Domino's Pizza Enterprises Limited
1/485 Kingsford Smith Drive
Hamilton, QLD, Australia 4007
ACN: 010 489 326
www.dominos.com.au

18 August 2021

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 27 June 2021

Please find attached for immediate release to the market the following documents in respect of the year ended 27 June 2021:

(a) Appendix 4E
(b) 2021 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 27 June 2021
Previous Corresponding Period: Financial Year Ended 28 June 2020

SECTION A: RESULTS FOR ANNOUNCEMENT TO THE MARKET

		PERCENTAGE CHANGE %		AMOUNT $'MILLION
Revenue and net profit				
Revenue from ordinary activities	Up	15.4%	to	2,199.1
Profit from ordinary activities after tax from continuing operations	Up	35.1%	to	193.1
Profit from ordinary activities after tax attributable to members	Up	32.9%	to	184.0
Net profit attributable to members	Up	32.9%	to	184.0

Dividends

	AMOUNT PER SECURITY (CENTS)	FRANKED PERCENTAGE PER SECURITY
Dividends		
Final dividend in respect of full year ended 27 June 2021 – Payable 9 September 2021	85.1	70%
Record date for determining entitlements to the final dividend: – 25 August 2021		
Interim dividend in respect of half-year ended 27 December 2020	88.4	50%

	27 JUNE 2021	28 JUNE 2020
Net tangible assets per security		
Net tangible assets per security	**(5.12)**	(5.63)

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 85.1 cents per share was approved by the Board of Directors on 17 August 2021. 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.

ANNUAL REPORT 2021

DOMINO'S PIZZA ENTERPRISES LIMITED

OUR PIZZA BRINGS PEOPLE CLOSER

Acknowledgements

EDITORIAL

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ANNUAL
REPORT
2021

CHAIRMAN'S MESSAGE

Domino's Pizza Enterprises Ltd is a business focused on the long-term – this reflects not only a long-term track record of achievement, but a continued outlook to the long-term growth ahead.

This past financial year again demonstrated the value of this long-term focus, with successes achieved throughout the business by management, team members and franchisees alike.

Across nine markets, Domino's Pizza Enterprises Ltd and our franchisees opened 285 new stores – each providing new opportunities to reach more customers, to employ more team members and to give more to local communities.

The foundation for this growth, across Asia, Australia/New Zealand, and Europe, will continue to be our high-quality franchisees.

The Board is proud of the achievements of these entrepreneurs across our business who, as this report attests, have demonstrated their ingenuity, resilience and customer focus throughout challenging conditions.

Domino's will continue to invest in their future growth and also in the next generation of franchisees who are currently working in our stores as managers or delivery experts. This year 93.6% of new franchised stores were opened by existing franchisees or store managers.

Our long-term commitment to the franchising model has benefited all in our business.

It has also rewarded our shareholders; this year the Company delivered an underlying return on equity of 49.0 per cent, and a three-year average return on equity of 44.0%. t also allowed Domino's to increase our dividend to shareholders by 45.4% to 173.5¢ per share. Total shareholder returns this year were 76.75%, this placed Domino's Pizza Enterprises Ltd in the top 20% of ASX200 companies. With total shareholder returns since listing of more than 8,200%*; Domino's Pizza Enterprises Ltd has outperformed not only most companies in Australia but also some of the world's best-known technology companies listed on Wall Street. A long-term success story on the global stage.

Our long-term approach has delivered results in each of our nine markets and the Board has the same confidence it will continue to deliver results in our 10th market – Taiwan. With a population of more than 23.5 million people, the addition of Domino's Taiwan to the Company's portfolio will expand our addressable Asian market by more than 18 per cent, to almost 150 million people.

