Domino's Pizza Enterprises Limited
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Hamilton, QLD, Australia 4007
ACN: 010 489 326
www.dominos.com.au

24 August 2022

The Manager

Market Announcements Office

Australian Securities Exchange

4th Floor, 20 Bridge Street

SYDNEY NSW 2000

Dear Sir

Appendix 4E and financial statements for the year ended 03 July 2022

Please find attached for immediate release to the market the following documents in respect of the year ended 03 July 2022:

(a) Appendix 4E
(b) 2022 Annual Report

For further information, contact Nathan Scholz, Head of Investor Relations at investor.relations@dominos.com.au or on +61-419-243-517.

Authorised for lodgement by the Board.

Craig Ryan

Company Secretary

END

Appendix 4E

DOMINO'S PIZZA ENTERPRISES LIMITED

Current Reporting Period: Financial Year Ended 03 July 2022
Previous Corresponding Period: Financial Year Ended 27 June 2021

SECTION A: RESULTS FOR ANNOUNCEMENT TO THE MARKET

		PERCENTAGE CHANGE %		AMOUNT $'MILLION
Revenue and net profit				
Revenue from ordinary activities	Up	4.1%	to	2,289.3
Profit from ordinary activities after tax from continuing operations	Down	13.9%	to	166.7
Profit from ordinary activities after tax attributable to members	Down	14.0%	to	158.7
Net profit attributable to members	Down	14.0%	to	158.7

Dividends

	AMOUNT PER SECURITY (CENTS)	FRANKED PERCENTAGE PER SECURITY
Dividends		
Final dividend in respect of full year ended 03 July 2022 – Payable 15 September 2022	68.1	70%
Record date for determining entitlements to the final dividend: -31 August 2022		
Interim dividend in respect of half-year ended 02 January 2022	88.4	70%

	03 JULY 2022	27 JUNE 2021
Net tangible assets per security		
Net tangible assets per security	**(5.94)**	(5.10)

SECTION B: COMMENTARY ON RESULTS

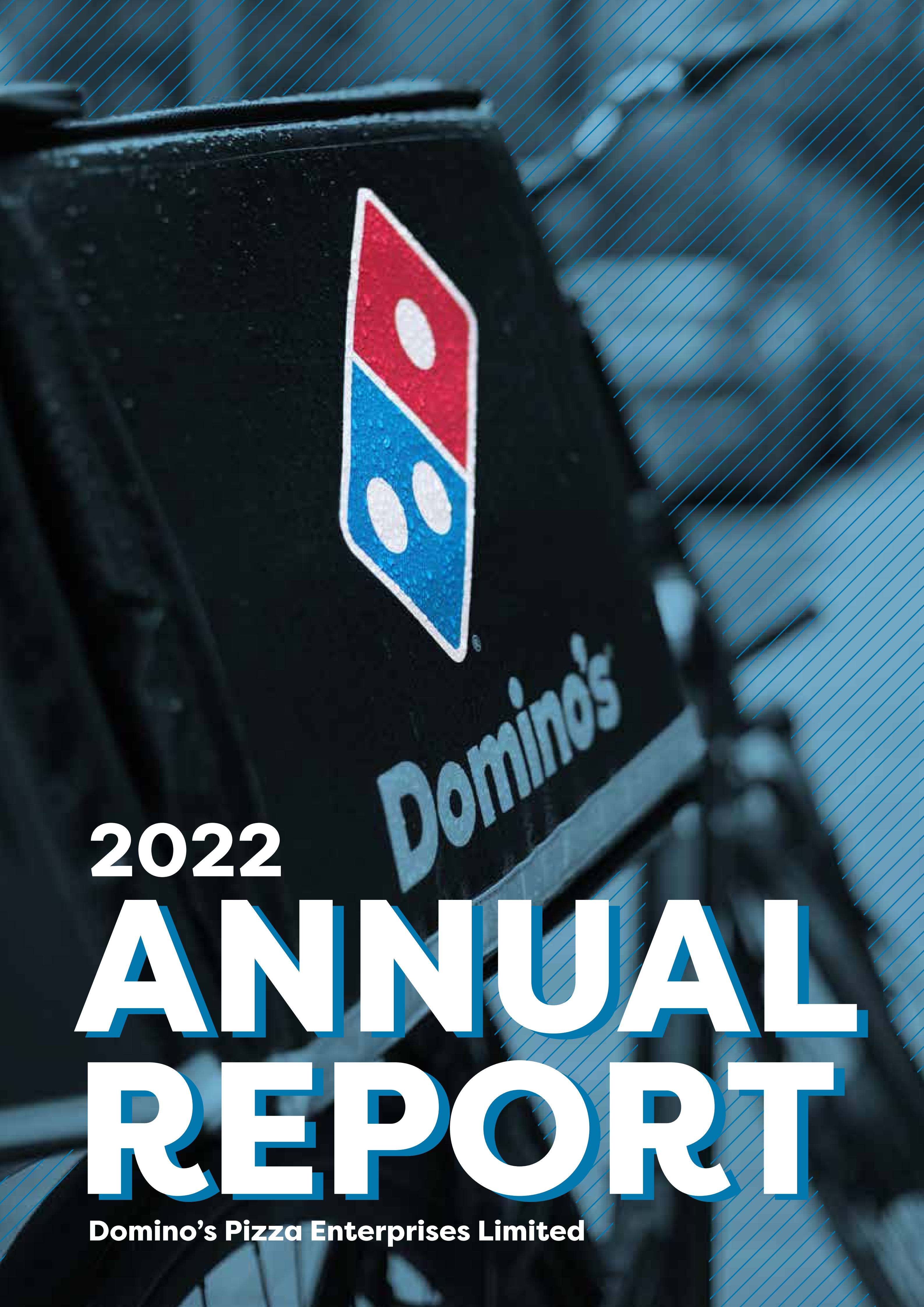
Brief explanation of revenue, net profit and dividends (distributions)

For comments on trading performance during the year, refer to the media release.

The final 70% franked dividend of 68.1 cents per share was approved by the Board of Directors on 23 August 2022. In complying with accounting standards, as the dividend was not approved prior to period end, no provision has been taken up for this dividend in the full year financial statements.

ADDITIONAL INFORMATION

This report is based on accounts which have been audited. The audit report, which was unqualified, is included within the Annual Financial Report which accompanies this Appendix 4E. Additional Appendix 4E disclosure requirements can be found in the Annual Financial Report.



2022 ANNUAL REPORT

Domino's Pizza Enterprises Limited


Domino's
MOBILE Pizza KITCHEN
Domino's

ACKNOWLEDGEMENTS

EDITORIAL 2022

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INVESTING IN FUTURE GROWTH

CHAIRMAN'S MESSAGE

Two years ago, in the early stages of the COVID-19 pandemic when we were facing unprecedented global disruption, Domino's Pizza Enterprises Ltd faced a clear choice. We could take a conservative approach, and pause investments until our future became clearer.
Or we could invest in growth despite the global turmoil, pursuing a strategy we knew would be essential to deliver on our long-term potential.

THE BOARD AND MANAGEMENT WERE OF ONE-MIND; a long-term focus had delivered our continued success achieved throughout our company history, and a long-term focus continued to be the key to our future. I believe the results of that shared determination, as outlined in this Annual Report, are clear.
Our franchisees and store managers have shared this focus, investing together in our future growth, with 96% of new stores opened by internal candidates. This has delivered a materially stronger base for growth; a larger store network (+294 in FY22), that allows Domino's to reach record numbers of customers, a record investment in digital technology to service those customers, and more marketing to reach new and existing customers.
Domino's Pizza Enterprises Ltd's decision to invest in our future has delivered for our franchisees, team member and customers. It has also delivered for our shareholders, with a return on equity of 42.3%, and an average return on equity over the past three years of 43.3%.

ONE OF THE KEY DECISIONS DURING THIS TIME was to expand through the acquisition of our 10th market, Taiwan, negotiated in Financial Year 2021 during a period in which borders were closed for most travel. Team Taiwan joined Domino's Pizza Enterprises Ltd in Financial Year 2022 and has performed above expectations for new store openings, sales and earnings, as our newest colleagues integrate the business into the DPE family.

With this people-focused approach, management has worked diligently to protect our team members and customers throughout this pandemic – and has continued this effort in this Financial Year. As we now transition to 'living with COVID', the Board recognises the ongoing efforts in offices, commissaries and stores to protect our people.
Two years ago in these pages I reflected COVID-19 has brought the most extraordinary time of change I had experienced in my five decades in this industry. With global conflict, inflation at generation-highs, and turmoil in local economies, many businesses face the choice again – to hunker down or invest in future growth.

»We intend to be the most efficient, sustainable food delivery business on the planet«

A long-term focus remains the key to our future, one we will continue to invest in to achieve. Our intention is to more than double our store footprint in our existing markets over the decade ahead, delivering value for our customers, and best-in-class returns for our franchisees and shareholders.
We intend to be the most efficient, sustainable food delivery business on the planet, which requires us to work with our communities to ensure we minimise our environmental footprint as we expand. I am pleased to provide an update in this report on important progress Domino's has made in measuring our environmental footprint, as an important step in setting science-based targets for the Company to achieve.
The challenges ahead are significant – but we have the solid foundations of leadership, strategy, and committed people that give us confidence Domino's Pizza Enterprises Ltd is well placed to deliver continued performance in the years ahead.

BEFORE I CLOSE, I recognise the retirement in this Financial Year of our inaugural chairman Ross Adler, who dedicated almost two decades of service to this business, and brought a wealth of experience to Domino's as we listed on the Australian Securities Exchange, to international expansion.
On behalf of the board, I thank him for his diligence and his contribution to the long-term interests of shareholders and the broader business.

JACK COWIN
CHAIRMAN

A REFLECTION OF LAST YEARS EARNINGS AND CHALLENGES

WE INVEST FOR THE LONG-TERM

When I reflect with our shareholders, our franchisees and our team members on what has been the single most important contributor to our progress this year, it is our people that have made all the difference. Financial Year 2022 has been, like the prior two years, one of extraordinary achievement in the face of continuing global upheaval and ongoing challenges to our communities and our business. From waves of illness, which affected our team members and their loved ones, through to global supply chain disruptions that saw basic ingredients unavailable to many – our people have risen to the challenge to help us serve our customers hot, fresh meals.

WHEN COVID-19 FIRST STARTED to impact the communities in which we live and work, it was uncertain how long the pandemic's effects would continue. What was certain was our commitment to invest in our long-term future, confident our strategy of delivering value, through opening more stores closer to our customers, would be essential in the short- and long-term. This year we added 450 stores to the network, a record in one financial year. This included the acquisition of 156 stores in our 10th market, Taiwan, and the opening of 294 new organic stores. This represents an expansion of 15.3% in our store network in one year, to 3,387 stores, with 10.0% of our growth added through organic store openings.

OUR EARNINGS THIS YEAR WERE STRONG, though did not surpass the prior financial year; this was largely due to important markets, including Japan and France, not reaching their record results of Financial Year 2021. We invest for the long-term, and this commitment to invest in this future has built, in partnership with our franchisees, a materially stronger business than pre-COVID. When compared to Financial Year 2019, today Domino's operates an additional 865 stores, a store footprint 34.3% larger in just three years. Each of those stores equally relies on, and delivers for, our people. Each creates employment and career opportunities, grows our investment in the local community, and brings joy to our local customers. Our store expansion has contributed to our medium-term financial performance.

The future of our industry is delivery

COMPARED TO THE FINANCIAL YEAR 2019, Domino's Pizza Enterprises Ltd delivered an underlying EBIT of $262.9m (+19.1% growth vs FY19), and underlying EPS of 190.6 cps (+15.5% vs. FY19). Total Non-Recurring costs were $8.8m for FY22, with statutory EBIT $254.1m and statutory EPS 183.4 cps.

On a one-year basis, Group revenue was up +4.1%, with statutory EBIT down -11.6%. This was predominantly due to a lower performance from corporate stores in Japan, as this market rebuilt from a new base following a rapid change to trading conditions during the first half, an investment in expanding our business in Denmark, foreign exchange translation headwinds, and relatively high inflation in Europe.

FY22 Free Cash Flows[1] were–$103.2m, largely due to the acquisition of Domino's Pizza Taiwan for $79.4m in September 2021, working capital headwind of $77.5m in FY22 due to an additional trading week, and an increase in capital expenditure of $57.3m (excluding acquisition payments) predominantly due to an investment in new stores and digital innovation.

DURING THE INITIAL STAGES OF COVID-19, DOMINO'S FACED A CHOICE – to become defensive, or to invest in growing a larger, more sustainable business. We chose the latter. The benefits of this decision are clear: substantially growing the delivery business, cultivating a stronger franchisee base, and maximising opportunities to reach more customers through expanded advertising and accessibility. Since January, we and our Franchisees have seen significant increases in key costs: largely energy, labour and food. Domino's menu offering and operational efficiencies provide sufficient flexibility to shelter franchisee profitability from turmoil in the macro economy. Our barbell menu strategy has been critical to negotiating this challenge, with our experience in France reinforcing the importance of taking this approach to pricing. Domino's Pizza Enterprises Ltd is not immune to the broader challenges that affect our society – including conflict in Europe, historically high levels of inflation, and the threat of climate change, which are already being experienced in many of the markets in which we operate.

DOMINO'S WILL CONTINUE TO RESPOND TO THESE CHALLENGES as we have throughout our history; focusing on delivering for our customers through our Purpose, Our Pizza Brings People Closer, and our Values, including Do the Right Thing, because it's the Right Thing to do. The future of our industry is delivery. Where others have had to turn customers away because of a lack of team members, Domino's intends to thrive in the Age of Delivery by providing rewarding roles with the opportunity of future growth, including the unrivalled pathway to entrepreneurship.

»Our people have been the most important contributor to our progress this year«

Domino's is well positioned to navigate the near-term uncertainty of inflation; as we have always done, we will offer customers choice and exceptional value through our Product, Service and Image.

Over the longer-term, we will ensure we can rise to the challenges by being the most efficient and sustainable food delivery business, with ambitious and measurable environmental targets that demonstrate we are partners with our customers in the future of our community.

Over the next year, and the next decade, management has continued confidence in our opportunities for growth, and Domino's ability to deliver on them. That confidence is because of our people. They have been the most important contributor to our progress this year – their profiles, awards and achievements are documented in this report.

It is my privilege to share them with you.

DON MEIJ
GROUP CEO & MANAGING DIRECTOR

(1) Defined as net cash generated in operating activities plus net cash used in investing activities, less net lease payments.

ECONOMIC RISKS

INFORMATION IN RESPECT OF DPE'S ASSESSMENT OF THE PRINCIPAL ECONOMIC RISKS THAT COULD HAVE A MATERIAL IMPACT ON THE COMPANY, AND THE COMPANY'S MITIGATION STRATEGIES FOR THOSE RISKS IS SET OUT BELOW.

COMPETITION

DPE operates in a competitive market. DPE's financial performance or operating margin could be adversely affected if the actions of competitors or potential competitors become more effective, or if new competitors enter the market. DPE addresses this risk by closely monitoring the market in which it operates so that it is able to respond quickly to any competitor.

CONSUMER PREFERENCES AND PERCEPTIONS

Food service businesses are affected by changes in consumer tastes national, regional and local economic conditions, and demographic trends. There could be a material adverse effect on DPE's business and operating results if consumer preferences changes. DPE addresses this risk through active customer engagement via social media, consumer data and research, innovative product development and updates to its menu offerings.

FRANCHISE RISK

DPE's right to operate Domino's Pizza stores and grant franchises in Australia, New Zealand, Europe, Japan and Taiwan is conferred by separate Master Franchise Agreements (MFAs). These MFAs may be terminated in certain circumstances, such as breach by DPE, its insolvency and failure to achieve growth targets. If a MFA in respect of a territory is terminated, DPE will lose the right to operate Domino's Pizza stores in that territory and this will fundamentally impact on its business. DPE addresses this risk by maintaining a close working relationship with its Master Franchisor, and by actively monitoring compliance with obligations and operational standards.

TALENT RISK

DPE is committed to providing an attractive employment environment, conditions and prospects to assist in retaining and attracting key senior management personnel. However, there can be no assurance that DPE will be able to maintain or attract key personnel. DPE aims to mitigate this risk by creating an all-inclusive, fun, friendly and energetic culture.

REPUTATION AND BRAND

The success of DPE is heavily reliant on its reputation and branding. Unforeseen issues or events which place DPE's reputation at risk may impact on its future growth and profitability. DPE aims to mitigate this risk by fostering strong relationships with key stakeholders and continuing to build its reputation through ongoing positive contributions to the community.

SAFETY

DPE employs people to run and operate stores, in a safe working environment, that provide food products to the public. A health or safety incident in its operations or health incident of a supplier involving the input of products it uses, could impact on DPE's financial results. DPE aims to address this risk through robust internal food safety and quality practices and occupational health and safety practices, audit programs, customer complaints processes and supplier selection protocols.

SUPPLY CHAIN

Disruption to DPE's supply chain caused by an interruption to the availability of key components and raw materials or environmental and social wrongdoings in its supply chain, may adversely affect sales and/

or customer relations, resulting in unexpected costs. DPE aims to mitigate this risk by implementing a multi-sourcing strategy for the supply of raw materials, building long term relationships with its suppliers, conducting supplier due diligence and risk management and entering into contracts that provide for the regular and timely procurement of raw materials.

FRANCHISEE RISK

There is a risk of DPE's franchisees not operating their franchise in accordance with the terms and conditions of their respective franchise agreements. The consequences of non-compliance may include damage to the brand, fines or other sanctions from regulators, and/or a reduction in franchise fees received from the franchises. DPE mitigates this risk by continually monitoring and evaluating the financial and operating performance of each franchisee to actively assess compliance with executed franchise agreements and conducting random audits.

ONLINE ORDERING PLATFORMS

The majority of DPE sales are placed through our online ordering platforms. There is a significant reliance on third-party data centres and IT teams for hosting and development of these sales platforms. Loss of platform or application availability or integrity would result in a short-term impact on DPE's future growth and profitability, including loss of customer goodwill, revenue and potentially negatively impacting franchisee relationships. DPE mitigates this risk through controls and processes aimed to protect these platforms availability including data centre replication and other redundancy methods.

CYBER SECURITY

The risk of cyber-attack continues to grow in both frequency and sophistication, including ransomware and data breaches. The occurrence of a cyber incident could negatively impact DPE by causing a disruption to operations, a compromise or corruption of confidential information, or damage to our employee and business relationships, any of which could subject DPE to loss or damage to the brand. In addition to maintaining insurance to cover cyber incidents, which may not fully cover all of the associated costs should a cyber incident occur, DPE has also invested in risk mitigation activities designed to proactively prevent and detect cyber events as well as respond to and recover from them should they impact operations.

PHOTO BY BRISBANE LOCAL MARKETING ON UNSPLASH

BOARD OF DIRECTORS

Jack Cowin

Chairman

Appointed: March 2014

BACKGROUND & EXPERIENCE:

Professional Background: More than five decades experience in the quick service restaurant industry. Founder and Executive Chairman of Competitive Foods Australia Pty Ltd, the owner and operator of more than 350 Hungry Jack's restaurants in Australia and several food manufacturing plants.

Other boards: Competitive Foods Australia Pty Ltd, v2 Foods, Apache Industrial Service (USA).

Former directorships: Fairfax Media Limited, Ten Network Holdings, Chandler Macleod Group.

Qualifications: Bachelor of Arts – University of Western Ontario, Canada; Doctor of Laws, honoris causa – University of Western Ontario, Canada.

Don Meij

Group CEO & Managing Director

Appointed: August 2001

BACKGROUND & EXPERIENCE:

Professional Background: Award-winning multi-unit franchisee and internationally recognised pizza executive. Mr Meij started as a delivery driver in 1987 and held various management positions with Silvio's Dial-a-Pizza and Domino's Pizza until 1996. Mr Meij then became a Domino's Pizza franchisee, owning and operating 17 stores before selling them to Domino's Pizza in 2001. Multiple-award winner, including Chairman's Award for outstanding leadership and Ernst & Young Australian Young Entrepreneur of the Year. In 2018, under Don's leadership, Domino's was inducted into Queensland Business Leaders Hall of Fame. Group CEO & Managing Director since 2002, leading the Company to become Australia's first publicly-listed pizza chain on the ASX (2005). In 2017, Don celebrated 30 years with Domino's.

Other boards: Not applicable.

Ross Adler AC

Non-Executive Director, Deputy Chairman, (Former Chairman)

Appointed: March 2005

Retired: November 2021

BACKGROUND & EXPERIENCE:

Member of the Audit and Risk Committee and Nomination, Culture and Remuneration Committee.

Professional Background: Extensive experience as an executive and board member, recognised for his significant contribution to education and the arts. Previously the CEO of oil and gas producer Santos Ltd (1984-2000) and Chairman of the Australian Trade and Investment Commission (Austrade) (2001-2006). Recipient of the Centenary Medal (2001) for outstanding service to Australia's international trade.

Other boards: Executive Chairman of Amtrade International Pty Ltd.

Former directorships: Santos Ltd, Commonwealth Bank of Australia Ltd, Telstra Ltd, Port Adelaide Maritime Corporation, Adelaide Festival, The Art Gallery of South Australia, State Theatre Company, Grand Prix Corporation, Deputy Chancellor of the University of Adelaide.

Qualifications: Bachelor of Commerce – Melbourne University; MBA – Columbia University, United States of America.

Grant Bourke

Non-Executive Director

Appointed: August 2001

BACKGROUND & EXPERIENCE:

Chair of the Audit and Risk Committee and Member of the Nomination, Culture and Remuneration Committee.

Professional Background: Experienced food industry executive with extensive experience as an award-winning Domino's franchisee and executive. Prior to joining Domino's Mr Bourke was an international executive with Masterfoods (Mars Inc.). He was awarded Domino's Golden Franchisee award (1995), Franchisee of the Year (1997 and 1998), Golden Eagle winner (1999) for his contribution to the Company and global Chairman's Award winner for outstanding leadership. Former Director of Corporate Store Operations, Managing Director Europe, and Non-Executive Director since 2007.

Other boards: Not applicable.

Former directorships: Pacific Smiles Group Ltd.

Qualifications: Bachelor of Science (Food Technology) – University of New South Wales; MBA – the University of Newcastle.

Lynda O'Grady

Non-Executive Director

Appointed: April 2015

BACKGROUND & EXPERIENCE:

Member of the Audit and Risk Committee and Nomination, Culture and Remuneration Committee.

Professional Background: Extensive career with senior executive experience in IT, telecommunications and media organisations. Former Executive Director and Chief of Product of Telstra, Commercial Director of Australian Consolidated Press, the publishing division of Publishing and Broadcasting Limited, and General Manager of Alcatel Australia.

Other boards: Director of Rubicon Water Limited, Non-Executive Director AVANT Mutual Ltd, Non-Executive Director Wagner Holdings Ltd, Member of the Advisory Board of Jamieson Coote Bonds, and Council of Southern Cross University and Director of Musica Viva.

Former directorships: Council of Bond University, Boards of the Aged Care Financing Authority (Chair), National Electronic Health Transition Authority (NEHTA), Screen Queensland and TAB Queensland, and the IT&T Board of Advisors to the New South Wales Treasurer.

Qualifications: Bachelor of Commerce (Hons) – University of Queensland, Fellow of the Australian Institute of Company Directors.

Uschi Schreiber AM

Non-Executive Director

Appointed: November 2018

BACKGROUND & EXPERIENCE:

Chair of the Nomination, Culture and Remuneration Committee and Member of the Audit and Risk Committee.

Professional Background: Experienced global strategy and operations executive in the private and public sectors, including in countries in which the company is expanding its operations. Chair, Health Care, APM, a leading global health and human services organisation. Former EY Chair, Global Accounts Committee; Global Vice Chair Markets; member of the EY Global Executive Management Board and EY Fellow, Digital Society and Innovation. Former Director-General, Queensland Health; Deputy Director General, Department of the Premier and Cabinet and Cabinet Secretary, Queensland Government. Consultant, executive coach and diversity advocate.

Qualifications: Master of Arts – Griffith University; Australia, Graduate Certificate in Management – University of Western Sydney, Australia; Bachelor of Social Work and Special Education – University of Braunschweig/Wolfenbüttel, Germany.

Doreen Huber

Non-Executive Director

Appointed: February 2020

BACKGROUND & EXPERIENCE:

Member of the Nomination, Culture and Remuneration Committee.

Professional Background: Respected business entrepreneur and food technology expert. Founder and former CEO of business catering aggregator Lemoncat (acquired by B2B Food Group). Former Chief Operations Officer and part of the founding team of Delivery Hero, the largest global food ordering aggregator (outside of China). Experienced angel investor, and former partner and investor in Springstar, which supported US-based internet furnishing platform Houzz, which are both multi-billion dollar companies.

Other boards: Non-executive Director Ceconomy AG, Bundesverband Deutsche Startups (German Start-ups Association).

Former directorships: Lemoncat (Germany), Delivery Hero.

Qualifications: Magister Artium / Master of Arts (Literature, Art and Media) – Humboldt University of Berlin, Germany.

Tony Peake

Non-Executive Director

Appointed: May 2021

BACKGROUND & EXPERIENCE:

Member of the Audit and Risk Committee and member of the Nomination, Culture and Remuneration Committee.

Professional Background: Chartered Accountant with more than two decades' of board-level experience across the public, commercial and not-for-profit sectors.

Former Senior Partner at PwC, serving as an Audit and Consulting Partner, Chief Operating Officer, and Executive Director, with particular experience in Retail & Consumer, Education, and Government.

Was the lead audit partner at PwC for major international brands, and led financial due diligence for large scale, multi-national client acquisitions.

Other boards: Country Fire Authority, Central Highlands Water, Scanlon Capital, Melbourne Fashion Festival.

Former directorships: Methodist Ladies College and The University of Melbourne.

Qualifications: Bachelor of Business (Distinction) – RMIT, Fellow of Chartered Accountants Australia & New Zealand, GAICD.

PERFORMANCE HIGHLIGHTS

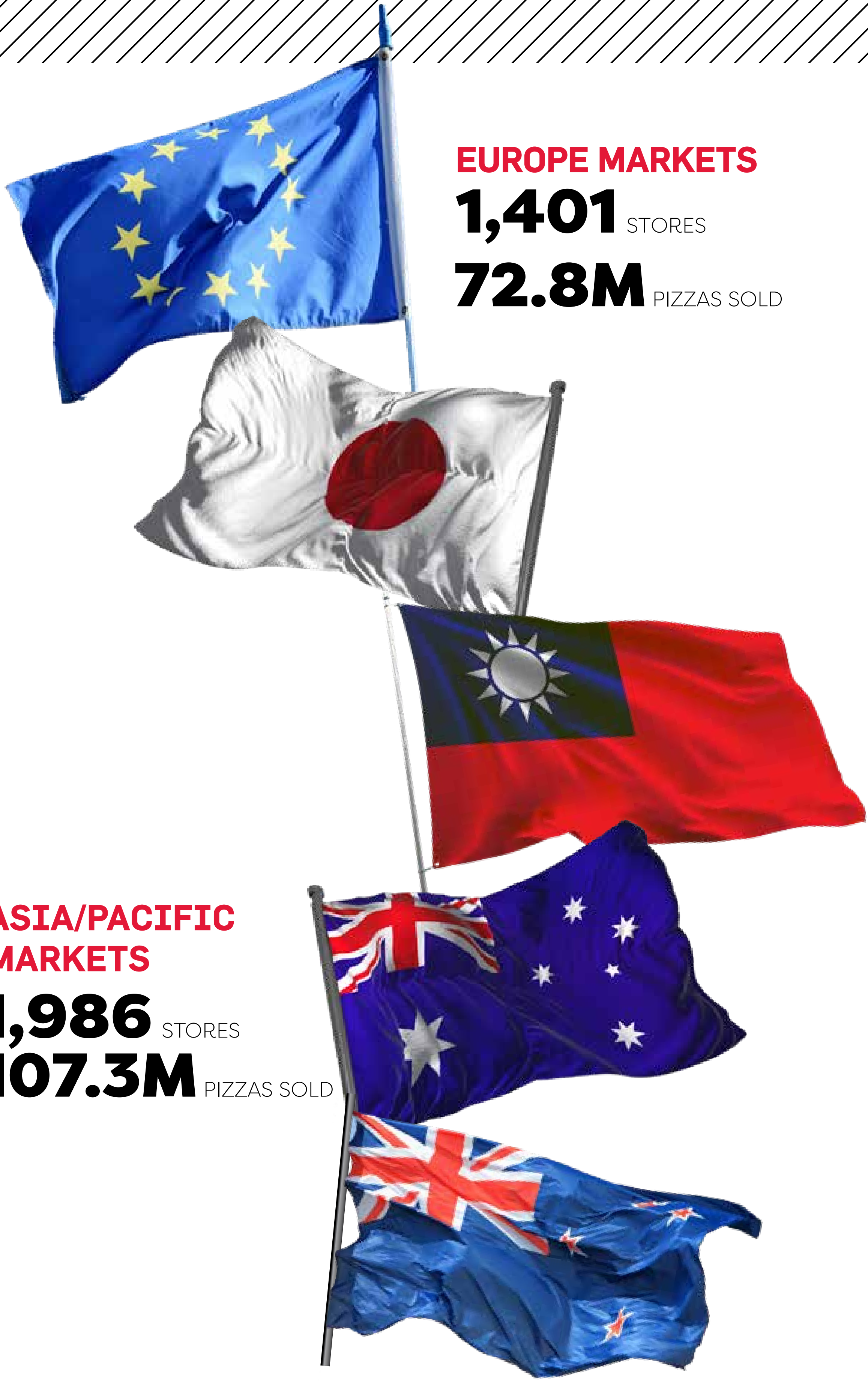
3,387
STORES GLOBALLY

$3,918M
NETWORK SALES

$3,060M
ONLINE SALES

190.6 CPS
UNDERLYING EPS

$262.9M
UNDERLYING EBIT



EUROPE MARKETS

1,401 STORES

72.8M PIZZAS SOLD

ASIA/PACIFIC MARKETS

1,986 STORES

107.3M PIZZAS SOLD

OUR VALUES

- CRUSH CONVENTION
- BE GENEROUS & PROVIDE JOYFUL EXPERIENCES
- INVEST TO CREATE DEVOTION
- DO THE RIGHT THING BECAUSE IT'S THE RIGHT THING TO DO
- HELP PEOPLE GROW & PROSPER

OUR PURPOSE

WHY DO WE EXIST?

THE HARD-WIRED HUMAN NEED FOR SOCIAL CONNECTION – SEEMINGLY BETTER ENABLED THAN EVER BEFORE – IS BREAKING DOWN. PEOPLE CRAVE BELONGING, WHILE THEY ASSERT THEIR RIGHT TO BE DIFFERENT.

+

AT OUR BEST

WE SMASH THE PREVAILING WISDOM WHICH SAYS YOU CAN'T HAVE QUALITY, SPEED AND LOW PRICE... THUS PUTTING THE WORLD'S MOST DELICIOUS AND VERSATILE BONDING FOOD WITHIN REACH OF EVERY PERSON.

=

OUR PIZZA BRINGS PEOPLE CLOSER


ENGELS
www.engels.eu
Domino's

ENVIRONMENTAL, SOCIAL & GOVERNANCE

DOMINO'S FOR GOOD

SINCE OUR FOUNDING, WE'VE WORKED TO DO THE RIGHT THING, and limit our impact on our environment and support our communities. We've also had high standards of governance and ethical behaviour from the Board and management.

Last year we released our first Sustainability Report. The report's main intention was to increase our transparency and share the progress we've made in our ESG journey so far. This year we've achieved significant progress, especially with regard to our environmental strategy. Because of the importance to us and our stakeholders, we have provided an update on this strategy in this year's Annual Report, ahead of the release of our Sustainability Report. With this year's Sustainability Report we will report in accordance with broadly accepted existing ESG reporting frameworks. This process takes time and we've therefore decided to release our full Sustainability Report by the end of calendar year 2022.

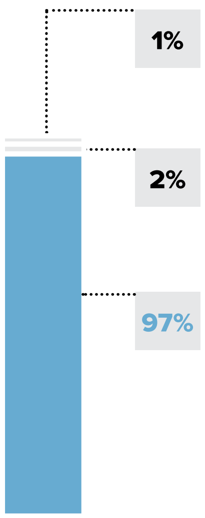
It is important to note that our ESG strategy consists of five pillars: Our People, Our Customers, Our Food, Our Community and Our Environment. Although this update focuses mainly on Our Environment – which overlaps with most pillars, we also achieved meaningful progress on the other pillars. This will be shared in the full Sustainability Report.

With respect to our environment, we want to give as much as we can for the good of our planet, not as little as we can get away with. Our environmental strategy is based on this vision. It's also the result of company-wide engagement, which included our whole global leadership team, representatives from all markets and key departments. The core building blocks of our strategy are explained over the page: the results of our corporate footprint baseline measurement, our climate roadmap and our science-based environmental targets.

Corporate footprint baseline

This year we completed our first global corporate footprint baseline measurement. We partnered with sustainability consultancy firm Quantis, who calculated our footprint according to the Greenhouse Gas Protocol. This assessment included our impact on climate, water, land use and biodiversity and measured the nine markets Domino's Pizza Enterprises Ltd operated at the start of the Financial Year, for their impact from the prior year:

CARBON FOOTPRINT BY SCOPE
FY21 BASELINE



SCOPE 1
DIRECT GHG EMISSIONS
- Energy combusted on site
- Energy combusted in owned stores

SCOPE 2
INDIRECT ELECTRICITY EMISSION
- Electricity production emissions from our provider

SCOPE 3
ALL OTHER INDIRECT EMISSIONS
- Ingredients & packaging
- Capital goods
- Upstream impacts of energy and refrigerants
- Operational waste & product End-of-Life
- Business travel & employee commuting
- Customer pick up
- Franchises

1. GREENHOUSE GAS EMISSIONS (GHG)
Climate is one of the biggest risks faced by the world today; we consider it imperative to reduce our emissions to limit global warming.

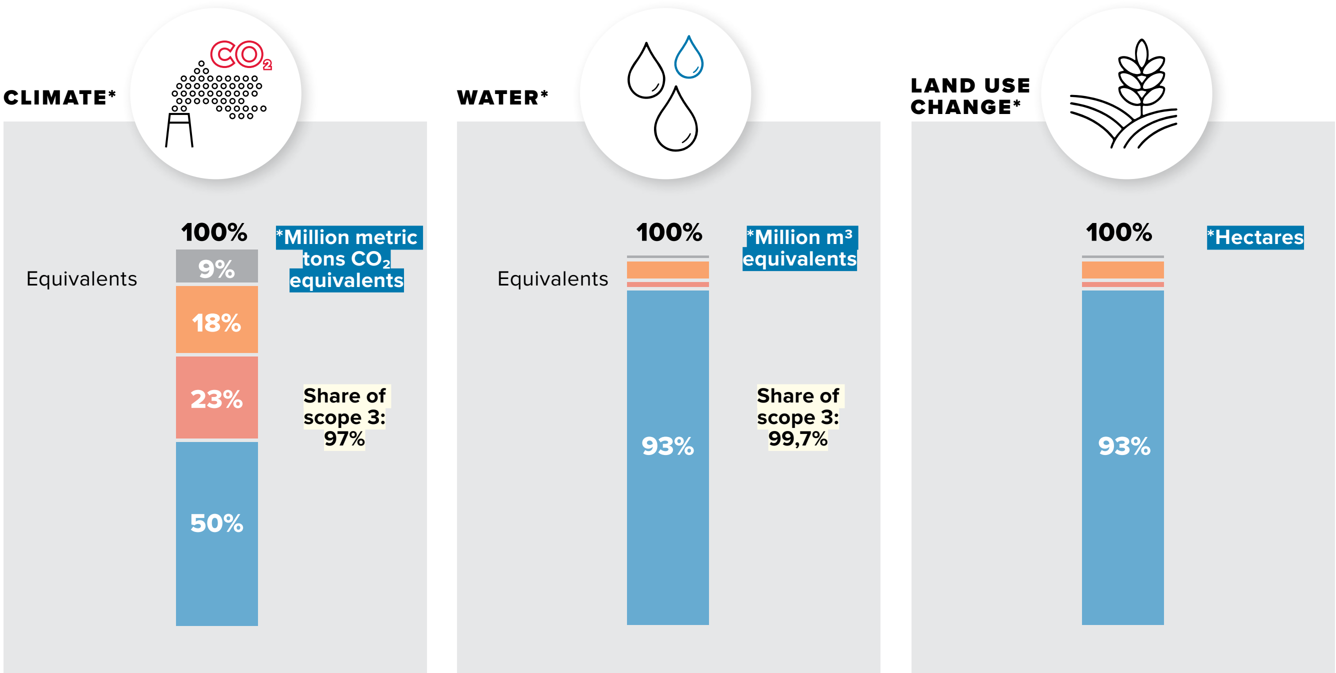
2. WATER IMPACTS
Water availability and quality is an important impact factor for food producing companies. We understand that the hotspots of our water impacts will vary between regions and will in many cases be local. We believe that better understanding our water impact and adequately addressing this, together with our suppliers, is key for the resilience of our company now and in the future.

3. LAND USE CHANGE (LUC)
Land use is one of the main GHG drivers of food and agricultural companies. Deforestation assessment goes hand-in-hand with LUC assessment. Understanding this part of our footprint will therefore be essential in our efforts to reduce our impact.

4. QUALITY OF ECOSYSTEM – BIODIVERSITY
Biodiversity has become a key issue for consumers and investors, driven by scientific research results that underline the importance of restoring nature. Understanding our impact in this field is the first step for a consistent holistic biodiversity strategy for our entire value chain. Biodiversity is an encompassing concept that is driven by all other indicators assessed.

FY21 corporate footprint baseline results

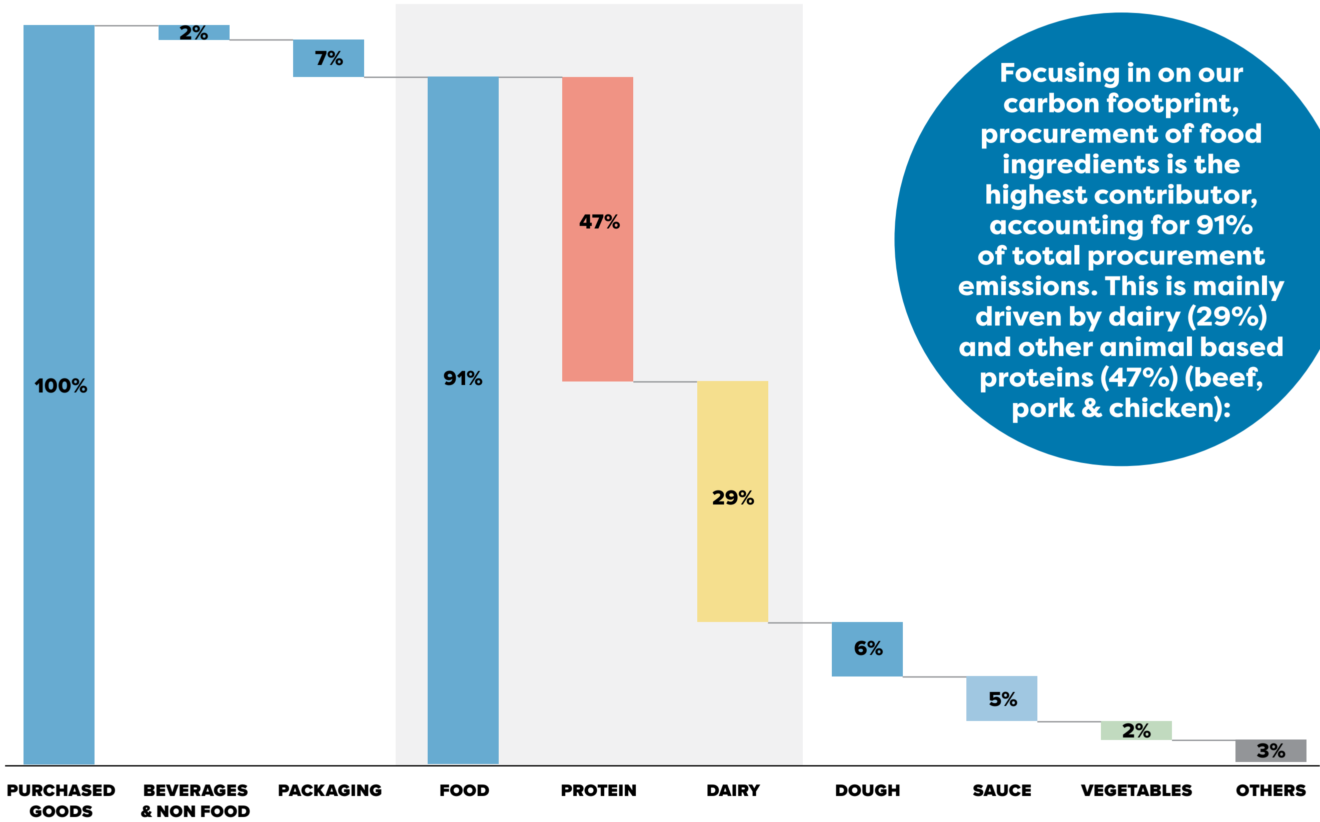
Our first baseline measurement found our baseline results are dominated by Scope 3 categories (indirect activities from the value chain), representing 97% and 99.7% of total footprints for Carbon and Water respectively. Our main hotspots on all impact categories are predominantly Purchased Goods, followed by Utilities and Logistics.



Period: FY 2021

PURCHASED GOODS UTILITIES LOGISTICS OTHERS

Purchased goods, carbon footprint by category

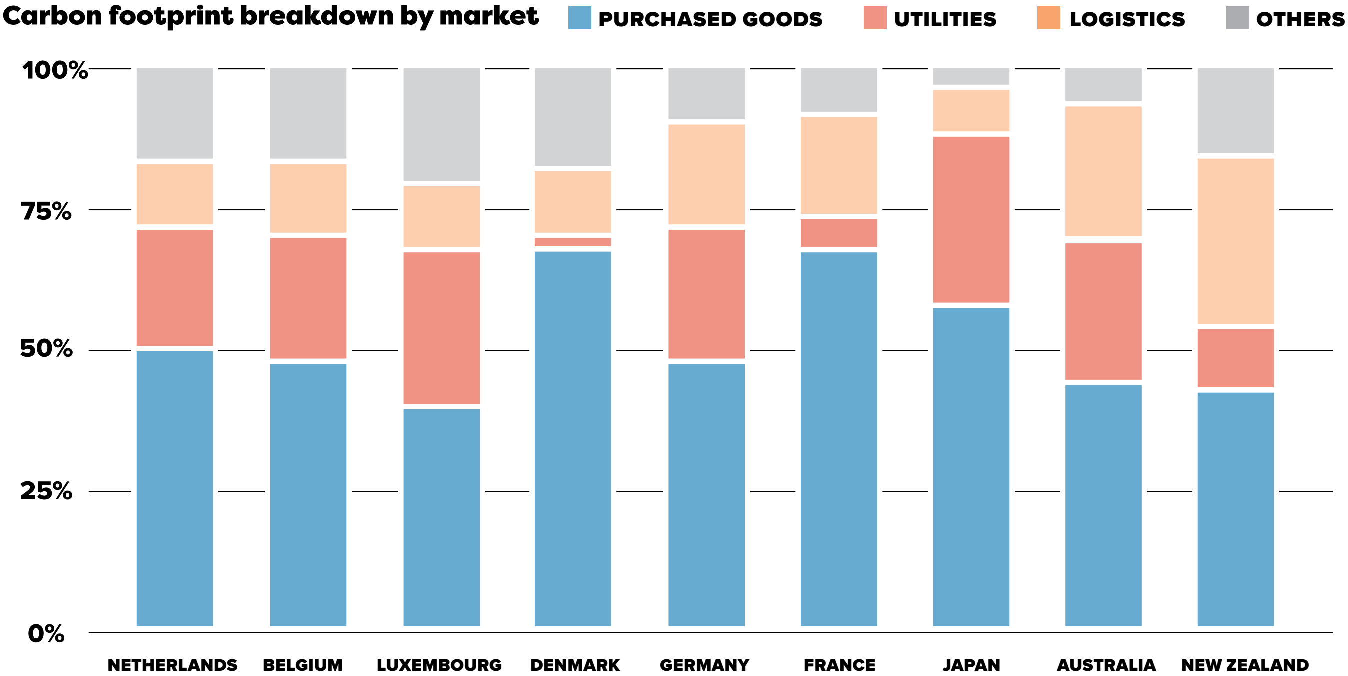


Focusing in on our carbon footprint, procurement of food ingredients is the highest contributor, accounting for 91% of total procurement emissions. This is mainly driven by dairy (29%) and other animal based proteins (47%) (beef, pork & chicken):

DPE, kT CO2eq, FY 2021

Our top 20 suppliers account for 75% of total supplier emissions, which enables us to focus on meaningful engagement and collaboration with this group first. Electricity consumption is the main contributor to our utility consumption, with franchised stores responsible for 79% of utility emissions.
Delivery and pick-up from franchised stores are the primary drivers of our logistics' emissions.
The Carbon Footprint breakdown is similar between markets with some local specificities:

Carbon footprint breakdown by market



DPE, Base 100%, FY 2021

Climate roadmap and Science Based Targets

We believe that Science Based Targets (SBT) will help us do the right thing and help us to measure and report on our progress consistently over time. We announced our commitment to Science Based Targets during our AGM in November 2021. In June 2022 we submitted our targets to the Science Based Target initiative (SBTi). These are now in the process of being validated by the SBTi. Further details on our targets and our climate roadmap will be released once the SBTi has validated our targets.

Our corporate footprint measurement helped us to better understand our hotspots. It identified three main areas that we can directly influence and have the most potential to reduce our emissions. In our climate roadmap we've included targets and actions for these three focus areas:

- **Sustainable Stores & Operations**
- **Responsible Sourcing**
- **Sustainable Product Innovation**

All targets and actions are designed to deliver an emissions reduction pathway consistent with the 1.5° C ambition of the Paris Agreement. They are aligned with the latest Science Based Targets guidelines and include intermediate targets for 2030 and reaching science-based net-zero emissions by 2050.

2030 SBT ALIGNED

ENVIRONMENTAL STRATEGY
3 KEY FOCUS AREAS

SUSTAINABLE STORES & OPERATIONS

- **E-delivery** in all our markets
- **Low carbon energy**
- **Energy efficiency** in our operations, stores and offices
- **Waste management** in our operations, stores and offices
- **Sustainable store design**

RESPONSIBLE SOURCING

- **Responsible sourcing policy**
- **Traceability** for our top commodities
- **Zero deforestation** on top high-risk commodities
- Sourcing core ingredients from **low impact agricultural practices or from alternatives**
- **Less carbon intensive transport** modes and fuel

SUSTAINABLE PRODUCT INNOVATION

- **Footprint reduction of cheese** per pizza in the menu in all markets
- **Low impact ingredients** products on the menu
- **Customer transparency** for all products
- **Sustainable consumer facing packaging** in all markets

As above, for each focus area we have identified the main actions and a phased implementation across our markets. Global Centres of Excellence will be dedicated with the task of identifying sustainable innovations that can be implemented across our markets, reduce our environmental impact and ensure they are an attractive solution for our franchisees.

NEXT STEPS

Our corporate footprint baseline measurement is a start. It helped us to better understand our environmental impact and identify our hotspots. We intend to expand our environmental strategy with water and biodiversity targets next year. We also plan to improve the maturity of our environmental data over the medium term by further engaging with our suppliers and franchisees.

As part of our ESG reporting process, we're developing ESG data management procedures that will also help us to report on our Science Based Targets, which we intend to do once our targets are validated.

More ESG data and progress will be shared in our Sustainability Report. For this year's Sustainability Report we will start reporting with reference to the GRI (Global Reporting Initiative) and SASB (Sustainability Accounting Standards Board) frameworks. In the following years we will work towards aligning our reporting with the TCFD (Taskforce on Climate Related Financial Disclosures).

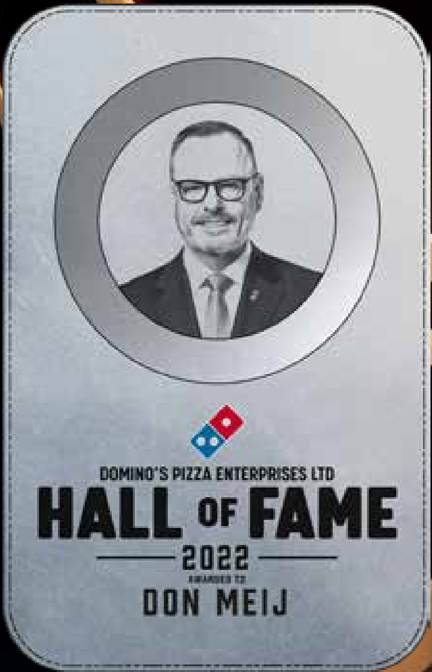
We look forward to sharing more information about our progress in the Sustainability Report later this year.

HALL OF FAME

Domino's Pizza Enterprises Ltd has a proud history and has celebrated thousands of team members over our decades of operation. In 2020, Domino's Pizza Enterprises Ltd formed the Hall of Fame, to recognise those leaders whose contributions have made a significant contribution to our company over a number of years. It is not expected that new inductees will be made to the Hall of Fame each year, but this year Domino's Pizza Enterprises Ltd is proud to welcome two more of our team to this exclusive club.

Don Meij

DOMINO'S GROUP CEO AND MANAGING DIRECTOR



From a part time delivery driver in Redcliffe to Group CEO, leading more than 80,000 Dominoids in 10 markets. Don Meij epitomises what it means to be a Dominoid.
As a founder of Domino's Pizza Enterprises Ltd, Don's story is Domino's story, and is well known. After joining Silvio's Dial-a-Pizza in 1987 as a delivery driver, Don quickly moved from driver, to store manager, to director of national operations by age 25. As a franchisee, Don built a network of 17 stores, and was recognised as the best Domino's manager in the world. He then sold his stores back to Domino's, becoming Australian CEO in 2002, listing on the stock exchange in 2005, and leading the company to expand first to New Zealand, then Europe and Asia. Domino's Pizza Enterprises Ltd Chairman Jack Cowin, who first identified Don's talent as a young delivery driver, said DPE has become, under Don's leadership, 'one of the great food companies in the world'. This is in no small part due to the decision to grow many former franchisees into corporate roles – a business of pizza people, for pizza people.
Throughout his career, Don has applied an ongoing curiosity and drive to improve the business through cutting-edge ideas and the bold technology to make DPE an industry trend setter.
His renowned energy level and leadership skills have been instrumental in making DPE such a success. He has paved the way for thousands of successful franchisee entrepreneurs, and hundreds of thousands of team members, who have followed this path and shared this success.
Domino's Founder Tom Monaghan said it has been an honour and a pleasure to see Don expand the reach of the humble company he founded, taking his original vision and core principles to a level he could not have dreamt was possible. Don Meij – a name synonymous with Domino's – and now a proud inductee to the Domino's Pizza Enterprises Ltd Hall of fame. A slice of history well earned!

Allan Collins

ALLAN COLLINS – FORMER ANZ CHIEF MARKETING OFFICER

From the moment Allan Collins was appointed Chief Marketing Officer for Domino's in 2007 he poured his heart and soul into the brand, proving to be instrumental in turning Domino's into the trusted, well-known household name that it is today. Those who know Allan know he never does things in halves. His creativity, energy and enthusiasm light up the room, and during his tenure he helped us achieve significant growth and success. From 2007 to 2021, Allan's time at Domino's will be remembered for his honesty, tenacity, commitment and hard work, his insatiable laugh and larger than life personality– so much lives on in the DNA of the Domino's brand and will do for years to come. As the longest standing CMO in any Domino's market ever, he will forever hold a special place in the story of Domino's, and we can't thank him enough for all that he sacrificed and achieved for our business.
Allan Collins – forever a Dominoid – and now a proud inductee into the Domino's Pizza Enterprises Ltd Hall of Fame.

GLOBAL AWARD WINNERS 2021

Announced 2022 Financial Year

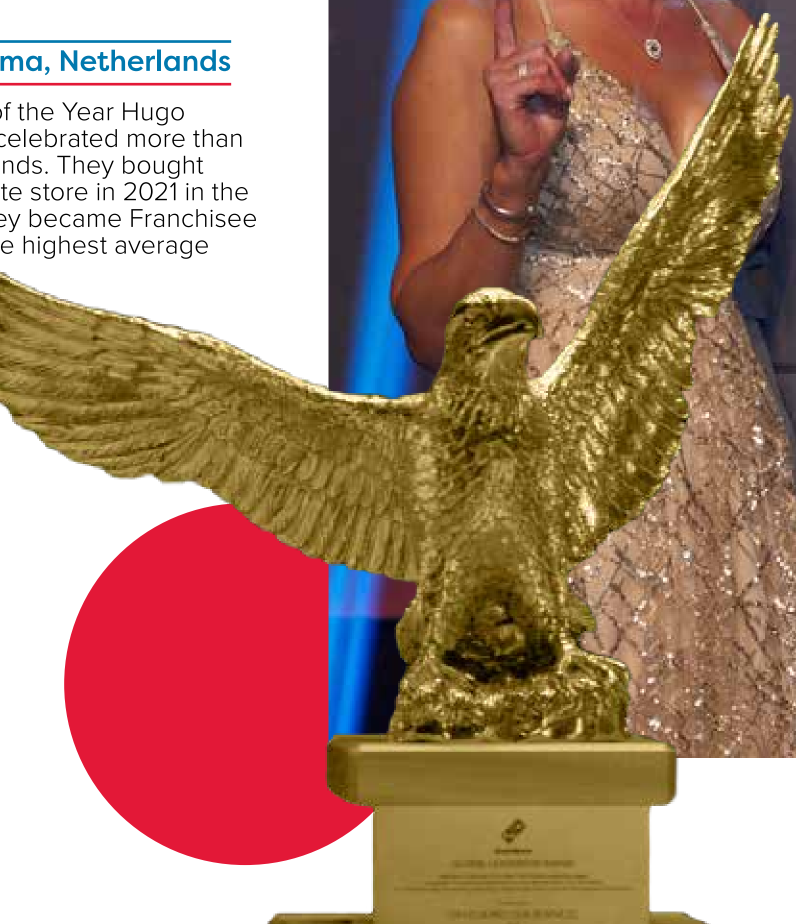
DPE GLOBAL FRANCHISEE OF THE YEAR AWARD: (JOINT WINNERS)

James & Astrid Acreman, ANZ

James and Astrid have demonstrated exceptional leadership and have lived up to Domino's core purpose and values, successfully leading a team of hundreds of Dominoids over the past several years. In fact, when they moved to a small, coastal town for a sea change, little did they know that almost a decade later they'd have seven Domino's stores, a network of passionate team members, and pizza sauce running through their veins. James and Astrid are leaders not only in their market, but across the entire Australia and New Zealand business. They are highly respected and celebrated franchisees – and not to mention highly awarded, having won Multi-Unit Franchisee of the Year the same year their Store Manager won Store Manager of the Year.

