Other liabilities - current		-		-
Accruals		(79,889)		(69,333)
Borrowings		(6,734,149)		(5,829,461)
Total		(6,828,227)		(5,953,463)
Net		(6,615,953)		(5,229,060)

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

	2022 Finance leases	2022 Trade and other payables	2022 Borrowings	2022 Total	2021 Finance leases	2021 Trade and other payables	2021 Borrowings	2021 Total
	£	£	£	£	£	£	£	£
Due within one year	2,834,336	5,343,028	-	8,177,364	2,678,292	4,983,665	-	7,661,957
Due within two to five years	5,421,727	-	7,055,733	12,477,460	6,665,921	-	6,365,306	13,031,227
Due after five years	245,108	-	-	245,108	361,225	-	-	361,225
	8,501,171	5,343,028	7,055,733	20,899,932	9,705,438	4,983,665	6,365,306	21,054,409

Capital Risk Management

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

Market risk

Market risk is the risk that arises from movements in stock prices, interest rates, exchange rates, and commodity prices. Market risk for the 31 December 2022 year end is reflected within the currency risk and interest rate risk which are discussed further below.

Currency Risk

The foreign currency risk stems from the Company and the Group's foreign subsidiary which trades in Poland and Croatia and whose revenues and expenses are mainly denominated in local currencies. Additionally, some Company and Group transactions are also denominated in US Dollar and Euro currencies. The Company and the Group are therefore subject to foreign currency risk due to exchange rate movements that will affect the Company and the Group's operating activities and the Company 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:

	2022	2021
Assets	**£**	**£**
Polish Zlotys	3,341,882	4,092,403
Euro	567,265	-
Sterling	2,915,432	-
US dollar	-	-
Croatian Kuna	74,772	-
Liabilities		
Polish Zlotys	12,818,897	15,572,709
Euro	7,246,190	5,840,594
Sterling	173,967	-
US dollar	206,392	-
Croatian Kuna	162,050	-

Sensitivity analysis

The potential impact on Group net loss and equity reserves from a 20% weakening of the Polish Zloty, Euro, US dollar and Croatian Kuna against sterling affecting the reported value of financial assets and liabilities would be an increased net loss and reduction in Group reserves of £3,289,922.

	2022
	£
20% weakening of Polish Zloty	(1,895,403)
20% weakening of Euro	(1,335,785)
20% weakening of US dollar	(41,278)
20% weakening of Croatian Kuna	(17,456)
	(3,289,922)

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

The Company and the Group do not possess any financial instruments with floating interest rates, hence interest rate risk is not applicable to the Group.

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 sub franchisees.

The Company and the Group manage 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 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 Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due. The Group considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The movement in the allowance for doubtful debts during the year is as follows:

	2022	**2021**
	£	**£**
Balance at 01 January	485,916	-
Acquisition of business	-	934,132
Impairment loss made during the year	984	222,528
Reversal of previously recognised impairment loss	(206,680)	(670,744)
Balance at 31 December	280,220	485,916

Set out below is the information about the credit risk exposure on the Group's trade receivables as at 31 December:

	Current	**<30 days**	**30-60 days**	**61-90 days**	**>91 days**	**Total**
	£	**£**	**£**	**£**	**£**	**£**
31 December 2022	392,291	85,312	3,087	108	1,584	482,382
31 December 2021	342,776	8,868	988	77	9,698	362,407

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.

30. SHARE CAPITAL

		2022 £	2021 £
Called up, allotted and fully paid:			
712,393,662 (2021: 619,586,515)	Ordinary shares of 0.5 pence each	3,561,969	3,097,933

Movement in share capital during the period

	Number	Nominal value £	Consideration £
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
Placing August 2022	91,414,894	457,074	7,313,192
Share options exercised 2022	829,753	4,149	4,149
Management share award	562,500	2,813	45,000
Transaction costs	-	-	(131,000)
At 31 December 2022	712,393,662	3,561,969	77,130,649

The Company does not have an authorised share capital. The ordinary shares carry one voting right per share and no right to fixed income.