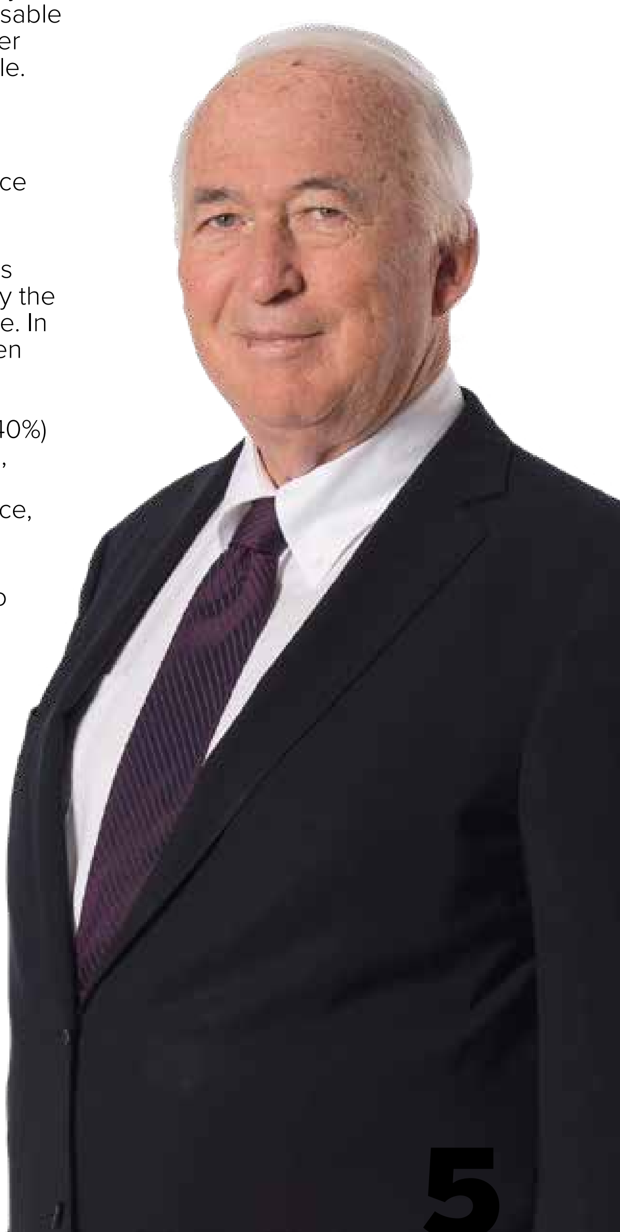
The track record of success Domino's has in Japan, and the expansion into Taiwan, firmly establishes a centre of excellence for the Company in Asia, and a platform for future success.

Throughout our history Domino's has consistently worked to apply the highest standards of governance. In recent years we have undertaken a program of Board renewal. In doing so we have reached our 2030 goal of gender diversity (40%) among Non-Executive Directors, retaining significant depth in industry and company experience, while diversifying our skills, backgrounds, and geographies.

Our company has also strived to ensure we reduced our impact on the environment. Using electric bicycles for delivery and reducing energy usage, as just two of many examples, makes Domino's a better neighbour and reduces our footprint, while also reducing the costs to our stores. I am pleased this year to include our first Sustainability Report outlining the progress we have made in this important area.

The Board and management remain committed to the long-term opportunities of Domino's. Our Annual Report demonstrates Domino's Pizza Enterprises Ltd can do good, and do well, and I commend this report to you.

JACK COWIN
CHAIRMAN



* Source: Nasdaq

CEO'S REPORT

When asked to summarise how Domino's Pizza Enterprises Ltd has continued to navigate through the most uncertain times in our Company's history, I return to a simple ideal: Focus.

Rather than needing to split our attention between different business types or food concepts, our management team, franchisees and team members have continued an absolute focus on their core business.

Of course, as this annual report demonstrates, the areas on which our people have focused have differed from one team to the next. Some have focused on developing talent within their businesses, others on local store marketing, on reducing delivery times, on setting records, or on fortressing their delivery territories. The benefits of this focus, both for our stores and for Domino's Pizza Enterprises Ltd, is clear.

This year Domino's Pizza Enterprises Ltd grew our store network by more than 10 per cent, opened 285 stores, delivered network sales of $3.74 billion (+14.6%) and online sales of $2.92 billion (+21.5%). This delivered an underlying EBIT of $293.0 million (+27.2%).

Underlying those numbers, our business has provided hot, fresh meals to our communities, kept families safely at home, and created new jobs in nine markets. Pleasingly, the performance of our business this year has provided opportunities for existing franchisees to expand their business, and for team members (overwhelmingly drawn from the ranks of store managers) to become franchisees for the first time.

Focus has allowed management to make decisions by assessing our options against our Purpose and Values. It was this values-driven approach that saw our charitable giving expanded in more markets and decided Domino's would return JobKeeper support in Australia. These were the right things to do.