Hugo Tholen & Jorrit Datema, Netherlands

2021 Netherlands Franchisees of the Year Hugo Tholen and Jorrit Datema have celebrated more than 10 years with Domino's Netherlands. They bought two franchised and one corporate store in 2021 in the northern part of the country. They became Franchisee of the Year because they had the highest average score on order growth, same store sales, sales per household, OER, HTC, PQ and EDT combined. They accomplished more than 53% SSS in their first year and have recently opened their fourth store.



DPE GLOBAL SUPPORT TEAM MEMBER OF THE YEAR

Anne Jacobs – Chief of Staff

Anne Jacobs has worked with Domino's for over 14 years, beginning as an executive assistant and most recently in the role of Chief of Staff to Group CEO Don Meij. Anne embodies Domino's five core values, with a passion for culture and innovation and a commitment to ensuring that the office and business is a better place. Anne has led a number of projects in the past 12 months to improve DPE, including the refurbishment of the Brisbane head office to provide a better environment for team members to return to after a long period of working from home; the launch of the DPE Global Awards, and project managing Domino's first Mobile Pizza Kitchen. Anne drives her projects with passion and determination and is an invaluable asset to the business.

DPE GLOBAL LEADERSHIP AWARD (GOLD EAGLE)

Sjoerd van Seters, Netherlands

At the beginning of 2021, Sjoerd van Seters was a five-store franchisee and scored 10 times a 5* OER and had three of his stores win a Rolex. In September 2021, he bought five underperforming stores in Rotterdam – the second biggest city in the Netherlands and like all bigger cities the challenges were the same: low on staff, high on EDT, sales dropping and with lots of competition losing market share. In just a few months Sjoerd has managed to get staff, to get EDT down and sales up. The secret to this success according to Sjoerd? He said it's all thanks to hiring a happiness coach! Sjoerd really embodies the ideal Domino's franchisee, always looking for better and more. He was the NL Franchisee of the Year in 2019 and 2020, and DPE Franchisee of the Year in 2020. In 2021, Sjoerd also won multi-unit sales champ award (highest AWUS for a franchisee with 3+ stores). He makes sure that the team feels great working for Domino's and Domino's NL is currently exploring five locations in his area to fortress, with one already secured.

DPE GLOBAL STORE MANAGER OF THE YEAR:

Fan Hui-Ling, Taiwan

Fan has been a proud Domino's Store Manager since 2016 and is known for her investment in her team members who she treats like family members. Honoured as the Best Store Manager of the Month six times in 2021 as well as the 2021 Fastest Pizza Maker in the Taiwan market, Fan has grown store sales 41% in the past twelve months. Under her leadership, ADT in the store has made very good progress. ADT average in May-Aug was 24:45, Sep-Dec averaged 20:21.

AWARD WINNERS

APAC

Australia & New Zealand

The Alvaro Del Busto Memorial Award – Delivery Expert of the Year
Darcy Smyrek-Lapham

Corporate Services Team Member Award
Josh Pitman

Charlie Reynolds Memorial Award–Franchisees Hands on Hero
Bhavik Patel

Multi-Unit Franchisee of the Year
James and Astrid Acreman

Big Red Award
Mark Glynn

Home Grown – Franchisee Development Award
Greg Steenson and Nathan Carrington

People Excellence Award – "Growth from Within"
Greg Steenson and Nathan Carrington

Raymon Exposito Memorial Award–Team DPANZ Regional Leader of the Year
Dipesh Tanna

State Operations Manager of the Year
Tommy Foster

Franchise Operations Team Member of the Year
Dion Standley

Team DPE Rookie Manager of the Year
Bikramjeet "Robin" Arora

Rookie Manager of the Year
Gerry Schroeder

Team DPE Manager of the Year:
Garo Irikian (Endeavour Hills)

Store Manager of the Year
Tushar Dodiya

Leadership Eagles
- Nathan and Nicole Van Jole and Thomas Walker
- David Hutchinson and Chad Cable
- Rick Zhang and Junyu Jin
- Nathan and Vanessa Quiring
- Greg Steenson and Nathan Carrington
- Steven Gilbert
- Greg and Sarah Tinson
- Daniel Murray
- Mark Johnson
- Lindsay and Jason Tod
- Justin Munro
- Chris Donnelly
- Alex Whale
- Lucky Singh

Million Dollar Club Awards
- David Hutchinson and Chad Cable
- Steven Gilbert
- James Dooley
- Greg Tinson

Partners Foundation Award
Domino's Maryborough

Give for Good – Most Generous Community
Domino's Terrigal

Domino's for Good Award
Domino's Warana

Domino's Group Digital and Delivery Team Member of the Year
Madeleine Franklin

Domino's Group IT Team Member of the Year: Roger Bucks

Hunter Mackenzie Big Heart Big Fun
Domino's Wanganui

EUROPE

Japan

2021 DPI Gold Franny
Eiichi Tanizawa

2022 DPI Gold Franny
Kiyoshi Izumi

2022 DPI Gold Franny
Hikaru Oshima

2022 DPI Regional & International Delivery Expert of the Year
Tsutomu Idesawa

Taiwan

2021 Gold Franny
Lin Chun-Chi

2021 Regional Manager of the Year
Kuo Yu-Shan

Congrats for the great performance

Belgium

Driver of the Year
Amine Mohamed

MVP, Multi Unit Franchise of the Year
Yassine Norezzine & Khadija Lawrizy

Rookie Manager of the Year
Hava Aldamova

Manager of the Year
Abdelfatah Mhanna

FPMC
Isaa Barrou & Mathieu Parent

After Lunch Champion
DP Beringen

Highest AWUS Rookie
DP Zottegem

Highest Opening Week Sales
DP Maaseik

One Team Award 2021
Thomas Warin

Multi-unit Sales Champion
Suhail Alshawwa

Online Champion
DP Tessenderlo

Service Number One
DP Mouscron

Development Award
Kamil Osman

Bad Luck of the Year Award
DP Willebroek

Million Euro Store
DP Beringen, DP Brugge, DP Menen, DP Mouscron, DP Tournai

Rolex Award
Suhail Alshawwa

Highest turnover shop
DP Beringen

Highest turnover gainer
DP Aalst

Highest weekly turnover
DP Tournai

Domino's League
DP Asse

Split Store Manager
Nurdin Abdella

Dominator
Nermin Naimane

France

Best EDT
Tom Amiel

Multi-Unit Franchisee
Romain Drode

Best opening week
Cyril Durand

Best sales growth
Julien Gazagnaire

Best NPS
Patrick Santamaria

Biggest sales record
Nathalie Obert

Manager of the Year
Damon Barbe

Rookie Manager of the Year:
Baptiste Bigot

Best Customer Relationship
Mohamed Benserir

Fastest Pizza Maker
Julie Fiard

Best Single Unit Franchisee
Salem Boulhadid

Highest Daily Sales Record
Adel & Salem Boulhadid

Germany

Local Hero Cluster A
Rostock City

Local Hero Cluster B
Schwerin Stadt

Local Hero Cluster C
Luebben

Top Shop of the Year
Luebben

NPS Hero
Kiel Kronshagen

OER Streak
Luebbenau

Opening Record Week
Sascha Dethlefsen, Heide

German Record Week
Rafael Czinczoll, Regensburg

German ATD Record
Berlin Charlottenburg Nord 9:27min

Delivery Expert of the Year
Andrei Soloviev

The Netherlands

Golden Franny
DPNL 2021

Multi-Unit Franchisee 2021
Hugo Tholen & Jorrit Datema–Hoogezand, Winschoten en Stadskanaal

Most Valuable Player Award
Bernd van Berkel

Dominator Award
Dionne van Anrooij

New Manager of the Year
Nathan Oosterhof, Wolvega

Manager of the Year (Split Store)
Emiel Allefs, Woensel

Manager of the Year
Wijk bij Duurstede–Mandy en Tristan

Time is the Enemy of Food Award
Hamburg Hafencity

Top Ace Award
Leon Kreipe and Konrad Mai

Supervisor of the Year
Engin Doksoez

Support Team Member of the Year
Stefanie Thiemann

Franchisee of the Year
Michael and Sebastian Dornbrack

Golden Eagle of the Year
Reik Kretschmer

New Store Manager of the Year
Carolin Gaudl

Store Manager of the Year
Philipp Kaemmerer

3TEN UPDATE

HOT, FRESHLY PREPARED MEALS, DELIVERED SAFELY AND FAST – that's the essence of what Domino's team members deliver.

In 2016, Domino's Pizza Enterprises set a goal with Project 3TEN – with the aim to have a pizza ready for takeaway in three minutes, or delivered in 10 minutes. At the time, the goal seemed like an extraordinary moon shot – that it would be impossible for any store to make and deliver a pizza to a customer's home in such a short amount of time.

And while we have more to do to reduce the average delivery times across stores in each of our 10 markets, each week Domino's Pizza Enterprises Limited's top stores set the international standard – about 10 minutes or less for an average delivery, for the entire week.

Why does it matter?

The most important reason for a faster, safe delivery is the heightened customer appreciation for their meal; in short, the faster a pizza is delivered, the better it tastes. That shouldn't surprise: after all, no-one who goes to a restaurant expects their meal to be delayed needlessly, spending time on the preparation table. Instead, they want their meal on their plate as quickly as possible. Pizza is no different. Our sophisticated data also shows that faster delivery times builds customer loyalty and order frequency, improving the unit economics for our locally owned stores.

There is also an important saving for stores that comes from faster deliveries. The 'run time' from a store to a customer and return, is a crucial factor not only in the time it takes to deliver, but the cost of delivery as well. Domino's this year published data showing that reducing the average run time for stores to 10 minutes would reduce the cost of delivery by more than a third in every Domino's Pizza Enterprises Ltd market.

Simply put, a faster delivery is not only good for customers (and their pizzas) but for franchisees as well, giving them a key competitive advantage in a world where competition for labour is ever increasing.

3TEN is no longer a project, but a fundamental feature of the Domino's Pizza Enterprises Ltd business, and a key building block for our future and franchises across the world.

WE CURRENTLY HAVE 801 STORES GLOBALLY ON PACE TO HAVE THEIR FASTEST EDT YEAR, and three markets – Japan, France and Luxembourg – on pace to set their fastest market-avg EDT.

To help drive 3TEN in Australia and New Zealand, Domino's launched an EDT Record Week in February 2022 which encouraged stores to beat their average EDT times. The EDT Record Week engaged team members across Australia and New Zealand to improve their current EDT and inspired them to hustle where it was safe to do so in order to deliver hotter and fresher pizzas to our customers. While Australia and New Zealand fell slightly short of achieving the record, one store in Australia, Domino's Chermside, placed first in global EDT rankings for the week, achieving an incredible average EDT of just 7.4 minutes. This result showed a commitment to achieving 3TEN, and ensuring customers receive their delivery orders in ten minutes or less.

In Belgium and Luxembourg, we focus on 3TEN under the name "Domino's League".

This competition among shops runs throughout the year and focuses on three elements. Each month, a different element is highlighted, and shops can win or lose points through: 4 X Single Runs where the objective is 90% single runs to earn points; 4 X EDT where we compare the EDT with month before and they can earn points if there is improvement; and 4 X Product Quality where shops communicate via WhatsApp or email and must produce three pizzas to be made as perfectly as possible and get 50 points per great pizza. Additional points were awarded for NPS scores made in that period higher than 4.5. The winning shop is invited to our annual Awards and receives a nice big cup with an exclusive "Domino's League Champion" badge (embroidered) and pin for each team member to pin on their cap. The winner of 2021 was Domino's Asse.

Under the title of 'Back to Basics', Domino's Netherlands started an internal campaign to critically assess what could be done more efficiently – and reward those who found ways to operate faster without compromising on quality.

We focused on the use of GPS, product quality, single runs, and the NPS score. This way, we prepared all shops for the real challenge, which was to set a record. The goal was to set a new national delivery record from 1 to 31 May 2022 and to do so in under 19:40 minutes. There was also an additional target in week 22, namely, to break the current own shop record. The competition month was supported by a marketing campaign in which customers could send in their own challenge of something they could do in 20 minutes. In week 22, customers also received a free pizza if the delivery man did not arrive within 20 minutes.

Several shop records were broken, and while unfortunately we were not able to set a new world record, we gained invaluable new insights into working efficiently.

THE NEW NORMAL:

LIVING WITH COVID

IN PREVIOUS REPORTS, DOMINO'S PIZZA ENTERPRISES LTD HAS OUTLINED THE CHANGES IN OUR CUSTOMERS' APPROACH to ordering, the restrictions in our communities, and how our stores have risen to this challenge to adapt our operations to serve hot, fresh meals to customers regardless of the conditions.

In FY22 our communities have experienced significant waves of COVID-19, particularly with the Omicron variant, and have now transitioned to 'living with COVID' – with international borders opening and our communities increasingly moving to the 'new normal' of ongoing cases but fewer societal restrictions. Nonetheless, our teams in all markets have needed continued flexibility and operational excellence to adjust to ongoing challenges; these have included staff shortages during the peaks of Omicron waves, and a change to customer occasions (such as customers still not ordering office lunches as frequently as prior to COVID-19).

This report recognises the numerous challenges that franchisees across all markets continue to face. They are real and significant issues that have pushed each and every team member from Brisbane to Belgium to truly reassess what it means to 'crush convention'. **BUT WITH INCREDIBLE TEAMWORK** and a commitment to doing the right thing because it's the right thing to do, every store, every market, every region has navigated through the hardest pandemic years and come out stronger and more in control of their future than ever before. This Annual Report is a tribute to every single team member, from delivery experts to the boardroom, who has stayed true to the Domino's ethos and fundamentally believes that our pizzas bring people together.

EUROPE

Andre ten Wolde, CEO Europe since 2020

Like most industries the world over, particularly in food delivery and hospitality, FY22 saw Domino's Europe has faced the challenges of ensuring we can meet demand and maintain the quality service our customers have come to know and love. Despite an extraordinary external environment that included conflict in Europe, ongoing COVID-19 waves and inflation, I'm proud to report that despite these challenges, we've continued to grow and thrive.

In the early stages of COVID-19, we saw a rapid change in customer behaviour, as carry-out orders declined across our European markets and delivery grew very strongly. Now, as we are in the position of 'living with COVID-19', delivery remains a larger part of our business than prior to the pandemic. We will serve our customers whatever their preference for service, whether from carry-out, or delivered to their home, office, or even a local park. An increase of deliveries has presented operational challenges for our stores, particularly because of the rapid growth, and I am pleased that our stores have risen to the challenge.

OUR FUTURE IS CLEARLY FOCUSED ON DELIVERY, and to meet this demand we need to deliver hot, fresh, meals fast – by reducing the distance between our stores and our customers – and affordably, by reducing the cost of the last mile of delivery. It remains crucial that we have more stores opened closer to customers, and we are working on this in all markets. 46 new stores opened in Germany, including the country's 400th store, another 17 in Belgium and two in Luxembourg. In France over the past 12 months, we have opened 30 stores bringing the total of Domino's stores there to 477 – putting us on the path to 500 stores. In the Netherlands we opened 21 new stores which has us on track to open our 350th store next financial year there.

AT THE CENTRE OF THIS GROWTH is delivering high quality meals for our customers. We were particularly proud to introduce the Nutri-Score initiative this year. The Nutri-Score is a five-level traffic light system from A to E, which is intended to make it easier for customers to make more conscious choices about certain products, continuing our path towards a commitment to transparency and quality.

Both in physical shopfronts and online, it is clear for each menu item which Nutri-Score label it falls under. The green label (A) is the most responsible choice within the category. The products with a dark orange colour, or a score of E, have the least favourable health composition. Many regions have developed an 'A Score' Pizza, and Domino's Germany was the first QSR chain in that country to introduce the Nutri-Score.

In May we initiated the Better Pork Commitment in Europe – a core reflection of our value to do the right thing, because it's the right thing to do. With the introduction of higher animal welfare standards for pigs and sows, we are committed to better animal welfare standards for all meat and seafood ingredients we carry on all menus. Previously in 2020, Domino's Europe announced its partnership with Compassion in World Farming (CIWF) and signed the Better Chicken Commitment.

In appreciation of these efforts to develop these better welfare standards for all the animal-based ingredients on menus, Domino's Europe was awarded the Cage Free Award by CIWF in June 2022. Doing our bit to end the use of cages across all species in the European supply chain is not an easy task, but it's an ambitious stance we hope will inspire other companies in Europe also.

> **»It remains crucial that we have more stores opened closer to customers, and we are working on this in all markets.«**

We aim to crush convention in our operations, including delivery. Our Dominoids in Germany took it one step further with a pilot program to test a delivery robot with the assistance of Artificial Intelligence specialist, Teraki. Read more about its success in the Digital Innovation section of this report. In these times of rising costs and increasing labour scarcity, I'm looking forward to seeing how the next phase of our robot delivery driver implementation goes!

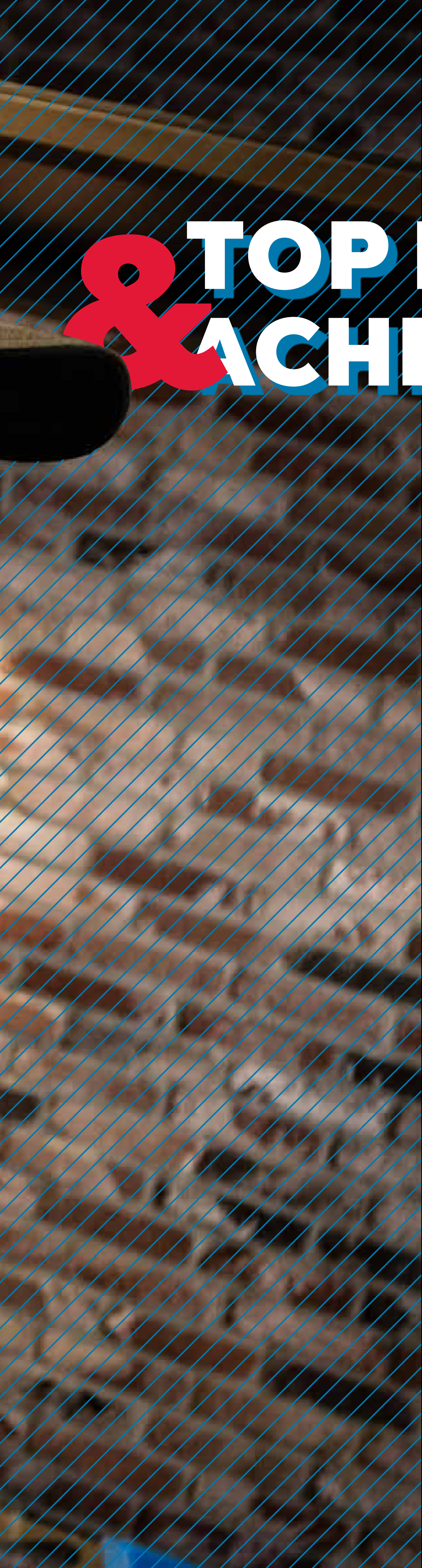
Continuing in the innovation space, Domino's France launched a pioneering pizza tray called GOLF with 18 spaces for dough bowls – like 18 holes of a golf course – which allows an optimised arrangement of the dough, reducing storage space, shipping costs, and helping towards reducing our carbon footprint. The team there are also getting close to reaching their goal of a 100% electric fleet before the end of 2022.

Similar efforts to reduce our environmental impact have also been acknowledged in the Netherlands, with the store in Oldenzaal winning a global ESG award for running their store with energy generated from solar panels.

In Belgium, which has seen particularly rapid growth over the past few years, we opened our first store in an amusement park: at 'Bobbejaanland' – a theme park that's been in operation since 1961. This is a great example of Domino's creating joyful experiences for customers wherever they may be.

Here's to more enjoyment and innovation over the next 12 months!

Andre ten Wolde
CEO EUROPE



TOP HIGHLIGHTS & ACHIEVEMENTS

OPERATIONS

- Fastest delivery in 9:27 in BERLIN CHARLOTTENBURG April 2021–the first German store to go under 10 minutes for a full week!
- In December 2021, KAMEL, SALEM AND ADEL BOULHADID mobilised all the teams of the BK group in one of their stores in Hésingue to reach the national record of Domino's Pizza in France – all the benefits were donated to 3 associations to support children in the region.
- Domino's DENMARK are testing prototypes for a reusable pizza box to crush convention and be one of the most environmentally friendly Domino's operations

STORE DEVELOPMENT

- Germany opened 400th store
- Launch of first amusement park shopfront at Bobbejaanland in Belgium

FOOD DEVELOPMENT

- FRANCE launch of GOLF Project – innovating the pizza tray and allowing dough to proof vertically, enabling more dough pieces per tray and leading to a 55% reduction in the number of trays in the network

RECOGNITION

- Domino's GERMANY wins Franchisor of the Year 2022 from the German Franchise Association and Best International Food Chain 2021 in the Lieferando Awards.
- Domino's named the Winner of the Best Global Brand in the NETHERLANDS by the takeaway.com awards

GERMANY

OUR TEAM HAS RISEN TO THE CHALLENGE THIS YEAR – growing sales and opening more stores despite the labour and supply chain issues broadly affecting the country. It is a credit to our franchisees, store managers and our head office team that, despite these challenges, we were able to continue to serve our customers.

This was exacerbated by the shortage of raw materials and the consequent increase in prices. Maintaining our logistics was very challenging, and at the same time our top priority was to deliver value for our customers while also ensuring the long-term profitability of our franchisees. There were well publicised delays in approvals from local government for new stores due to COVID-19, as well as a shortage of building material and delivery difficulties. Rising inflation, rising energy prices and the increase of wages have kept our franchise partners busy in recent months and presented them with new challenges. But – we are Dominoids and crushing convention is what we do.

This year the broader market benefited from opening an incredible 46 new stores, including the opening of our 400th store which marks a great milestone for Domino's Germany. It also contributed to the overall revenue growth, brand positioning and national advertising, while stores also benefited from the introduction of the Late-Night Deal and the Snack and Family Bundles – to attract new customers and increase ordering frequency. We continue to rely on established offers such as the Domino's Duo. Another approach is our "more for more" strategy to offset some of the inflationary pressures– upgrading menu offerings while adding incremental pricing – delivering great value for customers, increased sales for stores and of course – joyful experiences for all.

STRENGTHENING OUR POSITION AS A DELIVERY EXPERT with an ongoing focus on optimising our delivery territories and operational processes to make sure we keep our position as the most efficient food delivery company in Germany

remains a focus. Our aim is to increase the productivity of our teams without them working harder. During the winter months, there were still strict COVID-19 requirements to follow, such as keeping a minimum distance at pick-up but since May, all requirements have been lifted. We continue to offer our customers contactless delivery.

Our customers have more confidence in the increasingly established brand and the introduction of our new reward program, 'Domino's Club', in October 2021. Well-known TV face, Jorge Gonzalez, was engaged as a celebrity testimonial and his support of the program was launched at a press event in Hamburg.

The continuous expansion of the product range – including greater variety via the Golden Chicken range and extended vegan range – have also delivered for our stores and customers this year.

The constant development and roll-out of various tools to further digitalise the processes in the stores and thus make the work even more efficient remains a constant focus. This includes an inventory app, digital temperature monitoring and an online tool for simple and targeted feedback management, Critizr, launched across multiple markets.

Platforms such as these also ensure ongoing support and feedback to help our people grow and prosper. Through the promotion and development of our employees we are cultivating a corporate culture of flat hierarchies and open doors. Whether you're the delivery driver, franchise partner or the assistant to the department manager, everything is possible at Domino's. We are proud of our 'Grow from Within' approach and the many opportunities we offer in our Domino's Academy to motivate employees to develop. This past year six of our managers in Germany have taken up the opportunity to become franchisees, which pleases us greatly.

To further support this, we also have our talent development program "Stars for Success", where qualified store managers can collect 'stars' by participating in and successfully completing development programs to secure start-up capital when they join the system as franchise partners.

And since we know that a well-trained team member is more loyal and more productive, we have doubled down on our training programs. During the pandemic we moved all classes online and added more subjects. Today our team members across Germany can attend online training on a broad variety of subjects either taught by one of our professional trainers or a senior leader in the business.

This year we also implemented free Culture Classes, including 'New Employee Orientation Class', 'High Volume Mentality Class', 'Handle the Rush' and '20 Golden Rules for a Successful Business'.

We also introduced new regular classes around employee engagements, customer feedback management, employment law, and a new 'Webinar of the Month' series. (Fun fact: Stoffel Thijs, our German CEO, loves to teach our culture classes and his all-time favourite is "High Volume Mentality".)

As an important part of our ESG program, Domino's for Good, Domino's Germany implemented our whistleblower policy and contact form, which enables all employees to give anonymous information where they identify behaviour that does not meet our purpose and values. After all, at Domino's we do the right thing, because it's the right thing to do.

In Spring 2022, the "Round up for Charity" function

Whether you're the delivery driver, franchise partner or the assistant to the department manager, everything is possible at Domino's.

was introduced, which allows customers to round up payment of their order. These micro donations flow to our brand-new charity and, in addition, we have set up the non-profit organisation Domino's Partners Foundation in response to the flood disaster in which our store in Stolberg was devastated. Together in a committee made up of staff from headquarters, partners, and employees, we organised help from our employees for our employees and make sure that it reaches where it is needed.

We're proud to report that Domino's Germany received a number of coveted awards this past year, including the Franchisor of the Year 2022 from the German Franchise Association and Best International Food Chain 2021 in the Lieferando Awards.

Our Cinnamon Bread was awarded the Vegan Food Award 2022 by PETA in the category "Best Vegan Snack" and Domino's Pizza Germany came in sixth on the ProVeg Rankings for the most vegan-friendly restaurant chains of 2022.

Finally, we were particularly proud of being the first QSR chain in Germany to introduced the Nutri-Score on our website dominos.de.

GERMAN FRANCHISEE SPOTLIGHT

CAROLIN GAUDL

Chemnitz Markersdorf, Chemnitz Siegmar, Glauchau, Freiberg

2018
Opening of Markersdorf store

2019
Visited DPE Australia, Won Rolex Challenge

2020
Opened Siegmar store, building the delivery area of Markersdorf

2021
Manager of the Year New Store in Siegmar, Siegmar won the Triathlon EDT Challenge in summer 2021 with 17min ADT / One Million Dollar Club Markersdorf

2022
Opening store Freiberg together with her 20 year old daughter

2022
Opening store Glauchau, first store out of Chemnitz, in a white spot and a small, unknown city

Carolin's Story

Pizza is in Carolin Gaudl's DNA and now she's building a family pizza dynasty. "I worked in my parents' pizza stores from the age of 15 in Dresden and Chemnitz as insider and later a shift manager," she said. "In August 2000 I opened my first store at just 19 years of age and in 2018 converted that to a Domino's franchise, and we've continued to grow. "I have just opened a store in Freiberg with my 20-year-old daughter, so we now have a third generation running pizza stores which is unique for Domino's Pizza Germany."

Carolin is a founding member of the Domino´s Partners Foundation Germany and is focused on connecting and helping all Domino's Partners and their teams to become stronger together and increase the value of working at Domino´s for our team members. "Sharing my spirit and know-how with the teams only makes them better and stronger and it's given me much more self-confidence over the past few years too," she said. "To see how a team member develops to a Dominoid is pretty cool and makes me proud of our work. It's also such an honour to see my daughter now able to raise her own business and have a good future in the Domino's family."

Carolin knows the importance of keeping a team supported and well run, first-hand.

"In September 2021 the Average Delivery Time (ADT) in our Siegmar store increased from 17 minutes to more than 23 minutes without an obvious reason," she remembered. "I determined our operational flows were not as good as they should be and worked with my team, training them to optimise our in-store flows. We were back reaching our ADT goals after a short time, so this was cool to see how training input makes a difference even in what is considered a good working team. "In fact, opening the Siegmar store was one of our most successful initiatives, because the store solved nearly all the operational problems we had before in Markersdorf with delivery times, sales per team member hour, and our ability to raise sales.

"The store opened in an area using 25 per cent of Markersdorf's former delivery territory. Markersdorf made €38k Average Weekly Unit Sales (AWUS) before the change and Siegmar was supposed to make €10K AWUS, but runs now constantly €17-20K AWUS."

Across all her stores, delivery focus is strong with more bikes and scooters assisting to lower Estimated Delivery Time (EDT) combined with an increase in pick up sales, which Carolin puts down to the modern and visually great stores.

»Opening new stores in smaller areas with less competition is a good move for us. A big brand in a small city makes the people so happy that you're there and they appreciate your investment in their small town.«

YEAR IN REVIEW

BELGIUM/LUXEMBOURG

DOMINO'S BELGIUM/LUXEMBOURG MANAGED TO COUNTERACT PARTIAL LOCKDOWNS during COVID outbreaks, ongoing restrictions and the impacts of the labour market tightness, through recruiting and training more delivery staff, improving staff training, and increasing productivity from every team member, helping all of our Dominoids be as versatile as possible. That versatility and ability to crush convention allowed us to adapt quickly when we started to see changes in customer behaviour this year. Belgium used to be a pick-up focused market, but this past year 63% of sales came from delivery. We will serve our customers however they choose to order and recognise the efforts of our store managers in responding to this increase in delivery, and the associated operational challenges of rostering and fleet management.

In Belgium we are keen to continue to open new franchises to allow us to introduce Domino's to a larger part of Belgium and attract new target groups. In FY22 we opened 19 stores in total. We are balancing this expansion with a focus on expanding internal franchisees. A small number of external franchisees will likely join our business in new regions, and we are focused on ensuring these new franchisees successfully align with our culture.

One franchise that opened to great excitement was our new store front at the Bobbejaanland amusement park: an incredibly unique store that offers opportunities for the future that we are keen to explore.

We're proud to report that in Belgium we had our best 'Stunt Week' ever in March. A stunt week sees us put on local marketing activities that are highly visible in our communities, including team members wearing costumes that bring fun and energy into our stores. We achieved an impressive 46 local records and a 136% boost in orders compared to a normal week. Unsurprisingly, the highest monthly sales were also achieved in that same month.

Domino's Pizza Belgium closed 2021 with a special campaign in December – for every Cheesybread sold, Domino's donated €2 to Bednet and ClassContact. These charities connect young people, who are unable to attend school due to illness, with their teachers and classmates. This way they can continue to be who they want to be. The campaign was extraordinarily successful and together the two charities collected € 80,000 with our support.

In April, Domino's Belgium welcomed two new CEOs – for a day. 12-year-olds Redouan and Maguette joined Ringo Joannes as part of a special program coordinated by JINC, a foundation that collaborates with companies and schools aiming to build a society where a child's background does not determine their future. Together with Ringo, they discussed issues such as personnel recruitment and offered some advice – and of course they made their own pizza.

IN LUXEMBOURG, MORE THAN HALF OF OUR SALES CONTINUE TO COME FROM DELIVERY ORDERS.

To lift our online sales, especially in delivery, this year, Luxembourg started an 'always on' delivery deal, offering a second pizza for €2 (Mon-Thurs) until mid-January, and TocToc days from mid-January. Together they accounted for 8% of total sales.

From a product level, we know that consumers in Luxembourg like to experiment with their own tastes and preferences. The bestselling pizzas were those that customers can build themselves according to their own tastes, as well as the half/half pizza. We are also pleased with the take-up of Domino's Crunchy Chicken, which is extremely popular in Luxembourg and making a meaningful contribution to sales.

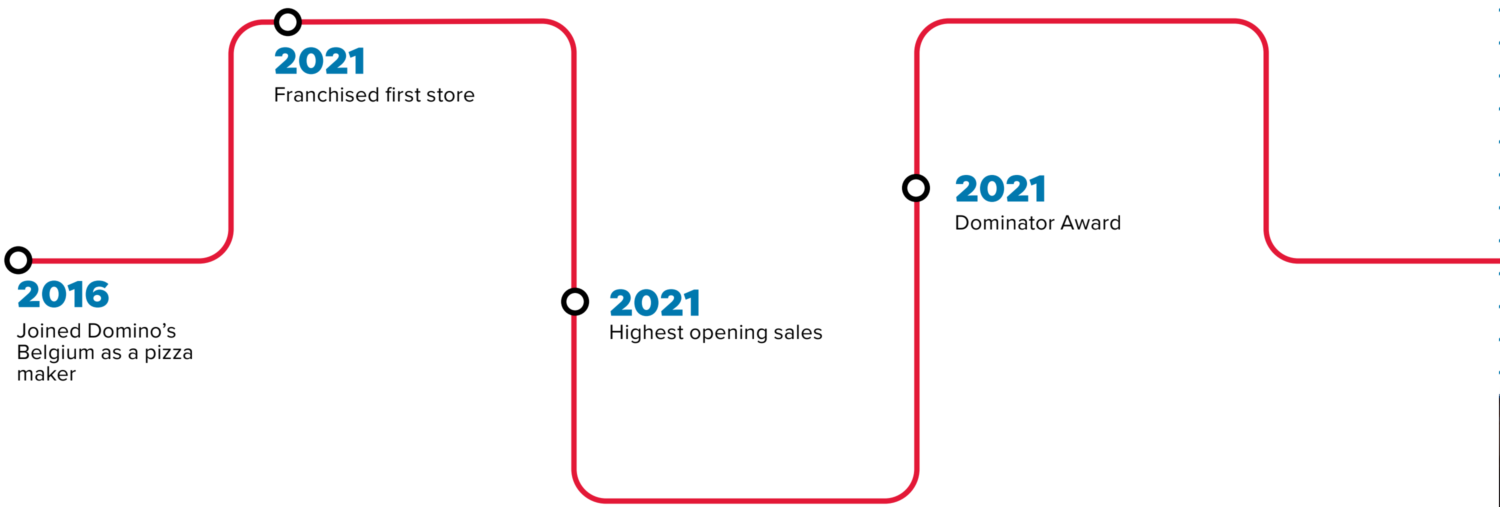
We will serve our customers however they choose to order and recognise the efforts of our store managers

Pizza lockers for Domino's first store in the Bobbejaanland theme park (Belgium)

BELGIUM FRANCHISEE SPOTLIGHT

NERMIN NAIMANE

Domino's Pizza Maaseik



Nermin's Story

Nermin started working at Domino's as a pizza maker straight out of high school, a little lost, and searching for direction.

"I really did not know what to do next after finishing school and Domino's felt like a good place to land while I figured it out," she said.

"I really liked the Domino's culture and was afforded many opportunities to grow in the company, so I stayed. It was the best choice I could make. I worked hard and learned and did my best, and it has paid off – last year I opened my own store with the money I saved from working at Domino's!"

Just a year into her franchisee journey, Nermin, 25, is keen to continue to grow sales off the back of an impressive opening year.

"I invested in electric scooters and e-bikes and as a result, our delivery times have dropped to an average of 18 minutes! The customers are happy, and we also get to do our part in reducing our environmental footprint," she said.

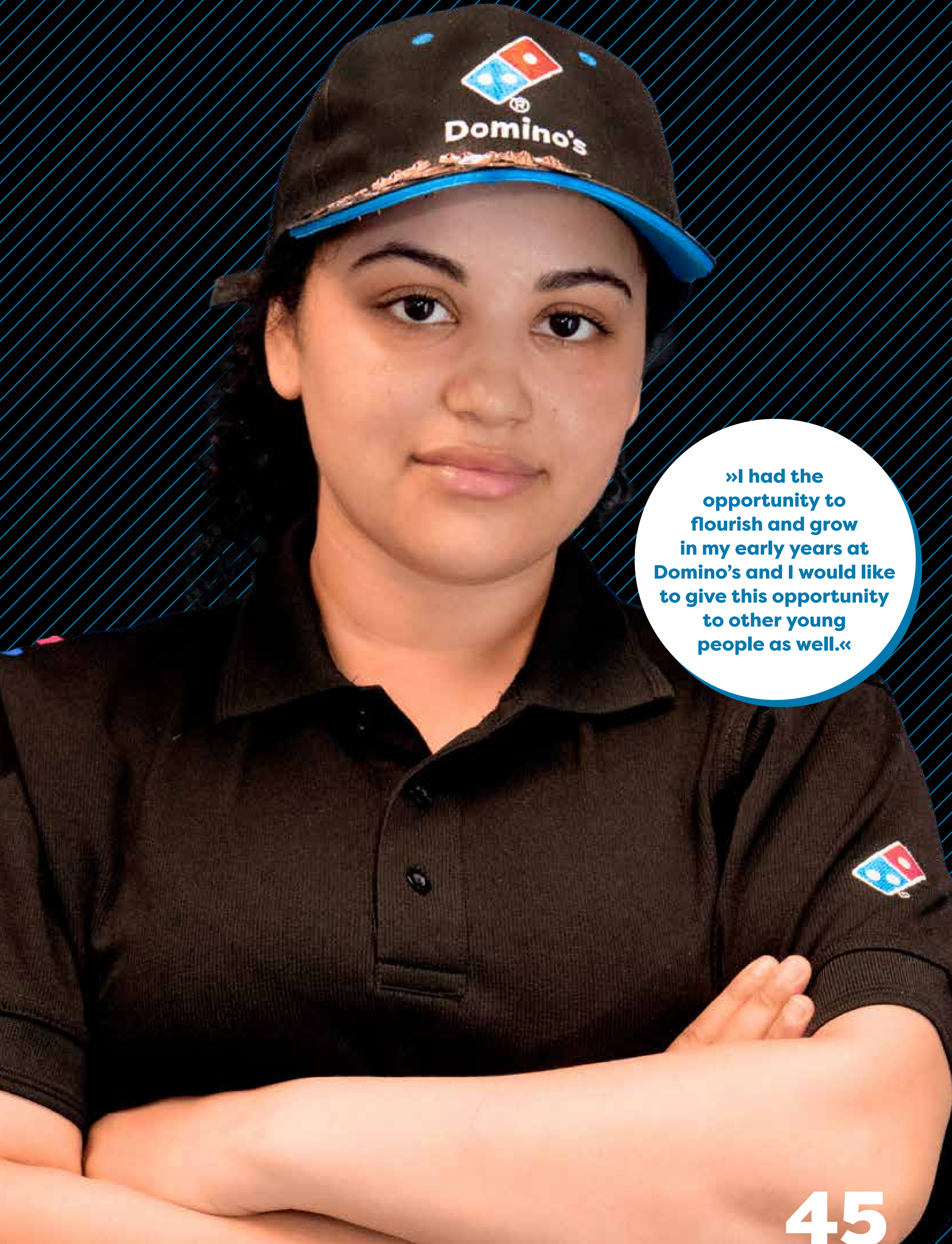
"My future goals are focused around being a better entrepreneur and growing into another two stores in the future. That's important not just for my personal success, but also being able to support other team members to grow, too. "I always tell my apprentices to set goals and work as hard as you can. That is how dreams become reality."

Nermin has also committed to giving back to her local community – because it's the right thing to do.

"I am very proud of a recent collaboration between my store and a school for children with difficulties," she said.

"We hosted a pizza making workshop for the students and the children's enthusiasm really made my day!

"We received beautiful thank you drawings from the children afterwards and it felt so good to be doing something for society."



»I had the opportunity to flourish and grow in my early years at Domino's and I would like to give this opportunity to other young people as well.«

YEAR IN REVIEW

FRANCE

AS IN OUR OTHER EUROPEAN MARKETS, DOMINO'S FRANCE HAS CONTINUED TO EXPAND despite a challenging broader environment. In FY22, more than ever, it was critical to help our people grow and prosper and they returned that investment in spades. We proudly opened 30 new stores with both existing franchisees who wanted to expand their business and store managers who followed our 'Emerging Leaders' training program for entrepreneurship to become franchisees.

'Top Depart' is one of our projects that helped support these new store openings. This project focuses on the first week of opening and maintains consistent communication in this first week to help support high level of sales in the first weeks of operation. We've found that this is a very good example of franchisees for the whole network because it encourages the others to do the same when they open.

The second project is the 'Turnkey store' which consists of building the shops ourselves as Domino's Pizza France. This means that we support the investment and time spent on building, to let the franchisee focus on the business – from marketing to employing team members. Some other DPE markets are doing it already with great success, but this is the first time it's been attempted in France. Crushing convention is in our DNA at Domino's France!

In the midst of this growth, our team set out to crush convention in a most audacious way with a focus on a modern new project that we're incredibly proud of.

The GOLF project has innovated the pizza tray, optimising the arrangement of dough pieces to include up to 18 bowls – like 18 holes on a golf course.

In France we make our dough for stores in our two commissaries, which is then shipped in a tray to stores. The nature of dough is it continues to expand once it is made, which means it needs space to 'proof', in effect requiring Domino's to ship trays, dough and air around the country. Our team knew more efficiencies were possible.

We carried out numerous tests on the growth, fermentation, and quality of the dough to ensure that it met Domino's standards at all stages of the process from our commissary to the shops for stretching and baking – and the results were very conclusive.

GOLF allows the dough to proof vertically, enabling more dough pieces per tray, thus saving space in trucks and in our shops. It has also led to a 55% reduction in the number of trays in the network, fewer return trips in our shops between the cold room and the stretch table and impressively, a reduction of CO2 emissions.

After finding the right trays, one of the biggest challenges was to identify how to easily remove the dough pieces from the tray. We came up with the idea of tongs and we did a lot of testing and, using a 3D printer, we were able to create different tongs and find the best model.

The first phase of the pilot launch was launched in February 2022 with 35 stores using the new tray in the west of France. Step by step, the new tray was used by more stores (recently 170 stores) and the second phase was launched nationally in May 2022 with plans for a European launch soon.

Ultimately, we estimate that with this project we will reduce the number of trays per year by 55% and the number of trucks per year by 44%.

In terms of logistics, all dough pieces delivered to our shops are placed in reusable bins that are returned to the warehouse to be cleaned and reused. And since April 2021, the plastic protection around the delivery trolleys has been completely replaced by a reusable material. An innovation that allows for a significant reduction in CO2 and better recyclability, and reflects our values to do the right thing, because it's the right thing to do.

This approach and these streamlining of processes is more important than ever before because the demand for our pizzas continues to grow – this past year we passed the milestone of over 1 million people joining our loyalty programme that offers one free medium pizza after six orders.

This has been supported by our national television advertising which not only helps to ensure our pizzas bring people closer together, but it also means we are

The premium ingredients, combined with the Signatures dough – a very crispy rectangular dough baked in a caquelon – proved to win over old and new customers alike

able to make a concerted effort to set up some new stores in very small towns. The business opportunities and outcomes to date have been impressive, and the stores also benefit from high customer expectations and engagement due to the size of the town these stores are operating in. We have been working with our franchisees to adapt to an increasing demand for delivery and to meet customers' expectations in the wake of COVID-19 restrictions.

We had some restrictions where our competitors could not offer dine-in, and then people needed to use a 'Corona-pass' to visit restaurants, but only if they were vaccinated. We also had curfews in some of our stores, meaning customers couldn't pick up or visit our stores after 6pm.

As conditions have improved, we did have staff shortages for a limited time due to a wave of Omicron, but we are largely 'back to normal' in France since May. It is a credit to our stores that they have successfully navigated these challenges.

The Signatures range which ran from September 2021 to June 2022 was a great success with our "over-35" customers–specifically the Signatures dough. – a very crispy rectangular dough baked in a caquelon – proved to win over old and new customers alike. As such, the Signature dough will be used for all of our classic recipes to align with customer expectations.

Recently we have launched the Cal'z Croque Monsieur which has been a best seller for a few months now and remains a really successful campaign that is lifting sales.

FRANCE FRANCHISEE SPOTLIGHT #1

CAROL GIRARD

2 x stores in Saint-Lô Plage and 1 x in Vire

2003
Joined Domino's as a consultant for Paris and West of France

Head of Training, France and Belgium

Director of Operations Domino's France

2009
Original Trainer of the year Award for Europe and Middle East

2015
Opened first Domino's small concept store in Europe in Saint-Lô Plage

Carol's Story

Next year, Carol Girard will celebrate 20 years with Domino's, made up of more than a decade in corporate roles before turning her hand to opening her first store – Domino's smallest shop in the network.

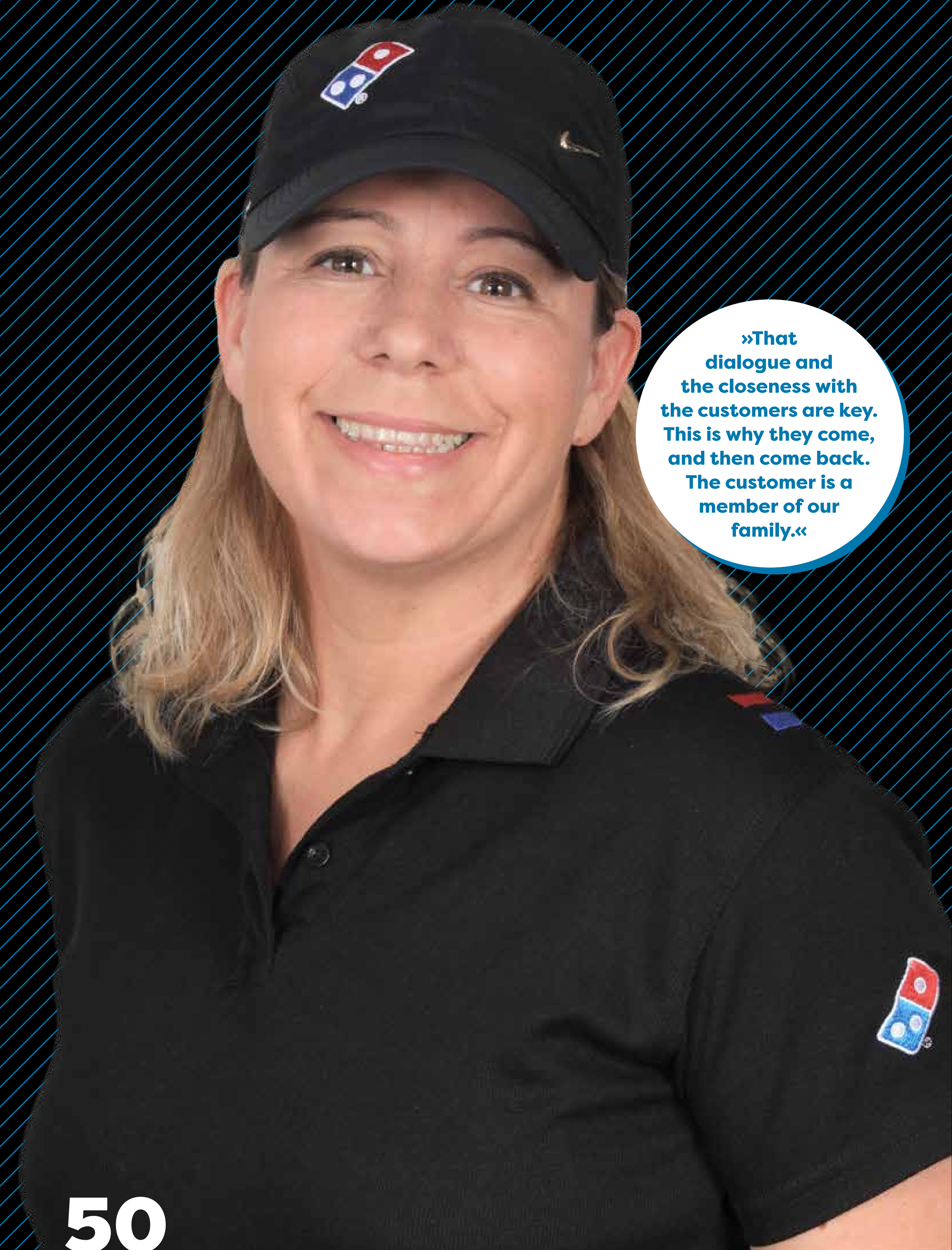
"I was the first to open in a town of 20,000 people – that's just 10,000 mailboxes – with a 48m2 shop in Saint-Lô Plage," Carol said.

"This store was the first Domino's small concept franchise, and we took a completely different approach with this store. My operational knowledge helped me to imagine this new concept with a small shop in a small town. We had to reduce the menu and the drinks menu just to be able to fit within the space but so far, it's worked very well. I'm so proud to have made the first small concept in France a reality because I believed in it. My delivery area is small too so it makes sense for delivery to be done by electric bikes and scooters. One of my stores is now 100% serviced by electric scooters and we are working for that to be the case across all of my stores in the coming months."

Now with three stores, Carol enjoys sharing her entrepreneurial spirit and belief with the team members she employs. "I spend a lot of time with my teams, in stores, in the kitchen, so I can pass on the values that are important to me. Sticking together in difficult times is key for me and I like that we can share and be stronger when needed. The Domino's value of 'Helping people to grow and prosper' is really important to me because without my team I am nothing – they are completely part of my business and my life." That commitment to her team is also a critical foundation to Carol's ability to develop sales.

"We had to roll up our sleeves after the COVID-19 years to recreate the link but the customers know us very well. They call me by my name and they know I'm the boss who makes the pizzas! We know each other, we welcome each other with a hug and a kiss, and some regular customers have even become almost friends. The latest Critizr review we received said, 'Change nothing, best pizzas in the world!' So why would we change anything?"

»When you do your job well and you smile you create customer loyalty.«



»That dialogue and the closeness with the customers are key. This is why they come, and then come back. The customer is a member of our family.«

FRANCE FRANCHISEE SPOTLIGHT #2

CRISTINA PRENEUX

Gujan-Mestras

2021

Opened first franchisee store in Gujan-Mestras

2021

Best sales week to date €21K on opening week.

Cristina's Story

When Cristina opened her Gujan-Mestras store in the south-west of France just over 12 months ago, there was only one other pizza delivery competitor in the district. "We immediately recorded big numbers on delivery, but we clearly had to work on the quality of the delivery, in particular with a focus on a reduction in the delivery time," Cristina said. "That took several months to be effective, and we introduced time limits that had to be abided by, by the teams. We are very proud that now we are all around 19 minutes, and customer feedback is really good." With delivery resourced with a 100% electric scooter fleet, Cristina said team members in runner roles help supervise logistics around delivery. "The runner ensures there's no mistakes, no safety issues and no unnecessary back and forth to come and get a forgotten drink for example," she said.

"The runner changes regularly and we have noticed that this makes the delivery staff who work on the runner's job much more responsible and more aware of customer feedback too." Cristina has approached the training of team members with a focus on versatility. "Every team members knows how to do at least two jobs, and we have a lot of students, so we help them with their internship projects," she said. "We've created a partnership with the Mission Locale to let people discover our delivery jobs and we also offer job opportunities with the idea of opening new stores. Many team members have offered to work for us and stay longer to be promoted. "I am also very flexible on work hours based on people's personal lives. For example, parents will be offered the opportunity to work at lunchtime rather than for the evening service."

The goal for Cristina is to open three stores in three years, so she's actively looking for new local locations to make her dream a reality. In the meantime, she said the customer remains the centre of all she does. "I often remind my team that it's someone in their family who will eat what they make or someone from their family who gets the delivery. This is very important for me and this helps them understand the quality standards that we have to respect.

"We're proud to know a lot of customers well. Many of them are between 40 and 60 years old and 60% of them are loyal customers and we welcome them by name. That's really part of the atmosphere and the fun in my store.


Domino's

YEAR IN REVIEW

NETHERLANDS

After two years in which the pandemic played a significant role in disrupting all aspects of life, it is a joy that our customers can fortunately enjoy our pizzas together again. We capitalised on this during one of the Netherlands' biggest public holidays – King's Day – where we surprised revelers on the Amsterdam canals with water scooter deliveries. We handed out about 300 free pizzas on and around the water and, after two years of absence due to COVID, it was a King's Day to remember!

We opened 21 new stores in the Netherlands this past year, made up of a mix of existing and new franchisees. We are proud to report an increasing number of female franchisees in our organisation and we celebrated this on International Women's Day, when franchisee Yous Syeds transformed her store in Schoonhoven into an all-women operation for one day.

The delivery market continues to grow. Most of our sales come from delivery, most of these served through our online channels. Whereas delivery used to be most popular in the big cities, we are seeing a trend in smaller villages that also have a strong need for delivery services. In addition, these villages often have a limited choice of takeaways and delivery restaurants. Opening stores in these villages meets our growth ambitions, provides new customer target groups, and contributes to the local business climate. To help our people grow and prosper, this year we have increased team members' wages, and committed to further training and employee motivation campaigns to ensure all team members have the skills to enjoy their jobs and remain at Domino's.

With the rise of the delivery market, we are also facing more competition in this area. In addition to traditional competitors, including those using delivery aggregators, 'immediacy grocers' have now started serving customers. These services are able to deliver groceries quickly, meaning even a frozen supermarket pizza can now be delivered to your home quickly. It is a reminder that the most efficient delivery company will be best positioned to meet growing demand through superior product, service and image.

Another challenge is the political and social debate about the growth of fast-food chain operations in our communities. Transparent communication about our fresh and high-quality products and ingredients is now more important than ever. We continue to show that our food is an indulgence, but also one

We are proud to report an increasing number of female franchisees in our organisation and we celebrated this on International Women's Day

without regret, because our pizzas are made from fresh dough, real cheese, and superior quality ingredients. We continue to offer customers choices like plant-based alternatives and pizzas with Nutri Score A.