DP Poland Employee Benefit Trust ("EBT")

The trustee of the EBT holds 1,765,872 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 £147,450 at 31 December 2022.

31. SHARE BASED PAYMENTS

	Group 2022 £	Group 2021 £
Share based payments expense	137,748	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
Share Option Plan	1-4 years	Time-vest and detailed company performance indicators

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, the Long Term Incentive Share Option Plan on 19th December 2014 and the Share

Option Plan on 13 June 2022. 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
28 February 2022	8 pence	50%	1,20%	-	3 Years	£0.0228
14 June 2022	8 pence	50%	2,30%	-	1 Year	£0.0183
14 June 2022	8 pence	50%	2,30%	-	4 Years	£0.0217
08 November 2022	8 pence	50%	3,50%	-	1 Year	£0.0336
08 November 2022	8 pence	50%	3,50%	-	4 Years	£0.0380
01 December 2022	8 pence	50%	3,20%	-	1 Year	£0.0422
01 December 2022	8 pence	50%	3,10%	-	4 Years	£0.0468

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

	2022	**2021**
Share Incentive Plan		-
Other Share Options	137,748	51,301
Long Term Incentive Share Option Plan	-	-
	137,748	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 31.12.21 No.	Awarded in period No.	Exercised in period No.	Lapsed in period No.	Outstanding 31.12.22 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	-	-	-	-	-
Share options 22 May 2017	0.5 pence	164,804	-	-	-	164,804
Share options 11 January 2018	0.5 pence	24,000	-	-	-	24,000
Share options 01 June 2018	0.5 pence	88,238	-	-	-	88,238
Share options 11 October 2018	0.5 pence	355,469	-	226,563	-	128,906
Stock option plan 28 February 2022	8 pence	-	750,000	-	-	750,000
Stock option plan 14 June 2022	8 pence	-	24,640,175	-	-	24,640,175
Stock option plan 08 November 2022	8 pence	-	10,333,333	-	-	10,333,333
Stock option plan 01 December 2022	8 pence	-	3,520,025	-		3,520,025

The weighted average remaining contractual life of outstanding share options is 3.55 years (2021: 1.34 years). The number of share options exercisable at 31 December 2022 was 39,484,677 with a weighted average exercise price of 8 pence (2021: 633,122 shares with a weighted average exercise price of 0.5 pence).

32. CAPITAL COMMITMENTS

At 31 December 2022 there were no amounts contracted for but not provided in the financial statements (2021: £nil for the Group.

33. 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 and Croatia) are disclosed below:

	Group 2022 £	Group 2021 £
Short-term employee benefits	387,337	271,005
Share-based payments	137,748	-
At 31 December	525,085	271,005

The Company made a charge of £75,000 to DP Polska S.A. and £75,000 to Dominium S.A. for management services provided in 2022. The balance owed by DP Polska S.A. to DP Poland plc as at 31 December 2022 was £67,246 (2021: £396,000).

The Company also has a borrowing from Malaccan Holdings Ltd. a significant shareholder which totalled £6,734,149 (2021: £5,829,461).

34. EVENTS AFTER THE BALANCE SHEET DATE

Board changes

On 20 January 2023, David Wild was appointed as an Independent Non-Executive Director and Chair of the Company.

On 31 March 2023, Peter Furlong has resigned from the Board as a Non-executive Director.

35. 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 disputes regarding 2011 and 2012 years have been resolved in favour of Dominium. In 2022 Dominium has received the VAT refund for the year 2011 in the amount PLN 2,275,615 (approximately £414,011. In March 2023 Dominium has received the VAT refund for the year 2012 in the amount of PLN 1,542,405 (approximately £280,616). The whole dispute has not been resolved yet, the period 2013-2016 is still under investigation.