How the world changes in a 'post-COVID' world, or whether 'living with COVID' is the new normal – is still unknown. What we do know is a continued focus on what we do best, meeting the needs of our customers, will be central to our future.

This means setting the highest standards for Product, Service and Image to deliver Value for our customers.

US.

It means we will help our franchisees maximise their potential, safely reduce delivery times in pursuit of our goal of 3TEN and invest more into strategy and insights to help stores become more efficient and improve customers' ordering experiences. And it means we will simultaneously work to reach our potential while reducing our environmental footprint, investing in our people giving back to our communities.

By delivering on these promises in all our markets, soon to include Taiwan, we intend to demonstrate on a global platform the true meaning of our Purpose: Our Pizza Brings People Closer.

Because ultimately it is the efforts of Domino's people, more than 88,000 around the world, that have made this year not just possible, but record-setting.

From young team members making their very first batch of dough, through to experienced veterans with decades of experience who this year we inducted into our Hall of Fame. I am proud to be included in the same annual report alongside them.

DON MEIJ
GROUP CEO & MANAGING DIRECTOR

DOMINO'S PIZZA ENTERPRISES LIMITED

BOARD OF DIRECTORS

Jack Cowin

Chairman Appointed: March 2014

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

BACKGROUND & EXPERIENCE:

FY20: Chair of the Audit Committee, Member of the Nomination, Culture and Remuneration Committee.

FY21: Member of the Audit and Risk Committee, formerly Audit 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:

FY20: Chair of the Nomination, Culture and Remuneration Committee, Member of the Audit Committee.

FY21: 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:

FY20: Member of the Nomination, Culture and Remuneration Committee.

FY21: 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: 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:

FY20: Member of the Audit Committee and Nomination, Culture and Remuneration Committee.

FY21: 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 organization. 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

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: 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 Comittee.

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: Scanlon Capital and 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.

EUROPE

1,286 STORES

72.8M PIZZAS SOLD

JAPAN

800 STORES

39.8M PIZZAS SOLD

PERFORMANC

2,949 STORES GLOBALLY

$3,744.4M NETWORK SALES

AUSTRALIA & NEW ZEALAND

863
STORES

107.6M
PIZZAS SOLD

E HIGHLIGHTS

$2,929.8M
ONLINE SALES

$293.0M
UNDERLYING EBIT

217.6 CPS
UNDERLYING EPS

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 WORLDS MOST DELICIOUS AND VERSATILE BONDING FOOD WITHIN REACH OF EVERY PERSON

= OUR PIZZA BRINGS PEOPLE CLOSER

ONE TEAM, ONE GOAL

OUR VALUES

Crush Convention

Do The Right Thing Because It's The Right Thing To Do

Be Generous & Provide Joyful Experiences

Invest to Create Devotion

Help People Grow & Prosper

DOMINO'S PIZZA ENTERPRISES LTD AWARD WINNERS

Each year Domino's Pizza Enterprises Ltd recognises in each of our markets the team members and franchisees who display the very best Domino's can offer; true Dominoids who have pizza sauce running through their veins and count slices of pepperoni in their sleep. Our award winners are included on the following pages – their efforts stood out against thousands of other stores and tens of thousands of franchisees and team members.

We congratulate them and are proud to recognise them in this Annual Report.

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 three more of our team to this exclusive club.

Andrew Bradley

Andrew started in Domino's in 2003, bringing more than two decades of multi-national experience working in marketing and management.

As a Domino's franchisee in France, Andrew opened his first store in 2004 in Lyon, before joining the French Head office as Operations Director between 2008 and 2010.

From 2010, Andrew returned to franchising, building a successful network of eight stores, before his appointment as President and CEO in 2018.

Andrew is a dual UK/French citizen with an extensive knowledge of managing large organisations and a deep understanding of small business and franchise operations.

With his experience as a multi-unit franchisee, Andrew has built a strong relationship with franchisees, bringing his deep empathy for their experiences to build the most competitive quick service restaurant business in the country. This franchisee-focused approach has delivered a record number of new stores in France this financial year.

Group CEO Don Meij said: "I was thrilled to induct Andrew into the Domino's Pizza Enterprises Ltd Hall of Fame. The brand simply would not be where it is today without his outstanding contributions as both a franchisee and leader of this market."