We went one step further this year to impress upon our customers how much we value our fresh ingredients with our campaign, 'The Journey of the Tomato'. Throughout most of the year the vegetables we use in our pizza toppings are sourced locally, and to celebrate the start of spring we visited one of our tomato farmers to see how these tomatoes are grown and what makes the tomato so perfect for pizza.

We work to do the right thing, because it's the right thing to do. Like other Domino's regions in Europe, we also collaborated with youth development group JINC this year. Students participated in one day work placements at various Domino's stores around the Netherlands and team members from head office also assisted with job application training at secondary schools. Through the program a 14-year-old student won the opportunity to be our 'CEO for a Day' which was a humbling experience for all involved.

We were also proud to support the donation of 42,000 pizzas to the Dutch Food Bank over the Christmas period at the end of 2021. These pizzas were donated with the kind help of our Loyalty Program.

This past year was also a successful one in terms of peer recognition. We won the Fast Service category at the Dutch Foodservice Awards and were named the Winner of the Best Global Brand in the Netherlands by the takeaway.com awards

NETHERLANDS FRANCHISEE SPOTLIGHT

KLASKE SOMSEN

FRANCHISEE: Harlingen, Dokkum

2014
Started as an insider at Domino's Sneek

2017
Became Store Manager, first at Sneek and later at Leeuwarden store

2019
Moved into new position in the Operations Team of Domino's Netherlands

2020
Franchisee of Domino's Harlingen

2022
Officially a double franchisee, taking on Domino's Dokkum

Klaske's Story

At just 26 years of age, Klaske Somsen takes her role as an example to other young future Domino's franchisees very seriously. "I love working to help my team members become enthusiastic about growing and pursuing their ambitions," she said. "When I support them and lead by example it has a positive effect, and I can see these younger Dominoids setting themselves goals and competing to be their best. If I see potential in team members, I bring that up with them and give them feedback, so they can continue to grow towards new challenges. "I think that this way you also keep employees with you longer as they get new challenges every time, and obviously sales grow when you have an enthusiastic and motivated team in your shop and you're delivering a good product. "Personally, I'm really proud of the career growth I've been able to achieve at such a young age with Domino's." Klaske said it's the formula and culture of the Domino's brand that has drawn out her entrepreneurial spirit and drive.

"I'm so proud of recently opening my second store and now I'm learning to focus on dividing my time and attention properly between stores and team members," she said. "As a young franchisee, I certainly found it to be a challenge in the beginning to get the team on board with my vision and direction but now I can see that my enthusiasm has motivated them."

Her success to date also self-motivates, with Klaske planning to open more locations in the future, specifically in her home province of Friesland in the north of the Netherlands. But in the meantime, she knows there's a significant piece of work to focus on post-pandemic lockdowns.

"Now that the Netherlands is out of the pandemic and there are no more COVID-19 measures, people are going out more often and that means our deliveries are decreasing compared to the peak of the pandemic," she said. "I think it is important to show that we still have the fastest delivery times, a good product and a motivated team. If we make sure we stay the fastest, we will always have an advantage. It is about making a difference in the shops. As one example, we have to make sure that we know when our delivery person arrives back the order is ready, and we make sure they can just stay on their bike – saving even more time."

»Your team grows by working towards something, working together, and having fun.«

DENMARK

OUR OPERATIONS IN DENMARK CONTINUE TO DEMONSTRATE THE HIGHEST OF STANDARDS, showing customers what to expect from a Domino's experience.

Prior to our purchase of this business in 2019, it had experienced brand damage after negative publicity relating to the previous owners' operations. Under the leadership of General Manager Kellie Taylor, the team in Denmark has been running a 100% corporate store operation, opening stores in new territories, and showcasing the rigorous standards Domino's is known for. This approach has been turning around public perceptions and has continued this year. We opened seven stores in Denmark this year, focused on opening stores predominantly in areas that have previously never had a Domino's store.

In addition to best-in-class operations, Domino's Denmark is taking active steps to ensure it is one of the most environmentally friendly Domino's operations. This year we have partnered with a Danish company to test prototypes for a reusable pizza box. In Denmark, 96% of bottles and cans are recycled, so we expect a positive result with the circular approach to the life of a pizza box. We intend to put these prototypes to the test in the coming financial year.

Our goal is for the next Financial Year to be a step change for our local operations – continuing to open stores and bringing in our first franchisee partner to make one of our corporate stores the first entrepreneur-owned store. A new marketing campaign, to 'clear the slate' from the previous owner's operations, will also commence from August.


Domino's
DELICIOUS
Chicken
SOUTHERN STYLE

Food innovation

Our food is at the heart of what we do, and throughout Europe our development chefs work constantly to find great new flavours for our customers, to be served in unique products that can be delivered hot and fresh. We want our food to be indulgent, and taste great, and to reach customers regardless of their taste preferences or dietary requirements.

In Germany we developed a new chicken product, our 'Golden Chicken', as well as a vegan version 'Golden Vegan Chicken', both are perfect complements to our pizza range. The German team also launched two new vegan pizzas – 'La Vega' and 'Vegayaki' – as well as an accompanying vegan pizza bread. We also improved the recipe of our Cinnamon Bread, which is now vegan, and earned the Vegan Food Award 2022.

In line with the new Nutri-Score system, Domino's Germany developed an 'A Score' pizza – the 'Fitness Fan'. The goal of these initiatives, as seen across our European markets, is to break down barriers between Domino's and our customers. By offering high quality meals that can meet the needs of a broad range of our customers, we're able to serve families and groups of friends alike.

In spring we introduced the 'Bella Bianca's' to our German customers – three fresh pizza variations all with a delicious crème fraîche base – that take customers to three of the most beautiful places in Europe: Rome, Paris, and Alsace.

In Belgium and Luxembourg we launched the Cal'Z – a delicious variation of the traditional calzone –it's a pizza folded in half and easy to eat. The Cal'Z is available in three different flavours: The Cal'z Ham & Cheese, the Cal'z Goat's Cheese & Honey, and the Cal'z Chicken Kebab & Garlic Sauce. This built on the success of the Cal'z in other markets, including France.

The Belgium/Luxembourg Nutri-Score A pizza we launched was the Fresh 'n Tasty. This pizza contains 50% less mozzarella and is richly topped with grilled chicken, fresh spinach, onion, peppers, and tomatoes. Our most popular Domino's side dish is the Cinnastix vegan. This allows us to delight our vegan customers not only with pizza, but also with a delicious dessert.

Across Belgium, Luxembourg, Germany, and the Netherlands, in cooperation with plant-based ingredient supplier The Vegetarian Butcher, we developed a plant-based alternative for the popular pepperoni pizza. The Vegeroni is the perfect alternative for vegetarian and vegan consumers and has been received with great enthusiasm by consumers across Europe.

In France we developed a new range of Signatures pizzas in September with premium, organic and labelled ingredients. We also developed our own organic tomato sauce that we launched in February 2022.

Digital innovation

With the future of our industry focused on delivery, we understand there will come a time when there are not enough people in the world to meet this demand. Hiring the best delivery experts will be crucial, but so will be autonomous alternatives.

Domino's, together with AI specialist Teraki, is bringing a semi-autonomous delivery robot to the streets of Berlin. We are once again betting on technological progress and, together with Teraki, a company specialising in artificial intelligence software, are now making deliveries with a new type of delivery robot within the "Golden Mile" in Berlin. With this, Domino's relies on the only robot in Germany that currently operates on the city's pavements, with the first delivery robot to receive an official permit to operate in Berlin's public space.

Still in Germany, we relaunched the Domino's website and mobile app for an even more user-friendly ordering experience for our customers. The new, next generation app has also recently gone live in the Netherlands.

Both Netherlands and Belgium introduced menu deals on our online ordering platforms, which has proved a good driver of sales. A menu deal consists of one or more pizzas combined with, for example, drinks, desserts or side dishes. This is a way to show the customer the variety of dishes that Domino's offers – we can create a joyful experience and show we're more than just pizza. The menu deals also offer a great way to highlight other products and introduce elements of the menu a customer may not have considered previously.

They have successfully contributed to the upselling of products and encourage customers to try a different dish at an attractive price. It also offers comfort to the customer: with one push on the button you have a complete menu. The menu deals are in line with Domino's sales ambitions and are a great example of how we apply the 'more for more' strategy in everyday operations.

The future is bright – and on so many levels – our pizzas continue to bring people together

Operational Excellence

Customer feedback is crucial to our ongoing improvement. In France we signed a partnership with Critizr, a French company specialising in customer relations. Thanks to their platform, our teams and in-store staff can now interact in real time with their customers and answer their questions. Actively engaging with customers in a timely manner through responding quickly to customer praise and concerns, is key to maintaining a relationship of trust with our customers. We are delighted with this solution which brings a real culture of customer satisfaction. We have now rolled out this partnership to other DPE markets.

In Germany, TANDA, our online rostering software, is becoming more important to ensure productive staff planning. We offer webinars every two weeks to train franchisees and managers, and the results are already obvious. Franchisees who have embraced TANDA are reporting an increase in productivity of 10% thanks to better rostering. We also created further efficiencies with reduced delivery zones.

The operations team started with “Remote OERs” (Operations Evaluation Reports) in December 2021 targeting a higher audit frequency and increased efficiency. The goal of our OER program is to ensure our stores are meeting the highest operational standards, including brand adherence.

DPE Germany and France both reported successes with the introduction of the Young Franchisee Program. In Germany, currently six managers are undergoing the program, all set to become franchisees in the coming months or have recently opened their first store. In France we have trained ten managers who have already opened their own stores between June 2021 and June 2022.

The future is bright – and on so many levels – our pizzas continue to bring people together.

APAC

Josh Kilimnik,
CEO APAC
since 2022

IN ANOTHER FINANCIAL YEAR WHERE THE ONLY CERTAINTY WAS UNCERTAINTY, DOMINOIDS THROUGHOUT THE ASIA-PACIFIC CONTINUED TO PUSH THROUGH.

Despite lockdowns and restrictions as the Delta and Omicron COVID-19 variants peaked, food and labour cost increases and Omicron-related staff shortages as team members self-isolated, our teams have not faltered.

From embracing Zero Contact delivery to epic efforts by Dominoids to embrace being 'slow where it matters and fast where it counts', we have proved our steadfast commitment to ensuring our customers are delivered the hottest and freshest pizzas possible. This means focusing on things like predictive ordering, using Pizza Checker to ensure product quality, using fast bake ovens and specialised hot cells and taking the time to make each pizza carefully and to be careful on the roads when out delivering.

We've continued to crush convention and help people grow and prosper at every turn in the face of the 'new normal' with strong market growth. Our expansion in Asia continues to return year on year success with more than 130 new stores now operating in the region. Our newest market, Taiwan, opened 14 new stores in FY22.

To continue the strong growth trajectory in Australia and New Zealand too, Domino's introduced Project Ignite, an investment of more than $AU40 million by DPE across Australia and New Zealand over the next four years to stimulate growth. The program commenced on 1 July 2021. 19 new Australian stores and four new stores in New Zealand opened this financial year utilising this project, both by existing franchisees and new franchisees who were previously store managers, helping to accelerate growth.

Initiatives like these, supported by additional new markets, and an outlook of more than 3600 stores over the next decade – which will more than double our current store footprint – ensures this truly is an Asia-Pacific business which has made significant strides this financial year.

In Australia/New Zealand, we appointed new ANZ CEO David Burness in September 2021. David is an experienced Domino's franchisee, starting his career back in 1991 and having worked across a variety of roles in the Company, including as a franchisee in Australia, and as the Chief Operating Officer for Domino's Netherlands–shortly after the market was acquired by DPE.

David has also been a driving force in nurturing team members and guiding them to become franchisees in their own right, having had ten team members take the step to becoming a franchisee. David also created a Manager in Training Competency Handbook and a Manager Sponsorship program to assist managers in becoming franchisees. He intends for team member development to be a key focus in his role – because it's the right thing to do.

In July 2021 we also appointed a new Chief Marketing Officer for ANZ, Adam Ballesty, following a global recruitment search. A skilled consumer marketing specialist with decades of experience, Adam prides himself on growing a business through the lens of brand and disrupting the market with new to world ideas. Responsible for all facets of the Domino's Australia and New Zealand brand, Adam is focused on consumer marketing including brand, digital marketing, communications and product development. Adam is also responsible for leading the development of the Domino's food innovation pipeline.

»slow where it matters and fast where it counts«

In partnership with a new creative marketing agency, Domino's Australia/New Zealand has launched a number of very popular campaigns, including the relaunch of the Extra Value Range (New Zealand), the Value Max Range (Australia), the Cheese Toastie Crust and 'Hot & Fresh delivered' (Australia).

Demonstrating a commitment to animal welfare – and doing the right thing because it's the right thing to do – the Company partnered with Compassion in World Farming (CIWF) and signed the Better Chicken Commitment in November 2021. This was a first for the fast-food industry across Australia and New Zealand.

In committing to this initiative, Domino's has pledged that by 2026, the Company will ensure 100 per cent of its chicken meets or exceeds the Better Chicken Commitment standards for all stores across Australia and New Zealand – an important step in our Domino's for Good journey as we work to make the world a better place.

And speaking of making the world a better place, by being generous and providing joyful experiences, Australia and New Zealand hosted inaugural "Domino's for Good Day" events on World Pizza Day in February of 2022. Australian stores and their customers raised $133,000 for Australian charities and Domino's New Zealand and its customers raised more than $19,000 for disadvantaged Kiwi's in just one day.

Similarly in Japan, April 2022 saw the establishment of the Sanchoku Domino's Foundation in support of those working in the agriculture, dairy and fishery sectors who are facing multiple challenges such as successor shortages and deserted cultivated land. Sanchoku Domino's Foundation will utilise the donations collected through round-up sales.

We continue to remain focused through all the ways we crush convention and FY23 is looking prosperous for us all.

Josh Kilimnik
CEO APAC


ANY LARGE PIZZA
INCLUDING GOURMET
+ TRADITIONAL & VALUE RANGE
$15
EACH
DELIVERED
*CONDITIONS APPLY - SEE INSTORE FOR DETAILS

& TOP HIGHLIGHTS ACHIEVEMENTS

OPERATIONS

- Domino's Chermside (Brisbane, Australia) placed first in GLOBAL ESTIMATED DELIVERY TIME RANKINGS for the week, achieving an incredible average EDT of just 7.4 minutes.
- Average ADT in Taiwan is now 00:21:29 as compared to the pre-acquisition average of 25 minutes 45 seconds
- Japan achieved a company-wide daily sales record on December 25th, 2021
- More than 130 electric bikes now in operation across Domino's New Zealand
- New Domino's app roll-out launched

STORE DEVELOPMENT

- G15 new franchisees + 67 franchisees grew their business by one or more stores for the year in Japan – DPJ now operate in all 47 prefectures
- Taiwan opened 14 new stores
- 19 new stores in Australia, with 58 franchisees expanding their business,

FOOD DEVELOPMENT

- Australia and New Zealand launch the Cheese Toastie Crust – a delicious combination of pizza and everyone's childhood favourite, the cheese toastie!
- "Cheese Burst" pizza launched in Japan in direct response to customer feedback showing 12% of customers don't eat the crust

RECOGNITION

- Domino's Australia awarded Corporate Philanthropist of the Year by the Queensland Community Foundation

YEAR IN REVIEW

JAPAN

DOMINO'S PIZZA JAPAN ACHIEVED A COMPANY-WIDE DAILY SALES RECORD ON DECEMBER 25TH, 2021 – A 32% INCREASE ON THE SAME TIME LAST YEAR. We're proud to report that sales on the day were higher in 412 stores. Powering this has been the growth in our franchisees–with 545 franchisee-owned stores as of June 2022.

These are impressive results in what proved to be a challenging year for Domino's Japan as we worked tirelessly to ensure we had enough resources to cover the growth requirements of the business. Thanks to the huge contributions made by team members and consistently strong leadership across all levels of the business we have managed to secure raw materials for our products throughout the year to help us persist on our value to crush convention.

Continued franchisee activation and leadership has resulted in strong direct sales generation and more efficient operations and our strongest service levels and operations ever in Japan. We've added 15 new franchisees and 67 franchisees grew their business by one or more stores for the year.

This has been a direct result of the programs we have put in place. This past financial year we launched "miRISE" to help team members of corporate stores to develop stores as franchisees, along with the new "LAD" program that helps existing franchisees develop more stores.

We have partnered with our franchisees on recruitment strategies and created recruiting posters for all franchise stores to promote "crew to full-time" hires, and we host the "Domino's Brand Orientation" session twice a month to communicate Domino's culture and values. So far, 150 members have attended this orientation, and 10 have been successfully hired as full-time employees. The Domino's recruiting website has also been renewed so that we can accept applicants from outside of Domino's, and we have extended this system to franchisee stores as well.

To support the wellbeing and lifestyle of all team members we introduced Flexible Working Hours and changed the number of monthly days off from nine to 10 days so that our employees can maintain a healthy work-life-balance. We have also invested in various activities focusing on diversity to promote female employees to thrive and conduct biannual GLINT surveys to improve employee engagement.

In terms of gender diversity, we now boast 23% of all store managers are female, which is up from the previous financial year of 8%. Towards FY23 we also are aiming to increase the employment of people with a disability from our current ratio of 1.7% to 2.3 %.

This FY was also pivotal in establishing the foundation of what will be a new era in customer engagement, including the first rollout of our Critizr platform integration, for smarter and scalable customer feedback management.

We also integrated and renewed our Customer Service and Relationships division. This function is taking care of customer relationships and customer care on all core marketing channels, including our customer call centre, and merged with our Digital and Marketing operations division, which has been rebranded as the 'Voice of Customer' team.

This is a critical change that fully aligns with our efforts to be Customer First focused on every aspect of the business. Thanks to the new Voice of Customer function and investments in better, digitised, and streamlined Customer care processes, we are reducing our target Customer Inquiries' Response time and Resolution time from up to a few days to a maximum of 24 hours. This reduction significantly improves our ability to serve our customers where they need it the most: when they reach out to us asking for help.

In collaboration with BI and marketing insights, we connected our Voice of Customer inquiry management process with our business reports. This ensures that all franchisees can receive regular reports on the quality of their service, comments from customers, and an easy-to-understand assessment of their customer's satisfaction level.

We also completed the integration of our network of stores with the Uber Eats platform in Japan. Now all of our stores are connected to the UE network to reach new revenue and new customers.

We built and rolled out new and smarter Marketing Automations for our Owned media marketing push channels, making our email marketing channel smarter in alignment with our CLV holistic customer experience, strategy, and standards. These automations reduced the operational burden on our team– and the time and cost necessary to set up and deploy new campaigns and offers.

23% of all Store Managers are female

Thanks to smarter tags technology, more personalised and relevant communications can reach our customers now too, improving the time to respond to issues and making sure offers are more relevant, and ensure strong customer satisfaction – to continue to provide joyful experiences.

We built and migrated our website and top page this past year. The new website comes with a modern, light, and redesigned layout that is in line with our global standards. It offers a faster page loading experience, the best mobile web experience available in our platform, better design, usability, and stability. The new platform developed on top of the latest versions of the Umbraco global solution launched at the end of June 2022 and is just the first step in our ongoing plan to bring the best of Domino's to our Japanese Customers through quality digital experiences.

Our Japan Digital Marketing and Marketing Operations Division constantly strive for innovations and efficiencies, both in the planning and executing of strategic and tactical promotions, in deploying optimised media, and in project investments. We commit to maintaining and building next generation digital experiences and platforms that help our stores, franchisee, and corporate grow more efficiently and closer to our customers.

This year critical investments have been made to build foundational technologies, experiences, and user interfaces, and integrate them with smart global platforms that support our current and next growth phase.

This investment in marketing and customer satisfaction is further supported by our desire to continue to do the right thing because it's the right thing to do – and that extends across the communities we operate in.

In the past year we've donated nearly 103,000 pizzas to support local communities through more than 850 of our stores throughout the country, and to celebrate 'Coming of Age Day', free pizzas were sent to community members who turned 20 in local municipal areas where celebration ceremonies had to be cancelled or held on-line due to pandemic restrictions.

And because we do the right thing, because it's the right thing to do, our measures to reduce CO_2 were boosted greatly and the percentage of e-bike and EVA increased to 75% of newly purchased vehicles. The national e-Bike/EVA ownership has increased to 51% compared to 46% last year. Plans to introduce e-scooters in metropolitan areas are also underway.

We're also proud to report that in an effort to invest to create devotion, we have resumed "Pizza Academy– Pizza making trial lessons" for the first time in two years. Through the lessons participants are able to create their own customised pizza – and have a joyful experience.

JAPAN FRANCHISEE SPOTLIGHT

HIKARU OSHIMA

Domino's at Kitanagoya Takadaji, Kogane Dori, Honjin Ekimae

2011
Joined Domino's Japan as crew member

2015
Became fulltime

2020
Increased sales by 15% to 14 million yen at Kitanagoya Takadaji store, became franchisee

2021
Opened second store

2022
Won DPI Gold Franny

Hikaru's Story

Japanese franchisee Hikaru Oshima is making a big mark on a small delivery territory. "The store I opened last year at Kogane Dore now makes all deliveries by eBikes and it's made a huge impact," she said. "The move has reduced carbon dioxide emissions by 128 kilograms every month, improved delivery efficiency and also reduced delivery cost because there is no need for petrol. "Across all my stores we also commit to delivering all orders within 20 minutes, which results in good NPS scores and many repeat customers." And when customers are happy, it can only mean one thing – the team members behind their experience are happy too.

"For me, the most important Domino's values are to be generous and provide joyful experiences," Hikaru said. "I want care and compassion to be the foundation for my stores," she said. "That includes compassion towards everyone, whether it be people in the local community, the Domino's team and crew members.

"I believe that a store that values, care and compassion is able to maintain a good condition and be positive towards taking on new challenges. "Through engaging with each team member that chooses to work for Domino's and taking the time to focus on each of them as individuals means I can build stores where everyone can thrive–I want to nurture them to grow as a person."

Hikaru has also removed the role separation between drivers and in-store crew. "This ensures that any team member can cover any position, at any time, which has helped improve store productivity," she said. It's these lessons that she plans to take into the future, with plans to expand to four stores. "Each time I expand my store count, I feel that my mindset changes and develops and this helps me to continue to set new goals," Hikaru said. "I've drawn on that belief from the start. I didn't receive any loan or partners' support from existing franchisees when I decided to start my own franchise journey.

"Although I was worried about many things such as the possibility of failing or the lack of knowledge and experience, I wanted to take the challenge – to be bold and positive."

»I believed that taking on the challenge of growing my franchises would help me grow too – and it has.«

5,400 orders in the first nine days of opening

YEAR IN REVIEW

TAIWAN

IN THE PAST THREE FINANCIAL YEARS, PRIOR TO DPE ACQUIRING THE MARKET, DOMINO'S TAIWAN DID NOT EXPAND ITS STORE FOOTPRINT BUT NOW BOASTS 14 NEW STORES AND IN FY23 WE ARE ON TRACK TO BEAT THIS GROWTH. Our grand opening events in FY22 set the scene of what was to come – 5,400 orders in the first nine days of opening – setting us on a path to provide joyful experiences and create devotion in a region obviously eager to consume Domino's pizzas!

We are proud to offer a variety of affordable and quality products to meet customers' needs and bring people together by creating memorable pizza experiences. We are committed to do the right thing, because it's the right thing to do, and we'll continue to strive for higher transaction counts and better performance. In our quest to continue to ensure our pizza brings people closer together, we have provided more special offers for small pizzas and more flavour options for quattro pizzas.

And we're working hard to make those experiences create devotion to our product – and that obviously includes a focus on always improving delivery times.

Our stores achieved an average delivery time of 21 minutes, 29 seconds in the past six months, which marks an improvement of 4:16 mins as compared to the pre-acquisition average of 25 minutes 45 seconds for the first eight months of 2022. A move in the right direction!

It's a good thing, too, that this process is being refined with the Domino's Pizza Taiwan mobile app now downloaded 700,000 times, with more than 30% of total orders coming from the app. In FY22, a total of 106 stores in Taiwan broke their own records and reported all-time-high sales figures.

FY22 is also the first year we joined the global ESG (Environment, Social & Governance) efforts. We now have formulated plans for 2022-2023, and we will start making ESG an integral part of our operation and managing the brand in a sustainable way.

April 2022 marked the start of Taiwan's second major COVID wave. Many stores still face labour shortages as staff members test positive and quarantine at home. Some stores had to close temporarily to undergo comprehensive disinfection before resuming business. In a response to the possible labour shortages caused by the COVID outbreak, we stepped up recruitment efforts: successfully recruiting 29 new full-time members (with a 43% retention rate) and many part-time team members.

Given the rise of Omicron cases this year, from April onward delivery experts are required to show proof of three COVID vaccinations to ensure the health and safety of the drivers and customers alike. So far, indoor dining in Taiwan remains open since the restriction was lifted last year.


Domino's
222
Domino's Pizza
OPEN
Domino's
NEW OPEN

TAIWAN FRANCHISEE SPOTLIGHT

MAGGIE JIANG

4 x stores in Banqiao district, 1 x store in Yonghe district

2005
Joined Domino's Taiwan as a pizza maker

2007
Became Store Manager

2012
Rookie Manager of the Year

2013
Store Manager of the Year

2015
Officially a franchisee

2021
All five of Maggie's stores receive Sales Ladder Award

Maggie's Story

With the backing of a Business Start-up Loan for Young Entrepreneurs, combined with the financial support from her family, Maggie Jiang proudly embarked on her franchisee career first by purchasing stores from existing franchisees, and later, opening her own stores.

And that's just the beginning. She has plans to open up another three stores in the next five years and is focused on assisting her current store managers to follow in her footsteps and become future franchisees.

"I encourage my team members to have a growth mindset and try to make this possible by creating a positive work environment and recognising hard work and good performance," Maggie said.

"I set clear sales targets and also encourage all team members to invite their families or friends to join the team, so that they gain a better understanding of the environment and have common topics to talk about."

It's a value she makes sure to model to everyone she works with.

"My biggest achievement at Domino's so far is to bring about attitude change among my team members by committing to staying involved and engaged," she said.

"Those I can see who have good potential are selected to join the management trainee program. Meanwhile, store managers continuously conduct trainings for new staff to ensure every team member can do their job well."

Maggie names the recruitment of new staff as her biggest challenge for the year ahead.

"It is crucial to maintain proper staffing level in the stores as it brings about better and more efficient services for our customers," she said.

"At present there are only between 16 and 18 part-time and full-time team members in each store, and my aim is to increase the total number to at least 20 to 25."

In the meantime, she's meeting demand and maintaining customer satisfaction by using scooter rental services to help ease the pressure, particularly during peak order hours and holidays.

"We also rely on a contact list of backup team members that is maintained to facilitate coordination during peak days. It's in those busy times that it is most important to foster a positive attitude among the team."

»My teams know the importance of good quality food and service, delivered with exceptional hustle!«

ANZ

David Burness, CEO ANZ since 2021

Food Innovation

In another year of upheaval, we focused on feel-good foodie vibes and in November 2021, Australia and New Zealand launched the Cheese Toastie Crust – a delicious combination of pizza and everyone's childhood favourite, the cheese toastie! The indulgent new crust offered customers an oozy slice of heaven, with their favourite pizza now finished with Aussie or New Zealand Cheddar right to the edge of the crust. The product launched accompanied by a 'cheesy' love song duet, Cheese Toastie Love, and customers were invited to enter a competition telling Domino's why Cheese Toastie Love was the perfect tune for their first wedding dance, with the winner receiving their wedding catered by Domino's.

The launch of Domino's Vanilla Puff Rolls as an 8-week limited time only offering was a major hit with Aussies and Kiwis alike and resulted in the product selling out within four weeks of launch (February 2022) in New Zealand. Featuring deliciously sweet, creamy vanilla custard, wrapped in layers of crispy, flaky puff pastry, topped with a dusting of icing sugar, Domino's Vanilla Puff Rolls were the perfect addition (and ending) to any pizza meal. The Pepperoni Puff Roll featuring diced Pepperoni, Mozzarella Cheese and tasty Marinara sauce was equally as satisfying.

In October, Domino's Australia released a limited-edition Cheesy Vegemite Pizza, featuring the famous/infamous Australian spread on the base of a Classic Crust topped with creamy Mozzarella Cheese. The release of this product followed a video created by the Domino's Social Media Team to 'test' the idea of a Vegemite Pizza being shared on the Domino's Australia social media channels, which resulted in thousands of comments.

For those with a sweet tooth, Domino's Australia launched a Red Velvet Thickshake for Halloween, which was a limited time only product and reinvigorated the Company's thickshake range. The thickshake was made with Red Velvet Cake Syrup and creamy ice cream and topped with whipped cream. And a few months later, launching in time for Valentine's Day, Domino's was 'shaking' things up again in February 2022 with the new Domino's Choc Brownie Thickshake, a combination of Domino's Hot Choc Fudge Brownies blended with creamy vanilla ice-cream and topped with whipped cream.

Domino's Japan chose savoury over sweet for their Halloween campaign, launching the Halloween Quattro – four different levels of sauce and spice on each pizza quadrant featuring Level 1: Garlic Master: sausage and pancetta with black pepper and double garlic for a mildly spicy kick; Level 2: Spicy Chili Garlic Pepperoni: a hot combination of chili garlic powder and pepperoni; Level 3: Buffalo Wing Sauce & Garlic: Two hot spicy sauces and buffalo wing sauces; and Level 4: Jalapeno & Ghost Pepper featuring plenty of jalapeno and ghost pepper oil to turn the spice up to the max!

In a customer survey conducted in February 2022, 12% of Domino's Japan customers responded that they don't eat the crust – so we launched "Cheese Burst" in March 2022, where string cheese is placed on the crust and parmesan consommé is sprinkled so that customers could enjoy pizza from the crust. A true joyful experience!

Always leading in culinary innovation, Domino's Japan delivered a wide variety of new flavour combinations including the Summer Favorite Quattro with butter chicken curry, crispy fish and chips (with fresh lemon slice), crispy chicken and honey mustard, and 5 seafood ahijo (garlic), the TSUKIMI Quattro Pizza with Creamy Egg & 4 Mushrooms, Creamy Egg Genovese, Creamy Egg & Bacon, and Creamy Egg & Chicken Teriyaki and they relaunched the World Cheese Quattro – this time with nine premium cheeses from around the world all on one pizza.

The Secret Menu 'Overflow Series' offered additional toppings of corn, smoky bacon, Italian sausage, pancetta, sliced sausage, and garlic, together with Domino's original chopsticks. The Christmas Premium Quattro pizza served up four different flavors of Bincho-tan Char-roast Beef, Smoked Chicken & Basil Sauce, Italian Juicy Roast Pork, Shrimp and Scallop with Blue Crab Sauce, and in February of 2022 the 'Best 34' was created – named for the 18" pizza covered with 34 different toppings all split up into four quarters, so that the pizza is "balanced to perfection" in taste.

Following on from Japan's success with Pizza Rice Bowls – Domino's original take on the rice bowl, with rice covered in classic topping combos – two new flavours were introduced in September 2021. The 'Seafood Special' and '5 Cheese' were added to the Pizza Rice Bowl menu, alongside favourites such as the 'Domino's Deluxe' and the 'Garlic Master'.

Finally, in April, Japan's local harvest menu was launched, offering seasonal fresh ingredients from all over the country called Sanchoku Domino's. Designed to run all year round, the first offering is "Japan Harvest Quattro Spring" – a pizza topped with locally sourced baby sardines, Sakura shrimp sauce, char-grilled premium Kurobuta, canola flower, and Hokkaido cheeses.

Digital Innovation

In FY22, Domino's started to roll-out the new Domino's app, which is being delivered in progressive stages to ensure it delivers benefits for customers beyond the existing app, which has been well regarded by some of our most frequent customers.

The new app offers an experience that's faster and easier for the customer and provides money-saving special offers. To accompany the launch, customers will also be offered a free pizza with their next order when they use the new app for the first time.

To continue to build on year-on-year growth in store openings and the solid foundations of existing operations, we are committed to ensuring our team members have the chance to grow and take on new challenges and opportunities and Domino's Path to Excellence is the new online training platform for Domino's team members.

Path to Excellence is a world of personal growth and professional development, delivered to the palm of team members hands', via the Path to Excellence app. This is going to change the way we onboard and train team members, making sure every single employee has a rewarding Domino's experience, and is able to see just how far a career at Domino's can take them. Path to Excellence, which builds on the concepts proven by the successful and long-standing Mammoth training platform from Domino's Japan, will be launched in all DPE markets. It is a true example of Domino's operational excellence being enabled by digital innovation.

In Japan, critical investments have been made to build foundational technologies, experiences, and user-interfaces, that have been integrated with smart global platforms that support current and next growth phase.

Technology Group – Japan IT – continues to focus on removing legacy systems, removing technical debts by aligning to security and compliance, reducing IT cost of ownership, and enhancing business capabilities.

Highlights in FY2022 include the simplification of all store servers by diminishing the legacy configuration lingering from DPE pre-acquisition days. This enabled higher server performance and minimised server issues which enhance store efficiency.

Domino's Japan also implemented security software and MFA (multi-factor authentication) to all required device endpoints and a new security patch process is also in place.

This helped to reduce new store IT costs and enabled more store capabilities at the same time such as Wi-Fi, wireless order tablets, remote-accessible security cameras, and more. Pulse Inventory Mobile Application was also implemented in October 2021 nationwide as a first step to remove paperwork from stores to boost efficiency.

While we keep working to ensure we offer the best experience of Domino's product and brand on our native app and website, we've proactively worked to reach new customers through new experiences and platforms. From partner platforms like food aggregators to highly engaging social media platforms like Tik Tok where we connect with new generations of consumers.

Domino's Japan completed the first rollout of the Critizr platform integration, for smarter and scalable customer feedback management. With the launch of the first phase of our Critizr integration with the web platform and Customer center in Japan we bring a leap in speed, quality, and scale to our ability to listen to customer feedback, process it, and learn from it and respond in a timely manner.

Japan also launched its new App first promotion layer, combining cross channel marketing with innovative incentives for our stores, which led to a new record percentage of App sales this year – more than 20% of total app sales in their record week.

Domino's is always looking for ways to innovate to ensure our stores are operating at the highest level possible, in turn providing our customers with a great experience. In Australia in March 2022, the Company announced a partnership with Macquarie Telecom to roll out nbn, VoIP and SD-WAN services to more than 720 Domino's stores across the country.

This new partnership allows the Company to ensure our customers have fast and reliable access to Domino's various applications, that our franchisees and stores are supported for new innovations, and that we provide sufficient capacity for Domino's to continue on the Company's technology roadmap, further improving experiences for customers and our store teams.

In New Zealand, we're looking to see how far we can take pizza – from the sky!

We're proud to announce we signed an agreement with Flirtey Inc. (SkyDrop) to expand our drone food delivery trials in New Zealand this year.

Due to increases in the number of deliveries we are currently seeing across our stores in New Zealand, we see a need to introduce a new method to our delivery systems. To be clear, we do not see drone delivery as a replacement delivery method. This is in addition to our traditional delivery methods. Since the initial trial in 2016, SkyDrop has been focused on the development of faster, safer, quieter, and greener drones capable of carrying increased payloads of up to 3.5kg.

Now, we are back to see what is possible in 2022 and make history with the agreement to conduct a drone delivery trial with new and improved drones. The outcome of this commercial trial will guide what happens in the future. As we focus on the next phase of trials, we will be examining its commercial viability and investigating any other improvements that need to be made. Domino's and SkyDrop expect to start drone delivery trials later this year.

Operational Excellence

Project Ignite powered new stores across Australia and New Zealand. In Australia, 19 new stores opened with the support of Project Ignite. However, across the country the total number of managers becoming franchisees (through purchasing previously corporate stores) or expanding their businesses by acquiring existing stores, was also ignited. In New Zealand we had two store managers, and one franchisee, pass through the Ignite program this year, incentivised to open brand new stores in Thames, Tawa and Golflands helping to increase New Zealand's store count to 144. It is through this investment in helping our people grow and prosper, and growing our local presence, we believe we can give customers a better experience and Domino's a fortressed presence in the New Zealand QSR industry.

Further to this, the appetite for expansion has definitely been on display in Australia. In the first half of FY22 alone, 58 franchisees expanded their business, and of those, 25 expanded by two stores or more.

Recruitment has featured heavily as a cornerstone to support continued operational excellence, with both Australia and New Zealand focusing on growing our teams. Ahead of the festive season in 2021, Domino's New Zealand set out to hire more than 1,500 people to help make, bake, and take safe, hot meals during our busiest period of the year. With a wide variety of roles that could suit anyone from a student looking for a part time job to those who may be looking for a longer-term career in the food industry, we offered Kiwis the ultimate 'pepperoni on top of the pizza' opportunity, giving one lucky person who was hired a year's supply of pizza and a Nintendo Switch.

The same perk was offered in Australia, when in November 2021, the company launched a national recruitment drive, calling out for more than 7,000 team members to fill roles across the country, and help us deliver Hot & Fresh pizzas to our customers.

Domino's Australia continued to offer Zero Contact Delivery throughout the lockdowns across the country, ensuring everyone could still enjoy a slice of their favourite pizza. As the country emerged into the new normal, Zero Contact Delivery was then offered as an option to customers who were isolating, allowing Domino's to keep our team members and customers safe. In the second half of the year, the Company revised the current food safety program to align with the FSE (Food Safety Evaluation) program utilised by Domino's in the United States, allowing for consistency. In New Zealand, the team was proud to launch Hospo Savvy and Team Lead Savvy Courses for all team members to complete as part of their National Certificate of Educational Achievement (NCEA), which is the main national qualification for secondary school students in New Zealand. These courses enable team members to earn NCEA credits towards their formal schooling education, with both courses offering at least 20 credits each.

The first course, Hospo Savvy is aimed at team members covering everything from customer service to health and safety. The second course, Team Lead Savvy is aimed at store managers and those in training to be managers. These cover communication skills, problem solving, training along with teamwork learnings. Both courses are free for our team members to complete. Helping to position Domino's New Zealand as an employer of choice, the launch of these accredited courses help to train and retain more team members across our business by supporting them to grow and prosper and to gain formally recognised education.

A true reflection of investment creating devotion.

AUSTRALIA

NOT LONG AFTER THE NEW FINANCIAL YEAR BEGAN, A NUMBER OF STATES AND TERRITORIES IN AUSTRALIA HEADED INTO LENGTHY LOCKDOWNS, WITH HEALTH ORDERS AFFECTING HOW DOMINO'S STORES OPERATED. In some states such as New South Wales, stores were required to move to a click and collect model, close foyers, use EFTPOS only, and enforce restrictions on staff travelling to and from work.

While in some states, the first wave peaked with the Delta variant early in the financial year, there was a second wave of COVID in early 2022, with restrictions re-introduced for many states, including mask wearing. During both peaks of the virus, staffing levels were impacted, with many team members required to isolate due to close contact restrictions. These rules and lockdowns lasted several months, and affected staffing of stores, due to positive COVID cases and close contact isolation rules.

However, heading into the second half of the financial year, Australia has emerged into a new normal, with stores trading almost as they were pre-COVID. Across the country, dine in has reopened and customers can enter store foyers again.

Severe weather events have also affected some Domino's stores, with the Southeast Queensland and Northern New South Wales floods impacting a number of stores, whether it be due to stock being unable to be delivered to stores due to flooded roads, or stores themselves being flooded as a result of the weather. However, the supply chain issues that impacted much of the QSR industry had a relatively minimal effect on Domino's Australia's operations due to our robust supply chain systems that have been supported through our strong partnerships with long-term agreements.

Our people are central to our operations and our future, and we were proud to provide more opportunities for team members in FY22, including through a nationwide recruitment drive in November 2021 for more than 7,000 team members.

Delivery is key to our future growth, and to show what is possible, we launched an EDT (Estimated Delivery Time) Record Week in February, encouraging stores to beat their average delivery times. This record attempt resulted in one Australian store, Domino's Chermside, achieving an EDT of 7:04 minutes, the fastest time globally out of all Domino's markets during this week, (not just DPE), which was an incredible achievement.

19 new Domino's stores are now operating in Australia with a number of new store openings projected to occur early in FY23.

In June 2022, Domino's was awarded Corporate Philanthropist of the Year by the Queensland Community Foundation. Domino's was recognised for our Round Up for Charity initiative, which allows customers to round up their pizza order to support

Domino's registered charity Give for Good and its charity partners, the Workplace Giving efforts across the Company, and additional donations to Give for Good's partners.

The past year has been one of growth for our Give for Good charity, welcoming a General Manager, Bronwyn Spencer, a new Chair of the Board, Helen Poropat, and for the first time, a Domino's franchisee, Chad Cable, in the role of Executive Director.

»More than 50,000 pizzas have been donated to Australian causes and community members in need...«

Additionally, Give for Good has partnered with a range of new charities to support the communities in which Domino's operates across the country (in addition to existing partnerships) and these charities all support one or more of Give for Good's key focus areas of Youth and Education, Leadership and Entrepreneurship, Disaster Relief, and Rural Communities.

This year, the Company has continued to provide pizza with a purpose, holding a Doughraiser across Queensland, New South Wales and Australian Capital Territory stores following the devastating February 2022 floods. Donating $1 from every pizza sold, the Company, together with its franchisees, team members and generous customers, raised $150,000 for GIVIT's Flood Appeal.

Domino's stores have also donated a record number of pizzas through the Company's Feed the Knead program, ensuring those doing it tough have one less thing to think about – a safe, hot meal.

More than 50,000 pizzas have been donated to Australian causes and community members in need through the program.

AUSTRALIA FRANCHISEE SPOTLIGHT

MADDIE MCMILLAN AND TEGAN EAYRS

Domino's at Ferny Grove, Samford, Arana Hills, Kallangur, North Lakes, Redcliffe

2015
Maddie and Tegan meet at Domino's North Lakes

2018
Tegan's franchisee journey begins with Domino's Redcliffe

2019
Maddie franchisee journey begins with Domino's North Lakes

2020
Domino's North Lakes wins the Rolex Challenge

2021
Expansion time: Maddie and Tegan expand (along with franchisee Steven Gilbert) and buy Kallangur, Arana Hills, and Samford

2022
Presented on stage at the Domino's ANZ Rally and continued growth with takeover of Ferny Grove store in June

Maddison and Tegan's Story

Maddie McMillan and Tegan Eayrs live out the mantra of 'There's no I in team' every single day, and when asked what the most important Domino's value is to them, they unanimously answer, 'To help people grow and prosper'.

"Without our people, I wouldn't be where I am today and I want to create opportunities and learnings for everyone, whether it be for an instore, driver, shift runner, manager or a business partner," Maddie said.

"I don't want staff to feel like they can't grow in our business, personally or professionally. I want all staff to feel like their life has been enriched by their time at Domino's, whether they are with us for a long time or it's their first job."

Fellow franchisee Tegan Eayrs agrees.

"By investing in my people through consistent training and support I have taken them on my journey with me over the years. My current Rookie Manager of the Year was originally a 14-year-old team member, and now he is the Store Manager of a successful Domino's store," she said.

"Before expanding in December to buy Arana Hills and Samford, we had prepared ourselves by investing and ensuring all three of our stores had two trained Store Managers available."

The pair started their franchising as business partners with experienced franchisees, with Tegan and Maddie working as business partners with Steven Gilbert.

As multi-unit franchisees, both Maddison and Tegan have taken themselves and each other on a powerful trajectory since starting out as a wobble boarder and delivery expert, respectively.

"I was managing for Steven 'Gilly' Gilbert when he approached me to become a Business Partner and at first, I wasn't interested because I wasn't confident in my abilities," Maddie said.

"However, in time that changed and the next time the opportunity to take the step was offered to me, I said

»It takes a team of motivated and passionate people to run a successful Domino's store, and we need to keep investing in our people in order to grow.«

yes and haven't looked back since!

"Increasing Domino's North Lakes sales by 300% and achieving a record number of sales for the store is something I'm proud of.

"Additionally, training Domino's North Lakes Store Managers Calia and Jordan and having the opportunity to now watch them create and build their own teams is something that's made me professionally happy."

Tegan Eayrs worked her way through a number of roles including Store Manager and Regional Manager before partnering with Gilly also.

Between 2020 and 2021, she grew the Redcliffe store by 200% compared to its first week when she was the Store Manager, achieved a record week in sales and won a prestigious Rolex award in the process.

Together, the franchisees have introduced outdoor dispatch, set bonuses for managers to hit their EDT goals, and introduced more e-bikes in more stores.

"We're currently looking at other ways to reduce our cost per delivery. For example, this includes changing delivery area, reallocating areas to one of our neighbouring stores, and using more company cars and e-bikes," Maddie said.

Tegan said in addition, they have placed small "Domino's Delivers Here" on lawns across their delivery areas in areas data showed received fewer delivery orders, in order to grow sales.

"Aside from the basics, we also hold four 'Doughraisers' each year, place promotional material on the pizza boxes going out to customers, and support local groups by handing out sports awards," she said.

"I'm committed to giving back to our local community and one of the most successful initiatives I'm proud of is donating 5,000 sports awards each year to help give back to the community and grow brand awareness."

THE LISMORE EXPERIENCE

WITH THE LISMORE BUSINESS DISTRICT, INCLUDING THE LOCAL DOMINO'S STORE, DEVASTATED BY FLOODS IN THE FIRST HALF OF 2022, DOMINO'S ACCELERATED A RETURN TO NORMAL WITH THE COUNTRY'S VERY FIRST "MOBILE PIZZA KITCHEN" ROLLING INTO TOWN.

A cross-department team from Domino's Australia/New Zealand developed the very first Mobile Pizza Kitchen, a fully-fledged Domino's store on wheels, in FY22. It's designed to fill a need for a Domino's store, where a full store may not be feasible.

The first Mobile Pizza Kitchen, built in Queensland, started serving hot & fresh pizzas to customers in Lismore on Saturday 2 July.

The unique store is operated by Domino's franchisee Oryssa Van Keuk, who grew up in the area.

"I've been a Domino's franchisee for more than 18 months now, and recently became the proud owner of Domino's Goonellabah.

"I grew up in the Northern Rivers region in Mullumbimby, so it's been special to return home to my local area to operate the Domino's store in Goonellabah, and now the Mobile Pizza Kitchen in Lismore," she said.

"After a difficult couple of months for many in Lismore, I'm excited to bring some good news to the area. Both in the form of pizza – which I know locals have been missing – and also jobs.

"I'm looking forward to bringing locals on to help me run our very special Mobile Pizza Kitchen, and training and developing the team."

The Mobile Pizza Kitchen will enable Domino's to serve even more customers across the country.

ANZ CEO David Burness said: "At Domino's, we believe everyone deserves their favourite food, affordably, including in regional towns across Australia. Through our Mobile Pizza Kitchens, we will be able to deliver great value to even more customers nationwide and we're particularly excited to be bringing the very first Mobile Pizza Kitchen in the country to Lismore.

"The Mobile Pizza Kitchen will also allow us to be closer to our local communities in times of need. For example, during events such as the devastating floods Lismore faced earlier this year, the Mobile Pizza Kitchen will be able to continue providing safe, hot meals to those impacted," said Mr Burness.

"Future Mobile Pizza Kitchens will help us share the love of pizza to even more communities; as a 'pop-up' store for festivals and large community events, in regional locations where the local population may not justify a store seven days a week, or even where a suitable permanent site is not yet possible.

"We're excited to be working with our franchisees, using the Mobile Pizza Kitchen, to bring people closer."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YEAR IN REVIEW

NEW ZEALAND

LIKE EVERY DPE MARKET, WE EXPERIENCED COVID-19 RELATED CHALLENGES DUE TO AN INCREASE IN RESTRICTIONS AND MANDATORY LOCKDOWNS. On 17 August 2021, the entire Auckland market entered a five-week lockdown until 21 September 2021, forcing stores to close their doors. All stores in this Auckland market where unable to trade for the duration of the lockdown period.

As part of the new COVID 'traffic light' system that was introduced by the New Zealand Government in late 2021, businesses had the option to check customers vaccination status. We carefully considered this issue for our team members and customers and determined we would keep dine-in closed, rather than requiring proof of customer vaccination status, until March 2022 when the vaccine pass requirements were lifted. In the interim, we continued following our Zero Contact processes through Red and Orange Levels to ensure the delivery of safe, hot meals to local customers.

In March 2022, the COVID-19 Omicron variant peaked causing pressures on our supply chain, temporary staff shortages and even forcing some stores to close or to operate at reduced trading hours. Additionally, the acceleration of the Omicron strain across New Zealand saw us experience major labour shortages within our store development and supply chain – from trade experts to specialist operators, and builders – all due to an increase in COVID-19 cases, isolation periods and delays in testing nationwide. This unfortunately delayed the opening of some Domino's stores.

Throughout the COVID-19 outbreak, the New Zealand Government urged everyone to look after one another and at Domino's, we wanted to continue to do our bit. That's why in July 2021 we worked with The Salvation Army to offer a 'Slice of Kindness' to more than 2,000 Kiwi families in need, by giving them the gift of a hot meal, safely delivered, and donating more than 10,000 pizzas to those in 'knead' via the Feed the Knead program.

As conditions have slowly improved with the easing of restrictions, removal of vaccine pass requirements, a drop in positive cases across the country and the announcement international borders will open to all overseas travellers from July 31, 2022, we are taking a step forward and learning to live with the virus.

Domino's New Zealand is proud to have opened four new stores, including DPE's first container store at Domino's Tawa (October 2021), plus Domino's Thames (March 2022), Domino's Golflands (May 2022) and Domino's Takanini (June 2022).

The reality is living with COVID has been challenging for our franchisees and team members as it has for everyone in our community, so while we have grown our delivery sales, many of our regular Pick-Up occasions, like office luncheons and celebrations, have declined.

However, despite this, the evolution of Domino's delivery service is a unique journey, fuelled by innovation, technology, and a commitment to sustainability. In New Zealand, this innovation continues to evolve with the use of electric bikes by Kiwi-owned business UBCO.

UBCO's 2X2 electric bikes have been specially modified to suit Domino's delivery needs, while helping to reduce carbon emissions and the cost of delivery. They also provide a fun, safe and active way for our team members to deliver pizzas to customers and increase the variety of employment opportunities we can offer to those looking for work.

Currently, we have more than 130 electric bikes (50 of which are UBCO branded) in operation across Domino's New Zealand and we are proud to partner with a locally owned business like UBCO to innovate for the good of the planet (and pizzas)!

We're also continuing the exploration of drone delivery trials with SkyDrop later this calendar year – the next step in developing this important technology.

After making history with the world's first pizza delivery by drone from the Domino's Whangaparaoa store in Auckland in 2016, we're excited to partner with SkyDrop again to offer the innovative service to even more Kiwi pizza lovers with new and improved drone technology.

Additionally, we also believe drone delivery will be an essential component of our pizza deliveries in the future, and that customers will benefit from the convenience of having Hot & Fresh pizzas delivered with Zero Contact to their homes by battery-powered drones, which also reduces traffic congestion and greenhouse emissions.

While it was a tough year, it definitely wasn't all doom and gloom – we did our bit to keep spirits high where possible.

To celebrate the lifting of some restrictions as Auckland moved to Alert Level 3 in September 2021, allowing Domino's to open and safely deliver after a five-week lockdown, Domino's stores celebrated this reopening day across Auckland by giving away a free Choc Lava Cake to every customer with every online delivery order.

Bringing people closer is Domino's purpose: We launched Domino's 'Pizza Proposal' delivery service for Valentine's Day, giving customers the opportunity to pop the question to their loved one in February 2022.

And for those looking to go one step further and actually tie the knot, we developed a marketing campaign that encouraged a newly married couple to do their first dance to 'Cheese Toastie Crust Love' – the ballad created by David Novak of the Polish Club and up-and-coming musical talent Natalie Conway – at their wedding to have their big day catered by Domino's!

Young couple Richard and Milly won the competition, dancing to the iconic song for their first dance and enjoying slices of their favourite, piping hot Domino's pizza at their reception. They newlyweds said having their wedding catered by Domino's was a dream come true, and that it meant there was something for everyone.

In FY22 Domino's New Zealand ran our Youthline Doughraiser in two parts due to Auckland being in lockdown, while the rest of the country was open and trading. Incredibly, Auckland raised a whopping $11,631 in early November taking the total number of funds raised to $36,726 across the country.

All funds raised were donated to Youthline to help thousands of young people across the country receive the support they need through Youthline's phone, text, and email services.

NEW ZEALAND FRANCHISEE SPOTLIGHT

ALEX WHALE

Domino's at Mangere, Mount Eden, Newmarket, St Heliers, Papakura, Onehunga, Te Rapa, Takanini, Taupo and Te Atatu South.

(Business partner with Brandon and Kushla Brooking)

2013
Started with Domino's as a Delivery Expert; six to eight hours week in final year of high school.

2015
Became Store Manager of Nawton in Hamilton while studying full time at university.

2016
Moved into Training Manger position for a NZ Franchisee, managing stores across Auckland

2017
Moved to Saint Heliers and broke two sales records

2019
Returned to Head Office to run the Mount Eden store, and then became a Training Manager of Franchisees and then Regional Manager.

2020
Awarded Leadership Eagle, promoted to Head of Corporate Operations in charge of 17 corporate stores in New Zealand.

2022
Became a franchisee, awarded second Leadership Eagle.

Alex's Story

Alex Whale's career highlights with Domino's tells the story of someone with ambition beyond their years.

In under a decade, she's managed to conquer a lifetime of work goals – and she's only just getting started.

"I want to build a network of 20 stores across New Zealand with my business partners, Brandon and Kushla Brooking," she said.

"I'm always aiming to be the best in my business through helping our team members understand that they work with me – not for me.

"Providing them with the skills, knowledge, and resources that they need to be able to their jobs is something I pride myself on. We can only do the best with what we have so we need to ensure we always give our team members what they need to achieve the best results."