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.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of the members of the Company will be held 1 Embankment Place, London WC2N 6RH on 28th July 2023 at 10.00 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 Resolutions 13 and 14 will be proposed as Special Resolutions.

ORDINARY RESOLUTIONS

1. To receive and adopt the Company's financial statements and annual accounts for the financial year ended 31 December 2022 together with the Directors' report and auditors' report on these 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 appoint Mazars 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 Jakub Chechelski as a Director of the Company.
6. To re-elect Jeremy Dibb as a Director of the Company.
7. To re-elect Przemyslaw Glebocki as a Director of the Company.
8. To elect Nils Gornall as a Director of the Company.
9. To elect Edward Kacyrz as a Director of the Company.
10. To elect Andrew Rennie as a Director of the Company.
11. To elect David Wild 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 £1,187,470 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 conclusion of the next Annual General Meeting 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 such offer or agreement as if the power conferred by this Resolution had not 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 RESOLUTIONS

13. That, subject to the passing of Resolution 12 above, the Directors be and are generally and unconditionally authorised to allot equity securities (within the meaning of section 560 of the Act) wholly for cash pursuant to the authority conferred by Resolution 12 above as if section 561 of the Act or any pre-emption provisions contained in the Company's articles of association ("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 nearly 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;

    b. otherwise than pursuant to sub-paragraph (a) above, up to an aggregate nominal amount of £356,241 representing approximately ten per cent. of the current issued share capital of the Company; and

c. otherwise than pursuant to sub-paragraph (a) or (b) above, up to an aggregate nominal amount equal to twenty (20) per cent. of any allotment of equity securities from time to time under paragraph (b) above, such authority to be used only for the purposes of making a follow-on offer which the Board of the Company determines to be of a kind contemplated by paragraph 3 of Section 2B of the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice.

This authority shall, unless previously revoked, varied or renewed by the Company in a general meeting, expire on the earlier of 15 months after the passing of this Resolution or the conclusion of the next annual general meeting 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.

14. That, subject to the passing of Resolution 13 above, the Directors be and are generally and unconditionally authorised to allot equity securities (within the meaning of section 560 of the Act), in addition to any authority granted under resolution 13, wholly for cash as if section 561 of the Act or any pre-emption provisions contained in the Articles did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:

a. up to an aggregate nominal amount of £356,241 representing approximately ten (10) per cent. of the current issued share capital of the Company such authority to be used only for the purposes of financing (or refinancing, if the authority is to be used within 12 months after the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice; and

b. otherwise than pursuant to sub-paragraph (a) above, up to an aggregate nominal amount equal to twenty (20) per cent. of any allotment of equity securities from time to time under paragraph (a) above, such authority to be used only for the purposes of making a follow-on offer which the Board of the Company determines to be of a kind contemplated by paragraph 3 of Section 2B of the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice.

This authority shall, unless previously revoked, varied or renewed by the Company in a general meeting, expire on the earlier of 15 months after the passing of this Resolution or the conclusion of the next annual general meeting 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: 29th June 2023

Registered Office
One Chamberlain Square
Birmingham
B3 3AX

Date: 29th June 2023

EXPLANATORY NOTES TO THE PROPOSED RESOLUTIONS

The notes on the following pages explain 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 and 14 are proposed as Special Resolutions. 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 2022.
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 21 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 appointment of Mazars LLP as auditors of the Company and Resolution 4 authorises the Directors to fix their remuneration.

RESOLUTIONS 5, 6, 7, 8, 9, 10 & 11 - Re-election and/or 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:

- Jakub Chechelski, Przemyslaw Glebocki & Jeremy Dibb who were appointed as Directors since the last Annual General Meeting, will retire and being eligible, will offer themselves for re-election; and
- Nils Gornall, Edward Kacyrz, Andrew Rennie & David Wild who were newly appointed as Directors in the period since the last Annual General Meeting, will offer themselves for election.