Shin Sasaki

Sasaki-san joined Domino's Pizza Japan in 1988, where he worked as a Store Manager, Area Supervisor, and Regional Director.

Sasaki-san has excelled in every role in his Domino's career – as a store manager and supervisor in the 1990s, to roles in franchise and system development, corporate planning, procurement, physical logistics and store development.

He was appointed as Executive Vice President in 2017, and is responsible for Store Development, Procurement, Quality Control, Safety Control Office and the Audit Office.

In this Financial Year, Domino's Pizza Japan set a new record for store openings by one DPE market in a single year – 126 stores. Sasaki-san's contribution to this record was crucial.

Domino's Pizza Japan CEO & President Josh Kilimnik said Sasaki-san is known for his positive, can-do attitude, delivering new stores of exceptional quality and efficiency.

"Nothing is impossible for Sasaki-san nor - due to his leadership - his team. He has played a key role in Domino's Pizza Japan's growth through major milestones, including when Domino's became the largest pizza chain in Japan by store count, as well as the recent, rapid expansion in the market."

Hiroshi Kakiuchi

Kakiuchi-san started work for Domino's Pizza Japan in 1988, and built a deep understanding of operations by working in stores.

He has applied this experience over more than 30 years, helping the Japan corporate store network deliver some of the best operations in the Domino's world.

Kakiuchi-san embraced 3TEN, with corporate stores showing Domino's stores throughout the world what is possible when safely delivering pizzas in record times. This included setting the current world record, in November 2018, with the Yotsuya (a week of orders averaging 2 minutes and 38 seconds). In this financial year Domino's corporate stores set a record for their system of 13 minutes 31 seconds for an entire week.

Kakiuchi-san's selfless leadership has inspired countless Can-Do partners; corporate managers who have progressed to become extraordinary multi-unit franchisees. Many owe their success to Kakiuchi-san's leadership and inspirational lessons.

He sets high standards and his teams understand he genuinely cares about their success, demonstrating a passion for everything he does each day. Colleagues recall he was excited when he was appointed Deputy Division VP of Corporate Store Operations in 2002, an excitement that has continued to this day.

Previous Hall of Fame inductees 2020: Andrew Rennie and Andrew Megson

GLOBAL AWARD WINNERS

Announced 2021 Financial Year

GLOBAL LEADERSHIP AWARD (GOLD EAGLE):

Mark Johnson, ANZ

(nominated by ANZ CEO Nick Knight)

Mark is a multi-unit franchisee with 10 stores in Tasmania. He believes execution is the key to success and smaller, more efficient delivery areas means better service for customers.

Through uncertain times, Mark has demonstrated his faith in the Domino's brand and the abilities of his team and, since being awarded the Gold Eagle in March, has fortressed his operations with an additional two stores.

With a goal of owning 100 stores in 20 years Mark has learned the value of investing in his people. He supported more than 60 team members to undertake "Run to the Roar" leadership classes with coach Bernie Kelly, with his goal to be "the number one team in the Domino's universe at training our people to train our people".

Domino's ANZ CEO Nick Knight said Mark had shown leadership in regional franchisee meetings, even as they moved online. "He has been very positive through these meetings and has pushed franchisees to be better by offering advice in areas his stores are excelling in. Mark has also been involved in presenting to other markets in person and over Zoom."

"Mark has also initiated a ranking system that included his own stores and stores of other franchisees that have come from within his business so they could benchmark their performance. He has a big bold vision for the future and has built a great team in Tasmania to allow him to start executing his vision."

GLOBAL STORE MANAGER OF THE YEAR:

Minori Yanamoto, Japan

(nominated by Japan President and CEO Josh Kilimnik, and Executive VP, Corporate Operations, Hiroshi Kakiuchi)

Minori Yanamoto joined Domino's as a casual pizza maker when she was 16 years' old and in her first year in High School. Yanamoto-san progressed to become an assistant manager in training after high school but – enchanted by the business of Domino's – decided to leave university to join Domino's full-time.