In fact, 'results' is Alex's middle name.

After attending her first Domino's ANZ Rally in 2016 she came back to her store in Domino's Nawton to chase lower Estimated Delivery Times (EDT).

"The store went from an average EDT of 24 minutes to 21 minutes all by changing the hustle game and calling drivers earlier," she said.

Not long after, Alex moved to the Davies Corner store, growing sales with lower delivery times, which lifted customer satisfaction. Chasing an EDT of below 15 minutes, the store soon lifted customers' 'net promoter score' (NPS) from 45% to more than 50%, which grew sales from $14K a week, to $19K a week within a few months.

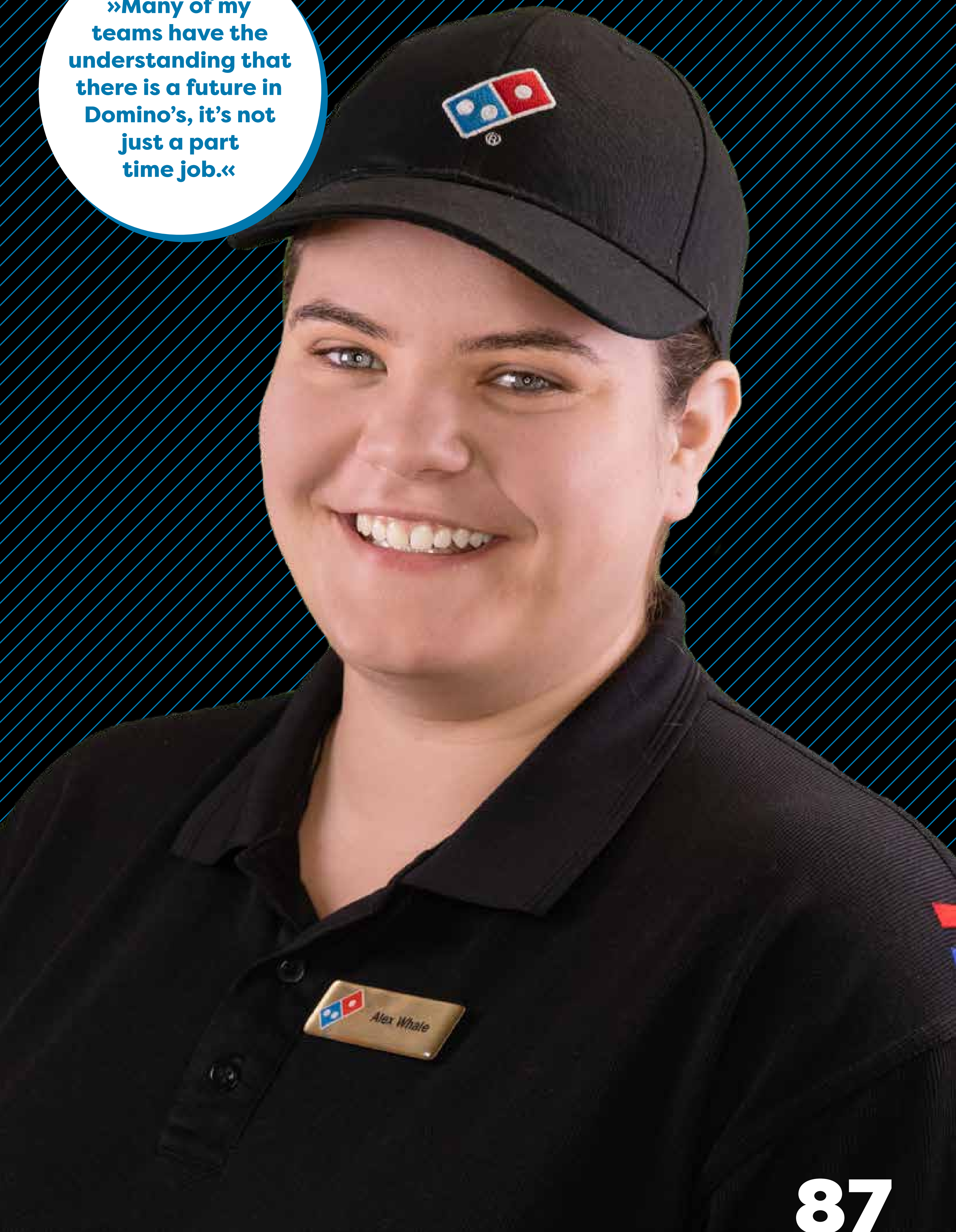
Her secret? Investing in team members.

"You must be willing every day to teach someone something new, and ensure you are providing them with what they need for them to give you what you need," she said.

"The training program and pay for performance scheme has been the easiest culture change in my time in Domino's.

"Now many of my teams have that understanding that there is a future in Domino's, it's not just a part time job."

»Many of my teams have the understanding that there is a future in Domino's, it's not just a part time job.«



DIRECTOR
REPORT

Group Highlights

	FY21 UNDERLYING $ MIL	FY22 UNDERLYING[1] $ MIL	+/(-) FY21 UNDERLYING %	FY22 STATUTORY $ MIL
Network Sales	3,744.4	3,918.0	4.6%	3,918.0
Revenue	2,199.1	2,289.3	4.1%	2,289.3
EBITDA	**423.7**	**396.5**	**(6.4%)**	**387.7**
Depreciation & Amortisation	(130.0)	(133.6)	(2.8%)	(133.6)
EBIT	**293.7**	**262.9**	**(10.5%)**	**254.1**
EBIT Margin	13.4%	11.5%		11.1%
Interest	(13.8)	(13.5)	2.2%	(13.5)
NPBT	**279.9**	**249.4**	**(10.9%)**	**240.6**
Tax Expense	(81.8)	(76.4)	6.6%	(73.9)
NPAT before Minority Interest	**198.1**	**173.0**	**(12.7%)**	**166.7**
Minority Interest	(9.5)	(8.0)	15.6%	(8.0)
NPAT	**188.6**	**165.0**	**(12.5%)**	**158.7**

PERFORMANCE INDICATORS

EPS (basic)	218.1 cps	190.6 cps	(12.6%)	183.4 cps
Dividend per Share	173.5 cps	156.5 cps	(9.8%)	156.5 cps
Same Store Sales %	9.3%	-0.3%		-0.3%

1 Underlying excludes significant acquisition and legal settlement costs.

Contents

Directors' Report

The directors of Domino's Pizza Enterprises Limited ("DPE Limited", or the "Company") submit herewith the annual financial report of the Company and its controlled entities ("the Group") for the financial year ended 03 July 2022. In order to comply with the provisions of the *Corporations Act 2001*, the Directors' Report as follows:

INFORMATION ABOUT THE DIRECTORS AND SENIOR MANAGEMENT

The names and particulars of the directors of the Company during or since the end of the financial year are:

NAME	POSITION	
Jack Cowin	Non-Executive Director	Appointed 20 March 2014
Grant Bourke	Independent Non-Executive Director	Appointed 24 August 2001
Lynda O'Grady	Independent Non-Executive Director	Appointed 16 April 2015
Ursula Schreiber	Independent Non-Executive Director	Appointed 30 November 2018
Doreen Huber	Independent Non-Executive Director	Appointed 21 February 2020
Tony Peake	Independent Non-Executive Director	Appointed 14 May 2021
Don Meij	Managing Director/Group Chief Executive Officer	Appointed 24 August 2001
Ross Adler	Independent Non-Executive Director	Appointed 23 March 2005 Resigned 03 November 2021

DIRECTORSHIPS OF OTHER LISTED COMPANIES

Lynda O'Grady was appointed a director of Wagners Holding Company Limited on 08 November 2017 and was appointed a director of Rubicon Water Limited which was admitted to the Official List of the ASX on 31 August 2021. Doreen Huber was appointed a non-executive director of Ceconomy AG on 09 February 2022. There were no other directorships of other listed companies held by directors in the 3 years immediately before the end of the financial year.

DIRECTORS' SHAREHOLDINGS

The following table sets out each director's relevant interest in shares, debentures, and rights or options in shares or debentures of the Company as at the date of this report.

	DOMINO'S PIZZA ENTERPRISES LIMITED		
DIRECTORS	FULLY PAID ORDINARY SHARES NUMBER	SHARE OPTIONS NUMBER	CONVERTIBLE NOTES NUMBER
Jack Cowin	23,066,390	–	–
Grant Bourke	1,628,344	–	–
Lynda O'Grady	2,000	–	–
Ursula Schreiber	1,500	–	–
Doreen Huber	1,450	–	–
Tony Peake	1,400	–	–
Don Meij	1,800,001	772,869	–

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Information about the remuneration of directors and senior management is set out in the Remuneration Report of this Directors' Report on pages 101 to 125.

SHARE OPTIONS GRANTED TO DIRECTORS AND SENIOR MANAGEMENT

During and since the end of the financial year, an aggregate 230,047 share options were granted to the following directors and senior management of the Company as part of their remuneration.

Directors' Report
continued

INFORMATION ABOUT THE DIRECTORS AND SENIOR MANAGEMENT (continued)

DIRECTORS AND SENIOR MANAGEMENT	NUMBER OF OPTIONS GRANTED	ISSUING ENTITY	NUMBER OF ORDINARY SHARES UNDER OPTION
Don Meij	98,932	DPE Limited	552,869
Richard Coney	32,953	DPE Limited	113,865
Josh Kilimnik	34,077	DPE Limited	134,103
Nick Knight[(i)]	572	DPE Limited	–
Andre ten Wolde	31,836	DPE Limited	91,166
Michael Gillespie	31,677	DPE Limited	105,393

(i) Nick Knight retired and ceased meeting the definition of KMP on 28 September 2021.

COMPANY SECRETARY

Craig Ryan:
General Counsel & Company Secretary

Craig is a solicitor of the Supreme Court of Queensland, Australian Capital Territory and New South Wales and a Solicitor of the High Court of Australia with over 23 years' experience. Craig joined the Company as General Counsel on 8 August 2006 and was appointed to the position of Company Secretary on 18 September 2006. Craig holds a Bachelor of Arts and a Bachelor of Laws from the University of Queensland and a Masters of Laws from the University of New South Wales. Craig is also a Chartered Secretary with the Governance Institute Australia.

PRINCIPAL ACTIVITIES

The Group's principal activities in the course of the financial year were the operation of retail food outlets and the operation of franchise services. During the financial year there were no significant changes in the nature of those activities.

REVIEW OF OPERATIONS

The activities and financial performance of the Group and each of its operating segments for the financial year are set out on pages 8 to 11.

EXPLANATION OF STATUTORY PROFIT TO UNDERLYING PROFIT

Statutory profit after tax is prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standards, which comply with International Financial Reporting Standards (IFRS).

Statutory profit after tax of $166.7 million includes a loss of $6.3 million after tax treated as significant items. Excluding these items, the Underlying Profit after tax was $173.0 million, 12.7% down on the prior corresponding period.

Underlying profit after tax is reported to give information to shareholders that provides a greater understanding of the performance of the Company's operations. DPE believes Underlying Profit after tax is useful as it removes significant items thereby facilitating a more representative comparison of financial performance between financial periods. Underlying Profit is a non-IFRS measure which is not subject to audit or review.

Directors’ Report
continued

REVIEW OF OPERATIONS (continued)

The below provides a reconciliation of Statutory Profit to Underlying Profit including earnings before interest and tax (EBIT), and earnings before interest, tax, depreciation and amortisation (EBITDA):

	FOR THE YEAR ENDED 03 JULY 2022						
	STATUTORY $’000	**SIGNIFICANT ITEMS $’000**	**UNDERLYING $’000**	**ANZ $’000**	**EUROPE $’000**	**ASIA $’000**	**UNALLOCATED $’000**
Revenue	**2,289,268**	**–**	**2,289,268**	**782,469**	**704,163**	**802,636**	**–**
EBITDA	**387,725**	**(8,803)**	**396,528**	**156,594**	**120,201**	**140,483**	**(20,750)**
Depreciation & amortisation	**(133,632)**	**–**	**(133,632)**	**(35,403)**	**(41,356)**	**(55,507)**	**(1,366)**
EBIT	**254,093**	**(8,803)**	**262,896**	**121,191**	**78,845**	**84,976**	**(22,116)**
Net finance costs	**(13,469)**	**–**	**(13,469)**				
Net profit before tax	**240,624**	**(8,803)**	**249,427**				
Income tax expense	**(73,892)**	**2,544**	**(76,436)**				
Net profit after tax	**166,732**	**(6,259)**	**172,991**				
Profit attributed to:							
Owners of the parent	**158,716**	**(6,259)**	**164,975**				
Non-controlling interest	**8,016**	**–**	**8,016**				
	166,732	**(6,259)**	**172,991**				

	YEAR ENDED 27 JUNE 2021 RESTATED[1]						
	STATUTORY $’000	SIGNIFICANT ITEMS $’000	UNDERLYING $’000	ANZ $’000	EUROPE $’000	ASIA $’000	UNALLOCATED $’000
Revenue	2,199,106	–	2,199,106	756,581	665,125	777,400	–
EBITDA	417,396	(6,307)	423,703	155,861	127,506	163,024	(22,688)
Depreciation & amortisation	(130,018)	–	(130,018)	(37,987)	(38,963)	(52,487)	(581)
EBIT	287,378	(6,307)	293,685	117,874	88,543	110,537	(23,269)
Net finance costs	(13,769)	–	(13,769)				
Net profit before tax	273,609	(6,307)	279,916				
Income tax expense	(79,961)	1,837	(81,798)				
Net profit after tax	193,648	(4,470)	198,118				
Profit attributable to:							
Owners of the parent	184,477	(4,141)	188,618				
Non-controlling interest	9,171	(329)	9,500				
	193,648	(4,470)	198,118				

1 The comparative has been restated to reflect the implementation of an IFRIC agenda decisions, refer to note 35.

REVIEW OF OPERATIONS (continued)

SIGNIFICANT ITEMS

Significant items in the current and comparative periods include external legal costs that relates to discrete matters and cost relating to structural changes in the business.

Statutory profit before tax was $240.6 million, this included the following significant costs excluded from Underlying Profit after tax as outlined below:

CURRENT PERIOD

- External costs of $3.5 million pertaining to the Fast Food Industry Award class action.
- External costs of $1.4 million incurred in relation to the acquisition of Domino’s Taiwan.
- External costs of $1.8 million incurred in relation to acquisition of Domino’s Pizza businesses in Malaysia, Singapore and Cambodia and other investigatory diligence costs.
- External costs of $2.1 million related to litigation costs pertaining to Pizza Sprint and Speed Rabbit Pizza.

PRIOR PERIOD

- External costs of $1.7 million pertaining to the Fast Food Industry Award class action.
- External costs of $0.7 million incurred in relation to the acquisition of Domino’s Taiwan.
- Write-down of inventories relating to personal protective equipment to net realisable value of $3.1 million.
- Integration costs of $0.8 million relating to Denmark.

CHANGES IN STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Group that occurred during the financial year.

SUBSEQUENT EVENTS

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years other than the matters disclosed in note 30.

REVIEW OF OPERATIONS (continued)

ENVIRONMENTAL AND SOCIAL SUSTAINABILITY RISKS

The Group is currently not subject to any significant environmental and social sustainability risks that have an immediate impact on its operations.

However, the directors understand the Group operates in a rapidly changing global landscape with increasing demands from its stakeholders regarding environmental and social responsibility, risk management and associated reporting. In response, last year the Group released its first Sustainability Report, with the aim of communicating to shareholders in a transparent manner its activities to address its environmental, social and governance efforts with this year's Sustainability Report we will start reporting with reference the GRI (Global Reporting Initiative) and SASB (Sustainability Accounting Standards Board) framework, which are broadly accepted existing ESG reporting frameworks. The report will outline the meaningful progress which has been undertaken, particularly regarding the Group's environmental strategy. An ESG update has been provided in the Annual Report and the 2022 Sustainability Report is anticipated to be released before the end of calendar year 2022.

To the best of the directors' knowledge, the Group complies with its current obligations under environmental regulations and holds all licenses required to undertake its business activities.

CORPORATE GOVERNANCE

A copy of Domino's Pizza Enterprises full 2022 Corporate Governance Statement, which provides detailed information about governance, and a copy of Domino's Pizza Enterprises' Appendix 4G which sets out the Group's compliance with the recommendations in the third edition of the ASX Corporate Governance Council's Principles and Recommendations (ASX Principles) is available on the corporate governance section of the Group's website at **https://investors.dominos.com.au/corporate-governance**.

DIVIDENDS

In respect of the financial year ended 03 July 2022, an interim dividend of 88.4 cents per share franked to 70% at 30% corporate income tax rate was paid to the holders of fully paid ordinary shares on 17 March 2022. The Company will be paying a final dividend of 68.1 cents per share franked to 70% at 30% corporate income tax rate to the holders of fully paid ordinary shares on 15 September 2022.

SHARES UNDER OPTION OR ISSUED ON EXERCISE OF OPTIONS

Details of unissued shares or interests under option as at the date of this report are:

ISSUING ENTITY	SERIES	NUMBER OF SHARES UNDER OPTION	CLASS OF SHARES	EXERCISE PRICE OF OPTIONS	EXPIRY DATE OF OPTIONS
DPE Limited	32	33,250	Ordinary	$51.96	31 Aug 22
DPE Limited	33	297,000	Ordinary	$50.25	01 Sep 23
DPE Limited	34	145,878	Ordinary	$50.25	26 Nov 23
DPE Limited	35	265,345	Ordinary	$50.25	01 Sep 23
DPE Limited	36	2,378	Ordinary	Nil	20 Aug 29
DPE Limited	37	3,038	Ordinary	Nil	18 Aug 30
DPE Limited	38	156,937	Ordinary	$84.28	01 Sep 24
DPE Limited	39	590,496	Ordinary	$84.28	01 Sep 24
DPE Limited	40	1,420	Ordinary	Nil	07 Jun 31
DPE Limited	41	2,966	Ordinary	Nil	28 May 31
DPE Limited	42	95,975	Ordinary	$127.09	31 Aug 25
DPE Limited	43	12,056	Ordinary	Nil	31 Oct 31
DPE Limited	44	454,780	Ordinary	$69.58	31 Aug 25

Directors' Report
continued

REVIEW OF OPERATIONS (continued)

The holders of these options do not have the right, by virtue of the option, to participate in any share issue or interest issue of the Company or of any other body corporate or registered scheme. Details of shares or interests issued during or since the end of the financial year as a result of exercise of an option are:

ISSUING ENTITY	SERIES	NUMBER OF SHARES UNDER OPTION	CLASS OF SHARES	AMOUNT PER SHARE	AMOUNT UNPAID ON SHARES
DPE Limited	29	10,325	Ordinary	$5.88	$nil
DPE Limited	32	15,750	Ordinary	$3.98	$nil
DPE Limited	36	3,872	Ordinary	$42.47	$nil
DPE Limited	37	602	Ordinary	$81.37	$nil

INDEMNIFICATION OF OFFICERS AND AUDITORS

The Company has entered into deeds of indemnity, insurance and access with each director. To the extent permitted by law and subject to the restrictions in s.199A of the *Corporations Act 2001*, the Company must continuously indemnify each director against liability (including liability for costs and expenses) for an act or omission in the capacity of director. However, this does not apply in respect of any of the following:

- a liability to the Company or a related body corporate;
- a liability to some other person that arises from conduct involving a lack of good faith;
- a liability for costs and expenses incurred by the director in defending civil or criminal proceedings in which judgement is given against the officer or in which the officer is not acquitted; or
- a liability for costs and expenses incurred by the director regarding an unsuccessful application for relief under the *Corporations Act 2001* in connection with the proceedings referred to above.

The Company has also agreed to provide the directors with access to Board documents circulated during the directors' term in office.

During the financial year, the Company paid a premium in respect of a contract insuring the directors of the Company, the Company Secretary and all senior management of the Company and of any related body corporate against a liability incurred as a director, secretary or senior management to the extent permitted by the *Corporations Act 2001*.

The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as an officer or auditor. The directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability and legal expenses insurance contract as such disclosure is prohibited under the terms of the contract.

Directors' Report

continued

REVIEW OF OPERATIONS (continued)

DIRECTORS' MEETINGS

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year, nine (9) Board meetings, nine (9) Nomination, Culture and Remuneration Committee meetings and five (5) Audit and Risk Committee meetings were held.

	BOARD OF DIRECTORS		NOMINATION, CULTURE AND REMUNERATION COMMITTEE		AUDIT AND RISK COMMITTEE	
	HELD	ATTENDED	HELD	ATTENDED	HELD	ATTENDED
Jack Cowin	9	9	–	–	–	–
Grant Bourke	9	9	9	9	5	5
Lynda O'Grady	9	9	9	8	5	5
Ursula Schreiber	9	9	9	9	5	5
Doreen Huber	9	8	5	3	–	–
Tony Peake	9	9	5	5	5	5
Don Meij	9	9	–	–	–	–
Ross Adler	3	3	4	3	2	2

DPE directors have been on the boards of Domino's Pizza Japan and Domino's Pizza Germany since DPE started operating in those markets. DPE also has more informal "Advisory Boards" for Australia/New Zealand, Benelux/Denmark and France. At least two of the DPE directors sit on each of the five boards. The boards meet on a quarterly basis. The meetings are mutually beneficial, providing DPE directors with a better understanding of local management and business issues, while also allowing DPE directors the opportunity to provide guidance to local management more directly.

REVIEW OF OPERATIONS (continued)

It is proposed to rotate the DPE directors onto different advisory boards every two years so that:

(a) DPE directors receive in-depth exposure to different parts of the group over time; and

(b) local management receive the benefit of engagement with different DPE Board Members.

NON-AUDIT SERVICES

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in note 34 to the financial statements. The directors are satisfied that the provision of non-audit services, during the year, by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence of auditors imposed by the *Corporations Act 2001*.

The directors are of the opinion that the services as disclosed in note 34 to the financial statements do not compromise the external auditor's independence, based on the advice received from the Audit and Risk Committee, for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct *APES 110 Code of Ethics for Professional Accountants* issued by the Accounting Professional & Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 130 of the Annual Report.

ROUNDING OF AMOUNTS

The Company is a company of the kind referred to in ASIC Corporations Legislative Instrument 2016/191 (Rounding in Financial/Directors' Report), dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

LETTER FROM THE CHAIR OF THE NOMINATION, CULTURE AND REMUNERATION COMMITTEE

Dear fellow Shareholders,

I am pleased to present the remuneration report for FY22.

This remuneration report sets out remuneration information for the Managing Director/Group CEO, Non-Executive Directors and identified senior executives. The report describes the remuneration framework and pay outcomes for FY22 and introduces a new set of principles that will help the Nomination, Culture and Remuneration Committee (NCRC) shape the framework for FY23 and beyond.

Domino's Pizza Enterprises Limited (DPE) is a geographically diverse business with a long history of innovation and growth. We are operating in an international, highly volatile environment. As a result, our approach to remuneration is under review regularly to ensure it remains fit for purpose in a changing and expanding organisation, and in culturally diverse business environments. The Board is deeply committed to ensuring the remuneration frameworks developed for Key Management Personnel (KMP) remain relevant across a growing range of markets, the changing needs and expectations of a long-standing executive group and are aligned with shareholder value creation over the long term. This year, Tony Peake and I met with a number of investors and proxy advisors to obtain feedback on the remuneration framework as well as the company as a whole. These annual sessions are valuable in increasing transparency, and providing us with the opportunity to test new ideas with investors and proxy-advisors. Thank you to all who participated in these sessions.

FY22 REMUNERATION OUTCOMES

In FY22 fixed remuneration increases were based on a combination of benchmarking data, role changes and changes in the market. The Managing Director/Group CEO received a 2.5% increase in his fixed remuneration. We undertook a comprehensive benchmarking exercise for our senior executive KMP and made changes to the composition of these packages where warranted.

We also introduced net-settled options for all executive KMP and moved to greater equity in our Short-term Incentive arrangements. As a result, The Managing Director/Group CEO is on an all equity Short-term Incentive (STI) with other executives on a combination of cash and equity.

Short-term Incentive results for our senior executive KMP for FY22 averaged 28.2% of bonus opportunity, with the Managing Director/Group CEO receiving 23.2% of his bonus opportunity.

Details of the Long-term Incentive outcomes are detailed in the report. The NCRC is conscious that the Long-term Incentive payout has been low or nil for the majority of executives (with the exception of Japan based employees) for the last few years, particularly relative to the growth of the business over that time. In FY22 the Japan team were the only recipients of the Long-term Incentive in and this related to the Japan EBIT performance conditions being met. No other Long-term Incentive vested.

The Board has absolute discretion to adjust the Short-term and Long-term Incentive outcomes, and in FY22 decided not to make any changes.

APPLICATION OF DISCRETION DURING THE COVID-19 PANDEMIC

We continued to see the effects of COVID-19 on our business in FY22. Lock-downs and absenteeism impacted our business across the world.

The Board determined that a formal review of the STI targets would be undertaken after the release of the FY22 H1 results. Following this review the Board decided to keep the targets as previously determined based on the ongoing volatility in the global operating environment. In reviewing the FY22 STI outcomes, the Board decided to apply discretion to the Group Organic New Store Openings target for the Group CEO/Managing Director given how close the result was to the target and given the challenges faced in opening stores during COVID-19 and in an inflationary environment. The Board did not apply discretion to any other targets for KMP.

It is important to highlight that the COVID-19 pandemic significantly increased the demands on our executives. During the last two years complexities and workloads have escalated with changing circumstances demanding an agile adjustment to strategic and operational priorities. Our reward structures have not always reflected this challenging environment.

On behalf of the Board I would like to thank DPE's senior executives for their commitment and effort.

Directors' Report
continued

LETTER FROM THE CHAIR OF THE NOMINATION, CULTURE AND REMUNERATION COMMITTEE (continued)

FY23 REMUNERATION & FOCUS

During FY22 the Committee formalised four guiding principles to assist in the review and development of the Company's remuneration framework. The four principles are:

(i) simplicity;

(ii) alignment between shareholders and executives;

(iii) incentivisation to drive an entrepreneurial culture; and

(iv) the need to be globally appropriate.

I will provide more detail on these principles in the body of the Remuneration Report.

I look forward to sharing how these principles shape changes to the framework over the next twelve months.

I would also like to thank you for your support and interest in our Company, and look forward to your attendance at our Annual General Meeting currently planned to be held in November 2022.

Uschi Schreiber

Uschi Schreiber
Chair, Nomination, Culture and Remuneration Committee

REMUNERATION REPORT

This Remuneration Report (Audited), which forms part of the Directors' Report, sets out information about the remuneration of the Company's KMP including directors for the financial year ended 03 July 2022.

The prescribed details for each person covered by this report are detailed below under the following headings:

- KEY MANAGEMENT PERSONNEL (KMP) INCLUDED IN THIS REPORT
- REMUNERATION AT DOMINO'S AT A GLANCE
- REMUNERATION GOVERNANCE
- EXECUTIVE REMUNERATION POLICY AND STRUCTURE
- OVERVIEW OF MANAGING DIRECTOR/GROUP CHIEF EXECUTIVE OFFICER (GROUP CEO) REMUNERATION STRUCTURE FOR FY22
- OVERVIEW OF EXECUTIVE KMP REMUNERATION FRAMEWORK FOR FY22
- REMUNERATION FRAMEWORK CHANGES FOR FY22
- LINK BETWEEN PAY AND PERFORMANCE
- REMUNERATION OF EXECUTIVE KMP
- CONTRACTS FOR SERVICES OF KMP
- NON-EXECUTIVE DIRECTOR REMUNERATION

KMP MANAGEMENT PERSONNEL (KMP) INCLUDED IN THIS REPORT

The following persons acted as directors of the Company during or since the end of the financial year:

NAME	POSITION
Jack Cowin	Non-Executive Chairman
Grant Bourke	Non-Executive Director
Lynda O'Grady	Non-Executive Director
Ursula Schreiber	Non-Executive Director
Doreen Huber	Non-Executive Director
Tony Peake	Non-Executive Director
Don Meij	Managing Director/Group Chief Executive Officer (Group CEO)
Ross Adler	Non-Executive Deputy Chairman (retired 3 November 2021)

The term Executive KMP is used in this report to refer to the following persons, who were considered to be KMP for part or all of the financial year:

NAME	POSITION
Don Meij	Managing Director/Group Chief Executive Officer (Group CEO)
Richard Coney	Group Chief Financial Officer
Josh Kilimnik	Chief Executive Officer APAC (formerly, President and Chief Executive Officer of Japan)
Andre ten Wolde	Chief Executive Officer Europe
Michael Gillespie	Group Chief Digital and Experience Officer
Nick Knight	Chief Executive Officer ANZ (retired 28 September 2021)

On 28 September 2021 Josh Kilimnik was appointed as Asia-Pacific ("APAC") CEO with the Japan CEO, Taiwan CEO and the ANZ CEO to report directly to the APAC CEO. As a result of the structural change to the reporting lines the ANZ CEO ceases to meet the definition of a KMP; this coincided with the retirement of Nick Knight former ANZ CEO.

Directors' Report
continued

REMUNERATION REPORT (continued)

REMUNERATION AT DOMINO'S AT A GLANCE

EXECUTIVE REMUNERATION OBJECTIVES

Our executive remuneration structures are designed to support the following objectives:

Attract, motivate and retain highly skilled executives across diverse geographies	Reward capability and experience and provide recognition for the contribution to the Company's overall objectives	An appropriate balance between fixed and variable remuneration	Align to shareholder interests through equity components

OVERVIEW OF EXECUTIVE REMUNERATION FRAMEWORK

Our remuneration framework is designed to attract suitably qualified executives, reward them for the achievement of strategic objectives, and achieve the broader outcome of value creation for shareholders.

ELEMENT OF REWARD	PURPOSE & PHILOSOPHY	LINK TO PERFORMANCE	PERFORMANCE MEASURES
Fixed remuneration Base remuneration which is calculated on a total cost basis and includes any fringe benefits tax ("FBT" charges related to employee benefits including motor vehicles) as well as employer contributions to superannuation funds or equivalents	• Set with reference to relevant market remuneration data • Set at a level to attract and retain experienced executives in the geographies in which Domino's operates	• Considers performance in the role and Domino's performance based on market capitalisation and revenue	• Reflects accountability, performance, experience and geographic location
Short-term Incentive (STI) Annual incentive opportunity delivered as a combination of cash and Rights (depending on role) or just Rights that are deferred for two years.	• Designed to achieve Board approved targets, reflective of the Group's plan	• Key Performance Indicators (KPIs) are set each year by the Board reflective of the Group or Geographically relevant segment and include financial and individual performance targets relevant to the specific position	• Financial measures include EBIT in local currencies, Same Store Sales, Franchise operations EBITDA and Franchisee profitability compared to budget and last year. • Non-financial measures such as Group organic new store openings and delivery of key strategic projects (e.g. introducing ESG science based targets)
Long-term Incentive (LTI) Three year incentive opportunity delivered through options which vest subject to service and performance	• Reward executives for sustainable long-term growth aligned to shareholder value creation	• Awards only vest on achievement of predetermined targets • Options only provide value to executives where the share price has increased	• LTI targets are linked to either EPS growth, or a combination of EPS growth and EBIT over three years depending on whether the role has Group or segment responsibility

REMUNERATION REPORT (continued)

REMUNERATION AT DOMINO'S AT A GLANCE (continued)

FY22 PERFORMANCE AND REMUNERATION OUTCOMES

The Managing Director/Group CEO and other Executive KMP received fixed remuneration increases averaging 2.50% during FY22. A number of executives received increases in FY22 that reflected a change in role or increase in responsibility. Where an executive was significantly outside the market competitive ranges, the NCRC determined that it would be appropriate to transition those executives to the new remuneration levels over a number of years.

The continued strong performance across the Group during FY22 included positive Network Sales growth of +4.6% and record network expansion of +450 stores (+10.0%). The decline in profits in Asia and Europe on a one-year basis was a result of rolling extraordinary results during the peak of COVID during FY21. Accordingly, STI and LTI achievements were lower than the prior corresponding year.

The results of the Short-term Incentive reflected the overall performance of the business and the performance in each market

The options granted under our FY19 LTI plan were eligible to vest during FY22. The following vesting applied for each Executive KMP:

EXECUTIVE KMP	PERFORMANCE MEASURE	RESULT	PROPORTION OF OPTIONS VESTING	CAN BE EXERCISED UNTIL
Managing Director/ Group CEO	Group EPS percentage growth over the relevant performance period	< 12% EPS Growth	0%	N/A
ANZ Executives	Group EPS percentage growth over the relevant performance period	< 12% EPS Growth	0%	N/A
	ANZ EBIT Performance	< 93% of target		
Europe Executives	Group EPS percentage growth over the relevant performance period	< 12% EPS Growth	0%	N/A
	Europe EBIT Performance	< 93% of target		
Japan Executives	Group EPS percentage growth over the relevant performance period	< 12% EPS Growth	70%	31 August 2022
	Japan EBIT Performance	> 103% of target		

The following table outlines actual remuneration received in the year ended 03 July 2022. This table is not the statutory remuneration table (please see section REMUNERATION OF EXECUTIVE KMP):

EXECUTIVE KMP	FIXED REMUNERATION(i) $	STI(ii) $	DEFERRED STI(iii) $	LTI VESTED(iv) $	TOTAL REMUNERATION $
Managing Director/Group CEO	1,310,973	815,187	401,413	–	2,527,573
Group Chief Financial Officer	592,396	262,818	129,370	–	984,584
Chief Executive Officer APAC	725,034	279,670	137,243	2,817,640	3,959,587
Chief Executive Officer Europe	628,332	279,547	139,144	–	1,047,023
Group Chief Digital and Experience Officer	613,768	255,672	125,840	–	995,280

(i) Reflects salaries and superannuation.
(ii) The value of STI paid in cash during the year ended 03 July 2022 which is in relation to the performance targets achieved for FY21.
(iii) The value of deferred STI is determined based the number of rights granted during the year ended 03 July 2022, for performance targets achieved for FY21, multiplied by the share price at the date of grant.
(iv) LTI vested is determined based on the LTI vested during the year ended 03 July 2022 and is valued based on the intrinsic value being the share price at the first exercise date less the exercise price, then multiplied by the number of options vested.

Directors’ Report
continued

REMUNERATION REPORT (continued)

REMUNERATION GOVERNANCE

ROLE OF THE NOMINATION, CULTURE AND REMUNERATION COMMITTEE

The following chart outlines the key stakeholders in the governance of remuneration at Domino’s:

Shareholders and advisory bodies

- Includes consultation, engagement at the Annual General Meeting and investor meetings.

Board

The Board is responsible for:

- Approving Domino’s remuneration strategy.
- Approving the performance objectives and measures for the Group CEO and providing input into the evaluation of performance against them.

The Board has overarching discretion with respect to any awards made under the Company’s incentive plans.

Remuneration consultants

- Provide independent advice, information and recommendations relevant to remuneration decisions.

Nominations, Culture and Remuneration Committee

The NCRC is responsible for:

- Making recommendations to the Board on remuneration policies and packages applicable to the Board members and the Group CEO.
- Review and approve remuneration packages applicable to other KMPs of the Company.

Audit and Risk Committee

- Supports the NCRC by reviewing figures which form the basis for incentive awards.

Management

Management are responsible for:

- Preparing recommendations on remuneration packages applicable to the other KMPs of the Company.
- Obtains remuneration information from external advisors / independent consultants to assist the NCRC.

USE OF INDEPENDENT REMUNERATION CONSULTANTS

During the year an independent remuneration consultant was engaged by the Nomination, Culture and Remuneration Committee to provide advice and guidance in relation to market practice and Domino’s remuneration matters. The Company made payments totalling $194,783 (2021: $102,330) to the remuneration consultant in relation to the remuneration advice and guidance provided. The Committee considers the advice and forms its own views on all remuneration matters. No remuneration recommendation was sought from or provided by the remuneration consultant. The remuneration consultant is engaged directly to the Committee and is free of any undue influence by Executive KMP/management.

OVERARCHING BOARD DISCRETION

The Board retains the discretion to alter the treatment of awards to ensure there is appropriate alignment between executive pay outcomes and the performance of the company. That discretionary assessment (and exercise where required) is conducted at the conclusion of each year when incentive outcomes are determined.

For example, where an acquisition is anticipated to have a meaningful effect on EPS growth, the board may increase LTI targets accordingly, to ensure these reflect the prudent use of capital.

For financial year 2022, the Board considered the impact of the COVID-19 pandemic on the company and its shareholders to determine whether discretion should be exercised in relation to STI outcomes for the year. The Board decided to apply discretion to the Group Organic New Store Opening target given how close the result was to the target and given the challenges faced in opening new stores during COVID-19 and in an inflationary environment. The Board did not apply discretion to any other targets for KMP.

REMUNERATION REPORT (continued)

REMUNERATION GOVERNANCE (continued)

MALUS AND CLAWBACK

The Board retains the discretion to lapse any unvested (or vested but not yet exercised) STI or LTI equity awards if, at the discretion of the Board, a trigger event has occurred (for example, fraud or dishonesty, breach of contractual obligations, serious misconduct or gross negligence, or material reputational damage to the company).

The Board also retains the discretion, in the same circumstances outlined above, to clawback equity awards that have been exercised but are held in escrow (where local laws allows).

CHANGE OF CONTROL EVENTS

The Board retains the discretion to determine the treatment of awards in the event of a change of control. A change in control occurs when any shareholder (either alone or together with its associates) having a relevant interest in less than 50% of the issued shares in the Company acquires a relevant interest in 50% or more of the shares on issue at any time.

EXECUTIVE REMUNERATION POLICY AND STRUCTURE

The performance of the Company depends upon the quality of its Executive KMP including directors and their support teams. To prosper, the Company must attract, motivate and retain highly skilled directors and other Executive KMP. The remuneration structure is designed to strike an appropriate balance between fixed and variable pay, rewarding capability and experience and providing recognition for contribution to the Company's overall goals and objectives.

The Board Remuneration Policy is to ensure that Executive KMP remuneration packages properly reflect the individual's duties and accountabilities and level of performance; and that remuneration is market competitive in order to attract, retain and motivate people of the highest quality. This Policy can be described in four key remuneration objectives outlined in the table below:

EXECUTIVE REMUNERATION OBJECTIVES

Attract, motivate and retain highly skilled executives across diverse geographies	Reward capability and experience and provide recognition for the contribution to the Company's overall objectives	An appropriate balance between fixed and variable remuneration	Alignment to shareholder interests through equity components

OVERVIEW OF MANAGING DIRECTOR/GROUP CHIEF EXECUTIVE (GROUP CEO) REMUNERATION STRUCTURE FOR FY22

The following remuneration structure applied to the Managing Director/Group CEO for the year ended 03 July 2022. The table also shows the changes for the Managing Director/Group CEO's remuneration structure in FY22:

	PERFORMANCE-LINKED REMUNERATION	
FIXED REMUNERATION	**SHORT-TERM INCENTIVE**	**LONG-TERM INCENTIVE**
$1,291,000 per annum, inclusive of base salary and superannuation contributions.	STI is awarded up to a maximum of $1,800,000, subject to the achievement of KPIs set annually, and approved by the Board.	Options approved by shareholders at the 2021 AGM worth $3,100,000 in total were granted during FY21 (the number of options granted was determined using a Black Scholes option pricing model).
This represents an increase of 2.5% from FY21 and was applied after the Board undertook a review in accordance with its annual processes.	This is an increase of 43% from FY21, based on benchmarking data from our third-party providers and balancing of the total remuneration package. Paid as 100% equity (half held in escrow for 1 year and the remainder held in escrow for 2 years).	The options vest from 2024 subject to achievement of cumulative annual growth in Earnings Per Share hurdles, measured over rolling three-year performance periods. Value is only delivered to the Group CEO where the Domino's share price increases from grant (the exercise price) in addition to achieving the performance condition.

Directors' Report
continued

REMUNERATION REPORT (continued)

OVERVIEW OF MANAGING DIRECTOR/GROUP CHIEF EXECUTIVE (GROUP CEO) REMUNERATION STRUCTURE FOR FY22 (continued)

BENCHMARKING

The NCRC undertakes extensive benchmarking of the Group CEO role on a regular basis. Benchmarking data is received from ASX listed companies, using revenue and market capitalisation, as well as data from Quick Service Restaurant (QSR) comparator groups overseas and within Australia. This data is then pulled together to create a hybrid data set to which the fixed remuneration, Short-term Incentive and Long-term Incentive components as well as the total remuneration package is compared. The pay mix for the Group CEO role is heavily weighted toward at risk remuneration with greater than 79% of the package at risk in FY22. The pay mix is reviewed annually to ensure that it remains competitive and meets the needs of both shareholders and the executive.

SHORT-TERM INCENTIVE

The Board set the KPIs for the Managing Director/Group CEO during the financial year ended 03 July 2022 to be in line with the plan for the Group. The first and largest consideration was the financial performance of the Group. This accounts for 70% of the total weighting for the Short-term Incentive bonus, based on year on year EBIT performance for the Group. Organic new store openings and strategic projects complete the metric allocation. The specific measures for each KPI include a threshold, target and strong performance levels. These levels are not disclosed because they are commercially sensitive in nature.

KPI	WEIGHTING	MEASURES
Financial Performance	70%	• Group EBIT ($)
New Store Growth	20%	• Group organic new store openings
Strategic Projects	10%	• ESG Target – Introduction of Science Based Targets for the Group • New Global On-Line Ordering Platform deployed

FY21 SHORT-TERM INCENTIVE – ACHIEVEMENT – TARGETS VS ACTUAL

We provide a look-back approach to actual incentive targets in the interests of transparency. The following table provide target and actual performance for the FY21 period.

		BELOW THRESHOLD	THRESHOLD	TARGET	STRONG PERFORMANCE	SCORECARD RESULT	ACTUAL ACHIEVEMENT
		0% Payout	33% Payout	66% Payout	100% Payout		
Group EBIT A$[i]	50%	*5% worse than budget or more*	*< 5% worse than budget*	*Achieve budget*	*> 5% growth than budget*		*Strong Performance $286.4m*
Group Organic New Store Openings	20%	*Achieve < 7% of store network*	*7% of store network*	*8% of store network*	*9% of store network*		*Strong Performance – 282 New Store Openings*
ANZ + Global EBIT A$[i]	10%	*5% worse than budget or more*	*< 5% worse than budget*	*Achieve budget*	*> 5% growth than budget*		*Target Achieve Budget $116.8m*
EU EBIT €[i]	10%	*5% worse than budget or more*	*< 5% worse than budget*	*Achieve budget*	*> 5% growth than budget*		*Strong Performance €51.7m*
Japan EBIT ¥[i]	10%	*5% worse than budget or more*	*< 5% worse than budget*	*Achieve budget*	*> 5% growth than budget*		*Strong Performance ¥8,762.9m*

(i) Adjusted to exclude management bonuses

REMUNERATION REPORT (continued)

OVERVIEW OF MANAGING DIRECTOR/GROUP CHIEF EXECUTIVE (GROUP CEO) REMUNERATION STRUCTURE FOR FY22 (continued)

LONG-TERM INCENTIVE (EXECUTIVE SHARE AND OPTION PLAN)

MANAGING DIRECTOR/GROUP CEO LTI AWARDS ON-FOOT

The Long-term Incentive approved by shareholder resolution on the 3 November 2021 resulted in the granting of options over a three-year period. The options were granted under the terms and conditions of the Company's Executive Share and Option Plan. The plan rules are available for inspection on the ASX's announcements platform.

The options are subject to a performance condition, including continuous employment, which must be achieved, and have an exercise price set at grant. The value that the Managing Director/Group CEO derives from the LTI plan is subject to the partial or whole achievement of the performance condition, as well as the share price following vesting. Over the exercise period, if the share price does not exceed the exercise price (set at grant), then the options are "underwater" and no value is delivered to the Managing Director/Group CEO.

The number of options granted and on-foot under each tranche, and the relevant exercise prices, are outlined in the table below. The first exercise date is shown, and the exercise period is one year from the first exercise date, after which any options not exercised will lapse.

SERIES	NUMBER GRANTED	EXERCISE PRICE	FAIR VALUE	GRANT DATE	FIRST EXERCISE DATE
Series 31	220,000	$51.96	$7.27	23 Jan 2019	1 Sept 2021
Series 33	297,000	$50.25	$11.79	26 Nov 2019	1 Sept 2022
Series 38	156,937	$84.28	$16.72	4 Nov 2020	1 Sept 2023
Series 42	95,975	$127.09	$32.30	3 Nov 2021	1 Sept 2024

PERFORMANCE CONDITION FOR ON-FOOT LTI AWARDS

The options approved by shareholders at the 2017 AGM vest if the Company's cumulative annual compound earnings per share (EPS) growth over the relevant performance period, as determined by the Board acting reasonably based on the audited financial statements of the Company, is at least 12% in Series 31 and 33 as shown in the table below.

ANNUAL COMPOUND EPS GROWTH DURING THE PERFORMANCE PERIOD	CUMULATIVE EPS TARGET (SERIES 31)	CUMULATIVE EPS TARGET (SERIES 33)	PROPORTION OF OPTIONS WHICH VEST
Less than 12%	less than 5.775	less than 6.235	0%
12% up to less than 13%	5.775 up to less than 5.882	6.235 up to less than 6.351	20%
13% up to less than 14%	5.882 up to less than 5.992	6.351 up to less than 6.469	30%
14% up to less than 15%	5.992 up to less than 6.102	6.469 up to less than 6.588	40%
15% up to less than 16%	6.102 up to less than 6.214	6.588 up to less than 6.708	50%
16% up to less than 17%	6.214 up to less than 6.327	6.708 up to less than 6.831	60%
17% up to less than 18%	6.327 up to less than 6.441	6.831 up to less than 6.954	70%
18% up to less than 19%	6.441 up to less than 6.557	6.954 up to less than 7.079	80%
19% up to less than 20%	6.557 up to less than 6.674	7.079 up to less than 7.206	90%
20% or over	6.674 or over	7.206 or over	100%

The options approved by shareholders on 4 November 2020 vest if the Company's cumulative annual compound earnings per share (EPS) growth over the relevant performance period, as determined by the Board acting reasonably based on the audited financial statements of the Company, is at least 6%, as shown in the table below.

REMUNERATION REPORT (continued)

OVERVIEW OF MANAGING DIRECTOR/GROUP CHIEF EXECUTIVE (GROUP CEO) REMUNERATION STRUCTURE FOR FY22 (continued)

CUMULATIVE EPS TARGET	LOWER	UPPER
Base EPS – FY20 Underlying	$1.694	$1.694
Performance Period	**at 6% compound growth rate**	**at 15% compound growth rate**
FY21	$1.796	$1.948
FY22	$1.903	$2.240
FY23	$2.018	$2.576
Cumulative EPS Target for the Performance Period, subject to adjustment	**$5.717**	**$6.765**

The options approved by shareholders on 3 November 2021 vest if the Company's cumulative annual compound earnings per share (EPS) growth over the relevant performance period, as determined by the Board acting reasonably based on the audited financial statements of the Company, is at least 8%, as shown in the table below.

CUMULATIVE EPS TARGET	LOWER	UPPER
Base EPS – FY21 Underlying	$2.176	$2.176
Performance Period	**at 8% compound growth rate**	**at 15% compound growth rate**
FY22	$2.350	$2.502
FY23	$2.538	$2.878
FY24	$2.741	$3.309
Cumulative EPS Target for the Performance Period, subject to adjustment	**$7.629**	**$8.689**

ANALYSIS OF PAY OUTCOMES

For the year ended 03 July 2022, the following outcomes were applied to the Managing Director/Group CEO in respect of his STI and LTI.

STI OUTCOMES FOR FY22

In FY22, the Managing Director/Group CEO achieved 23.2% of his Short-term Incentive opportunity (96.6% in FY21). See section LINK BETWEEN PAY AND PERFORMANCE for more detail.

LTI OUTCOMES FOR FY22

The following table outlines the vesting outcome for the LTI award made to the Managing Director/Group CEO in 2017:

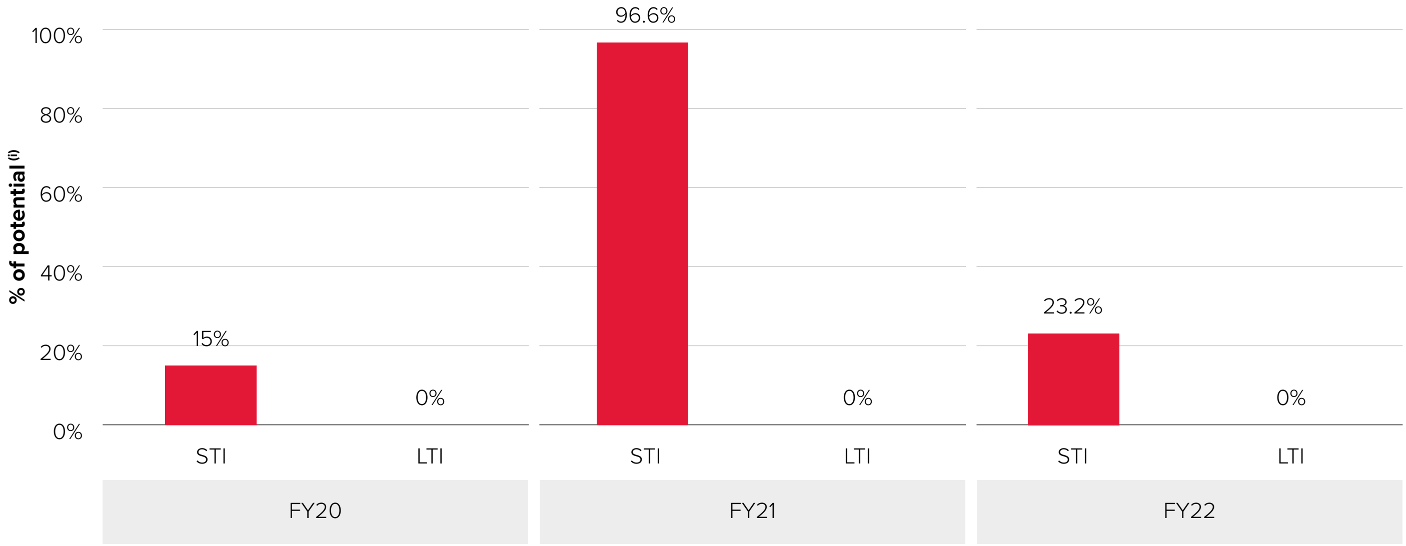
SERIES	NUMBER GRANTED	EXERCISE PRICE	FIRST EXERCISE DATE	PERFORMANCE CONDITION	PROPORTION VESTING
Series 31 (23 Jan 2019)	220,000	$51.96	1 Sept 2021	Not met	0%

INCENTIVE OUTCOMES OVER TIME

The board considers both STI and LTI to be true 'at risk' elements of the executive's remuneration. Over the past three years, the Managing Director/Group CEO's STI and LTI payouts and vesting have varied significantly. The following chart shows the outcomes of the Group CEO's STI and LTI plans in the year ended 03 July 2022, and the two prior financial years. The Group CEO's LTI did not vest in FY22.

REMUNERATION REPORT (continued)

OVERVIEW OF MANAGING DIRECTOR/GROUP CHIEF EXECUTIVE (GROUP CEO) REMUNERATION STRUCTURE FOR FY22 (continued)



(i) STI reflects that which was earned and paid in relation to each financial year, and LTI reflects that which vested and became exercisable in each financial year (in relation to the grant made three years prior).

The following table outlines actual remuneration received by the Managing Director/Group CEO in the year ended 03 July 2022 and the two prior financial years. This table is not the statutory remuneration table (please see section REMUNERATION OF EXECUTIVE KMP):

ELEMENT OF REWARD	FY20	FY21	FY22
Total fixed remuneration[(i)]	$1,228,800	$1,259,520	$1,291,000
Short-term incentive[(ii)]			
% Earned	15%	96.6%	23.2%
Total Earned	**$153,600**	**$1,216,697**	**$417,600**
Cash	$153,000	$815,187	$0
Equity[(iv)]	–	$401,510	$417,600
Value of prior long-term incentive vested in financial year[(iii)]	$0	$0	$0
TOTAL REMUNERATION EARNED IN THE YEAR	**$1,382,400**	**$2,476,217**	**$1,708,600**

(i) Reflects salary and superannuation.

(ii) The value of STI earned during the relevant financial year, relates to the achievement of performance targets in the relevant financial year based on an accrual basis of accounting. FY21 was a combination of cash and equity and FY22 in the form of equity.

(iii) The value of the LTI is determined based on the share price at the first exercise date less the exercise price, then multiplied by the number of options vested. The performance conditions have not been satisfied, therefore no LTIs have vested for FY20, FY21 and FY22.

(iv) The equity component of the Short-term Incentive will be delivered in the form of one zero exercise priced option to subscribe for Shares at the underlying market price around the time of release of the annual results. The exercise period is 10 years from the date of grant. Shares allocated on exercise of the STI option will be escrowed for 2 years from the date of grant of the STI option.