Therefore, resolutions 5, 6, 7, 8, 9, 10 and 11 propose Jakub Chechelski, Przemyslaw Glebocki, Jeremy Dibb, Nils Gornall, Edward Kacyrz, Andrew Rennie & David Wild as Directors.

RESOLUTION 12 - Allotment of shares

This Resolution authorises the Directors to allot equity securities up to an aggregate nominal amount of £1,187,323. 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.

RESOLUTIONS 13 and 14 - Disapplication of statutory pre-emption rights

Section 561(1) of the Act requires that on an allotment of new shares for cash, such shares must first be offered to existing shareholders in proportion to the number of shares that they each hold at that time. There may be occasions, however, when the Directors will need the flexibility to finance business opportunities by the issue of

shares without a pre-emptive offer to existing shareholders. This cannot be done under the Act unless the shareholders have first waived their pre-emption rights.

Accordingly, it is proposed to disapply the statutory pre-emption rights of shareholders within certain limits as set out in Resolution 13. 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 £356,241, which is equivalent to approximately 10 per cent. of the Company's issued share capital as at the date of this notice, in line with the Pre-Emption Group 2022 Statement of Principles (the "**Statement of Principles**") for the disapplication of pre-emption rights. Resolution 13(c) provides for a follow-on offer to existing holders of securities not allocated shares under an issue made under either 13(a) or 13(b). This is to reflect the recent update to the Statement of Principles to increase flexibility. 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.

Resolution 14 seeks additional approval for the disapplication of pre-emption rights on shares issued for cash up to a further nominal value of £356,241, which is equivalent to approximately 10 per cent of the Company's issued ordinary share capital as at the date of this notice. This authority can only be exercised in connection with one or more acquisitions or specified capital investments that the Directors determine fall within the Statement of Principles. The Directors confirm that the additional 10 per cent authority will only be used in connection with an acquisition or specified capital investment which is announced contemporaneously with the issue, or which has taken place in the preceding six-month period and is disclosed in the announcement of the issue. Resolution 14 also provides for a follow-on offer to existing holders of securities not allocated shares under an issue made under 14(a). This is to reflect the recent update to the Statement of Principles to increase flexibility.

If granted, these authorities will expire at the conclusion of the next annual general meeting of the Company held after the date on which the Resolutions are passed or (if earlier) 15 months after the Resolutions are passed unless previously renewed, varied or revoked by the Company in general meeting.

Resolutions 13 and 14 are in line with the Pre-Emption Group's Statement of Principles for the Disapplication of Pre-Emption Rights which were updated on 4 November 2022.

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
David Wild
Non-executive Chairman

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 Annual general meeting, and the number of votes which may be cast at the Annual general meeting, will be determined by reference to the Company's register of members at 6.30 p.m. (London time) on 26 July 2023 or, if the Annual general meeting 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 10.00 a.m. on 21 July 2023 via an email to info@dppoland.com.

Appointment of proxies

1. If you are a member of the Company at the time set out in note 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.

2. 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.

3. 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.

4. 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

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

2. 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 10.00 a.m. on 26 July 2023.

3. 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.

4. 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

1. 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

1. 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.

2. 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, PO Box 5222, Lancing, BN99 9FG or send by scanned PDF emailed to proxy@slcregistrars.com.

3. 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

1. 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, PO Box 5222, Lancing, BN99 9FG or send by scanned PDF emailed to proxy@slcregistrars.com. 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 10.00 a.m. on 26 July 2023.

2. 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.

3. 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

1. 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

1. 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.

2. 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.

3. 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.

4. 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

1. As at 19 June 2023, the Company’s issued share capital comprised 712,481,898 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 19 June 2023 is 712,481,898.

Questions at the AGM

1. Under section 319A of the Act, 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 10.00 a.m. on 21 July 2023. 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

1. 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

1. 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.

Domino's Pizza

Pobierz aplikację i odbierz

2 PIZZE W CENIE 1

Szczegóły w Regulaminie Promocji na
www.dominospizza.pl oraz w lokalach.

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