Yanamoto-san worked at the Gamo Yonchome store as the opening manager, before becoming the store manager 18 months ago. She has excelled in this role, with her store earning a 5-star result in its OER audit for four consecutive quarters, including scoring 100% mark on the most recent. As store manager, Yanamoto-san has demonstrated her expertise extends across store operations, growing annual sales 148 per cent, and reducing delivery times to an average of 16 minutes across an entire year.

Yanamoto-san is also lightning fast on the make bench: winning the 2020 Domino's Fastest Pizza Maker Competition (Asia) and coming 7th in the World Fastest Pizza Maker Competition. She has twice been asked to represent Domino's Japan on television, building a loyal fan base of customers who visit the store.

Executive VP, Corporate Operations, Hiroshi Kakiuchi said Yanamoto-san: "is a walking standard of store operations and a talented coach. Her strength is teaching people with a motto of 'teaching people in a loving way'. As a result, she has trained and developed numerous store managers and managers-in-training in the West Japan Operations Division. Yanamoto-san is a worthy recipient of this award."

GLOBAL FRANCHISEE OF THE YEAR:

Sjoerd van Seters, Netherlands

(nominated by Netherlands Franchise Operations Director, Martin Steenks)

Sjoerd has been a franchisee in the Netherlands for more than 10 years, consistently winning awards for his market-leading operations. Sjoerd takes a leading role in growing sales for his store network, including fortressing his business with new stores in existing delivery territories. This has allowed him to reach more carry-out customers and reduce the average time from the pizza oven to customers' doors.

Sjoerd knows that a talented and motivated team are crucial to success, and has implemented a profit-sharing program with store managers, allowing him to develop new talent and future franchisees within his business, all aligned with the same goal, to sell more pizzas and have more fun.

Martin Steenks, Netherlands Franchise Operations Director, said Sjoerd is competitive in everything he approaches, aiming to be the dominant #1 in every challenge he sets himself.

"Sjoerd sets big hairy audacious goals (a long-term goal that everyone in the company can understand and rally behind) becoming the first franchisee whose fleet is 100% electric.

"Sjoerd is passionate about the environment, not only is his 60 vehicle fleet electric, but he has implemented a recycling program to reduce wastage from his stores.

"His commitment to the business and to the environment are why I believe he is the DPE Franchisee of the Year."

– 2020

GLOBAL SUPPORT TEAM MEMBER OF THE YEAR: (JOINT WINNERS)

Philip Espersen, Denmark

(nominated by Denmark Country Manager Kellie Taylor)

Denmark General Manager Kellie Taylor summed up Philip's nomination simply: "It's not normal that your IT Manager would also look after store development but that's how Philip rolls."

In the 2020 calendar year Domino's Denmark increased the total store count from five stores to 15. At the same time, local stores moved across from a legacy online ordering system in place when the business was acquired, to the OneDigital Online Ordering platform. OneDigital is designed to give customers a more rewarding ordering experience, and provides for operational and marketing enhancements, including the ability to offer bundled discounts for customers who subscribe to Domino's marketing channels.

Philip was at the centre of these significant projects.

"That's an incredible amount of work for one person to manage, and it's just the tip of the iceberg of work that Philip does for our team and our market.

"It's not just the volume of work that is impressive, it's also the quality of the work and Philip's attention to detail.

"I honestly don't know how we would get anything done without Philip on the team."

Francesco Romano, Japan

(nominated by Japan President and CEO Josh Kilimnik, Executive VP, Franchise, Benjamin Oborne, Chief Marketing Officer Todd Reilly)

In 2020 Francesco demonstrated his incredible ability to identify digital opportunities not only for the marketing team, but also for improving the overall customer experience.

He lead the implementation of countless new digital service initiatives that were first-to-market, including initiatives that were crucial during COVID: Zero Contact Delivery and Carry Out, Drop & Go Delivery and Smart Drive Through.

Many of these were a first for Domino's Japan, but were then rolled out in other Domino's markets.

Josh Kilimnik, President and CEO Domino's Japan said: "Francesco worked closely with the Corporate and Franchise Operations teams to ensure the perfect execution of these initiatives, continually providing integral feedback to finesse the operational elements of them after launch.

"He provided on the ground leadership for the Domino's Japan marketing team during many critical months as we navigated the new normal under COVID and played a critical role in the rollout of new aggregator partners as well as the ramp up of activities with existing partners.

"All of this work helped deliver record online sales."