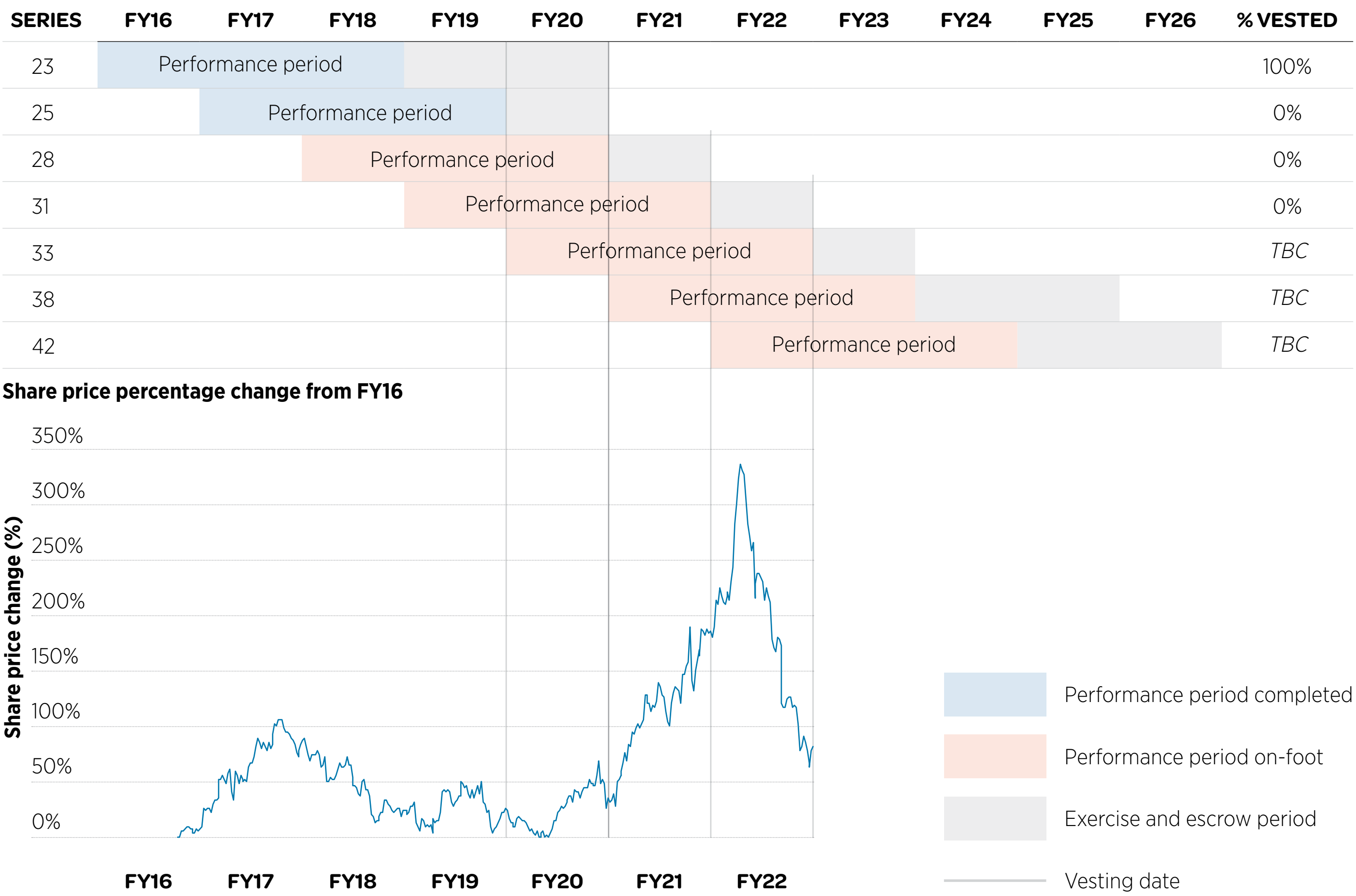
Directors' Report

continued

REMUNERATION REPORT (continued)

OVERVIEW OF MANAGING DIRECTOR/GROUP CHIEF EXECUTIVE (GROUP CEO) REMUNERATION STRUCTURE FOR FY22 (continued)

The following chart shows the performance and exercise/escrow periods for all LTI awards since FY16, as well as the change in the Domino's share price since the start of FY16. The Managing Director / Group CEO's LTI did not vest in FY22 as the performance conditions were not met.



The table below outlines the timeline and terms for each LTI options series awarded to the Managing Director / Group CEO since FY16. Please note, the FY16 award that vested in full was exercised and paid in FY20.

GRANT YEAR	SERIES	NUMBER	GRANT DATE	FIRST EXERCISE	LAST EXERCISE DATE	HOLDING STOCK	EXERCISE PRICE	VESTING	SHARE PRICE AT VEST	VALUE AT VEST (i)	EXERCISE DATE
FY16	23	300,000	03/09/2015	01/09/2018	28/10/2020	28/10/2020	$40.95	100%	$54.14	$3,957,000	12/11/2019
FY17	25	400,000	01/09/2016	01/09/2019	28/10/2020	28/10/2020	$76.23	0%	–	–	–
FY18	28	220,000	08/11/2017	01/09/2020	31/08/2021	31/08/2021	$46.63	*0%*	–	–	–
FY19	31	220,000	23/01/2019	01/09/2021	31/08/2022	31/08/2022	$51.96	*0%*	–	–	–
FY20	33	297,000	26/11/2019	01/09/2022	31/08/2023	31/08/2023	$50.25	TBC	TBC	TBC	TBC
FY21	38	156,937	4/11/2020	01/09/2023	31/08/2024	31/08/2023	$84.28	TBC	TBC	TBC	TBC
FY22	42	95,975	3/11/2021	1/09/2024	31/08/2025	31/8/2024	$127.09	TBC	TBC	TBC	TBC

(i) The value at vesting is determined based on the share price at the first exercise date less the exercise price, then multiplied by the number of options vested.

REMUNERATION REPORT (continued)

OVERVIEW OF EXECUTIVE KMP REMUNERATION FRAMEWORK FOR FY22

The remuneration structures explained below are designed to attract suitably qualified candidates, reward them for the achievement of strategic objectives, and achieve the broader outcome of value creation for shareholders. The remuneration framework takes into account:

- the capability and experience of the Executive KMP;
- the Executive KMPs ability to control the relevant segments' performance;
- the Group's performance including:
  - the Group's earnings;
  - growth in earnings per share;
  - return on shareholders' investment

PAY MIX

Remuneration packages include a mix of fixed, short-term and long-term performance-based incentives. The mix of these components is based on the role the individual performs.

SUMMARY OF REMUNERATION ELEMENTS

The framework is illustrated in the following table:

	FIXED REMUNERATION	SHORT-TERM INCENTIVE (STI)	LONG-TERM INCENTIVE (LTI)
Strategic intent	Fixed remuneration will take into account the relevant market data, provided by an independent remuneration consultant, or other independent data (e.g., Mercer), considering the individual's expertise and performance in the role.	Short-term Incentives are paid for achieving Board approved targets, reflective of the Group plan.	Long-term Incentives are intended to reward Executives for sustainable long-term growth aligned to shareholder value creation.
Domino's approach	Fixed remuneration is set relative to the market, reflecting the Executive KMPs accountability, performance, experience and geographic location.	Key Performance Indicators (KPIs) are set each year by the Board reflective of the Group or Geographically relevant segment and include financial and individual performance targets relevant to the specific position.	LTI targets are linked to EPS growth, or EPS and EBIT depending on whether the role has Group or segment responsibility.
Delivery	Base remuneration which is calculated on a total cost basis and includes any fringe benefits tax ("FBT" charges related to employee benefits including motor vehicles) as well as employer contributions to superannuation funds or equivalents.	Provided as cash only, or a combination of cash and Rights which are deferred and if exercised, are held in escrow for a period of two years from grant.	Equity in options. All equity is held subject to service and performance for a minimum of three years from grant date. The equity is at risk until vesting. Performance is tested once at the vesting date. Executives have 12 months after the vesting date to exercise the options. Shares received on exercise of the options are held in escrow for a further two years from the date of vest.

REMUNERATION REPORT (continued)

OVERVIEW OF EXECUTIVE KMP REMUNERATION FRAMEWORK FOR FY22 (continued)

FIXED REMUNERATION

Remuneration levels are reviewed annually by the Nomination, Culture and Remuneration Committee and Managing Director/Group CEO through a process that considers individual, segment and overall performance of the Group. In addition, external consultants provide analysis and advice to ensure the directors and Executive KMP remuneration is competitive in the marketplace. Benchmarking data is sought for each role to ensure that remuneration packages are relevant to the country in which the executive operates and takes into account internal relativities and job specific market information. A number of executives received increases in FY22 that reflected a change in role or increase in responsibility. Where an executive was significantly outside the market competitive ranges, the NCRC determined that it would be appropriate to transition those executives to the new remuneration levels over a number of years.

Remuneration levels are reviewed each year to take into account cost-of-living changes, any change in the scope of the role performed by the Executive KMP and any changes required to meet the principles of the Remuneration Policy. All roles are benchmarked against comparable market data. Executive KMPs remuneration is also reviewed on promotion.

PERFORMANCE-LINKED REMUNERATION

Performance-linked remuneration includes both short-term and long-term incentives and is designed to reward Executive KMP for meeting or exceeding their financial and personal objectives. The Short-term Incentive ("STI") is an 'at risk' bonus provided in the form of cash or a combination of cash and a deferred component (equity or cash settled), while the Long-term Incentive ("LTI") is provided as options over ordinary shares of the Company under the rules of the Employee Share Options Plan ("ESOP").

SHORT-TERM INCENTIVE

Each year the Nomination, Culture and Remuneration Committee sets the Key Performance Indicators ("KPI's") for the Group CEO and the Managing Director/Group CEO proposes the KPI's for the other Executive KMP. The KPI's generally include measures relating to the Group, the relevant segment, and the individual, and include financial, operational and strategic measures. The measures chosen directly aligned the individual's reward to the KPI's of the Group and to its strategy and performance.

The Company undertakes a rigorous and detailed annual forecasting and budget process. The Board believes achievement of the annual forecast and budget is the most relevant short-term performance condition, and for each KPI sets a range that reflects:

- A threshold level of performance, below which no payment is made; and
- A target level of performance that meets the annual forecast and budget; and
- A strong level of performance for exceeding the challenging KPIs.

The financial performance objectives include but are not limited to:

- Earnings before Interest and Tax ("EBIT") in local currencies
- Same Store Sales
- Franchisee profitability (EBITDA) compared to budget and last year.

The specific targets are not detailed in this report due to their commercial sensitivity but will be discussed retrospectively in future remuneration reports.

STI OPPORTUNITY

The table below expresses the annual standard STI opportunity for each Executive KMP during FY22:

EXECUTIVE KMP	STI OPPORTUNITY (% OF FIXED REMUNERATION)
Group Chief Financial Officer	80%
Chief Executive Officer APAC	80%
Chief Executive Officer Europe	80%
Group Chief Digital and Experience Officer	75%

REMUNERATION REPORT (continued)

OVERVIEW OF EXECUTIVE KMP REMUNERATION FRAMEWORK FOR FY22 (continued)

DELIVERY

In the year ended 03 July 2022, delivery was in the form of cash and equity split 67% and 33% respectively, with the equity deferred for a minimum of two years.

The equity is in the form of Rights. The Rights can be exercised by the participant at any time up to ten years from the date of grant (subject to local tax laws). If the Rights are exercised within the period two years from the date of grant, they remain under escrow until the two-year deferral period has concluded. Dividends are earned from the time at which the Right is exercised into a fully paid ordinary share.

LONG-TERM INCENTIVE

The Company established the Employee Share Option Plan (ESOP) to assist in the recruitment, reward, retention and motivation of the company's Executive KMP ("the participants"). In accordance with the provisions of the scheme, Executive KMP are granted options for no consideration to purchase parcels of shares at various exercise prices, subject to the meeting of performance conditions, including Annual Compound Earnings Per Share (EPS) Growth for the Managing Director/Group CEO and Group or a combination of EPS Growth and Earnings Before Interest and Tax (EBIT) for regional roles.

The value an Executive KMP member derives from the LTI plan is subject to the partial or whole achievement of the performance condition, as well as the share price following vesting. If the share price does not exceed the exercise price (as set at grant), then the options are "underwater" and no value is delivered to the Executive KMP member. Dividends are only payable once the options have vested and been exercised into an ordinary share.

The Nomination, Culture and Remuneration Committee considers this equity performance-linked remuneration structure to be appropriate as Executive KMP only receive a benefit where there is a corresponding direct benefit to shareholders.

LTI OPPORTUNITY

The LTI opportunity, as a percentage of fixed remuneration, awarded to each Executive KMP is outlined in the table below (excludes the Managing Director for whom the LTI award was approved at the 2021 AGM). The number of options awarded is determined by dividing the LTI dollar opportunity by the fair value of the relevant option series:

EXECUTIVE KMP	LTI OPPORTUNITY (% OF FIXED REMUNERATION)
Group Chief Financial Officer	80%
Chief Executive Officer APAC	80%
Chief Executive Officer Europe	80%
Group Chief Digital and Experience Officer	75%

VESTING CONDITIONS FOR OPTIONS ISSUED DURING FY22

Options awarded during the year ended 03 July 2022 vest subject to the achievement of performance conditions set at the time of grant. These performance conditions are based on a sliding scale of the Company's cumulative annual compound earnings per share (EPS) growth for Group based roles, or a combination of the Company's cumulative annual compound EPS 70% of LTI and the cumulative regional EBIT target 30% of LTI over the performance period for regional specific relevant roles.

Please see section OVERVIEW OF MANAGING DIRECTOR/GROUP CHIEF EXECUTIVE (GROUP CEO) REMUNERATION STRUCTURE FOR FY22 for details of the LTI award for the Managing Director/Group CEO.

REMUNERATION REPORT (continued)

OVERVIEW OF EXECUTIVE KMP REMUNERATION FRAMEWORK FOR FY22 (continued)

The EPS Growth performance condition applicable to 100% of the FY22 LTI grant for the Group Chief Financial Officer and Chief Digital and Experience Officer vest in accordance with the schedule shown in the tables below:

GROUP CHIEF FINANCIAL OFFICER, APAC CEO AND GROUP CHIEF DIGITAL AND EXPERIENCE OFFICER (100% OF THE LTI AWARD)

ANNUAL COMPOUND EPS GROWTH DURING THE PERFORMANCE PERIOD	PROPORTION OF OPTIONS WHICH VEST
Less than 8%	0%
At 8%	30%
Above 8% and up to less than 15%	Straight-line vesting
15% or over	100%

The EPS Growth performance condition applicable to 70% of the FY22 LTI grant and cumulative regional EBIT performance condition applicable to 30% of the FY22 LTI grant for the Chief Executive Officer Europe vest in accordance with the schedule shown in the tables below:

CEO EUROPE (70% OF THE LTI AWARD)

ANNUAL COMPOUND EPS GROWTH DURING THE PERFORMANCE PERIOD	PROPORTION OF OPTIONS WHICH VEST
Less than 8%	0%
At 8%	30%
Above 8% and up to less than 15%	Straight-line vesting
15% or over	100%

CEO EUROPE (30% OF THE LTI AWARD)

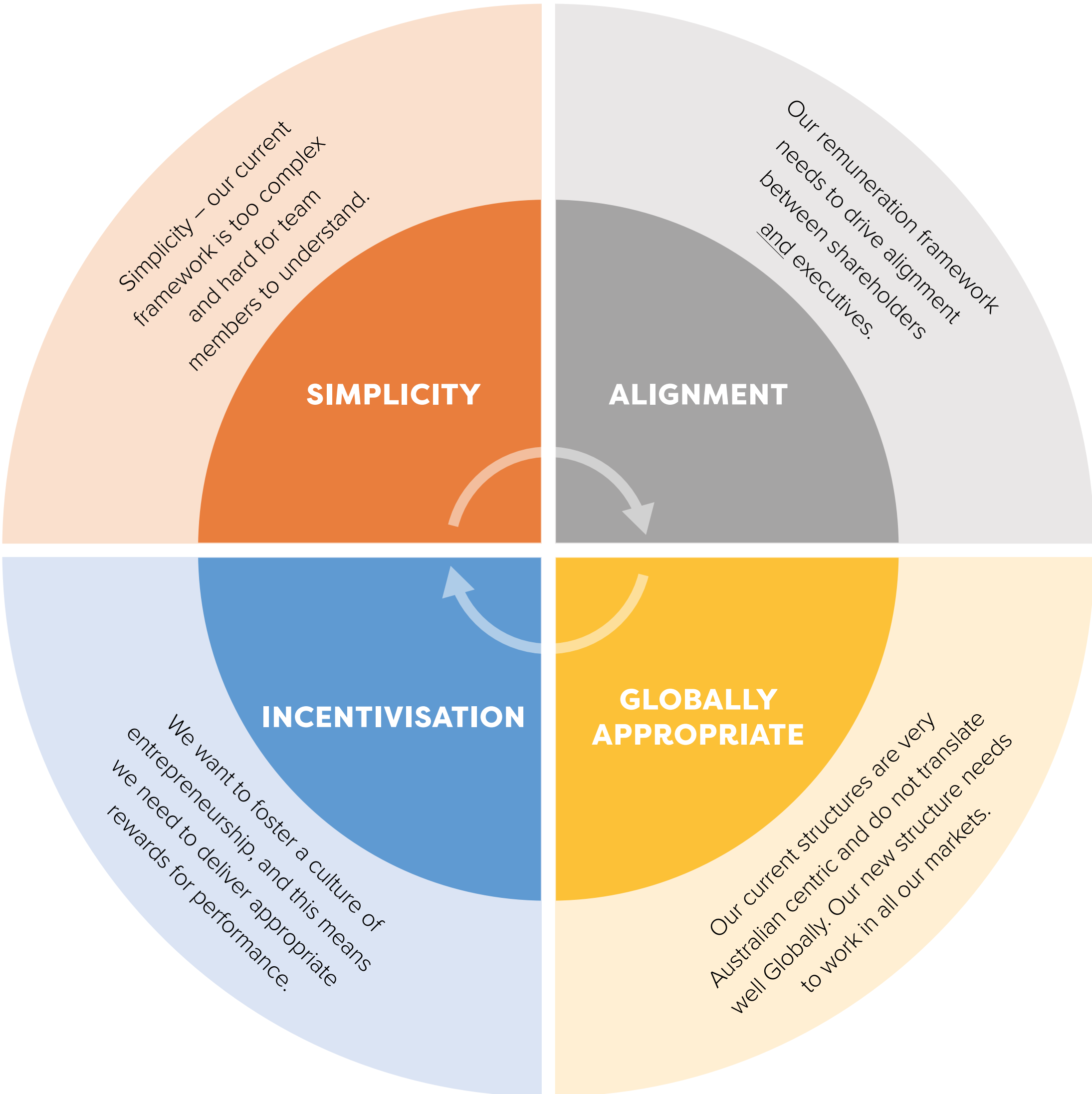
PERCENTAGE OF CUMULATIVE EBIT TARGET (IN EUROPE AND JAPAN RESPECTIVELY)	PROPORTION OF OPTION WHICH VEST
Less than 90%	0%
At 90%	40%
Above 90% and up to less than 105%	Straight-line vesting
105% or over	100%

Participants are not permitted, without the prior written consent of the Chairman, to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme. Participants have 12 months after the vesting date in which to exercise their options. Any shares received on exercise are subject to a two-year holding lock from the vesting date (i.e. five years from grant).

REMUNERATION REPORT (continued)

REMUNERATION FRAMEWORK DESIGN PRINCIPLES FY23

The Board met with a number of key executives during FY22 to better understand the key issues they are facing and whether the current remuneration framework was achieving its purpose of retaining and incentivising executives. It was clear from these discussions that there were a number of issues in relation to the current framework. Importantly there was a sense that DPE need to be more accommodating around differing remuneration practices in international markets. Following from these discussions and in consultation with our external advisors the NCRC developed a new set of principles to guide the development of the remuneration framework for FY23 and beyond. These principles are outlined below:.



The NCRC is currently considering a number of changes to the remuneration approach for the Managing Director/Group CEO and other executives for FY23. The Board looks forward to sharing more on these proposals in advance of the upcoming AGM and through further consultation with investors over the course of the year.

Directors' Report
continued

REMUNERATION REPORT (continued)

LINK BETWEEN PAY AND PERFORMANCE

BUSINESS OUTCOMES FOR FY22

The following table outlines performance against each of the Key Performance Indicators that have been used across our Executive KMP group for STI purposes in FY22:

KEY PERFORMANCE INDICATOR	PERFORMANCE[i]
EBITDA – Group	$339.7m – 8.4% growth YoY
EBIT:	
Group	$259.0m – 12.1% growth YoY
ANZ	$118.8m + 3.0% growth YoY
Europe	$78.2m – 12.1% growth YoY
Asia	$84.3m – 31.4% growth YoY
Same Store Sales – Group	- 0.3%
NPAT attributable to shareholder	$164.6m – 9.1% growth YoY

(i) The performance measure is on an underlying basis which excludes significant non-recurring costs as well as the impact from adoptions of AASB 16 *Leases*.

HISTORICAL COMPANY PERFORMANCE

The tables below set out summary information about the Group's earnings and movements in shareholder wealth for the five years to 03 July 2022:

	03 JULY 2022 $'000	27 JUNE 2021[iii] $'000	28 JUNE 2020 $'000	30 JUNE 2019 $'000	01 JULY 2018 $'000
Revenue	2,289,268	2,199,106	1,905,261	1,435,410	1,153,952
Net profit before tax	240,624	273,609	203,436	159,413	174,476
Net profit after tax	166,732	193,648	142,921	114,379	121,693

	03 JULY 2022	27 JUNE 2021	28 JUNE 2020	30 JUNE 2019	01 JULY 2018
Share price at the start of the year ($)	118.00	67.79	37.64	52.22	52.08
Share price at the end of the year ($)	68.55	118.00	67.79	37.64	52.22
Interim dividend per share (cents)[i]	88.4	88.4	66.7	62.7	58.1
Final dividend per share (cents)[i][ii]	68.1	85.1	52.6	52.8	49.7
Basic earnings per share (cents)	183.4	213.3	160.9	135.5	139.4
Diluted earnings per share (cents)	183.0	212.5	160.8	135.4	139.0

(i) The final and interim dividend for the year ended 03 July 2022 are franked at 70%.
The final and interim dividend for the year ended 27 June 2021 are franked at 70% and 50%, respectively.
The interim and final dividend for the year ended 28 June 2020 are franked at 100%.
The interim and final dividend for the year ended 30 June 2019 are franked at 75% and 100%, respectively.
Interim and final dividend for the year ended 01 July 2018 are franked to 40% and 75%, respectively.
The Company's tax rate has remained at 30% for franking purposes over this 5-year period.

(ii) The final dividend for the financial year ended 03 July 2022 was declared after the end of the reporting period and is not reflected in the financial statements.

(iii) Results for the year ending 27 June 2021 has been restated to reflect the implementation of an IFRIC agenda decision clarifying the accounting treatment of SaaS arrangements.

REMUNERATION REPORT (continued)

LINK BETWEEN PAY AND PERFORMANCE (continued)

SHORT-TERM INCENTIVE

On 23 August 2022, Don Meij, Richard Coney, Andre ten Wolde, Josh Kilimnik and Michael Gillespie were awarded a combination of cash and a deferred component incentive for their performance during the year ended 03 July 2022. The incentive conditions were agreed by the Board during the year. The amounts were determined and approved by the Board based on a recommendation by the Nomination, Culture and Remuneration Committee and are outlined in the table below:

DIRECTOR OR KMP	CASH COMPONENT $(i)	DEFERRED COMPONENT $	AMOUNT FORFEITED IN YEAR $	PERCENTAGE AWARDED IN YEAR %(ii)	PERCENTAGE FORFEITED IN YEAR %(iii)
Don Meij	–	417,600	1,382,400	23%	77%
Richard Coney	96,480	47,520	336,000	30%	70%
Josh Kilimnik	137,440	67,694	268,618	43%	57%
Andre ten Wolde	31,996	15,759	429,803	10%	90%
Michael Gillespie	151,583	74,660	235,007	49%	51%

(i) Amounts included in compensation represent the amount that was awarded based on the achievement of specified performance criteria for the financial year ending 03 July 2022.

(ii) Percentage awarded in the year is inclusive of full fair value of the deferred STI payable as equity or cash, of the Short-term Incentive awarded for the year ended 03 July 2022.

(iii) The amounts forfeited are due to the performance or service criteria not being met in relation to the financial year ended 03 July 2022.

No other incentives were granted during the financial year ended 03 July 2022.

LONG-TERM INCENTIVE OUTCOMES

The table below outlines the options series for which the performance period concluded in FY22, including the vesting result and the relevant proportion of options that vested:

OPTION SERIES	PERFORMANCE MEASURE	RESULT	PROPORTION OF OPTIONS VESTING	CAN BE EXERCISED UNTIL
33 (Don Meij)	Group EPS percentage growth over the relevant performance period	< 12% EPS Growth	0%	N/A
35 (ANZ Employees – Richard Coney, Michael Gillespie	Group EPS percentage growth over the relevant performance period	< 9% EPS Growth	0%	N/A
	ANZ EBIT Performance	< 95% performance		
35 (Europe Employees – Andre ten Wolde)	Group EPS percentage growth over the relevant performance period	< 9% EPS Growth	0%	N/A
	Europe EBIT performance	< 93% of target		
35 (Japan Employees – Josh Kilimnik)	Group EPS percentage growth over the relevant performance period	< 9% EPS Growth	70%	N/A
	Japan EBIT performance	< 93% of target		

REMUNERATION REPORT (continued)

REMUNERATION OF EXECUTIVE KMP

			SHORT-TERM BENEFITS			LONG-TERM BENEFITS	POST-EMPLOYMENT BENEFITS	SHARE BASED-PAYMENTS[iv]		TOTAL	PERFORMANCE RELATED
			SALARIES $	BONUS[i] $	OTHER SHORT-TERM BENEFITS[v] $	LONG SERVICE LEAVE[vi] $	SUPER-ANNUATION $	DEFERRED COMPONENT (STI)[i] $	OPTIONS (LTI)[i] $	$	%
Executive Director	**Don Meij**	**2022**	**1,286,919**	**–**	**–**	**23,135**	**24,054**	**262,863**	**(33,458)**	**1,563,513**	**14.7%**
		2021	1,201,767	815,187	–	21,915	21,694	107,576	999,570	3,167,709	60.7%
Executive Officers	**Richard Coney**	**2022**	**568,342**	**96,480**	**–**	**20,669**	**24,054**	**104,630**	**(153,515)**	**660,660**	**7.2%**
		2021	512,885	262,818	–	10,561	21,694	68,368	208,701	1,085,027	49.8%
	Josh Kilimnik	**2022[ii]**	**672,605**	**137,440**	**164,395**	**–**	**52,429**	**118,410**	**115,304**	**1,260,583**	**29.4%**
		2021[ii]	724,209	279,670	253,931	–	43,764	36,907	269,159	1,607,640	36.4%
	Andre ten Wolde	**2022**	**596,948**	**31,996**	**40,758**	**–**	**31,384**	**67,178**	**(105,968)**	**662,296**	**(1.0)%**
		2021	541,884	279,547	41,847	–	35,743	36,890	156,782	1,092,693	43.3%
	Michael Gillespie	**2022**	**589,714**	**151,583**	**–**	**12,415**	**24,054**	**251,868**	**(96,369)**	**933,265**	**32.9%**
		2021[vi]	604,828	255,672	–	33,458	21,694	80,000	178,477	1,174,129	43.8%
Former Executive Officers	**Nick Knight**	**2022[iii]**	**306,159**	**–**	**125,308**	**(156,686)**	**5,439**	**40,847**	**(152,031)**	**169,036**	**(65.8)%**
		2021	504,008	157,805	–	11,914	21,694	29,888	204,610	929,919	42.2%
Total		**2022**	**4,020,687**	**417,499**	**330,461**	**(100,467)**	**161,414**	**845,796**	**(426,037)**	**5,249,353**	**15.9%**
		2021	4,089,581	2,050,699	295,778	77,848	166,283	359,629	2,017,299	9,057,117	48.9%

(i) The incentives are dependent on satisfaction of performance conditions.
(ii) Included in salaries and other short-term benefits are amounts relating to tax equalisation.
(iii) On the 28 September 2021, Nick Knight retired as ANZ CEO.
(iv) Share-based payment is calculated using the number of instruments expected to vest by the grant date fair value and amortised over the relevant performance and service period.
(v) Amounts relate to expatriate allowances including but not limited to housing, schooling and healthcare. In FY22, Nick Knight received termination benefits of $125,308.
(vi) Long service leave includes the movement in the leave balance during the year. The accounting value of long service leave may be negative, for example where an Executive's leave balance decreases as a result of taking more leave than they accrue during the current year.
(vii) Michael Gillespie received a discretionary incentive, in recognition of his significant contribution to the company in the form of a zero-price option with a value of $249,974.

No director or Executive KMP appointed during the period received a payment as part of his or her consideration for agreeing to hold their position.

REMUNERATION REPORT (continued)

REMUNERATION OF EXECUTIVE KMP (continued)

EXECUTIVE SHARE AND OPTION PLAN (ESOP)

During the prior and current financial year, the following share-based payment arrangements were in existence.

For terms, including vesting conditions, of prior year grants, please see relevant year remuneration reports. See section OVERVIEW OF MANAGING DIRECTOR/GROUP CHIEF EXECUTIVE (GROUP CEO) REMUNERATION STRUCTURE FOR FY22 for terms relating to option awards made in the year ended 03 July 2022:

OPTIONS SERIES	ISSUE & GRANT DATE	GRANTED TO	EXPIRY DATE	GRANT DATE FAIR VALUE	EXERCISE PRICE	VESTING DATE
(29)	19 Apr 2018	ANZ Employees	31 Aug 2021	$5.88	$45.25	01 Sep 2020
(29)	19 Apr 2018	Europe Employees	31 Aug 2021	$5.88	$45.25	01 Sep 2020
(29)	19 Apr 2018	Japan Employees	31 Aug 2021	$5.88	$45.25	01 Sep 2020
(31)	23 Jan 2019	Don Meij	31 Aug 2022	$7.27	$51.96	01 Sep 2021
(32)	25 May 2019	ANZ Employees	31 Aug 2022	$3.98	$51.96	01 Sep 2021
(32)	25 May 2019	Europe Employees	31 Aug 2022	$3.98	$51.96	01 Sep 2021
(32)	25 May 2019	Japan Employees	31 Aug 2022	$3.98	$51.96	01 Sep 2021
(33)	26 Nov 2019	Don Meij	01 Sep 2023	$11.79	$50.25	01 Sep 2022
(34)	26 Nov 2019	ANZ Employees	26 Nov 2023	$9.84	$50.25	21 Aug 2022
(35)	26 Nov 2019	ANZ Employees	01 Sep 2023	$11.79	$50.25	01 Sep 2022
(35)	26 Nov 2019	Europe Employees	01 Sep 2023	$11.79	$50.25	01 Sep 2022
(35)	26 Nov 2019	Japan Employees	01 Sep 2023	$11.79	$50.25	01 Sep 2022
(36)	20 Aug 2019	ANZ Employees	20 Aug 2029	$42.41	Nil	21 Aug 2019
(37)	18 Aug 2020	ANZ Employees	18 Aug 2030	$81.37	Nil	19 Aug 2021
(38)	04 Nov 2020	Don Meij	01 Sep 2024	$16.72	$84.28	01 Sep 2023
(39)	25 Nov 2020	Europe Employees	01 Sep 2024	$10.92	$84.28	01 Sep 2023
(39)	25 Nov 2020	Japan Employee	01 Sep 2024	$10.92	$84.28	01 Sep 2023
(39)	25 Nov 2020	ANZ Employees	01 Sep 2024	$10.92	$84.28	01 Sep 2023
(40)	07 Jun 2021	ANZ Employees	31 Oct 2021	$105.63	Nil	07 Jun 2023
(41)	28 May 2021	ANZ Employees	28 May 2031	$84.28	Nil	28 May 2021
(42)	03 Nov 2021	Don Meij	31 Aug 2025	$32.30	$127.09	01 Sep 2024
(43)	01 Oct 2021	ANZ Employee	01 Oct 2031	$135.75	Nil	31 Oct 2021
(43)	01 Oct 2021	Japan Employee	01 Oct 2031	$135.75	Nil	31 Oct 2021
(43)	01 Oct 2021	Europe Employee	01 Oct 2031	$135.75	Nil	31 Oct 2021
(43)	01 Oct 2021	Don Meij	01 Oct 2031	$135.75	Nil	31 Oct 2021
(44)	19 May 2022	ANZ Employee	31 Aug 2025	$15.00	$69.58	31 Aug 2024
(44)	19 May 2022	Japan Employee	31 Aug 2025	$15.00	$69.58	31 Aug 2024
(44)	19 May 2022	Europe Employee	31 Aug 2025	$15.00	$69.58	31 Aug 2024

Directors' Report
continued

REMUNERATION REPORT (continued)

REMUNERATION OF EXECUTIVE KMP (continued)

EXERCISED OPTIONS

During the year, the following KMP exercised options that were granted to them as part of their remuneration. Each option converts into one ordinary share of DPE Limited.

DIRECTORS AND SENIOR MANAGEMENT	NO. OF OPTIONS EXERCISED	NO. OF ORDINARY SHARES OF DPE LIMITED ISSUED	AMOUNT PAID	AMOUNT UNPAID
Don Meij	–	–	–	$nil
Richard Coney	–	–	–	$nil
Josh Kilimnik	10,325	10,325	$467,206	$nil
Nick Knight	–	–	–	$nil
Andre ten Wolde	–	–	–	$nil
Michael Gillespie	1,755	1,755	–	$nil

The following table summarises the value of options exercised or lapsed during the financial year to directors and senior management:

DIRECTORS AND SENIOR MANAGEMENT	VALUE OF OPTIONS GRANTED AT THE GRANT DATE(i) $	VALUE OF OPTIONS EXERCISED AT THE EXERCISE DATE(ii) $	VALUE OF OPTIONS LAPSED AT THE DATE OF LAPSE(iii) $
Don Meij	–	–	1,599,400
Richard Coney	–	–	103,399
Josh Kilimnik	60,711	1,066,056	47,722
Nick Knight(iv)	–	–	230,668
Andre ten Wolde	–	–	99,422
Michael Gillespie	74,430	255,616	69,595

(i) The value of options granted during the period is recognised in remuneration over the vesting period of the grant, in accordance with Australian accounting standards.

(ii) Determined at the time of exercise at the intrinsic value, being the share price at the date of exercise less the exercise price, then multiplied by the number of shares exercised.

(iii) The value of options lapsing during the period due to the failure to satisfy a vesting condition is determined assuming the vesting condition had been satisfied. This is determined based on the fair value of the options at the date of grant multiplied by the number of lapsed options.

(iv) Includes options granted to a related party.

REMUNERATION REPORT (continued)

REMUNERATION OF EXECUTIVE KMP (continued)

FULLY PAID ORDINARY SHARES OF DOMINO'S PIZZA ENTERPRISES LIMITED

The numbers of shares in the Company held during the financial year by each director of Domino's Pizza Enterprises Limited and other Key Management Personnel of the Group, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

		BALANCE AT BEGINNING OF FINANCIAL YEAR NO.	GRANTED AS COMPENSATION NO.	RECEIVED ON EXERCISE OF OPTIONS NO.	NET OTHER CHANGE NO.	BALANCE AT THE END OF THE FINANCIAL YEAR NO.	BALANCE HELD NOMINALLY NO.
2022	Jack Cowin	**23,066,390**	–	–	–	**23,066,390**	–
	Grant Bourke	**1,628,344**	–	–	–	**1,628,344**	–
	Lynda O'Grady	**2,000**	–	–	–	**2,000**	–
	Ursula Schreiber	**1,200**	–	–	**300**	**1,500**	–
	Doreen Huber	**1,100**	–	–	**350**	**1,450**	–
	Tony Peake	–	–	–	**1,400**	**1,400**	–
	Don Meij	**1,800,001**	–	–	–	**1,800,001**	–
	Richard Coney	**25,719**	–	–	**(7,500)**	**18,219**	–
	Josh Kilimnik	**800**	–	**10,325**	**1,800**	**12,925**	–
	Andre ten Wolde	**3,000**	–	–	**(3,000)**	–	–
	Michael Gillespie	–	–	**1,755**	**(1,325)**	**430**	–
	Nick Knight(i)	**3,402**	–	–	**(3,402)**	–	–
2021	Jack Cowin	23,050,966	–	–	15,424	23,066,390	–
	Ross Adler	200,000	–	–	–	200,000	–
	Grant Bourke	1,628,344	–	–	–	1,628,344	–
	Lynda O'Grady	2,000	–	–	–	2,000	–
	Ursula Schreiber	1,000	–	–	200	1,200	–
	Doreen Huber	–	–	–	1,100	1,100	–
	Tony Peake	–	–	–	–	–	–
	Don Meij	1,800,001	–	–	–	1,800,001	–
	Richard Coney	25,719	–	–	–	25,719	–
	Josh Kilimnik	2,600	–	10,325	(12,125)	800	–
	Nick Knight(i)	384	–	–	3,018	3,402	–
	Andre ten Wolde	3,000	–	15,000	(15,000)	3,000	–
	Michael Gillespie	–	–	–	–	–	–

(i) Includes shares held during the period by a related party. Nick Knight retired as ANZ CEO effective 28 September 2021, and no longer was considered KMP.

Directors’ Report
continued

REMUNERATION REPORT (continued)

REMUNERATION OF EXECUTIVE KMP (continued)

EXECUTIVE SHARE OPTIONS OF DOMINO’S PIZZA ENTERPRISES LIMITED

		BALANCE AT BEGINNING OF FINANCIAL YEAR NO.	GRANTED AS COMPENSATION NO.	EXERCISED NO.	NET OTHER CHANGE NO.	BALANCE AT THE END OF FINANCIAL YEAR NO.	OPTIONS VESTED DURING THE YEAR NO.
2022	Don Meij	**673,937**	**98,932**	**–**	**(220,000)**	**552,869**	**–**
	Richard Coney	**106,912**	**32,953**	**–**	**(26,000)**	**113,865**	**–**
	Josh Kilimnik	**122,351**	**34,077**	**(10,325)**	**(12,000)**	**134,103**	**28,000**
	Nick Knight(i)	**118,486**	**572**	**–**	**(119,058)**	**–**	**–**
	Andre ten Wolde	**84,330**	**31,836**	**–**	**(25,000)**	**91,166**	**–**
	Michael Gillespie	**92,971**	**31,677**	**(1,755)**	**(17,500)**	**105,393**	**–**
2021	Don Meij	737,000	156,937	–	(220,000)	673,937	–
	Richard Coney	119,385	39,527	–	(52,000)	106,912	–
	Josh Kilimnik	100,921	40,605	(10,325)	(8,850)	122,351	20,650
	Nick Knight(i)	130,578	43,908	–	(56,000)	118,486	–
	Andre ten Wolde	84,081	40,249	(15,000)	(25,000)	84,330	–
	Michael Gillespie	82,234	44,682	–	(33,945)	92,971	–

(i) Includes options relating to a related party. Nick Knight retired as ANZ CEO effective 28 September 2021, and no longer was considered KMP.

CONTRACTS FOR SERVICES OF KMP

NAME	TERM OF CONTRACT	CONTRACT COMMENCEMENT	NOTICE TERMINATION – BY COMPANY	NOTICE TERMINATION – BY EXECUTIVE	TERMINATION PAYMENT – AMOUNT EQUAL TO
Don Meij	5 years	8 November 2017	12 months	12 months	12 months remuneration
Richard Coney	Ongoing	16 May 2005	6 months	6 months	6 months remuneration
Josh Kilimnik	Ongoing	6 December 2021	6 months	6 months	6 months remuneration
Andre ten Wolde	Ongoing	27 June 2020	12 months	6 months	12/6 months remuneration
Michael Gillespie	Ongoing	15 September 2017	3 months	3 months	3 months remuneration

The directors believe that the remuneration for each of the Executive KMP is appropriate given their allocated accountabilities, the scale of the Company’s business and the industry in which the Company operates. The service contracts outline the components of remuneration paid to the executive directors and Executive KMP but do not prescribe how the remuneration levels are modified year to year.

REMUNERATION REPORT (continued)

REMUNERATION OF EXECUTIVE KMP (continued)

TERMS RELATED TO THE MANAGING DIRECTOR/GROUP CEO'S CONTRACT:

- Don Meij, Managing Director/Group CEO, has a contract of employment with Domino's Pizza Enterprises Limited dated 8 November 2017.
- His contract provides that he may terminate the agreement by giving 12 month's written notice.
- He may also resign on one month's notice if there is a change in control of the Company, and he forms the reasonable opinion that there have been material changes to the policies, strategies or future plans of the Board and, as a result, he will not be able to implement his strategy or plans for the development of the Company or its projects.
- If Don Meij resigns for this reason, then in recognition of his past service to the Company, on the date of termination, in addition to any payment made to him during the notice period or by the Company in lieu of notice, the Company must pay him an amount equal to the salary component and superannuation that would have been paid to him in the 12 months after the date of termination.
- A change in control occurs when any shareholder (either alone or together with its associates) having a relevant interest in less than 50% of the issued shares in the Company acquires a relevant interest in 50% or more of the shares on issue at any time in the capital of the Company or the composition of a majority of the Board changes for a reason other than retirement in the normal course of business or death.

NON-EXECUTIVE DIRECTOR REMUNERATION

Non-executive directors are remunerated by way of cash fees and superannuation contributions in accordance with the Superannuation Guarantee legislation. The level of directors' fees reflects their time commitment and responsibilities in accordance with market standards. During the reporting period, non-executive directors did not receive any performance-based remuneration or equity-based remuneration. Non-executive directors are not entitled to receive any termination payments on ceasing to be a director.

Non-executive directors are entitled to be reimbursed for their reasonable expenses incurred in connection with the affairs of the Company. A non-executive director may also be compensated as determined by the directors if that director performs additional or special duties for the Company.

The maximum aggregate amount of directors' fees (which does not include remuneration of executive directors and other non-director services provided by directors) is $1,800,000 per annum.

NON-EXECUTIVE DIRECTORS

Details of the fees associated for the Non-executive Directors roles are set out in the following table.

ROLE	FY22 FEES
Chairman	$313,947
Audit and Risk Committee Chair	$180,000
Nomination, Culture and Remuneration Committee Chair	$180,000
Non-executive Director	$150,000
Committee membership fee (per Committee)	$15,000

REMUNERATION REPORT (continued)

NON-EXECUTIVE DIRECTOR REMUNERATION (continued)

NON-EXECUTIVE DIRECTOR REMUNERATION FOR FY22

Details of the audited remuneration for FY22 for each Non-executive Director of the Company are set out in the following table:

		SHORT-TERM BENEFITS FEES – DOMINO'S PIZZA ENTERPRISES LIMITED	POST- EMPLOYMENT BENEFITS	TOTAL
NON-EXECUTIVE DIRECTORS		FEES $	SUPERANNUATION $	$
Jack Cowin	**2022**	**287,824**	**24,054**	**311,878**
	2021	268,837	21,694	290,531
Ross Adler	**2022(ii)**	**57,165**	**5,717**	**62,882**
	2021	159,895	15,190	175,085
Grant Bourke	**2022**	**167,467**	**16,500**	**183,967**
	2021	147,854	14,046	161,900
Lynda O'Grady	**2022**	**162,579**	**7,258**	**169,837**
	2021	127,854	12,146	140,000
Ursula Schreiber	**2022**	**168,752**	**16,892**	**185,644**
	2021	142,739	13,560	156,299
Doreen Huber	**2022**	**159,519**	**–**	**159,519**
	2021	140,000	–	140,000
Tony Peake	**2022**	**154,181**	**15,434**	**169,615**
	2021(i)	15,244	1,448	16,692
Total	**2022**	**1,157,487**	**85,855**	**1,243,342**
	2021	1,002,423	78,084	1,080,507

(i) On 14 May 2021, Tony Peake was appointed to the Board.

(ii) On 03 November 2021, Ross Adler retired from Board.

Directors' Report

continued

REMUNERATION REPORT (continued)

NON-EXECUTIVE DIRECTOR REMUNERATION (continued)

OTHER TRANSACTIONS WITH DIRECTORS OF THE GROUP

During the year the Group engaged the services of Mr Michael Cowin, a related party of Mr Jack Cowin, as a Board Member of DPE Japan Co. Ltd. The services rendered were based on market rates for such services and were due and payable under normal payment terms. A total of $56,062 was paid or payable to Mr Michael Cowin during the year ended 03 July 2022.

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL OF DOMINO'S PIZZA ENTERPRISES LIMITED

Comgroup Supplies Pty Ltd, Comgroup NZ Limited T/A Franklin Foods, Markwell Pacific Marketing Pty Ltd, PMFresh Pty Ltd and Shore Mariner Ltd are entities associated with Mr Jack Cowin, which supply food products to the Group on commercial arm's length terms. The entities were selected as preferred suppliers after competitive tender processes in which Mr Cowin had no involvement.

During the year the Group made purchases and had outstanding balances as at 03 July 2022 as follows:

ENTITY	PURCHASES (EXCLUDING GST)	OUTSTANDING BALANCE
Comgroup Supplies Pty Ltd and Comgroup NZ Limited (T/A Franklin Foods)	$22,813,184	$4,343,934
Markwell Pacific Marketing Pty Ltd	$501,716	-
PMFresh Pty Ltd[(i)]	$1,356,936	-
Shore Mariner Ltd	$795,995	$37,807

(i) PM Fresh Pty Ltd ceased to be a related party on 1 April 2022 but was a supplier to DPE for the full financial year. The amounts in the table represent the purchases up to and including 31 March 2022.

In addition, the Group received sponsorship contributions to the Company's annual franchising rally to the value of $55,000 from Comgroup Supplies Pty Ltd, $132,231 from PMFresh Pty Ltd and $500 from Markwell Pacific Marketing Pty Ltd (excluding GST). The Group did not recognise any bad or doubtful debts associated with the above purchases and sponsorship contributions.

The Group and Competitive Foods Australia Pty Ltd (CFAL), an entity associated with Mr Jack Cowin, acquire television media services from unrelated third party service providers under a joint venture arrangement and receive volume pricing benefits. The Group does not receive or provide any other benefits to CFAL under the joint venture.

Signed in accordance with a resolution of the directors made pursuant to s.298(2) of the *Corporations Act 2001*.

On behalf of the directors

Jack Cowin
Non-Executive Chairman

24 August 2022

Don Meij
Managing Director/Group Chief Executive Officer

24 August 2022

Independent Auditor’s Report

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Independent Auditor’s Report to the Members of Domino’s Pizza Enterprises Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Domino’s Pizza Enterprises Limited (the “Entity”) and its subsidiaries (the “Group”) which comprises the consolidated statement of financial position as at 03 July 2022, the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors’ declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Entity’s and Group’s financial position as at 03 July 2022 and of their financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor’s report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Carrying Value of Goodwill and Indefinite Life Intangible Assets in the German and France/Belgium Cash Generating Units (CGUs). As at 03 July 2022, the carrying value of the of the German CGU included goodwill of $80.3 million and indefinite life intangible assets of $177.8 million. The carrying value of the France/Belgium CGU included goodwill of $53.8 million and indefinite life intangible assets of $46.7 million, as disclosed in Note 11. Management is required to exercise significant judgement in estimating future cash flows, forecast growth rates and discount rates, which are used to determine the recoverable amount of the CGUs.	In conjunction with our valuation specialists, our procedures included, but were not limited to: • Evaluating the appropriateness of the methodology applied by management in calculating the recoverable amounts of the CGUs. • Challenging the assumptions used to calculate the discount rates and recalculating these rates. • Agreeing the projected cash flows to Board approved budgets and assessing the cash flows, expected growth rates and terminal growth rates against historical performance and published industry economic data. • Testing the mathematical accuracy of the impairment models used to calculate recoverable amount. • Performing sensitivity analysis on the recoverable amount of the CGU's in relation to the assumed growth rates during the 3 year budget period, terminal growth rates and discount rates. • We assessed the appropriateness of the disclosures included in Note 11 to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 03 July 2022 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. 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.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of

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accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 the Australian Auditing Standards 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 101 to 125 of the Directors' Report for the year ended 3 July 2022.

In our opinion, the Remuneration Report of Domino's Pizza Enterprises Limited, for the year ended 3 July 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Matthew Donaldson
Partner
Chartered Accountants

Brisbane, 24 August 2022

Auditor's Independence Declaration

Deloitte Touche Tohmatsu
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24 August 2022

The Directors
Domino's Pizza Enterprises Limited
Level 1, KSD1
485 Kingsford Smith Drive
HAMILTON QLD 4007

Dear Directors

Auditor's Independence Declaration to Domino's Pizza Enterprises Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Directors of Domino's Pizza Enterprises Limited.

As lead audit partner for the audit of the financial report of Domino's Pizza Enterprises Limited for the year ended 03 July 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU

Matthew Donaldson
Partner
Chartered Accountants

Directors' Declaration

The directors declare that:

(a) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

(b) in the directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in the basis of preparation note to the financial statements;

(c) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Group; and

(d) the directors have been given the declarations required by s.295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the directors

Jack Cowin
Non-Executive Chairman

24 August 2022

Don Meij
Managing Director/Group Chief Executive Officer

24 August 2022

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Financial Report

Consolidated Statement of Profit or Loss

For the year ended 03 July 2022

	NOTE	2022 $'000	2021 RESTATED[1] $'000
Continuing operations			
Revenue	2	**2,289,268**	2,199,106
Other gains and losses	3	**32,130**	23,372
Finance income	4	**5,420**	4,824
Food, equipment and packaging expenses		**(996,486)**	(914,511)
Employee benefits expense	5	**(393,924)**	(402,281)
Plant and equipment costs	5	**(34,137)**	(29,411)
Depreciation and amortisation expense	5	**(133,632)**	(130,018)
Occupancy expenses	5	**(5,698)**	(5,446)
Finance costs	5	**(18,889)**	(18,593)
Marketing expenses		**(225,740)**	(214,436)
Royalties expense		**(101,785)**	(93,279)
Store related expenses		**(31,081)**	(28,205)
Communication expenses		**(34,630)**	(32,976)
Acquisition, integration, conversion, legal settlement and inventory write downs		**(8,803)**	(6,307)
Other expenses		**(101,389)**	(78,230)
Profit before tax		**240,624**	273,609
Income tax expense	7	**(73,892)**	(79,961)
Profit for the period from continuing operations		**166,732**	193,648
Profit is attributable to:			
Owners of the parent		**158,716**	184,477
Non-controlling interests		**8,016**	9,171
Total profit for the period		**166,732**	193,648
		Cents	Cents
Earnings per share from continuing operations			
Basic (cents per share)	19	**183.4**	213.3
Diluted (cents per share)	19	**183.0**	212.5

1 The comparative has been restated to reflect the implementation of an IFRIC agenda decision clarifying the accounting treatment of SaaS arrangements, refer to note 35 for details.

The above Statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Other Comprehensive Income

For the year ended 03 July 2022

	2022 $'000	2021 RESTATED[1] $'000
Profit for the period	**166,732**	193,648
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Gain/(loss) on net investment hedge taken to equity	**4,258**	5,270
Exchange differences arising on translation of foreign operations	**(28,725)**	(44,836)
Gain/(loss) on cash flow hedges taken to equity	**10,376**	1,791
Income tax relating to components of other comprehensive income	**(4,844)**	(2,201)
Other comprehensive gain/(loss) for the period, net of tax	**(18,935)**	(39,976)
Total comprehensive income for the period	**147,797**	153,672
Items not to be reclassified to profit or loss		
Remeasurement of defined benefit obligation	**532**	(853)
Income tax relating to components of other comprehensive income	**(185)**	295
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods for the period	**347**	(558)
Other comprehensive income/(loss) for the year, net of tax	**(18,588)**	(40,534)
Total comprehensive income for the year	**148,144**	153,114
Total comprehensive income for the period is attributable to:		
Owners of the parent	**144,807**	146,793
Non-controlling interests	**3,337**	6,321
Total comprehensive income for the year	**148,144**	153,114

1 The comparative has been restated to reflect the implementation of an IFRIC agenda decision clarifying the accounting treatment of SaaS arrangements, refer to note 35 for details.

The above Statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 03 July 2022

	NOTE	2022 $'000	2021 RESTATED[1] $'000
Assets			
Current assets			
Cash and cash equivalents	6	**76,877**	174,689
Trade and other receivables	12	**163,591**	145,751
Other financial assets	22	**20,892**	14,391
Inventories	15	**30,861**	25,955
Current tax assets	7	**1,234**	1,285
Other assets	12	**45,760**	35,142
Investment in lease assets	10	**72,063**	57,541
Total current assets		**411,278**	454,754
Non-current assets			
Other financial assets	22	**119,869**	82,476
Investment in joint venture	27	**1,709**	1,937
Property, plant and equipment	9	**273,471**	274,130
Deferred tax assets	7	**–**	7,810
Goodwill	11	**485,707**	456,091
Intangible assets	11	**450,352**	380,044
Right-of-use assets	10	**306,845**	344,911
Investment in lease assets	10	**382,493**	350,256
Total non-current assets		**2,020,446**	1,897,655
Total assets		**2,431,724**	2,352,409
Liabilities			
Current liabilities			
Trade and other payables	13	**303,976**	346,228
Contract liabilities	2	**3,134**	3,105
Lease liabilities	10	**122,304**	109,433
Borrowings	21	**32,035**	–
Other financial liabilities	23	**140,003**	29,697
Provisions	14	**21,559**	21,371
Current tax liabilities	7	**17,571**	28,988
Total current liabilities		**640,582**	538,822
Non-current liabilities			
Borrowings	21	**612,066**	507,375
Contract liabilities	2	**15,775**	16,066
Lease liabilities	10	**646,714**	651,492
Other financial liabilities	23	**511**	167,089
Provisions	14	**8,870**	9,108
Deferred tax liabilities	7	**85,249**	67,320
Total non-current liabilities		**1,369,185**	1,418,450
Total liabilities		**2,009,767**	1,957,272
Net assets		**421,957**	395,137
Equity			
Issued capital	16	**264,212**	259,500
Reserves	16	**(136,848)**	(150,387)
Retained earnings	16	**294,593**	286,024
Total equity		**421,957**	395,137

1 The comparative has been restated to reflect the implementation of an IFRIC agenda decision clarifying the accounting treatment of SaaS arrangements, refer to note 35 for details.

The above Statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 03 July 2022

	ISSUED CAPITAL $'000	HEDGING RESERVE $'000	FOREIGN CURRENCY TRANSLATION RESERVE $'000	OTHER RESERVE $'000	RETAINED EARNINGS $'000	NON-CONTROLLING INTERESTS $'000	TOTAL $'000
Balance at 29 June 2020	235,420	(6,224)	49,740	(113,532)	227,969	–	393,373
Changes in accounting policies	–	–	–	–	(4,438)	(97)	(4,535)
Balance at 29 June 2020 restated	235,420	(6,224)	49,740	(113,532)	223,531	(97)	388,838
Restated Profit for the period[1]	–	–	–	–	184,477	9,171	193,648
Other comprehensive income	–	4,860	(41,986)	(558)	–	(2,850)	(40,534)
Total comprehensive income for the period	–	4,860	(41,986)	(558)	184,477	6,321	153,114
Share options trust	–	–	–	3,353	–	–	3,353
Transactions with non-controlling interest	–	–	–	–	–	3,293	3,293
Dividends provided for or paid	–	–	–	–	(121,984)	–	(121,984)
Employee share scheme	24,080	–	–	–	–	–	24,080
Non-controlling interest put option	–	–	–	(47,277)	–	(9,517)	(56,794)
Recognition of share-based payments	–	–	–	1,237	–	–	1,237
Balance at 27 June 2021	**259,500**	**(1,364)**	**7,754**	**(156,777)**	**286,024**	**–**	**395,137**
Profit for the period	–	–	–	–	158,716	8,016	166,732
Other comprehensive income	–	9,790	(26,386)	347	–	(2,339)	(18,588)
Total comprehensive income for the period	**–**	**9,790**	**(26,386)**	**347**	**158,716**	**5,677**	**(148,144)**
Share options trust	–	–	–	(4,515)	–	–	(4,515)
Transactions with non-controlling interests	–	–	–	–	–	(699)	(699)
Dividends provided for or paid	–	–	–	–	(150,147)	–	(150,147)
Employee share scheme	4,712	–	–	–	–	–	4,712
Non-controlling interest put option	–	–	–	38,080	–	(4,978)	33,102
Recognition of share-based payments	–	–	–	(3,777)	–	–	(3,777)
Balance at 03 July 2022	**264,212**	**8,426**	**(18,632)**	**126,642**	**294,593**	**–**	**421,957**

1 The comparative has been restated to reflect the implementation of an IFRIC agenda decision clarifying the accounting treatment of SaaS arrangements, refer to note 35 for details.

The above Statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 03 July 2022

	NOTE	2022 $'000	2021 RESTATED[1] $'000
Cash flows from operating activities			
Receipts from customers		**2,509,130**	2,412,797
Payments to suppliers and employees		**(2,238,924)**	(1,975,804)
Interest received		**10,152**	9,451
Interest and other finance costs		**(17,026)**	(17,420)
Income taxes paid		**(73,213)**	(55,773)
Net cash generated from operating activities	6	**190,119**	373,251
Cash flows from investing activities			
Proceeds from franchisee loans		**37,487**	39,294
Payments for intangible assets		**(71,355)**	(44,272)
Payments for property, plant and equipment		**(120,713)**	(98,473)
Proceeds from sale of non-current assets		**35,541**	29,688
Acquisition of stores net of cash		**(35,105)**	(23,824)
Acquisition of subsidiaries		**(79,736)**	(1,218)
Net cash inflow/(outflow) on investment in joint ventures		**601**	1,349
Net cash used in investing activities		**(233,280)**	(97,456)
Cash flows from financing activities			
Proceeds from issues of equity securities		**1,286**	20,923
Proceeds from borrowings		**875,307**	176,207
Repayment of borrowings		**(712,215)**	(345,236)
Payments for establishment of borrowings		**(4,165)**	(217)
Receipts from subleases		**63,317**	52,892
Lease principal payments		**(123,331)**	(112,489)
Dividends paid		**(150,147)**	(121,984)
Net cash used in financing activities		**(49,948)**	(329,904)
Net increase/(decrease) in cash and cash equivalents held		**(93,109)**	(54,109)
Cash and cash equivalents at the beginning of the period		**174,689**	245,678
Effects of exchange rate changes on the balance of cash held in foreign currencies		**(4,703)**	(16,880)
Cash and cash equivalents at the end of the period	6	**76,877**	174,689

1 The comparative has been restated to reflect the implementation of an IFRIC agenda decision clarifying the accounting treatment of SaaS arrangements, refer to note 35 for details.

The above Statement should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

Notes to the Financial Statements

BASIS OF PREPARATION

Domino's Pizza Enterprises Limited (Domino's) is a for-profit public company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange and trading under the symbol 'DMP'. The nature of the operations and principal activities of Domino's and its subsidiaries (the Group) are described in the segment information.

The consolidated general purpose financial report of the Group for the period ended 03 July 2022 comprised a 53-week period, where as the comparative year ended 27 June 2021 comprised a 52-week period. The financial report was authorised for issue in accordance with a resolution of the directors on 23 August 2022. The directors have the power to amend and reissue the financial report.

The financial report is a general purpose financial report which:

- has been prepared on a going concern basis in accordance with the requirements of the *Corporations Act 2001,* Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB);
- has been prepared on a historical cost basis, except for certain financial instruments which have been measured at fair value (refer to note 24) and equity-settled share-based payments (refer to note 20). The carrying values of recognised assets and liabilities that are the hedged items in fair value hedge relationships, which are otherwise carried at amortised costs, are adjusted to record changes in the fair values attributable to the risks that are being hedged;
- is presented in Australian dollars with all values rounded to the nearest thousand dollars ($'000) unless otherwise stated which is in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191;
- presents reclassified comparative information where required for consistency with the current year's presentation;
- adopts all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the Group and effective for reporting periods beginning on or before 28 June 2021 as listed in note 35; and
- does not early adopt Accounting Standards and Interpretations that have been issued or amended but are not yet effective.

GOING CONCERN

The financial statements have been prepared on the basis that the Group will continue as a going concern. The Group has a net current liability position of $229.3 million at 03 July 2022 (27 June 2021: net current liability position $84.1 million). Contributing to this position is the reclassification of the call option over non-controlling interest of $127.4 million to current as at 03 July 2022 as it has become exercisable within 12 months.

As at 03 July 2022, the Group had unrestricted cash and cash equivalents of $76.9 million. The Group's capital structure is sustainable with sufficient liquidity, including undrawn committed facilities of $230.3 million. The Directors have concluded that there are reasonable grounds to believe that the going concern basis is appropriate, and that assets are likely to be realised, and liabilities are likely to be discharged, at the amounts recognised in the financial statements in the ordinary course of business.

BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Group. A list of controlled entities (subsidiaries) at year-end is contained in note 25.

Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group using the acquisition method of accounting described in note 8. They are deconsolidated from the date that control ceases.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

In preparing the consolidated financial statements all inter-company balances and transactions, income and expenses and profits and losses resulting from intra-Group transactions have been eliminated.

Notes to the Financial Statements
continued

FOREIGN CURRENCY

The functional currency of Domino's Pizza Enterprises Limited is Australian dollars ('$'), the functional currencies of overseas subsidiaries are listed in note 25. As at the reporting date, the assets and liabilities of overseas subsidiaries are translated into Australian dollars at the rate of exchange ruling at the balance sheet date and the income statements are translated at the average exchange rates for the year. The exchange differences arising on the retranslation of overseas subsidiaries are taken directly to a separate component of equity.

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences arising from the application of these procedures are taken to the income statement, with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity, which are taken directly to equity until the disposal of the net investment and are then recognised in the income statement. Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity.

GOODS AND SERVICES TAX

Revenues, expenses and assets are recognised net of the amount of goods and services tax ("GST"), except:

(i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

(ii) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

COMPARATIVE INFORMATION

Comparative amounts have, where necessary and immaterial, been reclassified or adjusted so as to be consistent with current year disclosures.

OTHER ACCOUNTING POLICIES

Significant and other accounting policies that summarise the measurement basis used and are relevant to the understanding of the financial statements are provided throughout the notes to the financial statements.

KEY JUDGEMENTS AND ESTIMATES

In applying the Group's accounting policies, the directors are required to make estimates, judgements and assumptions that affect amounts reported in this financial report. The estimates, judgements and assumptions are based on historical experience, adjusted for current market conditions and other factors that are believed to be reasonable under the circumstances and are reviewed on a regular basis. Actual results may differ from these estimates.

The estimates and judgements which involve a higher degree of complexity or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next period are included in the following notes:

NOTE	KEY JUDGEMENTS AND ESTIMATES
Note 11	Master Franchise Rights & Franchise Network Assets
Note 11	Useful Lives of Other Intangible Assets
Note 11	Recoverable Amount of Cash Generating Units
Note 23	Germany Put Option Liability
Note 29	Legal and Regulatory Matters

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; or in the period and future periods if the revision affects both current and future periods.

Notes to the Financial Statements

KEY NUMBERS

Key numbers provides a breakdown of individual line items in the financial statements that the directors consider most relevant and summarises the accounting policies, judgements and estimates relevant to understanding these items.

1 SEGMENT INFORMATION

RECOGNITION AND MEASUREMENT

The consolidated entity has identified its operating segments on the basis of internal reports about components of the consolidated entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

Information reported to the consolidated entity's Chief Executive Officer for the purpose of resource allocation and assessment of performance is specifically focused on the geographical location the consolidated entity operates in. The consolidated entity's reportable segments under AASB 8 are therefore as follows:

- Australia/New Zealand ("ANZ")
- Europe
- Asia[1]

The Unallocated segment represents corporate costs associated with the management and oversight of global functions which are shared by all jurisdictions in which the Group operates.

1 On 31 August 2021, the Group completed the acquisition of PizzaVest Company Limited (Domino's Taiwan). Following the completion, the reporting segment "Japan" has been renamed "Asia". The aggregate financial results of Domino's Taiwan and Domino's Japan have been reported in the renamed "Asia" segment.

The Group provides services to and derives revenue from a number of customers. The Group does not derive more than 10% of the total consolidated revenue from any one customer.

UNDERSTANDING THE SEGMENT RESULT

SEGMENT REVENUES AND RESULTS

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment.

	YEAR ENDED 03 JULY 2022				
	ANZ $'000	EUROPE $'000	ASIA[(i)] $'000	UNALLOCATED $'000	TOTAL $'000
Continuing operations					
Revenue	**782,469**	**704,163**	**802,636**	**–**	**2,289,268**
EBITDA	**149,950**	**118,130**	**140,395**	**(20,750)**	**387,725**
Depreciation & amortisation	**(35,403)**	**(41,356)**	**(55,507)**	**(1,366)**	**(133,632)**
EBIT	**114,547**	**76,774**	**84,888**	**(22,116)**	**254,093**
Net finance costs					**(13,469)**
Net profit before tax					**240,624**

(i) On 31 August 2021, the Group completed the acquisition of PizzaVest Company Limited (Domino's Taiwan). Following the completion, the reporting segment "Japan" has been renamed "Asia". The aggregate financial results of Domino's Taiwan and Domino's Japan have been reported in the renamed "Asia" segment.

Notes to the Financial Statements
continued

1 SEGMENT INFORMATION (continued)

	YEAR ENDED 27 JUNE 2021 (RESTATED)[1]				
	ANZ $'000	EUROPE $'000	ASIA[(i)] $'000	UNALLOCATED $'000	TOTAL $'000
Continuing operations					
Revenue	756,581	665,125	777,400	–	2,199,106
EBITDA	153,462	123,598	163,024	(22,688)	417,396
Depreciation & amortisation	(37,987)	(38,963)	(52,487)	(581)	(130,018)
EBIT	115,475	84,635	110,537	(23,269)	287,378
Net finance costs					(13,769)
Net profit before tax					273,609

(i) On 31 August 2021, the Group completed the acquisition of PizzaVest Company Limited (Domino's Taiwan). Following the completion, the reporting segment "Japan" has been renamed "Asia". The aggregate financial results of Domino's Taiwan and Domino's Japan have been reported in the renamed "Asia" segment.

1 The comparatives have been restated to reflect the implementation of an IFRIC agenda decision, refer to note 35.

Revenue reported above represents revenue generated from external customers and franchisees. There were no inter-segment sales during the period (2021: nil).

The accounting policies of the reportable segments are the same as the Group's policies described throughout the financial report. Segment net profit before tax represents the profit earned by each segment using the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

SEGMENT ASSETS AND LIABILITIES FROM CONTINUING OPERATIONS

The amounts provided to the chief operating decision-makers in respect of total assets and liabilities are measured in a manner consistent with that of the financial statements.

2022	**ASSETS $'000**	**LIABILITIES $'000**
Continuing operations		
Australia/New Zealand	**592,959**	**(848,620)**
Europe	**849,978**	**(531,582)**
Asia	**976,759**	**(626,562)**
Total segment assets/(liabilities)	**2,419,696**	**(2,006,764)**
Unallocated	**12,028**	**(3,003)**
Consolidated assets/(liabilities)	**2,431,724**	**(2,009,767)**

2021 RESTATED[1]	ASSETS $'000	LIABILITIES $'000
Continuing operations		
Australia/New Zealand	590,034	(759,774)
Europe	842,885	(565,306)
Asia	918,754	(630,050)
Total segment assets/(liabilities)	2,351,673	(1,955,130)
Unallocated	736	(2,142)
Consolidated assets/(liabilities)	2,352,409	(1,957,272)

1 The comparatives have been restated to reflect the implementation of an IFRIC agenda decision, refer to note 35.

1 SEGMENT INFORMATION (continued)

OTHER SEGMENT INFORMATION

The non-current assets by geographical location are detailed below.

	DEPRECIATION AND AMORTISATION		ADDITIONS TO NON-CURRENT ASSETS		NON-CURRENT ASSETS	
	2022 $'000	2021 RESTATED[1] $'000	**2022 $'000**	2021 RESTATED[1] $'000	**2022 $'000**	2021 RESTATED[1] $'000
Australia/New Zealand	**35,403**	37,987	**58,441**	51,042	**898,413**	440,451
Europe	**41,356**	38,963	**76,594**	57,990	**453,664**	714,824
Asia	**55,507**	52,487	**196,443**	100,597	**656,341**	741,644
Unallocated	**1,366**	581	**12,658**	–	**12,028**	736
	133,632	130,018	**344,136**	209,629	**2,020,446**	1,897,655

1 The comparatives have been restated to reflect the implementation of an IFRIC agenda decision, refer to note 35.

2 REVENUE

RECOGNITION AND MEASUREMENT

Revenue is recognised when or as the performance obligation under the relevant customer contract is completed. Performance obligations may be completed at a point in time or over time.

SALE OF GOODS

The revenue from the sale of food and beverages is recognised when the performance obligation has been satisfied. The performance obligation is assessed to be satisfied when control of the goods is passed to the customer (at a point in time).

FRANCHISE REVENUE

Initial fees are recognised as revenue on a straight-line basis over the term of the respective franchise agreement. This is on the basis that the Group has determined that the services provided in exchange for the initial fees are highly interrelated with the franchise right and are not individually distinct from the ongoing services provided to the franchisees.

Revenue associated with continuing sales-based royalties and marketing fund royalties is recognised when the related franchisee sale occurs. The Group considers there to be one performance obligation, being the franchise right.

SERVICE REVENUE

The Group provides services to franchisees and other third parties which are carried out in accordance with the contract. Service revenue is recognised on satisfaction of the performance obligation which is when the services are rendered.

INTEREST INCOME ON FRANCHISEE LOANS AND CASH AND CASH EQUIVALENTS

Interest income is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest is determined using the effective interest rate method, which accrues interest on a time basis, with reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Notes to the Financial Statements
continued

2 REVENUE (continued)

	YEAR ENDED 03 JULY 2022			
	ANZ $'000	**EUROPE $'000**	**ASIA $'000**	**TOTAL $'000**
Revenue type				
Revenue from sale of goods	**558,409**	**508,466**	**690,498**	**1,757,373**
Revenue from rendering of services	**221,621**	**195,431**	**110,111**	**527,163**
Interest income	**2,439**	**266**	**2,027**	**4,732**
Total	**782,469**	**704,163**	**802,636**	**2,289,268**
Timing of revenue recognition				
At a point in time	**579,246**	**524,550**	**700,126**	**1,803,922**
Over time	**203,223**	**179,613**	**102,510**	**485,346**
Total	**782,469**	**704,163**	**802,636**	**2,289,268**

	YEAR ENDED 27 JUNE 2021			
	ANZ $'000	EUROPE $'000	ASIA $'000	TOTAL $'000
Revenue type				
Revenue from sale of goods	540,815	472,236	682,559	1,695,610
Revenue from rendering of services	213,032	192,673	93,164	498,869
Interest income	2,734	216	1,677	4,627
Total	756,581	665,125	777,400	2,199,106
Timing of revenue recognition				
At a point in time	565,442	487,096	688,998	1,741,536
Over time	191,139	178,029	88,402	457,570
Total	756,581	665,125	777,400	2,199,106

CONTRACT LIABILITIES

Contract liabilities consist of deferred franchise fees. The Group's franchise agreements typically require certain one-off fees. These fees include initial fees paid upon executing a franchise agreement, renewal of the franchise right and fees paid in the event the franchise agreement is transferred to another franchisee (collectively termed initial fees). The Group has determined that the initial fees are highly interrelated with the franchise right and are not individually distinct from the ongoing services provided to the franchisees. As a result, initial fees are recognised as revenue over the term of each respective franchise agreement; which generally ranges from a 5 to 10 year period. Revenue from these initial franchise fees are recognised over time on a straight-line basis which is determined with reference to the franchisee's right to use and access and benefit from the intellectual property.

The Group has recognised the following deferred franchise fees:

	2022 $'000	2021 $'000
Contract liabilities		
Within one year	**3,134**	3,105
More than one year	**15,775**	16,066
Total	**18,909**	19,171

2 REVENUE (continued)

Contract liabilities at the beginning of the period was $19.2 million (2021: $17.8 million). The Group recognised $4.3 million (2021: $3.7 million) of revenue related to contract liabilities. Management expects to recognise $3.1 million (2021: $3.1 million) related to deferred franchise fees during the next financial year.

The Group has applied the sales-based royalty exemption which permits exclusion of variable consideration in the form of sales-based royalties from the disclosure of remaining performance obligations.

3 OTHER GAINS AND LOSSES

	2022 $'000	2021 $'000
Net gain on disposal of property, plant & equipment, goodwill and other non-current assets	**28,140**	22,667
Net gain on disposal of leases	**3,505**	705
Other	**485**	–
Total other gains and losses	**32,130**	23,372

No other gains or losses have been recognised in respect of loans and receivables other than as disclosed in note 2 and impairment losses recognised/reversed in respect of trade and other receivables (see note 12).

4 FINANCE INCOME

	2022 $'000	2021 $'000
Finance income	**5,420**	4,824
Total finance income	**5,420**	4,824

Finance income relates to interest income on investment in lease assets. Refer to note 10.

5 EXPENSES

RECOGNITION AND MEASUREMENT

EMPLOYEE BENEFITS

The Group's accounting policy for liabilities associated with employee benefits is set out in note 14. The policy relating to share-based payments is set out in note 20.

The majority of employees are party to defined contribution schemes and fixed contributions from Group companies and the Group's legal or constructive obligation is limited to these contributions. Contributions to defined contribution funds are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment is available.

OCCUPANCY EXPENSES

Occupancy expenses relate to non-lease components of lease contracts and are recognised as an expense when they are incurred.

DEPRECIATION AND AMORTISATION

Refer to notes 9, 10 and 11 for details on depreciation and amortisation.

FINANCE COSTS

Finance costs are recognised as an expense when they are incurred, except for interest charges attributable to major projects with substantial development and construction phases that are capitalised.

Provisions and other payables are discounted to their present value when the effect of the time value of money is significant. The impact of the unwinding of these discounts and any changes to the discounting is shown as a discount rate adjustment in finance costs.

Notes to the Financial Statements

continued

5 EXPENSES (continued)

PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS

Profit for the year from continuing operations was arrived at after charging (crediting):

	NOTE	2022 $'000	2021 RESTATED[1] $'000
Remuneration, bonuses and on-costs		**381,148**	382,822
Defined contribution plans		**12,056**	13,848
Defined benefit plans	31	**1,071**	1,217
Share-based payments expense		**(351)**	4,394
Employee benefits expenses		**393,924**	402,281
Equipment operating costs		**29,444**	26,353
Expenses relating to leases of low value assets		**4,693**	3,058
Plant and equipment costs		**34,137**	29,411
Depreciation of property, plant and equipment		**49,930**	46,762
Depreciation of right-of-use assets		**59,148**	58,732
Amortisation of intangible assets		**24,193**	24,092
Amortisation of other assets		**361**	432
Depreciation and amortisation expense		**133,632**	130,018
Non-lease component occupancy expenses		**5,698**	5,446
Occupancy expenses		**5,698**	5,446
Interest on commercial bills and loans		**8,348**	9,509
Amortisation of borrowing costs		**1,505**	937
Interest expense on lease liabilities		**9,036**	8,147
Finance costs		**18,889**	18,593

1 The comparative has been restated to reflect the implementation of an IFRIC agenda decision clarifying the accounting treatment of SaaS arrangements, refer to note 35 for details.

6 CASH AND CASH EQUIVALENTS

RECOGNITION AND MEASUREMENT

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value and have a maturity of three months or less from date of inception. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

For the purpose of the statement of cash flows, cash and cash equivalents includes cash on hand and in banks net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

	2022 $'000	2021 $'000
Cash and cash equivalents	**76,877**	174,689
	76,877	174,689

6 CASH AND CASH EQUIVALENTS (continued)

RECONCILIATION OF PROFIT FOR THE PERIOD TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	2022 $'000	2021 RESTATED[1] $'000
Profit for the period	**166,732**	193,648
Profit on sale of non-current assets	**(32,408)**	(22,999)
Equity settled share-based payments	**(351)**	4,394
Depreciation and amortisation	**133,632**	130,018
Share of joint venture entities net (profit)/loss	**86**	(24)
Amortisation of loan establishment costs	**1,505**	937
Other	**(8,011)**	8,811
	261,185	314,785
Movement in working capital		
(Increase)/decrease in assets:		
Trade and other receivables	**(15,990)**	817
Inventory	**(3,708)**	(2,446)
Other current assets	**(13,793)**	(41)
Increase/(decrease) in liabilities:		
Trade and other payables	**(44,004)**	42,609
Provisions	**1,128**	1,856
Current tax assets and liabilities	**(11,710)**	10,848
Deferred tax balances	**17,011**	4,823
Net cash generated from operating activities	**190,119**	373,251

1 The comparative has been restated to reflect the implementation of an IFRIC agenda decision clarifying the accounting treatment of SaaS arrangements, refer to note 35 for details.

NET DEBT RECONCILIATION

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	2022 $'000	2021 $'000
Cash and cash equivalents	**76,877**	174,689
Borrowings – repayable within one year	**(32,035)**	–
Borrowings – repayable after one year	**(615,823)**	(508,485)
Net debt	**(570,981)**	(333,796)
Cash and cash equivalents	**76,877**	174,689
Gross debt – fixed interest rates	**(236,239)**	(373,243)
Gross debt – variable interest rates	**(411,619)**	(135,242)
Net debt	**(570,981)**	(333,796)

Notes to the Financial Statements
continued

6 CASH AND CASH EQUIVALENTS (continued)

	CASH $'000	LEASE LIABILITIES DUE WITHIN 1 YEAR $'000	LEASE LIABILITIES DUE AFTER 1 YEAR $'000	BORROWINGS DUE WITHIN 1 YEAR $'000	BORROWINGS DUE WITHIN AFTER 1 YEAR $'000	TOTAL $'000
Balances as at 29 June 2020	245,678	(105,203)	(663,049)	(50,195)	(659,057)	(1,231,826)
Cash flows	(54,109)	–	112,489	50,195	118,834	227,409
Finance lease additions	–	(10,526)	(140,615)	–	–	(151,141)
Foreign exchange adjustments	(16,880)	6,296	39,683	–	31,738	60,837
Balances as at 27 June 2021	174,689	(109,433)	(651,492)	–	(508,485)	(1,094,721)

	CASH $'000	**LEASE LIABILITIES DUE WITHIN 1 YEAR $'000**	**LEASES LIABILITIES DUE AFTER 1 YEAR $'000**	**BORROWINGS DUE WITHIN 1 YEAR $'000**	**BORROWINGS DUE AFTER 1 YEAR $'000**	**TOTAL $'000**
Balances as at 28 June 2021	**174,689**	**(109,433)**	**(651,492)**	**–**	**(508,485)**	**(1,094,721)**
Cash flows	**(93,109)**	**–**	**123,331**	**(32,035)**	**(131,057)**	**(132,870)**
Lease liabilities additions	**–**	**(17,945)**	**(148,757)**	**–**	**–**	**(166,702)**
Foreign exchange adjustments	**(4,703)**	**5,074**	**30,204**	**–**	**23,718**	**54,293**
Balances as at 03 July 2022	**76,877**	**(122,304)**	**(646,714)**	**(32,035)**	**(615,824)**	**(1,340,000)**

7 TAX

RECOGNITION AND MEASUREMENT

Income tax expense represents the sum of the tax currently payable and deferred tax.

CURRENT TAXES

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxation authorities at the tax rates and tax laws enacted or substantively enacted by the balance sheet date in respective jurisdictions.

DEFERRED TAXES

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax assets and unused tax losses, to the extent that it is probable that taxable profits will be available to utilise them.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on temporary differences at balance sheet date between accounting carrying amounts and the tax bases of assets and liabilities, other than for the following:

- where they arise from 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; and
- where taxable temporary differences relate to investments in subsidiaries, associates and interests in joint ventures.

Deferred tax liabilities are not recognised if the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised if it is not probable that the temporary differences will reverse in the foreseeable future and taxable profit will not be available to utilise the temporary differences.

Deferred tax liabilities are not recognised on the recognition of goodwill.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

7 TAX (continued)

OFFSETTING DEFERRED TAX BALANCES

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

UNRECOGNISED TAXABLE TEMPORARY DIFFERENCES ASSOCIATED WITH INVESTMENTS AND INTERESTS

At the end of the financial year, an aggregate deferred tax liability of $112,796 thousand (2021: $99,264 thousand) was not recognised in relation to investments in subsidiaries as the parent Company is able to control the timing of the reversal of the temporary differences and it is not probable that the temporary difference will reverse in the foreseeable future.

INCOME TAX RECOGNISED IN THE PROFIT OR LOSS

	2022 $'000	2021 RESTATED[1] $'000
Tax expense comprises:		
Current tax expense in respect of the current year	**62,479**	73,725
Adjustments recognised in the current year in relation to the current tax of prior years	**3,857**	39
	66,336	73,764
Deferred tax expense/(income) relating to the origination and reversal of temporary differences	**8,367**	8,567
Deferred tax expense/(income) relating to the change in tax rate in other jurisdictions	**(811)**	(2,370)
Total tax expense relating to continuing operations	**73,892**	79,961

RECONCILIATION OF INCOME TAX EXPENSE TO PRIMA FACIE TAX RATE:

	2022 $'000	2021 RESTATED[1] $'000
Profit before tax from continuing operations	**240,624**	273,609
Income tax expense calculated at 30%	**72,187**	82,083
Non-assessable/(non-deductible) amounts	**454**	1,238
Effect of tax concessions (research and development and other allowances)	**(201)**	(2,843)
Adjustments recognised in the current year in relation to the current tax of prior year	**4,077**	(210)
Adjustments recognised in the current year in relation to the deferred tax of prior year	**(2,832)**	66
Effect of different tax rates of subsidiaries operating in other jurisdictions	**1,018**	2,032
Effect of change in tax rate in other jurisdictions	**(811)**	(2,405)
Income tax expense recognised in profit or loss	**73,892**	79,961

The tax rate used for the 2022 and 2021 reconciliation above is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law.

INCOME TAX RECOGNISED IN EQUITY

	2022 $'000	2021 $'000
Arising on income and expenses in other comprehensive income:		
(Gain)/loss on hedges taken to equity	**(4,844)**	(2,201)
(Gain)/loss on defined benefit plan taken to equity	**(185)**	295
Share option trust	**(4,515)**	3,353
	(9,544)	1,447

Notes to the Financial Statements
continued

7 TAX (continued)

CURRENT TAX ASSETS AND LIABILITIES

	2022 $'000	2021 $'000
Current tax assets		
Income tax refund receivable	**1,234**	1,285
	1,234	1,285
Current tax liabilities		
Income tax payable	**(17,571)**	(28,988)
	(17,571)	(28,988)

DEFERRED TAX BALANCES

2022	OPENING BALANCE $'000	ACQUISITION $'000	CHARGED TO P&L $'000	CHARGED TO EQUITY $'000	EXCHANGE DIFFERENCE $'000	CLOSING BALANCE $'000
Temporary differences						
Property, plant & equipment	**(2,806)**	**–**	**1,070**	**–**	**324**	**(1,412)**
Intangible assets	**(83,256)**	**(10,872)**	**(3,357)**	**–**	**2,348**	**(95,137)**
Provision for employee entitlements	**8,929**	**31**	**47**	**(185)**	**(482)**	**8,340**
Doubtful debts	**604**	**–**	**306**	**–**	**(53)**	**857**
Other financial liabilities	**4,334**	**–**	**(3,515)**	**(4,844)**	**18**	**(4,007)**
Options reserve	**4,924**	**–**	**(192)**	**(4,515)**	**–**	**217**
Unearned income	**4,671**	**49**	**(1,478)**	**–**	**(17)**	**3,225**
Other	**3,002**	**21**	**(528)**	**–**	**(100)**	**2,395**
	(59,598)	**(10,771)**	**(7,647)**	**(9,544)**	**2,038**	**(85,522)**
Unused tax losses and credits						
Tax losses	**88**	**–**	**188**	**–**	**(3)**	**273**
	(59,510)	**(10,771)**	**(7,459)**	**(9,544)**	**2,035**	**(85,249)**
Deferred tax asset						**–**
Deferred tax liability						**(85,249)**
						(85,249)

Notes to the Financial Statements
continued

7 TAX (continued)

2021 RESTATED[1]	OPENING BALANCE $'000	CHARGED TO P&L $'000	CHARGED TO EQUITY $'000	EXCHANGE DIFFERENCE $'000	CLOSING BALANCE $'000
Temporary differences					
Property, plant & equipment	205	(3,288)	–	277	(2,806)
Intangible assets	(87,700)	860	–	3,584	(83,256)
Provision for employee entitlements	10,483	(885)	295	(964)	8,929
Doubtful debts	667	(11)	–	(52)	604
Other financial liabilities	5,959	631	(2,201)	(55)	4,334
Options reserve	619	952	3,353	–	4,924
Unearned income	3,761	1,003	–	(93)	4,671
Other	2,678	535	–	(211)	3,002
	(63,328)	(203)	1,447	2,486	(59,598)
Unused tax losses and credits					
Tax losses	6,201	(5,994)	–	(119)	88
	(57,127)	(6,197)	1,447	2,367	(59,510)
Deferred tax asset					7,810
Deferred tax liability					(67,320)
					(59,510)

1 The comparative has been restated to reflect the implementation of an IFRIC agenda decision clarifying the accounting treatment of SaaS arrangements, refer to note 35 for details.

8 ACQUISITION OF BUSINESSES

RECOGNITION AND MEASUREMENT

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets acquired, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Standard.

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with AASB 9, with the corresponding gain or loss being recognised in the statement of profit or loss.

Where a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with AASB 112 *Income Taxes* and AASB 119 *Employee Benefits* respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with AASB 2 *Share-based Payment;* and
- assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year.

Notes to the Financial Statements
continued

8 ACQUISITION OF BUSINESSES (continued)

CURRENT YEAR ACQUISITIONS

ACQUISITION OF DOMINO'S PIZZA TAIWAN

PizzaVest Company Limited (Domino's Taiwan)

On 31 August 2021, the Group acquired through its 100% controlled subsidiary Taiwan Domino's Pizza Co., Ltd, 100% of the issued share capital of PizzaVest Company Limited ("PizzaVest"). PizzaVest holds the franchise rights of Domino's in Taiwan and also operates corporate stores in Taiwan. The acquisition is expected to expand the Group's markets across Asia. The acquisition was funded through debt raising.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are set out in the table below.

	FAIR VALUE $'000
Assets	
Cash and cash equivalents	**6,188**
Trade and other receivables	**7,035**
Inventories	**2,101**
Other assets	**661**
Property, plant and equipment	**1,867**
Other intangible assets	**54,589**
Right-of-use assets	**3,509**
Total identifiable assets	**75,950**
Liabilities	
Trade and other payables	**12,799**
Current tax liabilities	**1,074**
Borrowings	**10**
Lease liabilities	**3,627**
Provisions	**308**
Deferred tax liabilities	**10,771**
Total identifiable liabilities	**28,589**
Total identifiable net assets at fair value	**47,361**
Total consideration	**85,630**
Less identifiable net assets at fair value	**(47,361)**
Goodwill	**38,269**
Net cash outflow arising on acquisition	
Total consideration – cash	**85,630**
Less: cash and cash equivalents	**(6,188)**
	79,442

8 ACQUISITION OF BUSINESSES (continued)

During the period, the Group finalised its acquisition of PizzaVest, with no revisions to the provisional acquisition accounting.

Goodwill arose on acquisition because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of PizzaVest. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria of identifiable intangible assets.

In determining the fair value of assets arising from the acquisition of PizzaVest, judgements and estimates are required to be applied.

Acquisition related costs of $1.4 million have been included as an expense in the consolidated statement of profit and loss. The revenue and results from continuing operations have been included in the Asia segment in note 1.

In addition to the above, the Group paid $294 thousand relating to deferred consideration for a minor business acquisition which occurred in a prior period.

ACQUISITION OF DOMINO'S PIZZA STORES AND OTHER BUSINESSES

During the year the Group acquired a number of Domino's Pizza branded stores from former and current franchisees. The below provides a summary of these acquisitions during the year by segment:

2022	ANZ	EUROPE	ASIA	TOTAL
Number of stores acquired	**37**	**23**	**1**	**61**

	ANZ $'000	EUROPE $'000	ASIA $'000	TOTAL $'000
Fair value on acquisition				
Inventories	262	–	–	262
Property, plant & equipment	4,043	2,912	255	7,210
Total identifiable net assets	4,305	2,912	255	7,472
Cash consideration	22,985	11,531	255	34,771
Less fair value of net identifiable assets	(4,305)	(2,912)	(255)	(7,472)
Goodwill	18,680	8,619	–	27,299

Goodwill arising on acquisition of stores in Europe is expected to be deductible for tax purposes. For the other jurisdictions, Goodwill arising on acquisitions is not deductible for tax purposes.

The cost of acquisitions comprise cash for all of the acquisitions. In each acquisition, the Group has paid a premium for the acquiree as it believes the acquisitions will introduce additional synergies to its existing operations.

Goodwill arose in the business combination as the consideration paid included a premium. In addition, the consideration paid for the stores effectively included amounts in relation to benefits from expected synergies, revenue growth and future market development. These benefits are not recognised separately from goodwill as the future economic benefits arising from them cannot be reliably measured.

Notes to the Financial Statements
continued

8 ACQUISITION OF BUSINESSES (continued)

PRIOR YEAR ACQUISITIONS

ACQUISITION OF DOMINO'S PIZZA STORES AND OTHER BUSINESSES

During the prior year the Group acquired a number of Domino's Pizza branded stores from former and current franchisees. The below provides a summary of these acquisitions during the prior year by segment:

2021	ANZ	EUROPE	ASIA	TOTAL
Number of stores acquired	32	10	4	46

	ANZ $'000	EUROPE $'000	ASIA $'000	TOTAL $'000
Fair value on acquisition				
Inventories	253	–	–	253
Property, plant & equipment	4,207	1,282	364	5,853
Other intangible assets	–	11	–	11
Total identifiable net assets	4,460	1,293	364	6,117
Cash consideration	19,879	2,644	364	22,887
Less fair value of net identifiable assets	(4,460)	(1,293)	(364)	(6,117)
Goodwill	15,419	1,351	–	16,770

9 PROPERTY, PLANT AND EQUIPMENT

RECOGNITION AND MEASUREMENT

The carrying value of property, plant and equipment is stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of an item.

DEPRECIATION AND AMORTISATION

Items of property, plant and equipment are depreciated on a straight-line basis over their useful lives. The estimated useful life of plant and equipment is between 1 and 10 years and equipment under finance lease is between 3 and 10 years.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

DERECOGNITION

An item of property, plant and equipment is derecognised when it is sold or otherwise disposed of, or when its use is expected to bring no future economic benefits. Any gain or loss from derecognising the asset, being the difference between the proceeds of disposal and the carrying amount of the asset, is included in the income statement in the period the item is derecognised.

IMPAIRMENT

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Notes to the Financial Statements
continued

9 PROPERTY, PLANT AND EQUIPMENT (continued)

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at the revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

	PLANT & EQUIPMENT AT COST $'000
Year ended 03 July 2022	
Cost or fair value	**447,153**
Accumulated depreciation	**(173,682)**
Net carrying amount	**273,471**
Movement	
Opening net book amount	**274,130**
Additions	**120,713**
Acquisitions of Domino's Pizza stores and other businesses	**7,210**
Acquisition of subsidiary	**1,867**
Disposals and write-offs	**(68,258)**
Depreciation charge	**(49,930)**
Other including foreign exchange movements	**(12,261)**
Net carrying amount at the end of the year	**273,471**
Year ended 27 June 2021	
Cost or fair value	432,304
Accumulated depreciation	(158,174)
Net carrying amount	274,130
Movement	
Opening net book amount	272,837
Additions	98,473
Acquisitions of Domino's Pizza stores and other businesses	5,853
Disposals and write-offs	(37,010)
Depreciation charge	(46,762)
Other including foreign exchange movements	(19,261)
Net carrying amount at the end of the year	274,130

There was no depreciation during the period that was capitalised as part of the cost of other assets.

Notes to the Financial Statements

continued

10 LEASES

GROUP AS A LESSEE

The Group has lease contracts for various properties and equipment; including trucks and car equipment which is utilised in its operations. Leases of properties generally have lease terms of between 2 and 21 years, while operating equipment generally have lease terms between 2 and 7 years. The Group's obligations under its leases are secured by the lessor's title to the lease assets. The lease contracts include extension and termination options, which are further discussed below.

For these properties, a right-of-use asset and associated liability is recognised. Leased trucks and cars are primarily Group branded vehicles utilised by Domino's branded stores. The financial liability is measured at the net present value of future payments under the lease, including optional renewal periods, where the Group has assessed that the probability of exercising the renewal is reasonably certain.

The right-of-use asset has been measured, at either:

(a) the value of lease liability adjusted for any prepaid or accrued lease payments; or

(b) present value of commitment lease payment since commencement of the lease term (this approach resulted in an adjustment to opening retained earnings).

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the Group's incremental borrowing rate is used, being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

The right-of-use assets are depreciated on a straight-line basis over the lease term, which is inclusive of extension option periods where the Group is reasonably certain the lease term will be extended. The lease terms range from 1 to 7 years for equipment (trucks and cars) leases and 2 to 21 years for property leases.

The Group also has certain leases of equipment with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low value assets' recognition exemptions for these leases. The costs associated with the lease exemption is disclosed in note 5.

At the end of each reporting period, the Group reviews the carrying amount of its right-of-use assets to determine whether there is any indication that those assets have suffered an impairment loss. Refer to note 9 which outlines Group's accounting policy in regard to impairment assessment.

Set out below are the carrying amounts of the right-of-use assets recognised and movements during the year:

	PROPERTIES $'000	EQUIPMENT $'000	TOTAL $'000
As at 28 June 2021	317,830	27,081	344,911
Acquisition of subsidiary	3,509	–	3,509
Net additions [(i)]	28,191	8,914	37,105
Depreciation expense	(49,302)	(9,846)	(59,148)
Other including foreign exchange movement	(17,743)	(1,789)	(19,532)
As at 03 July 2022	**282,485**	**24,360**	**306,845**
As at 29 June 2020	349,949	29,044	378,993
Net additions [(i)]	48,948	7,607	56,555
Depreciation expense	(52,361)	(6,371)	(58,732)
Other including foreign exchange movement	(28,706)	(3,199)	(31,905)
As at 27 June 2021	317,830	27,081	344,911

(i) Additions include net movement between right-of-use assets and investment in lease assets which arises due to the Company's occupied-operated properties becoming franchised.

10 LEASES (continued)

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2022 $'000
As at 28 June 2021	**760,925**
Acquisition of subsidiary	**3,627**
Additions	**163,075**
Accretion of interest	**9,036**
Payments	**(132,367)**
Other including foreign exchange movement	**(35,278)**
As at 03 July 2022	**769,018**
Current	**122,304**
Non-current	**646,714**
Total lease liabilities	**769,018**

	2021 $'000
As at 29 June 2020	768,252
Additions	151,141
Accretion of interest	8,147
Payments	(120,636)
Other including foreign exchange movement	(45,979)
As at 27 June 2021	760,925
Current	109,433
Non-current	651,492
Total lease liabilities	760,925

The maturity analysis of lease liabilities is disclosed in note 24.

The amounts recognised in the profit and loss for the year are disclosed in note 4 and note 5.

The future cash outflows relating to leases that have not yet commenced are disclosed in note 28.

The average effective interest rate contracted is approximately 1.18% (2021: 1.07%) per annum.

The Group has not recognised any variable payments in its finance lease arrangements.

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

GROUP AS A LESSOR

The Group has a portfolio of long-term (greater than one year) 'back-to-back' property leases which secure competitive store locations on behalf of franchisees. Cash flows under these arrangements substantially offset each other.

These leases have terms of between 2 and 21 years. Leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

For back-to-back leases, a financial asset and financial liability is recognised, representing the present value of future cash flows receivable on the subleases and payable on the head lease respectively. Both categories of financial instruments generate interest income and expense, which materially offset within the income statement.

Notes to the Financial Statements

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10 LEASES (continued)

The financial assets recognised in relation to back-to-back leases have been recognised as "Investment in lease assets" in the Statement of Financial Position. The receipts from these back-to-back leases are included in "Receipts from subleases" in the Statement of Cash Flows within the financing activities.

Set out below are the carrying amounts of investment in lease assets and the movements during the period:

	2022 $'000
As at 28 June 2021	**407,797**
Net additions	**125,646**
Accretion of interest	**5,420**
Receipts	**(68,737)**
Other including foreign exchange movement	**(15,570)**
As at 03 July 2022	**454,556**
Current	**72,063**
Non-current	**382,493**
Total investment in lease assets	**454,556**

	2021 $'000
As at 29 June 2020	382,391
Net additions	92,896
Accretion of interest	4,824
Receipts	(57,716)
Other including foreign exchange movement	(14,598)
Total as at 27 June 2021	407,797
Current	57,541
Non-current	350,256
Total investment in lease assets	407,797

Future minimum rentals receivable under non-cancellable operating leases as at the end of the year are as follows:

	2022 $'000	2021 $'000
Year 1	**76,327**	63,353
Year 2	**75,687**	62,574
Year 3	**69,670**	61,759
Year 4	**62,569**	56,420
Year 5	**55,426**	50,312
Onwards	**136,275**	135,090
Undiscounted lease payments	**475,954**	429,508
Less: unearned finance income	**(21,398)**	(21,711)
Net investment in leases	**454,556**	407,797
Current	**72,063**	57,541
Non-current	**382,493**	350,256
	454,556	407,797

Notes to the Financial Statements

continued

10 LEASES (continued)

EXTENSION AND TERMINATION OPTIONS

Extension and termination options are included in a number of property and equipment lease agreements across the Group. These options provide operational flexibility in managing the lease portfolio.

The Group applies criteria to assess whether the exercise of extension options within lease contracts is reasonably certain, including consideration of tenure at existing location, the remaining useful life of the store, plant and equipment, remaining term of sub-franchise agreements (where applicable) and alignment to the assumptions used in the Group's short to mid-term planning process. Future cash outflows in respect of leases may differ from leases liabilities recognised due to future decisions that may be taken by the Group that will determine whether the options are exercised in respect of the use of leased assets. There is no exposure to these potential additional payments in excess of the recognised lease liabilities until these decisions have been taken by the Group.

The majority of the Group's property leases have option periods or are able to be extended beyond the initial lease term which is at the Group's (lessee) discretion. Lease option periods are typically for fixed terms of between 1 to 10 years.

11 GOODWILL AND OTHER INTANGIBLES

RECOGNITION AND MEASUREMENT

GOODWILL

Goodwill acquired in a business combination is initially measured at cost. Cost is measured as the cost of the business combination minus the net fair value of the acquired and identifiable assets, liabilities and contingent liabilities. Following initial recognition, Goodwill is measured at cost less any accumulated impairment losses.

INTANGIBLE ASSETS

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less amortisation and any impairment losses. Intangible assets with finite lives are amortised on a straight-line basis over their useful lives and tested for impairment whenever there is an indication that they may be impaired. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimates being accounted for on a prospective basis.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

The following useful lives are used in the calculation of amortisation:

- Capitalised development intangibles 2–10 years
- Licenses and other 2–10 years

Intangible assets with indefinite lives or not yet available for use are tested for impairment. Assets with an assumed indefinite useful life are reviewed at each reporting period to determine whether this assumption continues to be appropriate. If not, it is changed to a finite life intangible asset and amortised over its remaining useful life.

11 GOODWILL AND OTHER INTANGIBLES (continued)

IMPAIRMENT

The Group tests intangibles and goodwill for impairment:

- at least annually for indefinite life intangibles and not yet ready for use and goodwill; and
- where there is an indication that the asset may be impaired, which is assessed at least each reporting period; or
- where there is an indication that previously recognised impairment, on assets other than goodwill, may have changed.

If the asset does not generate independent cash inflows and its value in use cannot be estimated to be close to its fair value, the asset is tested for impairment as part of the cash generating unit (CGU) to which it belongs.

Assets are impaired if their carrying value exceeds their recoverable amount. The recoverable amount of an asset or CGU is determined as the higher of its fair value less costs of disposal (FVLCOD) or value in use (VIU). An impairment loss recognised for goodwill is not reversed in subsequent periods.

IMPAIRMENT CALCULATIONS

In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining FVLCOD, a discounted cash flow model is used based on a methodology consistent with that applied by the Group in determining the value of potential acquisition targets, maximising the use of market observed inputs. These calculations, classified as Level 3 on the fair value hierarchy, are compared to valuation multiples or other fair value indicators where available to ensure reasonableness.

INPUTS TO IMPAIRMENT CALCULATIONS

For VIU calculations, cash flow projections are based on corporate plans and business forecasts prepared by management and approved by the Board. The corporate plans are developed annually with a three-year outlook.

On determining FVLCOD, the valuation model incorporates the cash flows projected over the duration of the current corporate plan period. These projections are discounted using a risk adjusted discount rate commensurate with a typical market participant's assessment of the risk associated with the projected cash flows.

For both the VIU and FVLCOD models, cash flows beyond the corporate plan period are extrapolated using estimated growth rates, which are based on Group estimates, taking into consideration historical performance as well as expected long-term operating conditions. Growth rates do not exceed the consensus forecasts of the long-term average rate for the industry in which the CGU operates.

Discount rates used in both calculations are based on the weighted average cost of capital determined by prevailing or benchmarked market inputs, risk adjusted where necessary. Other assumptions are determined with reference to external sources of information and use consistent, reasonable estimates for variables such as terminal cash flow multiples. Increases in discount rates or changes in other key assumptions, such as operating conditions or financial performance, may cause the recoverable amounts to reduce.

RECOGNISED IMPAIRMENT

There was no impairment recognised during the 2022 financial year (2021: nil).

11 GOODWILL AND OTHER INTANGIBLES (continued)

ESTIMATES AND JUDGEMENTS – OTHER INTANGIBLES

MASTER FRANCHISE RIGHTS & FRANCHISE NETWORK ASSETS

Management has determined that the Master Franchise Rights ('MFA') relating to Domino's Pizza Germany and the Franchise Network Assets ('FNAs') arising on the acquisition of Hallo Pizza, Joey's Pizza and Pizza Sprint are to be treated as indefinite life intangible assets (2022: $43.1m, 2021: $44.4m). In addition, the same treatment has been applied to the MFA and associated franchise agreements recognised on the acquisition of Domino's Pizza Japan (2022: $37.7m, 2021: $41.3m) and Domino's Pizza Taiwan of $54.1m (refer to note 8 regarding acquisition accounting). This judgement is based on the sufficiency of available evidence supporting the ability of the Group to renew the underlying agreements beyond their initial terms without incurring significant cost.

USEFUL LIVES OF OTHER INTANGIBLES

Management uses their judgement to assess the useful lives of capitalised development intangibles and licenses. This is based on the estimated life of the asset and future economic benefits of the asset. The majority of these assets have a life of between 2–10 years.

	GOODWILL $'000
Year ended 03 July 2022	
Cost	**485,707**
Accumulated amortisation and impairment	**–**
Net carrying amount	**485,707**
Movement	
Net carrying amount at the beginning of the year	**456,091**
Acquisitions of Domino's Pizza stores and other businesses	**27,299**
Acquisitions through business combinations (see note 8)	**38,269**
Disposals	**(10,736)**
Other including foreign exchange movement	**(25,216)**
Net carrying amount at the end of the year	**485,707**
Year ended 27 June 2021	
Cost	456,091
Accumulated amortisation and impairment	–
Net carrying amount	456,091
Movement	
Net carrying amount at the beginning of the year	492,549
Acquisitions of Domino's Pizza stores and other businesses	16,770
Disposals	(13,344)
Other including foreign exchange movement	(39,884)
Net carrying amount at the end of the year	456,091

Notes to the Financial Statements
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11 GOODWILL AND OTHER INTANGIBLES (continued)

	FINITE LIFE		INDEFINITE LIFE		
	CAPITALISED DEVELOPMENT $'000	LICENSES AND OTHER $'000	OTHER INDEFINITE LIFE INTANGIBLES $'000	FRANCHISE NETWORK ASSET $'000	OTHER INTANGIBLE ASSETS TOTAL $'000
Year ended 03 July 2022					
Cost	**229,493**	**60,025**	**80,962**	**238,728**	**609,208**
Accumulated amortisation and impairment	**(127,064)**	**(31,792)**	**–**	**–**	**(158,856)**
Net carrying amount	**102,429**	**28,233**	**80,962**	**238,728**	**450,352**
Movement					
Net carrying amount at the beginning of the year	**86,935**	**15,650**	**87,627**	**189,832**	**380,044**
Additions	**37,139**	**18,303**	**–**	**–**	**55,442**
Acquisitions through business combinations (see note 8)	**231**	**–**	**–**	**54,358**	**54,589**
Remeasurement	**–**	**–**	**(2,190)**	**–**	**(2,190)**
Disposals	**(432)**	**–**	**–**	**–**	**(432)**
Amortisation for the year	**(20,287)**	**(3,906)**	**–**	**–**	**(24,193)**
Other including foreign exchange movement	**(1,157)**	**(1,814)**	**(4,475)**	**(5,462)**	**(12,908)**
Net carrying amount at the end of the year	**102,429**	**28,233**	**80,962**	**238,728**	**450,352**
Year ended 27 June 2021 Restated[1]					
Cost	196,841	47,280	87,627	189,832	521,580
Accumulated amortisation and impairment	(109,906)	(31,630)	–	–	(141,536)
Net carrying amount	86,935	15,650	87,627	189,832	380,044
Movement					
Net carrying amount at the beginning of the year	85,419	13,280	86,228	195,353	380,280
Additions	24,395	7,572	–	–	31,967
Acquisitions of Domino's Pizza stores and other businesses	11	–	–	–	11
Remeasurement	–	–	8,474	–	8,474
Disposals	(515)	(383)	–	–	(898)
Amortisation for the year	(20,640)	(3,452)	–	–	(24,092)
Other including foreign exchange movement	(1,735)	(1,367)	(7,075)	(5,521)	(15,698)
Net carrying amount at the end of the year	86,935	15,650	87,627	189,832	380,044

1 The comparative has been restated to reflect the implementation of an IFRIC agenda decision, refer to note 35 for details.

11 GOODWILL AND OTHER INTANGIBLES (continued)

ALLOCATION OF GOODWILL AND INDEFINITE LIFE INTANGIBLE ASSETS TO CGUS

Goodwill and indefinite life intangible assets have been allocated for impairment testing purposes to the following CGUs:

- Australia and New Zealand markets (ANZ)
- Europe market, which comprises:
  - The Netherlands
  - France & Belgium (FR) & (BE)
  - Germany (DE)
- Asia market, which comprises:
  - Japan (JP)
  - Taiwan (TW)

The carrying amount of goodwill and other indefinite life intangible assets is allocated to the following CGUs:

	ANZ $'000	FR & BE $'000	NL $'000	DE $'000	JP $'000	TW $'000	TOTAL $'000
Goodwill							
2022	**80,209**	**53,739**	**10,683**	**80,274**	**222,730**	**38,072**	**485,707**
2021	71,178	47,720	10,968	82,414	243,811	–	456,091
Goodwill impairment							
2022		**–**	**–**	**–**	**–**	**–**	**–**
2021		–	–	–	–	–	–
Indefinite life intangible assets							
2022	**226**	**46,681**	**3,219**	**177,816**	**37,669**	**54,079**	**319,690**
2021	226	47,888	3,304	184,778	41,263	–	277,459
Indefinite life intangible assets impairment							
2022		**–**	**–**	**–**	**–**	**–**	**–**
2021		–	–	–	–	–	–

Notes to the Financial Statements

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11 GOODWILL AND OTHER INTANGIBLES (continued)

ESTIMATES AND JUDGEMENTS IN DETERMINING THE RECOVERABLE AMOUNT OF THE CASH GENERATING UNITS

Key assumptions used in determining the recoverable amount of assets include future cash flows, long-term growth rates and discount rates.

In assessing VIU, estimated cash flows are based on the Group's most recent Board approved business plan covering a three year period. In forecasting the future cash flows changes in the macro-economic environment have been considered; including but not limited to continued impacts of the COVID-19 pandemic as it entered a new phase and the invasion of Ukraine by Russia which have impacted on the Group's trading performance.

Long-term growth rates are based on past experience, expectations of external market operating conditions, and other assumptions which take account of the specific features of each business unit.

The recoverable amount has been determined using a VIU discounted cash flow model. In assessing VIU, the estimated future pre-tax cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and risk specific to the asset. Pre-tax discount rates used vary depending on country of operation.