GOLDEN FRANNY: (AWARDED BY DOMINO'S PIZZA INC.)

Individuals

- Antonio Cabanillas & Marco Wrobel (Germany)
- Ali Chbihi (France)
- Chris Donnelly (New Zealand)
- Sebastian Dornbrack & Michael Dornbrack (Germany)
- Eiichi Tanizawa (Japan)

Countries

- Australia
- Belgium
- France
- Germany
- Japan
- Netherlands

COUNTRY AWARD WINNERS

Australia/New Zealand

Time is the Enemy of Food Award
Team Torquay VIC

The Alvaro Del Busto Memorial Delivery Expert of the Year
Harshit Sangwan

Multi-Unit Franchisee of the Year
Astrid Acreman & James Acreman

Corporate Services Team Member of the Year
Lauren Vromans

Charlie Reynolds Memorial Award - Franchise Hands on Hero
Amandeep Malhi

Big Red
Mark Glynn

$10 Million Dollar Club
- Mark Coyle
- Leroy Day
- James Dooley

People Excellence Award - "Growth from within"
Noni Knight

Raymon Exposito Memorial Award
Team DPE Regional Leader of the Year - Pankaj Kumar

State Operations Manager of the Year
Tommy Foster

Franchise Operations Team Member of the Year
Aaron Righetti

Team DPE Rookie Manager of the Year
Maddie Davies

Rookie Manager of the Year
Lalit Sharma

Team DPE Manager of the Year
Jack Hardcastle

Manager of the Year
Gus Roughley

Leadership Awards
- Mitchell Amor
- Vanessa Quiring & Nathan Quiring
- Sovit Nakarmi & Subash Kc
- Susan So & Stefan So
- Chris Donnelly
- Amandeep Singh
- Dan Tan & Zinnia Lai
- Melissa Burness & David Burness
- James Dooley
- Steven Gilbert
- Carl Sheppard
- Mark Johnson
- Lindsay Tod & Jason Tod
- TJ Gurm & Dilpreet Gurm

Global Leadership Award
Mark Johnson

Hunter Mackenzie Big Heart, Big Fun Award
Rishi Sharma

IDC Digital Transformation Awards – Special Award for Resiliency (Shortlisted):
Domino's Digital Team for Zero Contact Delivery

Mumbrella CommsCon Awards 2021 – Best COVID-19 Response (Shortlisted):
Domino's Communications Team

Japan

DPZ Regional Manager of the year
Emika Kobayashi

2020 Pacific Regional Manager of the Year
Takeshi Kuji

2020 Pacific Regional Supervisor of the Year
Shogo Suzuki

2020 Pacific Regional Delivery Expert of the Year
Takayuki Hoshino

Cornerstone Award
Yusuke Hayasaka

Corporate Supervisor of the Year
Akinobu Kimbara

Awareness Challenge
Kazuyuki Dairaku

Staff of the Year
Masato Nakanishi

ENTREPRENEUR AWARD

- Ryota Horie
- Yoshihiko Tani
- Yamato Harima
- Kazuki Anju
- Naoto Senoo
- Yoshihiko Endo
- Yusuke Hayasaka
- Teppei Masumoto
- Takuya Ono
- Yuichi Kitagami
- Yoshinori Yamabe

Profit Improvement Manager of the Year

- Makoto Uezono
- Yusuke Matsui
- Emiri Higa

Field Consultant of the Year
Masahiro Nagaoka

Franchisee of the Year
Teppei Masumoto

Corporate Manager of the Year/ Manger of the Year
Yudai Hirano

Franchise Manager of the Year
Teppei Ozawa

Europe

France

Team Commissary DPF Most Valuable Person
Hugo Ruiz

New franchisees Award
- David Charrier (Narbonne)
- Mohamed MHade (Nogent sur Oise)
- Sébastien Di Ruocco (Poissy)
- Sébastien Gaborit (Cavaillon)
- Mamadou Bidanessy (Mantes la Jolie)

Single-Unit Franchisee of the Year
Sébastien Tronchet (Saint Denis)

Multi-Unit Franchisee of the Year
Marc Antoine Perray (La Roche sur Yon, Parthenay, Les Herbiers, La Rochelle Centre, La Rochelle les Minimes, La Rochelle Port Neuf, Rochefort)