The rates used in determining the recoverable amount are set out below:

	ANZ	FR & BE	NL	DE	JP
Discount rate (post-tax)					
2022	**10.4%**	**9.8%**	**9.0%**	**8.9%**	**8.3%**
2021	8.3%	8.6%	7.7%	7.8%	8.5%
Nominal terminal growth rates					
2022	**2.5%**	**1.7%**	**1.6%**	**1.2%**	**0.2%**
2021	0.8%	0.5%	0.5%	0.5%	0.2%

The judgments and estimates used in assessing impairment are best estimates based on current and forecast market conditions and are subject to change in the event of shifting economic and operational conditions. Actual cash flows may therefore differ from forecasts.

12 TRADE, OTHER RECEIVABLES AND OTHER ASSETS

RECOGNITION AND MEASUREMENT

TRADE RECEIVABLES

At initial recognition, trade receivables and other debtors that do not have a significant financing component are recognised at their transaction price.

Trade receivables generally have terms of up to 30 days. They are recognised initially at fair value and subsequently at amortised cost using the effective interest method, less an allowance for impairment. Allowance for impairment is determined using an expected credit loss approach.

Before accepting any new franchisees and business partners, the Group uses extensive credit verification procedures. Receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. With respect to trade receivables, there are no indications as of the reporting date that the debtors will not meet their payment obligations.

INTEREST RATE RISK

Trade receivables are non-interest bearing and are therefore not subject to interest rate risk.

FAIR VALUE

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

Notes to the Financial Statements

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12 TRADE, OTHER RECEIVABLES AND OTHER ASSETS (continued)

CREDIT RISK

Credit risk arises from exposure to retail customers and franchisees, including outstanding receivables and committed transactions. Collectability and impairment are assessed on an ongoing basis at a regional level.

The Group applies the 'simplified approach' to measuring expected credit losses ("ECL") which uses a lifetime expected loss allowance for all trade receivables. The ECL is estimated using a provision matrix based on the Group's historical credit loss experiences.

The Group writes off trade receivables when there is information indicating the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed in liquidation or has entered bankruptcy proceedings. Trade receivables written off may still be subject to enforcement activities under the Group's recovery processes, considering legal advice where appropriate. Any recoveries made are recognised in profit and loss.

	2022 $'000	2021 $'000
Trade receivables	**170,956**	145,532
Allowance for expected credit loss	**(7,489)**	(5,756)
Other receivables	**124**	5,975
Total trade and other receivables	**163,591**	145,751

	2022 $'000	2021 $'000
Prepayments	**23,091**	18,524
Work in progress – store builds	**2,408**	1,067
Other – current	**20,261**	15,551
Total other assets	**45,760**	35,142

	2022 $'000	2021 $'000
Movement in allowance for expected credit loss		
Balance at the beginning of the year	**5,756**	7,184
Provision for expected credit loss	**6,330**	1,739
Amounts written off as uncollectible	**(317)**	(1,021)
Amounts recovered during the year	**(4,009)**	(1,770)
Effect of foreign currency	**(271)**	(376)
Balance at the end of the year	**7,489**	5,756

Included in the Group's trade receivables balance are debtors with a carrying amount of $4,188 thousand (2021: $2,090 thousand), which are past due at the reporting date.

13 TRADE AND OTHER PAYABLES

RECOGNITION AND MEASUREMENT

These amounts represent liabilities for goods and services provided to the Group prior to the balance sheet date which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date.

	2022 $'000	2021 $'000
Current		
Trade payables	**195,934**	242,850
Goods and services tax (GST) / Value added tax (VAT) payable	**5,813**	13,929
Other creditors and accruals	**102,229**	89,449
Total trade and other payables	**303,976**	346,228

14 PROVISIONS

RECOGNITION AND MEASUREMENT

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

EMPLOYEE BENEFITS

The provision for employee benefits represents annual leave, long service leave entitlements and incentives accrued by employees.

WAGES AND SALARIES

Liabilities for wages and salaries including non-monetary benefits expected to be settled within 12 months of the reporting date are recognised in provisions and other payables in respect of employees' services up to the balance sheet date. They are measured at the amounts expected to be paid when the liabilities are settled.

ANNUAL AND LONG SERVICE LEAVE

The liability for annual leave and long service leave is recognised in the provision for employee benefits. It is measured as the present value of expected future payments for the services provided by employees up to the reporting date. Expected future payments are discounted using market yields at the balance sheet date on terms to maturity and currencies that match as closely as possible to the estimated future cash outflows.

MAKE GOOD OBLIGATIONS

A provision is recognised for the make good obligations in respect of restoring sites to their original condition when the premises are vacated. Management has estimated the provision recognised on leases, based on historical data in relation to store closure numbers and costs, as well as future trends that could differ from historical amounts.

LEGAL PROVISION

The provision for legal costs relates to claims that have been brought against the company by a number of former and current Pizza Sprint franchisees.

14 PROVISIONS (continued)

ESTIMATES AND JUDGEMENTS

Management judgement is applied in determining the following key assumptions used in the calculation of long service leave and annual leave at balance date:

- future increases in wages and salaries; and
- future on-cost rates; and
- experience of employee departures and period of service.

	NOTE	2022 $'000	2021 $'000
Employee benefits		**19,634**	19,263
Defined benefit plan	31	**7,281**	7,759
Other provisions		**3,514**	3,457
Total provisions		**30,429**	30,479
Current		**21,559**	21,371
Non-current		**8,870**	9,108
Total provisions		**30,429**	30,479

OTHER PROVISIONS

	MAKE GOOD $'000	LEGAL PROVISIONS $'000	TOTAL $'000
Balance at 29 June 2020	2,297	2,473	4,770
Recognised in profit or loss	–	–	–
Reductions arising from payments	(407)	(585)	(992)
Movements resulting from remeasurement	(244)	(77)	(321)
Balance at 27 June 2021	**1,646**	**1,811**	**3,457**
Provision recognised on acquisition of subsidiary	**78**	**–**	**78**
Recognised in profit or loss	**346**	**–**	**346**
Reductions arising from payments	**–**	**(105)**	**(105)**
Movements resulting from remeasurement	**(160)**	**(102)**	**(262)**
Balance at 03 July 2022	**1,910**	**1,604**	**3,514**

15 INVENTORY

RECOGNITION AND MEASUREMENT

Inventories are valued at the lower of cost and net realisable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories by the method most appropriate to each particular class of inventory, with the majority being valued on a first in first out basis. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs to sell.

	2022 $'000	2021 $'000
Raw materials	**12,335**	9,004
Finished goods	**18,526**	16,951
Total inventory	**30,861**	25,955

There are no inventories (2021: nil) expected to be recovered after more than 12 months. Expenses relating to inventories are recorded under Food, equipment and packaging expenses.

CAPITAL

Capital provides information about the capital management practices of the Group.

16 EQUITY

ISSUED CAPITAL

	2022 $'000	2021 $'000
86,553,914 fully paid ordinary shares (27 June 2021: 86,523,365)	**264,212**	259,500

Changes to the Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the Company does not have a limited amount of authorised capital and issued shares do not have a par value.

FULLY PAID ORDINARY SHARES

	2022		2021	
	NUMBER OF SHARES '000	**SHARE CAPITAL $'000**	NUMBER OF SHARES '000	SHARE CAPITAL $'000
Balance at beginning of financial period	**86,523**	**259,500**	86,238	235,420
Shares issued:				
Issue of shares under executive share option plan	**31**	**4,712**	285	24,080
Balance at end of financial year	**86,554**	**264,212**	86,523	259,500

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

OPTIONS

The Company approved the establishment of the Executive Share and Option Plan ("ESOP") to assist in the recruitment, reward and retention of its directors and executives. The Company will not apply for quotation of the options on the ASX.

Subject to any adjustment in the event of a bonus issue, rights issue or reconstruction of capital, each option is convertible into one ordinary share. Refer to note 20.

Notes to the Financial Statements

continued

16 EQUITY (continued)

TERMS AND CONDITIONS OF THE ESOP

The Company must not issue any shares or grant any option under this plan if, immediately after the issue or grant, the sum of the total number of unissued shares over which options, rights or other options (which remain outstanding) have been granted under this plan and any other Group employee incentive scheme would exceed 7.5% of the total number of shares on issue on a fully diluted basis at the time of the proposed issue or grant.

Fully diluted basis means the number of shares which would be on issue if all those securities of the Company which are capable of being converted into shares, were converted into shares. If the number of shares into which the securities are capable of being converted cannot be calculated at the relevant time, those shares will be disregarded.

During the year 30,549 options were exercised (2021: 285,075). A total of $4,711,872 was received as consideration for 30,549 fully paid ordinary shares of Domino's Pizza Enterprises Limited on exercise of the options in the current financial year (2021: $24,080,211).

DIVIDEND REINVESTMENT PLAN

On listing, the Board adopted but did not commence operation of a Dividend Reinvestment Plan ("DRP"). The DRP provides shareholders the choice of reinvesting some or all of their dividends in shares rather than receiving those dividends in cash.

The Board of Directors resolved to activate the DRP on 17 August 2006 with a commencement date of 21 August 2006. Shareholders with registered addresses in Australia or New Zealand are eligible to participate in the DRP. Shareholders outside Australia and New Zealand are not able to participate due to legal requirements applicable in their place of residence.

Shares allocated under the DRP rank equally with existing shares. Shares will be issued under the DRP at a price equal to the average of the daily volume weighted average market price of the Company's shares (rounded to the nearest cent) traded on the ASX during a period of ten trading days commencing on the second business day following the relevant record date, discounted by an amount determined by the Board.

Domino's Pizza Enterprises Limited entered into an underwriting agreement with Goldman Sachs JBWere for its first four dividend payments commencing with the final dividend for the year ended 2 July 2006. The Board decided to continue the DRP underwriting and entered into a renewed agreement with Goldman Sachs JBWere for the next four dividends commencing with the final dividend for the year ended 29 June 2008.

On 18 August 2009, the Board resolved to suspend the DRP until further notice. Therefore, the final dividend for the year ended 03 July 2022 will be paid in cash only.

RESERVES

FOREIGN CURRENCY TRANSLATION

Exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency, Australian dollars, are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve.

HEDGING RESERVE

The hedging reserve represents hedging gains and losses recognised on the effective portion of net investment and cash flow hedges.

OTHER RESERVES

Executive Share and Option Plan

The equity settled share-based benefits reserve arises on the grant of share options to executives under the Executive Share and Option Plan (ESOP). Further information about ESOP is made in note 20 to the financial statements. The Group settled the Domino's Pizza Enterprises Limited Employee Share Trust to manage the share option plan.

Non-controlling Interests

A component of the put option liability and non-controlling interest is recognised in Other Reserves. This is due to the Group's adoption of the partial recognition of the non-controlling interest method of accounting for the put option liability and non-controlling interest. This accounting policy is disclosed in note 17 to the financial statements.

Notes to the Financial Statements
continued

16 EQUITY (continued)

	2022 $'000	2021 RESTATED[1] $'000
Foreign currency translation	**(18,632)**	7,754
Hedging	**8,426**	(1,364)
Other	**(126,642)**	(156,777)
Balance at the end of the year	**(136,848)**	(150,387)

	2022 $'000	2021 RESTATED[1] $'000
Foreign currency translation reserve		
Balance at beginning of financial year	**7,754**	49,740
Translation of foreign operations	**(26,386)**	(41,986)
Balance at the end of the year	**(18,632)**	7,754

	2022 $'000	2021 RESTATED[1] $'000
Hedging reserve		
Balance at beginning of financial year	**(1,364)**	(6,224)
Net investment hedge	**4,258**	5,270
Cash flow hedge	**10,376**	1,791
Income tax related to gain/(loss) on hedging items	**(4,844)**	(2,201)
Balance at the end of the year	**8,426**	(1,364)
Other reserves		
Balance at beginning of financial year	**(156,777)**	(113,532)
Share-based payment	**(3,777)**	1,237
Movement in put option liability and non-controlling interest	**38,080**	(47,277)
Share option trust	**(4,515)**	3,353
Remeasurement of defined benefit plan	**347**	(558)
Balance at the end of the year	**(126,642)**	(156,777)

RETAINED EARNINGS

	NOTE	2022 $'000	2021 RESTATED[1] $'000
Balance at beginning of year		**286,024**	227,969
Change in accounting policies		**–**	(4,438)
Restated retained earnings		**286,024**	223,531
Net profit attributable to members of the Company		**158,716**	184,477
Payment of dividends	18	**(150,147)**	(121,984)
Balance at the end of the year		**294,593**	286,024

1 The comparatives have been restated to reflect the implementation of an IFRIC agenda decision, refer to note 35 for details.

17 NON-CONTROLLING INTERESTS

RECOGNITION AND MEASUREMENT

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

We have applied the partial recognition of the non-controlling interest method (equity method) when accounting for the put option liability and non-controlling interest. This approach is appropriate given the Company has no present ownership of the minority interest shares. While the non-controlling interest remains, the accounting treatment is as follows:

(a) The amount that would have been recognised for the non-controlling interest, including an update to reflect allocations of profit or loss, allocations of changes in other comprehensive income and dividends declared for the reporting period, as required by AASB 10;

(b) The non-controlling interest is derecognised as if it was acquired at that date;

(c) A financial liability at the present value of the amount payable on exercise of the non-controlling put in accordance with AASB 9. There is no impact on the profit or loss from the unwinding of the discount due to the passage of time; and

(d) The difference between (b) and (c) as an equity transaction in other reserves.

If the non-controlling interest put or call is exercised, the same treatment is applied up to the date of exercise. The amount recognised as the financial liability at that date is extinguished by the payment of the exercise price.

The non-controlling interest relates to a 33.3% interest in the Group's operations in Germany.

	NOTE	2022 $'000	2021 RESTATED[1] $'000
Balance at beginning of year		–	–
Change in accounting policies	35	–	(97)
Restated equity at the end of the year		–	(97)
Non-controlling interest contributions during the period		**(699)**	3,293
Share of profit/(loss)		**8,016**	9,171
Foreign currency translation		**(2,339)**	(2,850)
Non-controlling interest put option adjustment		**(4,978)**	(9,517)
Balance at the end of the year		–	–

1 The comparative has been restated to reflect the implementation of an IFRIC agenda decision clarifying the accounting treatment of SaaS arrangements, refer to note 35 for details.

Notes to the Financial Statements

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18 DIVIDENDS

	2022		2021	
	CENTS PER SHARE	**TOTAL $'000**	CENTS PER SHARE	TOTAL $'000
Recognised amounts				
Fully paid ordinary shares				
Interim dividend for half-year ended[(i)]	**88.4**	**76,514**	88.4	76,487
Dividend for full year ended[(ii)]	**85.1**	**73,633**	52.6	45,497
	173.5	**150,147**	141.0	121,984
Unrecognised amounts				
Fully paid ordinary shares				
Partially franked dividend for full year ended	**68.1**	**58,943**	85.1	73,631

(i) The interim dividend for half year ended was franked at 70% (2021: 50%).

(ii) The dividend for full year ended was franked at 70% (2021: 70%).

On 23 August 2022, the directors declared a final dividend of 68.1 cents per share to the holders of fully paid ordinary shares in respect of the financial year ended 03 July 2022, proposed to be paid to shareholders on 15 September 2022. The dividend will be paid to all shareholders on the Register of Members on 31 August 2022. The total estimated dividend to be paid is $58,943 thousand.

FRANKED DIVIDENDS

The franked portions of the final dividends determined after 03 July 2022 will be franked out of existing franking credits or out of franking credits arising from the payment of income tax in the financial year ended 03 July 2022.

	2022 $'000	2021 $'000
Franking credits available for subsequent financial years based on a tax rate of 30%	**222**	12,710

The above amounts are calculated from the balance of the franking account as at the end of the reporting period, adjusted for franking credits and debits that will arise from the settlement of liabilities for income tax and dividends after the end of the year.

19 EARNINGS PER SHARE

BASIC EARNINGS PER SHARE

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

	2022 CENTS	2021 RESTATED[1] CENTS
From continuing operations attributable to the ordinary equity holders of the Company	**183.4**	213.3

DILUTED EARNINGS PER SHARE

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends);
- the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the year that would result from the dilution of potential ordinary shares

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

The diluted earnings per share calculation takes into account all options issued under the ESOP, as in accordance with AASB 133 *Earnings per Share*, the average market price of ordinary shares during the period exceeds the exercise price of the options or warrants.

	2022 CENTS	2021 RESTATED[1] CENTS
From continuing operations attributable to the ordinary equity holders of the Company	**183.0**	212.5

EARNINGS USED IN CALCULATING EARNINGS PER SHARE

	2022 $'000	2021 RESTATED[1] CENTS
Profit from continuing operations	**158,716**	184,477
Profit attributable to the ordinary equity shareholders of the Company used in calculating basic and diluted earnings per share	**158,716**	184,477

WEIGHTED AVERAGE NUMBER OF SHARES USED AS DENOMINATOR

	2022 NO.'000	2021 NO.'000
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**86,548**	86,481
Adjustments for calculation of diluted earnings per share:		
Options on issue	**165**	343
Weighted average number of ordinary and potential ordinary shares used as the denominator in calculating diluted earnings per share	**86,713**	86,824

1 The comparative has been restated to reflect the implementation of an IFRIC agenda decision clarifying the accounting treatment of SaaS arrangements, refer to note 35 for details.

20 SHARE-BASED PAYMENTS

RECOGNITION AND MEASUREMENT

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instrument at the grant date. The fair value is measured by use of a Black Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest. At each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with corresponding adjustments to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with other parties are measured at the fair value of the goods and services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

EQUITY-SETTLED SHARE-BASED BENEFITS

The Company has one share plan and one share and option plan available for employees and directors and executives of the Company: the Domino's Pizza Exempt Employee Share Plan ("Plan") and the Domino's Pizza Executive Share and Option Plan (ESOP). Both plans were approved by a resolution of the Board of Directors on 11 April 2005. Fully paid ordinary shares issued under these plans rank equally with all other existing fully paid ordinary shares, in respect of voting and dividend rights and future bonus and rights issues.

EXECUTIVE SHARE AND OPTION PLAN

The Company established the ESOP to assist in the recruitment, reward, retention and motivation of executives of the Company ("the participants").

In accordance with the provisions of the scheme, executives within the Company, to be determined by the Board, are granted options to purchase parcels of shares at various exercise prices. Each option confers an entitlement to subscribe for and be issued one share, credited as fully paid, at the exercise price.

Options issued under the ESOP may not be transferred unless the Board determines otherwise. The Company has no obligation to apply for quotation of the options on the ASX. However, the Company must apply to the ASX for official quotation of shares issued on the exercise of the options.

The Company must not issue any shares or grant any option under this plan if, immediately after the issue or grant, the sum of the total number of unissued shares over which options, rights or other options (which remain outstanding) have been granted under this plan and any other Group employee incentive scheme would exceed 7.5% of the total number of shares on issue on a fully diluted basis at the time of the proposed issue or grant.

Fully diluted basis means the number of shares which would be on issue if all those securities of the Company which are capable of being converted into shares, were converted into shares. If the number of shares into which the securities are capable of being converted cannot be calculated at the relevant time, those shares will be disregarded.

The following share-based payment arrangements were in existence during the current and comparative reporting period:

20 SHARE-BASED PAYMENTS (continued)

OPTIONS GRANTED UNDER THE INCENTIVE PLANS

Set out below are summaries of the performance options and rights granted in respect of the 2022 and 2021 financial years under the incentive plans:

2022

OPTION SERIES	ISSUE & GRANT DATE	EXPIRY DATE	BALANCE AT START OF THE YEAR NUMBER	GRANTED DURING AND IN RESPECT OF THE YEAR NUMBER	EXERCISED DURING THE YEAR NUMBER	LAPSED/ FORFEITED DURING THE YEAR NUMBER	BALANCE AT END OF THE YEAR NUMBER	EXERCISABLE AT END OF THE YEAR NUMBER
(29)	19 Apr 18	31 Aug 21	10,325	–	(10,325)	–	–	–
(31)	23 Jan 19	31 Aug 22	220,000	–	–	(220,000)	–	–
(32)	25 May 19	31 Aug 22	462,500	–	(15,750)	(413,500)	33,250	33,250
(33)	26 Nov 19	1 Sep 23	297,000	–	–	–	297,000	–
(34)	26 Nov 19	26 Nov 23	183,225	–	–	(37,347)	145,878	–
(35)	26 Nov 19	1 Sep 23	288,779	–	–	(23,434)	265,345	–
(36)	20 Aug 19	20 Aug 29	6,250	–	(3,872)	–	2,378	2,378
(37)	18 Aug 20	18 Aug 30	3,640	–	(602)	–	3,038	3,038
(38)	4 Nov 20	1 Sep 24	156,937	–	–	–	156,937	–
(39)	25 Nov 20	1 Sep 24	614,305	–	–	(23,809)	590,496	–
(40)	7 Jun 21	7 Jun 31	1,420	–	–	–	1,420	–
(41)	28 May 21	28 May 31	2,966	–	–	–	2,966	2,966
(42)	3 Nov 21	31 Aug 25	–	95,975	–	–	95,975	–
(43)	1 Oct 21	31 Oct 31	–	12,056	–	–	12,056	12,056
(44)	19 May 22	31 May 25	–	454,780	–	–	454,780	–
TOTAL			2,247,347	562,811	(30,549)	(718,090)	2,061,519	53,688

2021

OPTION SERIES	ISSUE & GRANT DATE	EXPIRY DATE	BALANCE AT START OF THE YEAR NUMBER	GRANTED DURING AND IN RESPECT OF THE YEAR NUMBER	EXERCISED DURING THE YEAR NUMBER	LAPSED/ FORFEITED DURING THE YEAR NUMBER	BALANCE AT END OF THE YEAR NUMBER	EXERCISABLE AT END OF THE YEAR NUMBER
(26)	1 Sep 16	31 Aug 20	200,000	–	(200,000)	–	–	–
(27)	1 Sep 16	31 Aug 20	64,500	–	(59,000)	(5,500)	–	–
(28)	8 Sep 17	31 Aug 21	220,000	–	–	(220,000)	–	–
(29)	19 Apr 18	31 Aug 21	541,750	–	(26,075)	(505,350)	10,325	10,325
(30)	14 Aug 18	31 Aug 21	147,000	–	–	(147,000)	–	–
(31)	23 Jan 19	31 Aug 22	220,000	–	–	–	220,000	–
(32)	25 May 19	31 Aug 22	626,000	–	–	(163,500)	462,500	–
(33)	26 Nov 19	1 Sep 23	297,000	–	–	–	297,000	–
(34)	26 Nov 19	26 Nov 23	183,225	–	–	–	183,225	–
(35)	26 Nov 19	1 Sep 23	294,092	–	–	(5,313)	288,779	–
(36)	20 Aug 19	20 Aug 29	6,250	–	–	–	6,250	–
(37)	18 Aug 20	18 Aug 30	–	3,640	–	–	3,640	–
(38)	4 Nov 20	1 Sep 24	–	156,937	–	–	156,937	–
(39)	25 Nov 20	1 Sep 24	–	614,305	–	–	614,305	–
(40)	7 Jun 21	7 Jun 31	–	1,420	–	–	1,420	–
(41)	28 May 21	28 May 31	–	2,966	–	–	2,966	–
TOTAL			2,799,817	779,268	(285,075)	(1,046,663)	2,247,347	10,325

The weighted average exercise price at the date of the exercise of options during the 2022 financial year was $154.24 (2021: $84.47).

The weighted average remaining contractual life of options outstanding at the end of the 2022 financial year was 2.14 years (2021: 2.27 years)

Notes to the Financial Statements

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20 SHARE-BASED PAYMENTS (continued)

FAIR VALUE OF SHARE OPTIONS GRANTED IN THE YEAR

The weighted average fair value of the options granted during the 2022 year is $20.54 (2021: $12.87). Options were valued using a Black Scholes option pricing model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions and behavioural conditions.

The model inputs for rights granted during 2022 financial year include:

PERFORMANCE CONDITIONS	SERIES 42	SERIES 44
Grant date share price	**$142.30**	**$69.58**
Exercise price	**$127.09**	**$69.58**
Expected volatility	**35.0%**	**40.0%**
Option life years	**3.32 yrs**	**2.29 yrs**
Dividend yield	**1.74%**	**2.90%**
Risk-free interest rate	**0.89%**	**2.26%**

Series 43 are zero exercise price options, therefore the options share price at date of grant approximates the options fair value.

The model inputs for rights granted during 2021 financial year include:

PERFORMANCE CONDITIONS	SERIES 38	SERIES 39
Grant date share price	$86.99	$74.04
Exercise price	$84.28	$84.28
Expected volatility	35.3%	35.5%
Option life years	3.32	3.77
Dividend yield	1.97%	1.97%
Risk-free interest rate	0.12%	0.12%

Series 36 is a zero exercise price option, therefore the options share price at date of grant approximates the options fair value.

Notes to the Financial Statements
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20 SHARE-BASED PAYMENTS (continued)

SHARE OPTIONS EXERCISED DURING THE YEAR

The following share options granted under the ESOP were exercised during the year:

2022 OPTION SERIES	NUMBER EXERCISED	EXERCISE DATE	SHARE PRICE AT EXERCISE DATE ($)
(36) Issued 20 August 2019	**1,888**	**25 August 2021**	**$145.65**
(29) Issued 19 April 2018	**10,325**	**26 August 2021**	**$148.50**
(36) Issued 20 August 2019	**700**	**31 August 2021**	**$156.74**
(37) Issued 18 August 2020	**602**	**31 August 2021**	**$156.74**
(32) Issued 25 May 2019	**15,750**	**6 September 2021**	**$157.95**
(36) Issued 20 August 2019	**1,284**	**14 September 2021**	**$164.98**

2021 OPTION SERIES	NUMBER EXERCISED	EXERCISE DATE	SHARE PRICE AT EXERCISE DATE ($)
(26) Issued 1 September 2016	100,000	20 August 2020	$83.70
(27) Issued 1 September 2016	6,500	20 August 2020	$83.70
(26) Issued 1 September 2016	100,000	21 August 2020	$85.58
(27) Issued 1 September 2016	30,000	21 August 2020	$85.58
(27) Issued 1 September 2016	17,500	25 August 2020	$85.70
(27) Issued 1 September 2016	5,000	26 August 2020	$85.79
(29) Issued 19 April 2018	15,750	1 September 2020	$80.75
(29) Issued 19 April 2018	10,325	16 September 2020	$81.38

Notes to the Financial Statements
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FINANCIAL MANAGEMENT

Financial management provides information about the debt management practices of the Group as well as the Group's exposure to various financial risks, how these affect the Group's financial position and performance and what the Group does to manage these risks.

21 BORROWINGS

RECOGNITION AND MEASUREMENT

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

	2022 $'000	2021 $'000
Loans from other entities		
Loans from other entities[(ii)]	**16,851**	24,371
Total from other entities	**16,851**	24,371
Uncommitted		
Bank loans	**15,184**	–
Total uncommitted borrowings	**15,184**	–
Committed		
Bank loans[(i)]	**612,066**	483,004
Total committed borrowings	**612,066**	483,004
Current	**32,035**	–
Non-current	**612,066**	507,375
Total borrowings	**644,101**	507,375

SUMMARY OF BORROWING ARRANGEMENTS:

(i) Loans to meet the cost of DPE's acquisitions in Germany are secured by way of a mortgage over shares DPE holds in the joint venture entity that owns the German territory assets. DPE's borrowings are otherwise unsecured.

(ii) Relates to loans from Domino's Pizza Group plc relating to the German joint venture.

The unused facilities available on the Group's bank overdraft are $5,717 thousand (2021: $5,795 thousand). For further information in respect of the Group's borrowings, refer to note 24.

22 FINANCIAL ASSETS

RECOGNITION AND MEASUREMENT

All financial assets are recognised and derecognised on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the time frame established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVPL) or through other comprehensive income (FVOCI) and those held at amortised cost.

Classification depends on the business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of financial assets at initial recognition. Generally, the Group does not acquire financial assets for the purpose of selling in the short-term. When the Group enters into derivative contracts, these transactions are designed to reduce exposures relating to assets and liabilities, firm commitments or anticipated transactions.

FINANCIAL ASSETS HELD AT AMORTISED COST

This classification applies to debt instruments which are held under a hold to collect business model and which have cash flows that meet the 'Solely payment of principal and interest' (SPPI) criteria.

Other financial assets are initially recognised at fair value plus related transaction costs; they are subsequently measured at amortised cost using the effective interest method. Any gain or loss on derecognition or modification of a financial asset held at amortised cost is recognised in the income statement.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis for financial assets held at amortised cost.

FINANCIAL ASSETS HELD AT FVOCI

This classification applies to the following financial assets:

- Debt instruments that are held under a business model where they are held for the collection of contractual cash flows and also for sale ('collect and sell') and which have cash flows that meet the SPPI criteria.

  All movements in the fair value of these financial assets are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest revenue (including transaction costs by applying the effective interest method), gains or losses arising on derecognition and foreign exchange gains and losses which are recognised in the income statement. When the financial assets are derecognised, the cumulative fair value gain or loss previously recognised in other comprehensive income is reclassified to the income statement.

- Equity investment where the Group has irrevocably elected to present fair value gains and losses on revaluation in other comprehensive income. The election can be made for each individual investment however it is not applicable to equity investments held for trading.

  Fair value gains or losses on revaluation of such equity investments, including any foreign exchange components, are recognised in other comprehensive income. When the equity investment is derecognised, there is no reclassification of fair value gains or losses previously recognised in other comprehensive income to the income statement. Dividends are recognised in the income statement when the right to receive payment is established.

FINANCIAL ASSETS AT FVPL

This classification applies to the following financial assets, and in all cases, transaction costs are immediately expensed to the income statement:

- Debt instruments that do not meet the criteria of amortised cost or fair value through other comprehensive income. Subsequent fair value gains or losses are taken to the income statement.
- Equity investments which are held for trading or where the FVOCI election has not been applied. All fair value gains or losses are related dividend income are recognised in the income statement.
- Derivatives which are not designated as a hedging instrument. All subsequent fair value gains or losses are recognised in the income statement.

22 FINANCIAL ASSETS (continued)

DERIVATIVE FINANCIAL INSTRUMENTS

The Group enters into derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

NON-CASH FINANCING AND INVESTING ACTIVITIES

Included in the movement of other financial assets are non-cash transactions of $74.0 million (2021: $44.9 million) for loans to Franchisees.

IMPAIRMENT OF FINANCIAL ASSETS

A forward looking ECL review is required for: debt instruments measured at amortised cost or held at fair value through other comprehensive income, loan commitments and financial guarantees not measured at fair value through profit or loss; lease receivables and trade receivables that give rise to an unconditional right to consideration.

As permitted by AASB 9, the Group applies the ‘simplified approach’ to trade receivable balances and the ‘general approach’ to all other financial assets (refer to note 12). The general approach incorporates a review for any significant increase in counterparty credit risk since inception. The ECL reviews include assumptions about the risk of default and expected loss rates.

DERECOGNITION OF FINANCIAL ASSETS

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

FINANCIAL ASSETS	2022 $’000	2021 $’000
Current		
Loans to franchisees	**10,793**	12,234
Foreign exchange forward contracts	**10,099**	2,157
Total current financial assets	**20,892**	14,391
Non-current		
Loans to franchisees	**88,105**	54,192
Allowance for doubtful loans	**(490)**	(62)
Interest rate swaps	**1,319**	–
Other	**2,468**	2,217
Long-term store rental security deposits	**28,467**	26,129
Total non-current financial assets	**119,869**	82,476
Current	**20,892**	14,391
Non-current	**119,869**	82,476
Total financial assets	**140,761**	96,867

22 FINANCIAL ASSETS (continued)

IMPAIRMENT

Before providing any new loans to franchisees, the Group reviews the potential franchisee's credit quality, which is determined by reviewing a business plan and the projected future cash flows for that store, to ensure the franchisee is able to meet its interest repayments on the loan. On average, the interest charged was 6.1% in Australia and New Zealand (2021: 6.7%), 6.0% in France (2021: 6.0%), 5.0% in the Netherlands (2021: 7.0%), 5.0% in Germany (2021: 5.0%) and 5.0% in Japan (2021: 5.0%).

The Group applies the 'general approach' to measuring expected credit losses which uses a lifetime expected loss allowance if there has been no significant change in credit risk for franchisee loans where there has been a significant increase in credit risk. Otherwise it uses the 12-month expected credit loss. The general approach incorporates a review for any significant increase in counterparty credit risk since inception. The ECL review includes assumptions about the risk of default and expected credit loss rates.

	2022 $'000	2021 $'000
Franchisee loans	**98,898**	66,426
Allowance for doubtful loans	**(490)**	(62)
	98,408	66,364

	2022 $'000	2021 $'000
Ageing of franchisee loans		
Amounts not yet due	**98,408**	66,364
	98,408	66,364

	2022 $'000	2021 $'000
Movement in loss allowance		
Balance at the beginning of the year	**62**	182
Impairment losses recognised on loans	**862**	–
Amounts written off as uncollectible	**(426)**	(63)
Unused amounts reversed	**–**	(54)
Effect of foreign currency	**(8)**	(3)
Balance at the end of the year	**490**	62

23 FINANCIAL LIABILITIES

RECOGNITION AND MEASUREMENT

FINANCIAL LIABILITY AND EQUITY INSTRUMENTS

CLASSIFICATION AS DEBT AND EQUITY

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

EQUITY INSTRUMENTS

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Consolidated entity are recorded at the proceeds received, net of direct issue costs.

FINANCIAL GUARANTEES AND CONTRACT LIABILITIES

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at FVPL, are subsequently at the higher of:

- the amount of the obligation under the contract, as determined in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*; and
- the amount initially recognised less, where appropriate, cumulative amortisation in accordance with the revenue recognition policies set out in note 2.

FINANCIAL LIABILITIES

Financial liabilities are classified as either financial liabilities 'at FVPL' or 'other financial liabilities'.

FINANCIAL LIABILITIES AT FVPL

Financial liabilities are classified as at FVPL when the financial liability is either held for trading or it is designated as at FVPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing in the near term; or
- on initial recognition it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading is designated as at FVPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance evaluated on a fair value basis, in accordance with the Consolidated entity's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 9 *Financial Instruments* permits the entire combined contract (asset or liability) to be designated as at FVPL.

Financial liabilities at FVPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

FINANCIAL BORROWINGS

Borrowing and other financial liabilities (including trade payables but excluding derivative liabilities) are recognised initially at fair value, net of transaction costs incurred, and are subsequently measured at amortised cost.

23 FINANCIAL LIABILITIES (continued)

DERECOGNITION OF FINANCIAL LIABILITIES

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

ESTIMATES AND JUDGEMENTS

GERMANY PUT OPTION LIABILITY

The put option associated with Domino's Pizza Germany (DPG) is valued by management by taking into account adjusted unlevered price/earnings multiple rates and estimate of the timing of the exercise of the put. This is based on management's experience and knowledge of market conditions of the German pizza industry and dealings with the sellers of Joey's Pizza and Hallo Pizza. As the inputs are not observable the liability is considered Level 3 in the fair value hierarchy.

FINANCIAL LIABILITIES	**2022 $'000**	2021 $'000
Current		
Interest rate swaps	**220**	251
Foreign exchange contracts	**–**	723
Security deposits	**12,428**	10,502
Market access right(i)	**–**	17,594
Contingent consideration	**–**	293
Put/call minority interest liability(ii)	**127,355**	–
Other	**–**	334
Total current financial liabilities	**140,003**	29,697
Non-current		
Interest rate swaps	**–**	704
Put/call minority interest liability(ii)	**–**	164,444
Other	**511**	1,941
Total non-current financial liabilities	**511**	167,089
Current	**140,003**	29,697
Non-current	**511**	167,089
Total financial liabilities	**140,514**	196,786

(i) Market access right arising in respect of the Group's contractual arrangements with DPG.

(ii) Put/call option liability arises in respect of the minority interest in Domino's Germany. The put/call option has been reclassified to current as at 03 July 2022 as it has become exercisable within 12 months.

FAIR VALUE OF DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

As described in note 24, management uses their judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. For derivative financial instruments, assumptions are made based on quoted market rates adjusted for specific features of the instrument. Other financial instruments are valued using a discounted cash flow analysis based on assumptions supported, where possible, by observable market prices or rates. Details of assumptions are provided in note 24.

24 FINANCIAL RISK MANAGEMENT

CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that it will be able to continue as a going concern, while maximising the return to stakeholders through optimisation of the debt and equity balances.

The capital structure of the Group consists of net debt, which includes borrowings, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves, retained earnings and non-controlling interest.

The Group operates globally, primarily through subsidiary companies established in the markets in which the Group trades, these companies are not subject to externally imposed capital requirements.

Operating cash flows are used to maintain and expand the Groups assets, as well as to make routine outflows of tax, dividends and repayment of maturing debt. The Group policy is to control borrowing centrally; using a variety of capital market issues and borrowing facilities, to meet anticipated funding requirements.

The Group's management and board of directors review the capital structure formally on an annual basis. The board of directors consider the cost of capital and associated risk. Based on recommendations from management and the board of directors, the Group will balance its overall capital structure through payment of dividends, new share issues and issue or redemption of debt.

GEARING RATIO

The gearing ratio at the end of the reporting period was as follows:

	2022 $'000	2021 RESTATED[1] $'000
Debt[(i)]	**647,858**	508,485
Cash and cash equivalent	**(76,877)**	(174,689)
Net debt	**570,981**	333,796
Equity[(ii)]	**421,957**	395,137
Net debt to equity ratio	**135.3%**	84.5%

1 The comparative has been restated to reflect the implementation of an IFRIC agenda decision clarifying the accounting treatment of SaaS arrangements, refer to note 35 for details.

(i) Debt is defined as long-term and short-term borrowings, excluding capitalised borrowing costs, as detailed in note 21.

(ii) Equity includes all capital and reserves that are managed as capital.

The categories of financial assets and liabilities are outlined below:

			2022		2021	
FINANCIAL ASSETS	**CLASSIFICATION**	**NOTE**	**INTEREST RATE %[(i)]**	**$'000**	INTEREST RATE %[(i)]	$'000
Trade and other receivables	Amortised cost	12	**–**	**163,591**	–	145,751
Loans receivable	Amortised cost	22	**6.18**	**98,408**	6.85	66,364
Other financial assets	Amortised cost	22	**–**	**2,468**	–	2,217
Deposits	Amortised cost	22	**–**	**28,467**	–	26,129
Investment in lease assets	Amortised cost	10	**1.26**	**454,556**	1.22	407,797
Interest rate swaps	Derivative financial instrument	22	**–**	**1,319**	–	–
Forward exchange contracts	Derivative financial instrument	22	**–**	**10,099**	–	2,157

(i) Interest rates represent the weighted average effective interest rate.

Notes to the Financial Statements
continued

24 FINANCIAL RISK MANAGEMENT (continued)

FINANCIAL LIABILITIES	CLASSIFICATION	NOTE	2022 INTEREST RATE %(i)	2022 $'000	2021 INTEREST RATE %(i)	2021 $'000
Trade and other payables	Amortised cost	13	**–**	**303,976**	–	346,228
Other financial liabilities	Amortised cost	23	**–**	**12,939**	–	12,777
Bank loans	Amortised cost	21	**1.30**	**627,250**	1.65	483,004
Loans from other entities	Amortised cost	21	**2.70**	**16,851**	2.70	24,371
Lease liabilities	Amortised cost	10	**1.18**	**769,018**	0.93	760,925
Market access right	FVOCI	23	**–**	**–**	–	17,594
Put-option liability	FVOCI	23	**–**	**127,355**	–	164,444
Contingent consideration	FVPL	23	**–**	**–**	–	293
Interest rates swaps	Derivative financial instrument	23	**–**	**220**	–	955
Foreign exchange contracts	Derivative financial instrument	23	**–**	**–**	–	723

(i) Interest rates represent the weighted average effective interest rate.

FINANCIAL RISK MANAGEMENT

Group treasury co-ordinates access to financial markets, monitors and manages the financial risks relating to the operations of the Group in line with its policies. These risks include:

- Liquidity risk; and
- Market risk, including foreign currency, interest rate and commodity price risk; and
- Credit risk.

The Group seeks to manage and minimise its exposure to these financial risks by using derivative financial instruments to hedge the risk, governed by the approved Group policies, which provides written principles on foreign exchange risk, interest rate risk, credit risk and the use of derivatives and investment of excess liquidity. Compliance with policies and exposure limits are reviewed by the board of directors. The Group does not enter into or trade financial instruments, including derivative instruments, for speculative purposes.

LIQUIDITY RISK

NATURE OF THE RISK

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, continuously monitoring forecast and actual cash flows, and matching the maturity profiles of financial assets and liabilities. Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements.

FINANCING FACILITIES

	2022 $'000	2021 $'000
Unsecured bank overdraft, reviewed annually and payable at call:		
Amount used	**–**	–
Amount unused	**5,717**	5,795
Total	**5,717**	5,795
Committed commercial bill facility:		
Amount used	**632,674**	508,485
Amount unused	**230,312**	243,198
Total	**862,986**	751,683

24 FINANCIAL RISK MANAGEMENT (continued)

	2022 $'000	2021 $'000
Uncommitted facilities, at call:		
Amount used	**15,184**	–
Amount unused	**35,859**	55,385
Total	**51,043**	55,385

MATURITY OF FINANCIAL ASSETS AND LIABILITIES

The following tables analyse the Group's financial assets and liabilities, including net and gross settled financial instruments, into relevant maturity periods based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are contractual undiscounted cash flows and hence will not necessarily reconcile with the amounts disclosed in the balance sheet.

Expected future interest payments on loans and borrowings exclude accruals already recognised in trade and other payables.

For foreign exchange derivatives and cross-currency interest rate swaps, the amounts disclosed are the gross contractual cash flows to be paid.

For interest rate swaps, the cash flows are the net amounts to be paid at each quarter, excluding accruals included in trade and other payables, and have been estimated using forward interest rates applicable at the reporting date.

03 JULY 2022	LESS THAN 1 YEAR $'000	1–5 YEARS $'000	MORE THAN 5 YEARS $'000
Financial assets			
Trade and other receivables	**163,591**	**–**	**–**
Interest rate swap	**–**	**1,319**	**–**
Loans receivable	**10,793**	**87,615**	**–**
Cash and cash equivalents	**76,877**	**–**	**–**
Other financial assets	**–**	**2,468**	**–**
Investment in lease assets	**72,063**	**250,699**	**131,794**
Foreign exchange contracts	**10,099**	**–**	**–**
Deposits	**–**	**28,467**	**–**
Financial liabilities			
Trade and other payables	**(303,976)**	**–**	**–**
Derivative instruments in designated hedge accounting relationships	**(220)**	**–**	**–**
Bank loans	**(15,184)**	**(612,066)**	**–**
Loans from other entities	**(16,851)**	**–**	**–**
Lease liabilities	**(122,304)**	**(424,452)**	**(222,262)**
Put option liability	**(127,355)**	**–**	**–**
Other financial liabilities	**–**	**(12,939)**	**–**

24 FINANCIAL RISK MANAGEMENT (continued)

27 JUNE 2021	LESS THAN 1 YEAR $'000	1–5 YEARS $'000	MORE THAN 5 YEARS $'000
Financial assets			
Trade and other receivables	145,751	–	–
Loans receivable	12,234	54,130	–
Cash and cash equivalents	174,689	–	–
Other financial assets	–	2,217	–
Investment in lease assets	57,541	219,595	130,661
Deposits	–	26,129	–
Forward exchange contracts	–	2,157	–
Financial liabilities			
Trade and other payables	(346,228)	–	–
Derivative instruments in designated hedge accounting relationships	(251)	(704)	–
Other bank loans	–	(483,004)	–
Loans from other entities	–	(24,371)	–
Finance lease liability	(109,433)	(410,068)	(241,424)
Market access right	(17,594)	–	–
Put option liability	–	(164,444)	–
Contingent consideration	(293)	–	–
Other financial liabilities	(334)	(12,443)	–
Forward exchange contracts	(723)	–	–

The following table details the Group's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves at the end of the reporting period.

2022	**LESS THAN 1 MONTH $'000**	**1–3 MONTHS $'000**	**3 MONTHS TO 1 YEAR $'000**	**1–5 YEARS $'000**
Net Settled				
Interest rate swaps	**–**	**(220)**	**–**	**1,319**
Gross Settled				
Forward foreign exchange contracts – Inflow	**10,172**	**23,739**	**86,142**	**–**
Forward foreign exchange contracts – (Outflow)	**(9,033)**	**(21,245)**	**(79,957)**	**–**
	1,139	**2,494**	**6,185**	**–**

24 FINANCIAL RISK MANAGEMENT (continued)

2021	LESS THAN 1 MONTH $'000	1–3 MONTHS $'000	3 MONTHS TO 1 YEAR $'000	1–5 YEARS $'000
Net Settled				
Interest rate swaps	–	–	(251)	(704)
Gross Settled				
Forward foreign exchange contracts – Inflow	12,427	20,952	74,736	–
Forward foreign exchange contracts – (Outflow)	(12,278)	(25,889)	(68,514)	–
	149	(4,937)	6,222	–

MARKET RISK

NATURE OF FOREIGN CURRENCY RISK

The Group's activities expose it primarily to the Euro and Japanese Yen currencies and to interest rate risk through its borrowings. The Group's foreign operations are carried out in New Zealand, Japan, Europe and Taiwan, which exposes the Group's investments to movements in the AUD/NZD, AUD/JPY AUD/EUR and AUD/TWD exchange rates. The Group mitigates and manages the effect of its translational currency exposure by borrowing in NZ dollars, Japanese Yen, Euro and Taiwanese dollar.

The Group enters into a variety of derivative and non-derivative financial instruments to manage its exposure to interest rate and foreign currency risk, including:

- Interest rate swaps to mitigate risk of rising interest rates
- Cross currency interest rate swaps to mitigate rising interest rates and foreign exchange fluctuations
- Debt to manage currency risk
- Forward foreign exchange contracts to hedge the exchange rate risk of purchases

EXPOSURE

The Group's exposure, before hedging arrangements, to the NZ dollar, Euro and Japanese Yen at the balance sheet date were as follows:

	ASSETS		LIABILITIES	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
New Zealand Dollar	**20,418**	18,741	**(15,784)**	(18,599)
Euro	**75,774**	102,532	**(457,774)**	(541,411)
Japanese Yen	**129,059**	164,596	**(279,698)**	(283,431)
Taiwan Dollar	**18,237**	–	**(102,680)**	–

FOREIGN CURRENCY RISK MANAGEMENT

The hedging function of the Group is to address foreign currency risk and is managed centrally. The Group requires all subsidiaries to hedge foreign exchange exposures for firm commitments relating to sale or purchases or when highly probable forecast transactions have been identified. Before hedging, the subsidiaries are also required to take into account their competitive position. The hedging instrument must be in the same currency as the hedged item.

The objective of the Group's policy on foreign exchange hedging is to protect the Group from adverse currency fluctuations.

Notes to the Financial Statements
continued

24 FINANCIAL RISK MANAGEMENT (continued)

SENSITIVITY TO FOREIGN EXCHANGE MOVEMENTS

The sensitivity analysis below shows the impact that a reasonable possible change in foreign exchange rates over a financial year would have on profit after tax and equity, based solely on the Group's foreign exchange rate exposure existing at the balance sheet date. The Group has used the observed range of actual historical rates for the preceding five-year period, with a heavier weighting placed on recently observed market data, in determining reasonable possible exchange movements to be used for the current year's sensitivity analysis. Past movements are not necessarily indicative of future movements.

The following exchange rates have been used in performing the sensitivity analysis:

	EURO	JPY	NZD	TWD
Actual 2022	**0.65**	**92.2**	**1.10**	**20.40**
+ 10%	**0.72**	**101.42**	**1.21**	**22.44**
− 10%	**0.59**	**82.98**	**0.99**	**18.36**
Actual 2021	0.64	84.17	1.07	–
+ 10%	0.70	92.59	1.18	–
− 10%	0.57	75.75	0.97	–

The Group's exposure to changes in market interest rates relates primarily to the Group's debt obligations that have floating interest rates.

The impact on profit and equity is estimated by relating the hypothetical changes in the NZ Dollar, Japanese Yen and Euro exchange rate to the balance of financial instruments at the reporting date. Foreign currency risks, as defined by AASB 7 *Financial Instruments:* disclosure, arise on account of the financial instruments being denominated in a currency that is not the functional currency in which the financial instruments are measured.

Differences from the translation of the financial statements into the Group's presentation currency are not taken into consideration in the sensitivity analysis. The results of the foreign exchange rate sensitivity analysis are driven by three main factors, as outlined below:

- The impact of applying the above foreign exchange movements to financial instruments that are not in hedge relationships will be recognised directly in profit or loss; and
- To the extent that the foreign currency denominated derivatives on balance sheet form part of an effective cash flow hedge relationship, any fair value movements caused by applying the above sensitivity movements will be deferred in equity and will not affect profit or loss; and
- Movements in financial instruments forming part of an effective fair value hedge relationship will be recognised in profit or loss. However, as a corresponding entry will be recognised for the hedged item, the net effect on profit or loss will be nil.

The below table details the impact of the Group's profit after tax and other equity had there been a movement in the NZ dollar, Japanese Yen and Euro with all other variables held constant.

	TOTAL IMPACT	
	2022 $'000	2021 $'000
Profit or (loss)		
If there was a 10% increase in exchange rates with all other variables held constant	**–**	–
If there was a 10% decrease in exchange rates with all other variables held constant	**–**	–
Other equity		
If there was a 10% increase in exchange rates with all other variables held constant	**16,960**	13,246
If there was a 10% decrease in exchange rates with all other variables held constant	**(20,729)**	(16,189)

24 FINANCIAL RISK MANAGEMENT (continued)

NATURE OF INTEREST RATE RISK

INTEREST RATE RISK MANAGEMENT

The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swaps. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

From a Group perspective, any internal contracts are eliminated as part of the consolidation process, leaving only external contracts.

EXPOSURE

As at the balance sheet date, the Group had financial assets and liabilities with exposure to interest rate risk. Interest on financial instruments classified as floating rate, is repriced at intervals of less than one year. Interest on financial instruments, classified as fixed rate, is fixed until maturity of the instrument. The classification between fixed and floating interest takes into account applicable hedge instruments. Other financial instruments of the Group that are not included in the following table are non-interest bearing and are therefore not subject to interest rate risk.

SENSITIVITY TO INTEREST RATE MOVEMENTS

The following sensitivity analysis shows the impact that a reasonable possible change in interest rates would have on Group profit after tax and equity. The impact is determined by assessing the effect that such a reasonable possible change in interest rates would have had on the interest income/(expense) and the impact on financial instrument fair values. This sensitivity is based on reasonable possible changes over a financial year, determined using observed historical interest rate movements of the preceding five-year period, with a heavier weighting given to more recent market data.

If interest rates had moved by 100 basis points and with all other variables held constant, profit before tax and equity would be affected as follows:

	IMPACT ON PROFIT BEFORE TAX	
	2022 $'000	2021 $'000
Interest rates – increase by 100 basis points	**(3,630)**	(1,824)
Interest rates – decrease by 100 basis points	**474**	102

FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts and estimated fair values of all Group's financial instruments recognised in the financial statements are materially the same.

The methods and assumptions used to estimate the fair value of financial instruments are as follows:

CASH

The carrying amount is the fair value due to the asset's liquid nature.

RECEIVABLES/PAYABLES

Due to the short-term nature of these financial rights and obligations, carrying amounts represent the fair values.

OTHER FINANCIAL ASSETS/LIABILITIES

Loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'Other financial Assets'. Loans are measured at amortised cost using the effective interest method less impairment. Interest income is recognised by applying the effective interest rate.

Notes to the Financial Statements
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24 FINANCIAL RISK MANAGEMENT (continued)

DERIVATIVES

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Foreign exchange forward contracts, interest rate swap contracts and cross-currency interest rate swaps are all valued using forward pricing techniques. This includes the use of market observable inputs, such as foreign exchange spot and forward rates, yield curves of the respective currencies, interest rate curves and forward rate curves of the underlying commodity. Accordingly, these derivatives are classified as Level 2.

INTEREST BEARING LOANS AND BORROWINGS

Quoted market prices or dealer quotes for similar instruments are used to value long-term (greater than one year) debt instruments.

VALUATION OF FINANCIAL INSTRUMENTS

For all fair value measurements and disclosures, the Group uses the following to categorise the method used:

- Level 1: the fair value is calculated using quoted prices in active markets.
- Level 2: the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- Level 3: the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

The following table presents the Group's assets and liabilities measured and recognised at fair value at the reporting date.

03 JULY 2022	LEVEL 1 $'000	LEVEL 2 $'000	LEVEL 3 $'000	TOTAL $'000
Recurring fair value measurements				
Financial assets				
Interest rate swaps	**–**	**1,319**	**–**	**1,319**
Foreign exchange contracts	**–**	**10,099**	**–**	**10,099**
Total financial assets	**–**	**11,418**	**–**	**11,418**
Financial liabilities				
Put option over non-controlling interest			**127,355**	**127,355**
Interest rate swaps	**–**	**220**	**–**	**220**
Total financial liabilities	**–**	**220**	**127,355**	**127,575**
27 JUNE 2021				
Recurring fair value measurements				
Financial assets				
Foreign exchange contracts	–	2,157	–	2,157
Total financial assets	–	2,157	–	2,157
Financial liabilities				
Interest rate swaps	–	955	–	955
Foreign exchange contracts	–	723	–	723
Market access right	–	–	17,594	17,594
Put option over non-controlling interest			164,444	164,444
Contingent consideration	–	–	293	293
Total financial liabilities	–	1,678	182,331	184,009

There have been no transfers between Level 1 and Level 2.

24 FINANCIAL RISK MANAGEMENT (continued)

The only financial liabilities subsequently measured at fair value on Level 3 fair value measurement represent the fair value of the put option and market access right relating to the acquisition of Domino's Pizza Germany and contingent consideration for previous acquisitions. No gain or loss for the year relating to these liabilities has been recognised in profit or loss.

The opening balance for the put option liabilities was $164.4 million and has a closing balance at year end of $127.4 million. The movement of the put liability is recorded in reserves.

No gain or loss relating to Level 3 liabilities has been recognised in profit or loss.

VALUATION TECHNIQUES USED TO DERIVE LEVEL 2 AND 3 FAIR VALUES

The fair values of the financial assets and financial liabilities included in the Level 2 and 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties and long-term revenue and profit growth rates.

The Level 2 financial instruments have been valued using the discounted cash flow technique. Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.

Specific valuation techniques used to value Level 3 financial instruments include:

PUT OPTION OVER NON-CONTROLLING INTEREST

The valuation technique used is the unlevered price/earnings multiple which requires future earnings to be estimated. The significant unobservable inputs include adjusted unlevered price/earnings and the put option is exercisable on or after 1 January 2021. The call option is exercisable any time after 1 January 2023. The earnings and margins are based on management's experience and knowledge of the market conditions of the industry, with the higher earnings resulting in a higher fair value and the shorter the time period resulting in a lower fair value.

MARKET ACCESS RIGHT

The valuation technique used is the income approach. In this approach the discounted cash flows are used to capture the future cost of the asset. The significant unobservable inputs include adjusted unlevered price/earnings multiples. The earnings and margins are based on management's experience and knowledge of the market conditions of the industry, with the higher earnings resulting in a higher fair value.

CONTINGENT CONSIDERATION IN A BUSINESS COMBINATION

The discounted cash flow method was used to calculate the present value of the expected future economic benefits that will flow out of the Group arising from the contingent consideration. The significant unobservable inputs include the projected gross margin based on management's experience and knowledge of market and industry conditions. Significant increase/(decrease) in the gross profit would result in a higher/(lower) fair value of the contingent consideration liability.

OFFSETTING FINANCIAL INSTRUMENTS

The Group presents its derivative assets and liabilities on a gross basis. Derivative financial instruments entered into by the Group are subject to enforceable master netting arrangements, such as International Swaps and Derivatives Association (ISDA) master netting agreements. In certain circumstances, for example, when a credit event such as a default occurs, all outstanding transactions under ISDA agreements are terminated, the termination value is assessed and only a single net amount is payable in settlement of all transactions.

The amounts set out in note 22 and 23 represent the derivative financial assets and liabilities of the Group, that are subject to the above arrangements and are presented on a gross basis.

24 FINANCIAL RISK MANAGEMENT (continued)

HEDGING

The Group designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in fair value hedges, cash flow hedges, or hedges of net investment in foreign operations as appropriate. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedge relationship meet all of the hedge effectiveness requirements prescribed in AASB 9.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjust the hedge ratio for the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

The Group holds the following hedging instruments:

FORWARD EXCHANGE CONTRACTS

Contracts denominated in US dollar to hedge highly probable sale and purchase transactions (cash flow hedges).

INTEREST RATE SWAPS

To optimise the Group's exposure to fixed and floating interest rates arising from borrowings. These hedges incorporate cash hedges, which fix future interest payments, and fair value hedges, which reduce the Group's exposure to changes in the value of its assets and liabilities arising from interest rate movements

CROSS-CURRENCY INTEREST RATE SWAPS

To either reduce the Group's exposure to exchange rate variability in its interest repayments of foreign currency denominated debt (cash flow hedges) or to hedge against movements in the fair value of those liabilities due to exchange and interest rate movements (fair value hedges). The borrowing margin on the Group's cross-currency interest rate swap has been treated as a cost of hedging and deferred into equity. These costs are then amortised to the profit and loss as a finance cost over the remaining life of the borrowing.

CASH FLOW HEDGES

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in the profit or loss.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria. This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur the gain or loss accumulated in equity is recognised immediately in profit or loss.

The Group uses cash flow hedges to mitigate the risk of variability of future cash flows attributable to foreign currency fluctuations over the hedging period associated with foreign currency borrowings and ongoing business activities, predominantly where there are highly probable purchases or settlement commitments in foreign currencies. The Group also uses cash flow hedges to hedge variability in cash flows due to interest rates associated with borrowings.

At 03 July 2022, the Group have interest rate swap agreements in place with a notional amount of ¥12 billion, whereby the Group receives a variable rate of interest of TIBOR and pays interest at a rate equal to 0.24% on the notional amount, with an expiration date of 24 August 2023. The swap is being used to hedge the exposure to changes in the fair value of its fixed rate secured loans.

Notes to the Financial Statements
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24 FINANCIAL RISK MANAGEMENT (continued)

During the year the Group has executed additional interest rate swap agreements which commence on 24 August 2023 for the notional amount of ¥10 billion whereby the Group receives a variable rate of interest of TIBOR + 0% and pay interest at a rate equal to 0.17% on the notional amount.

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt held and the cash flow exposures on the issued variable rate debt held. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the curves at the reporting date and the credit risk inherent in the contract, and is disclosed below. The average interest rate is based on the outstanding balances at the end of the financial year.

As the critical terms of the interest rate swap contracts and their corresponding hedged items are the same, the Group performs a qualitative assessment of effectiveness and it is expected that the value of the interest rate swap contracts and the value of the corresponding hedged items will systematically change in opposite direction in response to movements in the underlying interest rates. The main source of hedge ineffectiveness in these hedge relationships is the effect of the counterparty and the Group's own credit risk on the fair value of the interest rate swap contracts, which is not reflected in the fair value of the hedged item attributable to the change in interest rates. No other sources of ineffectiveness emerged from these hedging relationships.

The impact of the hedging instruments on the statement of financial position as at 03 July 2022 is, as follows:

	2022 $'000	2021 $'000
Interest Rate Swap		
Notional amount (Euro)	**–**	131,000
Notional amount (AUD)	**–**	205,975
Change in intrinsic value of outstanding hedging instrument since 28 June 2021 (AUD)	**–**	(10)
Change in value of hedged item used to determine hedge effectiveness (AUD)	**–**	10
Notional amount (JPY)(i)	**12,000,000**	12,000,000
Notional amount (AUD)	**130,152**	142,569
Notional amount (JPY)	**10,000,000**	–
Notional amount (AUD)	**108,460**	–
Change in intrinsic value of outstanding hedging instrument since 28 June 2021 (AUD)	**756**	(945)
Change in value of hedged item used to determine hedge effectiveness (AUD)	**(1,099)**	945

(i) Interest rate swap has an expiration date of 24 August 2023

The line item in the statement of financial position which is impacted by the hedging instrument is current financial liabilities.

Amounts recognised in equity are transferred to the income statement when the hedged transaction affects profit or loss, such as when hedged income or expenses are recognised or when a forecast sale occurs or the asset is consumed. When the hedged item is the cost of a non-financial asset or liability, the amounts taken to equity are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction is no longer expected to occur, amounts previously recognised in equity are transferred to the income statement. If the hedging instrument expires or is sold, terminated or exercised without replacement or roll over, or if its designation as a hedge is revoked, amounts previously recognised in equity remain in equity until the forecast transaction occurs.

Notes to the Financial Statements
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24 FINANCIAL RISK MANAGEMENT (continued)

HEDGES OF NET INVESTMENT IN FOREIGN OPERATIONS

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in Other Comprehensive Income and accumulated under the heading of foreign currency transaction reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Gains and losses on the hedging instrument relating to the effective portion of the hedge accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal or partial disposal of the foreign operations.

Included in borrowings at 03 July 2022 is borrowings of $141,953 thousand, which has been designated as a hedge of the net investments in the Group's European subsidiaries and $44,607 thousand, which has been designated as a hedge of the net investments in the Group's Taiwanese subsidiaries. These borrowings are being used to hedge the Group's exposure to the foreign exchange risk on these investments.

There are economic relationships between the hedged items and the hedging instruments as the net investment creates a transaction risk that will match the foreign exchange risk on the Euro borrowings. The Group has established a hedge ratio of 1:1 as the underlying risk of the hedging instruments are identical to the hedged risk component. The hedge ineffectiveness will arise when the amount of the investment in the foreign subsidiary become lower than the amount of the fixed rate borrowing.

The impact of the hedging instruments on the statement of financial position is, as follows:

	2022 $'000	2021 $'000
Hedge of Net Investment in Foreign Operations		
Notional amount (EURO)	**92,667**	92,667
Carrying amount (AUD)	**141,953**	145,702
Change in intrinsic value of outstanding hedging instrument since 27 June 2021 (AUD)	**3,750**	(5,270)
Change in value of hedged item used to determine hedge effectiveness (AUD)	**(3,750)**	5,270
Notional amount (TWD)	**910,000**	–
Carrying amount (AUD)	**44,608**	–
Change in value of hedged item used to determine hedge effectiveness (AUD)	**509**	–

HEDGING RESERVES

The Group's hedging reserves are disclosed in note 16.

CREDIT RISK

NATURE OF CREDIT RISK

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument or customer contract that will result in a financial loss to the Group. The Group is exposed to credit risk from its operating activities (primarily from customer receivables and from its financing activities, including deposits with financial institutions, foreign exchange transactions and other financial instruments).

24 FINANCIAL RISK MANAGEMENT (continued)

CREDIT RISK MANAGEMENT: RECEIVABLES & LOANS

Customer credit risk is managed by each division subject to established policies, procedures and controls relating to customer credit risk management. The Group trades with recognised well-established franchisees. Depending on the division, credit terms for receivables are generally up to 30 days from date of invoice. Loans payments are received weekly in advance. The Group's exposure to bad debts is not significant and default rates have historically been very low on both receivables and loans.

Franchisees and customers who trade on credit terms are subject to credit verification procedures, including an assessment of financial position, past experience and industry reputation. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. In the event that a loan defaults, the Group's policy is to purchase and operate the store as a corporate store.

The credit quality of trade receivables and loans has been assessed as high based on information on counterparty and historical counter party default. The carrying value of the Group's trade, other receivables and loans are denominated in Australian dollars, NZ dollars, Japanese Yen, Euro and Taiwanese dollar.

EXPOSURE

The Group's maximum credit exposure to current receivables, finance advances and loans are shown below:

	2022 $'000	2021 $'000
ANZ	**109,006**	97,758
Europe	**53,740**	55,133
Japan	**93,102**	60,254
Taiwan	**6,332**	–
Total	**262,180**	213,145

CREDIT RISK MANAGEMENT: FINANCIAL INSTRUMENTS AND CASH DEPOSITS

Credit risk from balances with banks and financial institutions is managed by the Group in accordance with the Board-approved policy. Investments of surplus funds are made only with approved counterparties.

The carrying amount of financial assets represents the maximum credit exposure. There is also exposure to credit risk when the Group provides a guarantee to another party. Details of contingent liabilities are disclosed in note 29. There are no significant concentrations of credit risk within the Group.

Notes to the Financial Statements

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GROUP STRUCTURE

Group structure explains aspects of the Group structure and how changes have affected the financial position and performance of the Group.

25 SUBSIDIARIES

Details of the Company's subsidiaries at 03 July 2022 are as follows:

NAME OF ENTITY	PLACE OF INCORPORATION AND OPERATION	FUNCTIONAL CURRENCY	PROPORTION OF OWNERSHIP AND VOTING POWER HELD 2022 %	2021 %
Domino's Development Fund Pty Ltd(i)	Australia	AUD	100	100
Hot Cell Pty Ltd(i)	Australia	AUD	100	100
Silvio's Dial-a-Pizza Pty Ltd(i)	Australia	AUD	100	100
Impressu Print Group Pty Ltd(i)(ii)	Australia	AUD	100	100
Catering Service & Supply Pty Ltd(i)	Australia	AUD	100	100
Domino's Pizza Enterprises Ltd Employee Share Trust	Australia	AUD	100	100
Construction, Supply & Service Pty Ltd(i)	Australia	AUD	100	100
Ride Sports ANZ Pty Ltd(i)	Australia	AUD	100	100
Domino's Pizza New Zealand Limited	New Zealand	NZD	100	100
DPH NZ Holdings Limited	New Zealand	NZD	100	100
Domino's Pizza Japan, Inc.	Japan	JPY	100	100
Domino's Pizza Europe B.V.	The Netherlands	EUR	100	100
Domino's Pizza Netherlands B.V.	The Netherlands	EUR	100	100
DOPI Vastgoed B.V.	The Netherlands	EUR	100	100
Domino's Pizza Geo B.V.	The Netherlands	EUR	100	100
Domino's Pizza WOW Group B.V(iii)	The Netherlands	EUR	–	50
N4N B.V.	The Netherlands	EUR	50	50
Domino's Pizza Belgium S.P.R.L	Belgium	EUR	100	100
Daytona Holdco Limited (UK)	UK	EUR	100	100
Daytona JV Limited (UK)	UK	EUR	67	67
Ausmark Holdco Limited	UK	EUR	100	100
Ausmark ApS	Denmark	DKK	100	100
Daytona Germany GmbH	Germany	EUR	67	67
Domino's Pizza Deutschland GmbH	Germany	EUR	67	67
Hallo Pizza GmbH	Germany	EUR	67	67
DPEU Holdings S.A.S.	France	EUR	100	100
Domino's Pizza France S.A.S.	France	EUR	100	100
HVM Pizza S.A.R.L.	France	EUR	100	100
Fra-Ma-Pizz S.A.S.	France	EUR	100	100
Pizza Centre France S.A.S.	France	EUR	100	100
Groupe AVB S.A.S.	France	EUR	100	100
AVB2 S.A.R.L.	France	EUR	100	100
AVB Services S.A.R.L.	France	EUR	100	100
AVB3 S.A.R.L.	France	EUR	100	100
AVB4 S.A.R.L.	France	EUR	100	100
AVB5 S.A.R.L.	France	EUR	100	100
Taiwan Domino's Pizza Co., Ltd	Taiwan	TWD	100	100
PizzaVest Co., Ltd	Taiwan	TWD	100	–

(i) This entity is a member of the tax-consolidated group where Domino's Pizza Enterprises Limited is the head entity within the tax-consolidated group.

(ii) Formally known as IPG Marketing Solutions Pty Ltd.

(iii) Entities have been liquidated in the period.

Notes to the Financial Statements
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26 PARENT ENTITY INFORMATION

PARENT ENTITIES

The parent entity and the ultimate parent entity in the Consolidated entity is Domino's Pizza Enterprises Limited.

FINANCIAL POSITION

	2022 $'000	2021 RESTATED[1] $'000
Assets		
Current assets	**157,950**	124,448
Non-current assets	**870,945**	837,198
Total assets	**1,028,895**	961,646
Liabilities		
Current liabilities	**149,671**	172,590
Non-current liabilities	**656,526**	550,060
Total liabilities	**806,197**	722,650
Equity		
Issued capital	**264,212**	259,500
Retained earnings	**36,932**	57,222
Reserves		
Equity-settled share-based benefits	**(81,279)**	(76,244)
Cashflow hedge reserve	**2,833**	(1,482)
Total equity	**222,698**	238,996

FINANCIAL PERFORMANCE

Profit for the year	**129,857**	148,802
Other comprehensive income	**4,315**	405
Total comprehensive income	**134,172**	149,207

1 The comparative has been restated to reflect the implementation of an IFRIC agenda decision clarifying the accounting treatment of SaaS arrangements, refer to note 35 for details.

TAX CONSOLIDATED GROUP

The Company and all its wholly-owned Australian resident entities are part of a tax consolidated group under Australian taxation law. Domino's Pizza Enterprises Limited is the head entity in the tax-consolidated group. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group approach' by reference to the carrying amounts in the separate financial statements of each entity and the tax values applying under tax consolidation. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits of the members of the tax-consolidated group are recognised by the Company (as head entity in the tax-consolidated group).

The entities in the tax-consolidated group have not entered into a tax sharing agreement or tax funding agreement. Income tax liabilities payable to the tax authorities in respect of the tax-consolidated group are recognised in the financial statements of the parent entity.

A tax-consolidated group was formed with effect from 1 July 2003 and is therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is Domino's Pizza Enterprises Limited. The members of the tax-consolidated group are identified at note 25.

CONTINGENT LIABILITIES OF THE PARENT ENTITY

Guarantees are provided to third party financial institutions in relation to franchisee loans. The amount disclosed as a contingent liability represents the amounts guaranteed in respect of franchisees that would not, without the guarantee, have been granted the loans. The directors believe that if the guarantees are ever called on, the Company will be able to recover the amounts paid upon disposal of the stores. Refer to note 29 for further information regarding the contingent liabilities of the parent entity.

27 INVESTMENT IN JOINT VENTURE

RECOGNITION AND MEASUREMENT

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results, assets and liabilities of the joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, an investment in a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of AASB 9 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with AASB 136 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with AASB 136 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with AASB 9. The difference between the carrying amount of the joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the joint venture is included in the determination of the gain or loss on disposal of the joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that joint venture on the same basis as would be required if that joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a Group transacts with a joint venture of the Group, profits and losses resulting from the transactions with the joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the joint venture that are not related to the Group.

On 24 November 2014, the Group acquired 50% equity of a joint venture called Stuart Preston Pty Ltd as Trustee for the Preston Holdings Family Trust / Hot Cell Pty Ltd Partnership. The joint venture terminated in December 2020. On 30 March 2015, the Group acquired 50% equity of a joint venture called Triumphant Pizza Pty Ltd / Hot Cell Partnership.

On 4 April 2016, the Group acquired 50% equity of a joint venture called Northern Beaches Enterprises Pty Ltd as trustee for the Northern Beaches Trust / Hot Cell Pty Ltd Partnership.

As per 3 February 2017, Domino's Pizza Netherlands B.V. entered into a joint venture named Domino's Pizza GEO B.V. with a franchisee, Mr. Steenks (50% each). Upon establishing this joint venture a total of three corporate stores previously owned by Domino's and two stores owned by the franchisee were transferred to the legal entity.

Notes to the Financial Statements

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UNRECOGNISED ITEMS

Unrecognised items provides information about items that are not recognised in the financial statements but could potentially have a significant impact on the Group's financial position and performance.

28 COMMITMENTS

The Group has various lease contracts that have not yet commenced as at 03 July 2022. The future lease payments for these non-cancellable lease contracts are $1,333 thousands within one year, $5,909 thousands within five years and $5,420 thousands thereafter.

CAPITAL EXPENDITURE COMMITMENTS

	2022 $'000	2021 $'000
Plant and equipment	**7,851**	7,722
Total	**7,851**	7,722

29 CONTINGENT LIABILITIES

RECOGNITION AND MEASUREMENT

Contingent liabilities acquired in a business combination are initially measured at fair value at the date of acquisition. At subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation.

	2022 $'000	2021 $'000
Guarantees – franchisee loans and leases	**8,848**	9,434
Total	**8,848**	9,434

Included above are guarantees provided to third party financial institutions in relation to franchisee loans. This is a contingent liability representing the amounts guaranteed in respect of franchisees that would not, without the guarantee, have been granted the loans. The directors believe that if the guarantees are ever called on, the Company will be able to recover the amounts paid upon disposal of the stores. Included in the above are contingent liabilities of the parent entity of $3,230 thousand.

ESTIMATES AND JUDGEMENTS

LEGAL AND REGULATORY MATTERS

The Group operates in a number of jurisdictions with different regulatory and legal requirements. Given this complexity, management is at times required to exercise judgement in evaluating compliance with relevant laws and regulations.

SPEED RABBIT PIZZA

There are various separate French legal proceedings by a competitor, Speed Rabbit Pizza (SRP) against subsidiary, Domino's Pizza France (DPF) (the main claim) and seven SRP franchisees against DPF and the relevant DPF franchisees (the local claims). The allegations are that DPF and its franchisees breached French laws governing payment time limitations and lending, thereby giving DPF and its franchisees an unfair competitive advantage. SRP claimed significant damages for impediment of the development of its franchise network, lost royalty income from SRP franchisees and harm to SRP's image. DPF and its franchisees have denied liability and are vigorously defending the claims. On 7 July 2014, the Court at first instance handed down its decision in the main claim, as well as in five of the local claims. All of the claims of SRP and the relevant SRP franchisees were dismissed. SRP filed an appeal to these decisions in the Court of Appeal, which dismissed SRP's appeal in the main claim on 25 October 2017 and the appeal of SRP and/or SRP franchisees in five local claims on 12 December 2018. SRP then filed an appeal from the decision in the main claim and in 2 local claims to the Cour de Cassation i.e. France's highest court. In the main claim, the Cour de Cassation handed down its judgement on 15 January 2020 which found errors of law in the Court of Appeal decision and set aside parts of the Court of Appeal's decision. On 20 December 2020, SRP filed a fresh appeal in the Court of Appeal and on 22 January 2021 provided DPF with a brief of evidence including new claims for compensation of €236 million. The referring appeal was heard on 5 January 2022. On 18 May 2022, the Court of Appeal issued a decision making no findings on the allegations and appointing an independent expert whose mission is to provide a report to inform the Court on the allegations. The report is expected to be provided to the Court by February 2023.

29 CONTINGENT LIABILITIES (continued)

In the two local claims appealed to the Cour de Cassation, judgements were handed down on 7 July 2020 and 30 September 2020 which found errors of law and cancelled the Court of Appeal decisions. SRP initiated the referring appeals of these two local cases in April 2022 before the Court of Appeal of Paris and filed its briefs in June 2022. DPF is required to file its briefs by mid-August 2022 and the hearings are currently scheduled for 14 September 2022.

For the sixth local claim, the Court found in favour of DPF at first instance on 27 September 2016, and SRP filed an appeal from this decision to the Court of Appeal. On 30 January 2018, the Court of Appeal dismissed SRP's appeal. The two SRP franchisees then appealed to the Cour de Cassation which dismissed their appeal on 29 January 2020.

The seventh local claim was heard by the Commercial Court of Nanterre at first instance on 15 January 2021. On 12 April 2021, the First President of the Court of Appeal of Versailles handed down a decision transferring the case to the Commercial Court of Versailles, on the request of the President of the Commercial Court of Nanterre. The case will have to be heard again at first instance before the Commercial Court of Versailles. No hearing date has been set.

DPE denies all claims made and is vigorously defending the proceedings brought against it. DPE is confident of its legal position. Accordingly, no provision has been recognised as at 03 July 2022.

PIZZA SPRINT

In May 2016, proceedings were brought against Fra-Ma Pizz SAS and Pizza Center France SAS, the Pizza Sprint entities, by a number of former and current franchisees (Relevant Pizza Sprint Franchisees) whom allege a significant imbalance in the rights and obligations by the franchisor (Franchisees' Proceedings). The alleged practices predated the acquisition of Pizza Sprint by the Company, accordingly during the re-measurement period the Company has adjusted the purchase price accounting to recognise a contingent liability and asset in relation to the above matter. A number of the claims by the Relevant Pizza Sprint Franchisees have been settled on a commercial basis.

The French Ministry for the Economy and Finance (Ministry) also brought proceedings (Ministry Proceedings) involving the same facts against Fra-Ma Pizz SAS, Pizza Center France SAS and Domino's Pizza France SAS (collectively, DPF Companies). The Ministry Proceedings are being defended by the DPF Companies. The Relevant Pizza Sprint Franchisees sought to join the Franchisees' Proceedings to the Ministry Proceedings. The request was rejected by the court on 15 February 2018.

On 24 June 2019, the Franchisees' Proceedings and Ministry Proceedings were heard separately. On 22 October 2019, a decision was made in relation to the Ministry Proceedings which did not result in any fine or financial charges against any of the DPF Companies. The Ministry has appealed the decision and the Relevant Pizza Sprint Franchisees have also filed an appeal in support. The appeal has been heard on 15 September 2021 and the Appeal court handed down its decision on 5 January 2022. Fra-Ma Pizz, Pizza Center France and Domino's Pizza France were ordered to pay a €500k fine to the French Ministry for the Economy and Finance, €60k to six former Sprint franchisees and €20k in procedural costs. Fra-Ma Pizz, Pizza Center France and Domino's Pizza France filed an appeal to the Cour de Cassation.

Five decisions in the Franchisees' Proceedings were handed down on 3 December 2019 and the remaining four decisions were handed down on 31 January 2020. Fra-Ma Pizz SAS and Domino's Pizza France SAS were ordered to pay a total amount of €3 million to certain Relevant Pizza Sprint Franchisees. Various appeals have been filed by the DPF Companies, on the one hand, and separately by some of the Relevant Pizza Sprint Franchisees, on the other, with the Paris Court of Appeal. The appeals are currently scheduled to be heard on 23 November 2022.

CLASS ACTION

On 24 June 2019, Riley Gall, as the lead applicant, commenced a representative proceeding (class action) against the Company in the Federal Court of Australia on behalf of an alleged group comprising some Australian franchisee employees who were employed as delivery drivers or in-store workers between 24 June 2013 and 23 January 2018.

The statement of claim alleges that the Company misled its franchisees who, in reliance on the Company's representations and conduct, paid their delivery drivers and in-store workers in accordance with a number of industrial instruments rather than under the Fast Food Industry Award 2010.

The Company rejects the allegations and has been defending the action vigorously. A defence denying the allegations was filed and an application to have the statement of claim (or parts thereof) struck out was heard on 9 June 2020. On 13 April 2021, the Federal Court dismissed that application, and at that time the parties were engaged in a referral before a Registrar of the Federal Court regarding discovery. As a result of that referral process the parties amended their pleadings which were filed in August and September 2021. The parties exchanged lay evidence between February and May 2022. Mediation occurred in June 2022 without resolution of the proceeding. Gall's expert evidence has been submitted and the Company's is due in September 2022. The trial of Gall's claim is currently scheduled to commence in November 2022.

29 CONTINGENT LIABILITIES (continued)

The statement of claim does not quantify any loss by Gall or the alleged group and at this stage of the proceeding it is not possible for the Company to determine with accuracy or reliability any potential obligation or financial impact arising from the alleged damages claimed in the proceeding. The quantum of loss alleged with respect to group members other than Gall will not be determined during the trial in November 2022. Instead, alleged group member loss will be dealt with by the Court at a later hearing if Gall is successful at trial.

GENERAL CONTINGENCIES

As a global business, from time to time DPE is also subject to various claims and litigation from third parties during the ordinary course of its business. The directors of DPE have considered such matters which are or may be subject to claims or litigation at 03 July 2022 and unless specific provisions have been made, are of the opinion that no material contingent liability for such claims of litigation exist.

30 SUBSEQUENT EVENTS

ACQUISITION OF DOMINO'S PIZZA BUSINESSES IN MALAYSIA, SINGAPORE AND CAMBODIA

On the 24 August 2022 the Group has entered into a binding agreement with Mikenwill (M) Sdn Bhd, Impress Foods Pte Ltd and minority shareholders to acquire 100% interests in the Domino's Pizza businesses in Malaysia, Singapore and Cambodia. The acquisition aligns with the Group's twin-region strategy, focused on Europe and Asia-Pacific.

The initial purchase price is 660 million Malaysian ringgit (equivalent to AUD 214 million), with a contingent earn out payment to be determined over the next two to three years for a maximum of 440 million Malaysian ringgit (equivalent to AUD 142 million). The acquisition is expected to generate synergies through leveraging the Group's existing digital, operational, franchising and marketing expertise. The acquisitions are subject to conditions precedents and regulatory approvals and will be funded through cash and debt facilities. The financial effects of this transaction have not been recognised at 03 July 2022, other than acquisition-related costs which has been expensed in the statement of the consolidated statement of profit or loss for the year ending 03 July 2022.

OTHER EVENTS

On 23 August 2022, the directors declared a final dividend for the financial year ended 03 July 2022 as set out in note 18.

Other than the above, there has been no further matters or circumstances occurring subsequent to the end of the financial year that has significantly affected the operations of the Group, the results of those operations, or the state of affairs.

OTHER INFORMATION

31 RETIREMENT BENEFIT PLANS

RECOGNITION AND MEASUREMENT

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements); and
- Net interest expense or income; and
- Re-measurement.

Notes to the Financial Statements
continued

31 RETIREMENT BENEFIT PLANS (continued)

The Group presents the first two components of defined benefit costs in profit or loss in the line item employee benefits expense. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available.

ESTIMATES AND JUDGEMENTS

DISCOUNT RATE USED TO DETERMINE THE CARRYING AMOUNT OF THE GROUP'S DEFINED BENEFIT OBLIGATION

The Group's defined benefit obligation is discounted at a rate set by reference to market yields at the end of the reporting period on high quality corporate bonds. Significant judgement is required when setting the criteria for bonds to be included in the population from which the yield curve is derived. The most significant criteria considered for the selection of bonds include the issue size of the corporate bonds, quality of the bonds and the identification of outliers which are excluded.

DEFINED BENEFIT PLANS

The Group operates an unfunded retirement benefit plans where a lump-sum amount is paid out to eligible full-time employees of Domino's Pizza Japan and Domino's Pizza Taiwan with more than three years of service as of retirement.

The lump-sum amount is calculated as monthly salary as of retirement multiplied by a multiple. The multiple is based on years of service up to a maximum of 41 years and whether retirement is voluntary or involuntary.

The plan typically exposes the Group to actuarial risks such as: interest rate risk, retention risk and salary risk which impacts the plan as follows:

- Interest rate risk: A decrease in the bond interest rate will increase the plan liability by reducing the discount rate; and
- Retention risk: The present value of the defined benefit plan liability is calculated by reference to the expected length of service of full-time staff. As such, an increase in the length of service above the expected length will increase the plan's liability; and
- Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 03 July 2022 by Mr. K. Taniguchi, Certified Pension Actuary.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	2022	2021
Discount rate	**0.68%**	0.07%
Expected rate of salary increase	**1.95%**	1.93%
Number of employees	**743**	649
Average service years	**4.9 yrs**	4.2 yrs
Expected service years	**7.15 yrs**	5.2 yrs

Amounts recognised in other comprehensive income in respect of these defined benefit plans are as follows:

	2022 $'000	2021 $'000
Service cost:		
Current service cost	**1,062**	1,210
Net interest expense	**9**	7
Components of defined benefit costs recognised in profit or loss	**1,071**	1,217
Remeasurement of the net defined benefit liability:		
Actuarial loss/(gain) recognised in the period	**(532)**	853
Components of defined benefit costs recognised in other comprehensive income	**(532)**	853
Total	**539**	2,070

Notes to the Financial Statements

continued

31 RETIREMENT BENEFIT PLANS (continued)

Of the expense for the year, an amount of $1.0 million has been included in profit or loss as administration expenses (2021: $1.2 million).

Movements in the present value of the defined benefit obligation in the current year were as follows:

	2022 $'000	2021 $'000
Opening defined benefit obligation	**7,759**	7,710
Acquisition of subsidiary	**146**	–
Current service cost	**1,062**	1,210
Net interest expense	**9**	7
Remeasurements (gains)/losses:		
Actuarial (gains) and losses arising from changes in financial assumptions	**(532)**	853
Benefits paid	**(461)**	(797)
Exchange differences of foreign plans	**(702)**	(1,224)
Closing defined benefit obligation	**7,281**	7,759

The Group expects to make a contribution of $1.4 million (2021: $1.3 million) to the defined benefit plans during the next financial year.

32 KEY MANAGEMENT PERSONNEL COMPENSATION

	2022 $	2021 $
Short-term employee benefits	**5,926,134**	7,474,224
Post-employment benefits	**247,269**	208,624
Other long-term employee benefits	**(100,467)**	77,848
Equity settled share-based payments	**419,759**	2,376,928
Total	**6,492,695**	10,137,624

The remuneration of directors and key executives is determined by the Nomination, Culture and Remuneration Committee having regard to the performance of individuals and market trends.

During the year independent remuneration consultants were engaged by the Nomination, Culture and Remuneration Committee to ensure that the reward practices and levels of remuneration for KMPs are consistent with market practice. A statement of recommendation from the remuneration consultants has been received for the 2022 financial year. Payment of $194,783 (2021: $102,330) has been made to the remuneration consultant for the remuneration advisory services provided on the remuneration recommendation. No other advice has been provided by the remuneration consultant for the financial year.

In order to ensure that the remuneration recommendation would be free from undue influence by members of the key management personnel to whom the recommendation relates to, the board has ensured that the remuneration consultant is not a related party to any member of the key management personnel. As such, the Board is satisfied that the remuneration recommendation was made free from undue influence by the member or members of the key management personnel to whom the recommendation relates.

Notes to the Financial Statements

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33 RELATED PARTY TRANSACTIONS

EQUITY INTEREST IN SUBSIDIARIES

Details of the percentage of ordinary shares held in subsidiaries are disclosed in note 25 to the financial statements.

EQUITY INTERESTS IN OTHER RELATED PARTIES

There are no equity interests in other related parties.

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

KEY MANAGEMENT PERSONNEL COMPENSATION

Details of key management personnel compensation are disclosed in note 32 to the financial statements.

LOANS TO KEY MANAGEMENT PERSONNEL

There were no loans outstanding at any time during the financial year to key management personnel or to their related parties.

All executive share options issued to the directors and key management personnel were made in accordance with the provisions of the ESOP. Each share option converts on exercise to one ordinary share of Domino's Pizza Enterprises Limited. No amounts are paid or payable by the recipient on receipt of the option.

Further details of the ESOP are contained in note 20 to the financial statements.

OTHER TRANSACTIONS WITH DIRECTORS OF THE GROUP

During the year the Group engaged the services of Mr Michael Cowin, a related party of Mr Jack Cowin, as a Board Member of DPE Japan Co. Ltd. The services rendered were based on market rates for such services and were due and payable under normal payment terms. A total of $56,062 was paid or payable to Mr Michael Cowin during the year ended 03 July 2022.

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL OF DOMINO'S PIZZA ENTERPRISES LIMITED

Comgroup Supplies Pty Ltd, Comgroup NZ Limited T/A Franklin Foods, Markwell Pacific Marketing Pty Ltd, PMFresh Pty Ltd and Shore Mariner Ltd are entities associated with Mr Jack Cowin, which supply food products to the Group on commercial arm's length terms. The entities were selected as preferred suppliers after competitive tender processes in which Mr Cowin had no involvement.

During the year the Group made purchases and had outstanding balances as at 03 July 2022 as follows:

ENTITY	PURCHASES (EXCLUDING GST) 2022	PURCHASES (EXCLUDING GST) 2021	OUTSTANDING BALANCE 2022	OUTSTANDING BALANCE 2021
Comgroup Supplies Pty Ltd and Comgroup NZ Limited (T/A Franklin Foods)	$22,813,184	$16,170,049	$4,343,394	$2,833,688
Markwell Pacific Marketing Pty Ltd	$501,716	$871,707	–	$116,747
PMFresh Pty Ltd(i)	$1,356,936	$1,872,534	–	$369,927
Shore Mariner Ltd	$795,995	$603,577	$37,807	$345,921

(i) PM Fresh Pty Ltd ceased to be a related party on 1 April 2022 but was a supplier to DPE for the full financial year. The amounts in the table represent the purchases up to and including 31 March 2022.

In addition, the Group received sponsorship contributions to the Company's annual franchising rally and rebates from Comgroup Supplies Pty Ltd for $55,000 (2021: $119,323), from PMFresh Pty Ltd for $132,231 (2021: $25,000), from Markwell Pacific Marketing Pty Ltd for $500 (2021: $5,500) and from Shore Mariner Ltd for $nil (2021: $142,626). The Group did not recognise any bad or doubtful debts associated with the above purchases and sponsorship contributions.

The Group and Competitive Foods Australia Pty Ltd (CFAL), an entity associated with Mr Jack Cowin, acquire television media services from unrelated third party service providers under a joint venture arrangement and receive volume pricing benefits. The Group does not receive or provide any other benefits to CFAL under the joint venture.

During the financial year, Key Management Personnel and their related parties purchased goods, which were domestic or trivial in nature, from the Company on the same terms and conditions available to employees and customers.

Notes to the Financial Statements
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33 RELATED PARTY TRANSACTIONS (continued)

TRANSACTIONS WITH OTHER RELATED PARTIES

Other related parties include:

- associates;
- directors of related parties and their director-related entities; and
- other related parties.

TRANSACTIONS WITHIN THE GROUP

The Group includes the ultimate parent entity of the Group and its controlled entities.

The wholly-owned Australian entities within the Group are taxed as a single entity effective from 1 July 2003. The entities in the tax-consolidated group have not entered into a tax sharing agreement or tax funding agreement. Income tax liabilities payable to the taxation authorities in respect of the tax-consolidated group are recognised in the financial statements of the parent entity. Refer to note 25 to the financial statements for members of the tax-consolidated group.

The Company provided accounting, marketing, legal and administration services to entities in the wholly-owned group during the financial year. The Company also paid costs on behalf of entities in the wholly-owned group and subsequently on-charged these amounts to them.

During the year the Company extended or had in place loans to Joint Venture partnerships of which the Group has a 50% interest. The balance of these loans as at 03 July 2022 is $6,560,857 and interest is charged based on commercial rates and terms.

During the financial year, Domino's Pizza New Zealand Limited provided management, franchisee and store development services to the Company. Domino's Pizza New Zealand Limited also collected debtor receipts on behalf of the Company.

During the financial year, services were provided between entities in the group in accordance with the relevant Service Agreements. All transaction were at arm's length.

34 REMUNERATION OF AUDITORS

The auditor of Domino's Pizza Enterprises Limited is Deloitte Touche Tohmatsu.

GROUP AUDITOR(i)	2022 $	2021 $
Audit or review of financial reports:		
Audit of the parent company	**563,500**	538,959
Audit of subsidiaries and other entities	**879,376**	862,498
Total audit services	**1,442,876**	1,401,457
Other assurance and agreed-upon procedures under other legislation or contractual agreements(ii)	**71,392**	63,175
Total assurance services	**71,392**	63,175
Tax consulting services(iii)	**116,400**	153,583
Due diligence services	**20,000**	137,500
Digital advisory services(iv)	**–**	37,718
Other advisory services	**24,890**	37,420
Total other services	**161,290**	366,221
Total Group auditor's remuneration	**1,675,558**	1,830,853

(i) All amounts were paid to Deloitte Touche Tohmatsu by the Company and its subsidiaries. Fees are billed in local currencies and converted into AUD at average rates. The auditor of the parent entity is Deloitte Touche Tohmatsu Australia.

(ii) Other assurance services relate principally to the Domino's Franchisee monitoring and whistleblower services payable to the parent company auditor.

(iii) Taxation services relate to tax compliance services and tax advisory services paid to related overseas practices of the parent company auditor.

(iv) Principally relate to digital advisory services payable to the parent company auditor.

Notes to the Financial Statements

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35 OTHER ITEMS

NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

In the current year, the Group has applied a number of amendments to Australian accounting standards and new interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatorily effective for an accounting period that begins on or after 28 June 2021 and therefore relevant for the current year end.

In April 2021, the IFRS Interpretations Committee (IFRIC) published its decision clarifying how an entity should account for configuration and customisation costs incurred in implementation of a specific part of cloud technology, Software as a Service (SaaS). IFRIC concluded that these costs should be expensed, unless the criteria for recognising a separate asset is met.

Based on the observation made in IFRIC's agenda decision, the Group concluded costs an organisation incurs in relation to the configuration and customisation of SaaS platforms does not meet the criteria for recognition as intangible assets, as the supplier of the software and not the organisation, controls the software. As a result, these costs should be immediately expensed as incurred.

Under the Group's previous accounting policy, these costs were capitalised and amortised on a straight-line basis over the length of time the benefits were expected to be received (refer to note 11). The Group has updated its accounting policy to comply with the IFRIC agenda decision, and applied AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors,* to reflect this change.

The Group has retrospectively changed its accounting policy in respect to SaaS arrangements previously recorded as intangible assets, on the basis that these do not meet the recognition criteria in AASB 138 *Intangible Assets*.

The Group's revised accounting policy is outlined below:

IT Development and Software

Costs incurred in developing systems and acquiring software that will contribute future benefits and which the Group controls are capitalised until the software is capable of operating in the manner intended by management. These include external direct costs of materials and services and direct payroll and payroll related costs of employees' time spent on the project. Configuration and customisation costs related to Software as a Service that does not meet the recognition criteria of an intangible asset are expensed as incurred.

In applying the Group's accounting policy, the directors have made the following key judgements that may have the most significant effect on the amounts recognised in the financial statements.

Capitalisation of configuration and customisation costs in SaaS arrangements

Part of the customisation and configuration activities undertaken in implementing SaaS arrangements may entail the development of software code that enhances or modifies, or creates additional capability to existing on-premise software to enable connection with the cloud-based software applications (referred to as bridging modules or APIs). Judgement was applied in determining whether the additional code meets the definition of and recognition criteria for an intangible asset in AASB 138 *Intangible Assets*.

Determining whether configuration and customisation services are distinct from the SaaS access

Costs incurred to configure or customise the cloud providers applicable software is expensed when the services are received. In a contract where the cloud provider provides both the SaaS configuration and customisation, and the SaaS access over the contract term, the directors have applied judgement to determine whether these services are distinct from each other or not, and therefore, whether the configuration and customisation costs incurred are expensed as the software is configured or customised (i.e upfront), or over the SaaS contract term. Specifically, where the configuration and customisation activities significantly modify or customise the cloud software, these activities will not be distinct from the access to the cloud software over the contract term. Judgement has been applied in determining whether the degree of customisation and modification of the cloud-based software would be deemed significant.

Notes to the Financial Statements

continued

35 OTHER ITEMS (continued)

The following table summarises the impact of this change in accounting policy on the Consolidated Financial Statements.

ADJUSTMENTS TO COMPARATIVE INFORMATION

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME (EXTRACT) FOR THE PERIOD ENDING 27 JUNE 2021	27 JUNE 2021 PRIOR PERIOD $'000	IMPACT $'000	27 JUNE 2021 RESTATED $'000
Employee benefits expense	(398,317)	(1,014)	(399,331)
Depreciation and amortisation expense	(131,849)	1,831	(130,018)
Communication expenses	(32,831)	(145)	(32,976)
Profit before tax	**272,937**	**672**	**273,609**
Income tax expense	(79,794)	(167)	(79,961)
Profit from the period from continuing operations	**193,143**	**505**	**193,648**
Profit is attributable to:			
Owners of the parent	184,011	466	184,477
Non-controlling interest	9,132	39	9,171
Total profit for the period	**193,143**	**505**	**193,648**
Total comprehensive income for the period is attributable to:			
Owners of the parent	146,327	466	146,793
Non-controlling interest	6,282	39	6,321
Total comprehensive income for the period	**152,609**	**505**	**153,114**

EARNINGS PER SHARE	27 JUNE 2021 CENTS	INCREASE/ (DECREASE)	27 JUNE 2021 RESTATED CENTS
Basic (cents per share)	212.8	0.5	213.3
Diluted (cents per share)	211.9	0.6	212.5

STATEMENT OF FINANCIAL POSITION (EXTRACT) AS AT 27 JUNE 2021	27 JUNE 2021 PRIOR YEAR $'000	INCREASE/ (DECREASE) $'000	27 JUNE 2021 RESTATED $000
Assets			
Total current assets	**454,754**	**–**	**454,754**
Deferred tax assets	7,818	(8)	7,810
Intangible assets	385,797	(5,753)	380,044
Total non-current assets	**1,903,416**	**(5,761)**	**1,897,655**
Total assets	**2,358,170**	**(5,761)**	**2,352,409**
Liabilities			
Total current liabilities	**538,822**	**–**	**538,822**
Deferred tax liabilities	69,051	(1,731)	67,320
Total non-current liabilities	**1,420,181**	**(1,731)**	**1,418,450**
Total liabilities	**1,959,003**	**(1,731)**	**1,957,272**
Net assets	**399,167**	**(4,030)**	**395,137**
Equity			
Reserves	(150,329)	(58)	(150,387)
Retained earnings	289,996	(3,972)	286,024
Total equity	**399,167**	**(4,030)**	**395,137**

Notes to the Financial Statements
continued

35 OTHER ITEMS (continued)

STATEMENT OF FINANCIAL POSITION (EXTRACT) AS AT 28 JUNE 2020	28 JUNE 2020 PRIOR YEAR $'000	INCREASE/ (DECREASE) $'000	28 JUNE 2020 RESTATED $'000
Assets			
Total current assets	**522,399**	**–**	**522,399**
Deferred tax assets	6,005	(8)	5,997
Intangible assets	386,705	(6,425)	380,280
Total non-current assets	**1,948,706**	**(6,433)**	**1,942,273**
Total assets	**2,471,105**	**(6,433)**	**2,464,672**
Liabilities			
Total current liabilities	**535,659**	**–**	**535,659**
Deferred tax liabilities	65,022	(1,898)	63,124
Total non-current liabilities	**1,542,073**	**(1,898)**	**1,540,175**
Total liabilities	**2,077,732**	**(1,898)**	**2,075,834**
Net assets	**393,373**	**(4,535)**	**388,838**
Equity			
Reserves	(70,016)	(97)	(70,113)
Retained earnings	227,969	(4,438)	223,531
Total equity	**393,373**	**(4,535)**	**388,838**

STATEMENT OF CHANGES IN EQUITY (EXTRACT)	27 JUNE 2021 PRIOR YEAR $'000	IMPACT $'000	27 JUNE 2021 RESTATED $'000
Total equity at 29 June 2020	**393,373**	**(4,535)**	**388,838**
Profit for the period	193,143	505	193,648
Total comprehensive income	**152,609**	**505**	**153,114**
Total equity at 27 June 2021	**399,167**	**(4,030)**	**395,137**

STATEMENT OF CASH FLOWS (EXTRACT) FOR THE PERIOD ENDING 27 JUNE 2021	27 JUNE 2021 $'000	IMPACT $'000	27 JUNE 2021 RESTATED $'000
Payments to suppliers and employees	(1,974,645)	(1,159)	(1,975,804)
Net cash generated from operating activities	**374,410**	**(1,159)**	**373,251**
Payments for intangible assets	(45,431)	1,159	(44,272)
Net cash used in investing activities	**(98,615)**	**1,159**	**(97,456)**
Net cash used from financing activities	**(329,904)**	**–**	**(329,904)**
Net (decrease)/increase in cash and cash equivalents	**(54,109)**	**–**	**(54,109)**

35 OTHER ITEMS (continued)

STANDARDS AFFECTING PRESENTATION AND DISCLOSURE

AASB 2020-8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2

The amendment to AASB 4 *Insurance Contracts*, AASB 9 *Financial Instruments*, AASB 139 *Financial Instruments: Recognition and Measurement*, AASB 7 *Financial Instruments: Disclosures* and AASB 16 *Leases* address issues that may affect financial reporting during interest rate benchmark reform, including the effect of changes to contractual cash flows or hedging relationships resulting from the replacement of an interest rate benchmark with an alternative benchmark rate.

The adoption of these amendments did not have any impact on the amounts recognised in prior periods. The Group is unable to assess what impact these amendments (if any) will have on future reporting periods.

NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

Certain new accounting standards and interpretations have been published that are not mandatory for 03 July 2022 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is set out below.

AASB 2020-2 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current – Deferral of Effective Date

The amendments to AASB 101 affect on the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any assets, liability, income or expenses, or the information disclosed about those items.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

In May 2020, the IASB issued Property, Plant and Equipment – Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments are not expected to have a material impact on the Group.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

Notes to the Financial Statements
continued

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendments are not expected to have a material impact on the Group.

AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and a liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example the corresponding right-of-use asset applying AASB 16 at the commencement date of a lease.

Following the amendments to AASB 112, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in AASB 112.

The amendments are not expected to have a material impact on the Group.

Additional Securities Exchange Information

Number of Holders of Equity Securities as at 08 August 2022

ORDINARY SHARE CAPITAL

- 86,553,914 fully paid ordinary shares are held by 16,258 individual shareholders.
- All issued ordinary shares carry one vote per share, however partly paid shares do not carry the rights to dividends.

OPTIONS

- 2,061,519 options are held by 112 individual option holders.
- Options do not carry a right to vote.

DISTRIBUTION OF HOLDERS OF EQUITY SECURITIES

	FULLY PAID ORDINARY SHARES	% OF SHARE-HOLDERS	NUMBER OF SHARES HELD	% OF ISSUED SHARES	NUMBER OF OPTION HOLDERS	% OF ISSUED OPTIONS
100,001 and over	28	0.17	80,529,936	93.04	4	43.96
10,001 – 100,000	54	0.33	1,636,247	1.89	34	42.19
5,001 – 10,000	69	0.42	479,803	0.55	23	7.79
1,001 – 5,000	769	4.73	1,494,674	1.73	42	5.74
1 – 1000	15,338	94.35	2,413,254	2.79	9	0.32
	16,258	**100**	**86,553,914**	**100**	**112**	**100**

SUBSTANTIAL SHAREHOLDERS

	FULLY PAID		PARTLY PAID	
ORDINARY SHAREHOLDERS	NUMBER HELD	PERCENTAGE	NUMBER HELD	PERCENTAGE
SOMAD HOLDINGS PTY LTD	23,066,390	26.65%	–	–%
THE CAPITAL GROUP COMPANIES, INC	6,842,688	7.91%	–	–%
HYPERION ASSET MANAGEMENT LIMITED	4,664,437	5.39%	–	–%
	34,573,515	**39.95%**	**–**	**–%**

Additional Securities Exchange Information
continued

TWENTY LARGEST HOLDERS OF QUOTED EQUITY SECURITIES

	FULLY PAID		PARTLY PAID	
ORDINARY SHAREHOLDERS	**NUMBER**	**PERCENTAGE**	**NUMBER**	**PERCENTAGE**
SOMAD HOLDINGS PTY LTD	23,050,966	26.63%	–	–%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	20,729,719	23.95%	–	–%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	13,733,748	15.87%	–	–%
CITICORP NOMINEES PTY LIMITED	10,201,544	11.79%	–	–%
BNP PARIBAS NOMS PTY LTD	3,406,273	3.94%	–	–%
NATIONAL NOMINEES LIMITED	1,973,612	2.28%	–	–%
BNP PARIBAS NOMINEES PTY LTD	875,462	1.01%	–	–%
MR DONALD JEFFREY MEIJ	753,194	0.87%	–	–%
MRS ESME FRANCESCA MEIJ	700,000	0.81%	–	–%
MR GRANT BRYCE BOURKE & MRS SANDRA EILEEN BOURKE	698,516	0.81%	–	–%
AUSTRALIAN FOUNDATION INVESTMENT COMPANY LIMITED	653,180	0.75%	–	–%
MR GRANT BRYCE BOURKE	544,828	0.63%	–	–%
INVIA CUSTODIAN PTY LIMITED	486,087	0.56%	–	–%
MR DONALD JEFFREY MEIJ	369,868	0.43%	–	–%
CITICORP NOMINEES PTY LIMITED	348,911	0.40%	–	–%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	234,895	0.27%	–	–%
WASHINGTON H SOUL PATTINSON AND COMPANY LIMITED	215,000	0.25%	–	–%
BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD	212,290	0.25%	–	–%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED – A/C 2	198,123	0.23%	–	–%
BNP PARIBAS NOMS(NZ) LTD	172,800	0.20%	–	–%
	79,559,016	**91.93%**	**–**	**–%**

UNMARKETABLE PARCELS

There were 883 members holding less than a marketable parcel of shares in the Company.

Glossary

ASIC means the Australian Securities & Investments Commission.

ASX means Australian Securities Exchange Limited (ABN 98 008 624 691).

Australian Store Network means the network of Corporate Stores and Franchised Stores located in Australia.

Board or **Board of Directors** or **Directors** means the Board of Directors of the Company.

CAGR means Compound Annual Growth Rate.

Capital Reduction means the selective reduction of capital described in Section 11.4 of the prospectus.

Company or **Consolidated entity** means Domino's Pizza Enterprises Limited (ACN 010 489 326).

Corporate Store means a Domino's Pizza store owned and operated by the Company.

Corporate Store Network means the network of Corporate Stores.

Corporations Act means the Corporations Act 2001 (Clth).

Directors means the Directors of the Company from time to time.

Director and Executive Share and Option Plan or **ESOP** means the Domino's Pizza Director and Executive Share and Option Plan summarised in note 23 to the financial statements.

Domino's means the Domino's Pizza brand and network, owned by Domino's Pizza, Inc.

Domino's Pizza means the Company and each of its subsidiaries.

Domino's Pizza Stores means Corporate Stores and Franchised Stores.

DPE Limited means Domino's Pizza Enterprises Limited (ACN 010 489 326)

Earnings Per Share or **EPS** means NPAT divided by the total number of Shares on issue.

EBIT means earnings before interest expense and tax.

EBITDA means earnings before interest expense, tax, depreciation and amortisation.

Franchised Store means a pizza store owned and operated by a Franchisee and Franchise Network means the network of Franchised Stores.

Franchisees means persons and entities who hold a franchise from the Company to operate a pizza store under the terms of a sub-franchise agreement.

Listing Rules means the Listing Rules of the ASX.

Network or **Domino's Pizza Network** or **Network Stores** means the network of Corporate Stores and Franchised Stores.

Network Sales means the total sales generated by the Network.

New Zealand Network means the network of Corporate Stores and Franchised Stores located in New Zealand.

NPAT means net profit after tax.

Related Bodies Corporate has the meaning given to it by section 50 of the Corporations Act.

Registry means Link Market Services Pty Limited.

Same Store Sales Growth means comparable growth in sales across Domino's stores that were in operation for at least 24 months prior to the date of the reporting period. Non-Domino's stores that have been acquired (e.g. Joey's, Pizza Sprint and Hallo) are included in the Same Store Sales Growth calculation upon conversion to Domino's for at least 12 months.

Share means any fully paid ordinary share in the capital of the Company.

Underlying EBITDA and **Underlying NPAT** excludes significant integration and legal dispute costs.

Corporate Directory

REGISTERED OFFICE & PRINCIPAL ADMINISTRATION OFFICE

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Hamilton
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WEBSITE ADDRESS

dominos.com.au

AUDITORS

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Level 23, Riverside Centre
123 Eagle Street
Brisbane QLD 4000

SECURITIES EXCHANGE

Domino's Pizza Enterprises Limited shares are listed in the Australian Securities Exchange under ASX code DMP

SHARE REGISTRY

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