Rookie Manager of the Year
Sophie Torres (Bordeaux Bègles)

Manager of the Year
Michael Bigeon (Les Pavillons sous Bois)

Supervisor of the Year
Grégory Rigault (Cholet, Saint Nazaire, Saint Nazaire Ouest, Lorient, Bressuire, Lanester, Ancenis)

Team Corporate Rookie Manager of the Year
Omar Ouachour (Paris 13 BNF)

Team Corporate Manager of the Year
Steve Holowaty (Lille Gambetta)

Exceptional number of openings Award
Fabrice Dorie

Best opening week Award
Team Alençon (franchisee Gaëtan Lebreton)

Big Sales Record Award
Team Saint Herblain Dervallières store (franchisee Fabrice Dorie)

Best NPS Award
Team Saint Brieuc Beaufeuillage store (franchisee Ali Chbihi)

Best EDT Award
Team Paris 13 BNF store (DPF)

Best sales growth Award (1st place)
Team Gennevilliers (DPF)

Best sales growth Award (2nd place)
Team Montfort sur Meu store (franchisee Gaëtan Lebreton)

Best sales growth Award (3rd place)
Team Pavillons sous Bois store (franchisee Franck Bigeon)

One Million Euro Club
- Team Cherbourg Octeville (franchisee Ali Chbihi)
- Rolex Challenge
- La Roche sur Yon (franchisee Marc Antoine Perray)
- Lyon 5 (corporate store)
- Cesson (franchisee Tahar Chelli)
- Rennes Centre (franchisee Tahar Chelli)
- Toulouse Narbonne (franchisee Vincent Piron)
- Annecy Centre (franchisee Sabrina Benkhiat)

- Hésingue (franchisee Kamel Boulhadid)
- Illkirch (franchisee Kamel Boulhadid)
- Saint Brieuc Beaufeuillage (franchisee Ali Chbihi)
- Vannes la Paix (franchisee Abdelkader El Assri)

Germany

Time is the Enemy of Food Award
Team Lübbenau (Franchisee Michael Dornbrack)

German record week (AWUS)
Team Regensburg (Franchisee Rafael Czinczoll)

Local Hero – Cluster A:
Team Koblenz (Franchisee Pawel Chomyszyn)

Local Hero – Cluster B:
Team Wismar Ost (Franchisee Anja Handrich)

Local Hero – Cluster C:
Team Lübben (Franchisee Michael Dornbrack)

German ATD Record:

- Team Hamburg Hafencity (Franchisee Kerami & Selami Özcelik)
- Team Lübbenau (Franchisee Michael Dornbrack)

NPS Hero:
Team Hoyerswerda (Franchisee Silvio Flemming)

OER Hero:
Team Magdeburg Altstadt (Franchisee Kay Kladroba)

Store Manager of the Year – New Store (Rookie):
Adam Zandecki – Koblenz

Store Manager of the Year:
Patrick Tillack - Magdeburg Altstadt

Supervisor of the Year:
Engin Doksöz - Hannover Bemerode/ Hannover Misburg/ Oldenburg

Driver of the Year:
Srinivas Nareshkuma - Aachen Zentrum

Multi-Unit Franchisee of the Year
Rüdiger Semat & Knut Langkabel

Support Team Member of the Year
Stephan Schrut

Leadership Awards/Golden Eagle

- Sandra & Arno Blöcker
- Marcus Osterland

Rolex Challenge:

- Kiel Tonberg (franchisee Sandra Blöcker & Arno Blöcker)
- Frankfurt Oder (franchisee Andreas Voigt)
- Ingolstadt (franchisee Stefan Horn)
- Chemnitz Markersdorf (franchisee Carolin Gaudl & Rocco Gaudl)
- Berlin Hellersdorf (franchisee Marcus Osterland)
- Berlin Wittenau-Tegel (franchisee Tim Viets)
- Itzehoe (franchisee Sascha Dethlefsen)
- Saarbrücken (franchisee Basri Berisha)
- Konstanz (franchisee Ibraim Alim)
- Dresden Friedrichstadt (franchisee Carola Zöbisch & Peter Weißenborn)
- Koblenz (franchisee Pawel Chomyszyn)
- Magdeburg Süd (franchisee Kay Kladroba)
- Chemnitz Schlosschemnitz (franchisee Felix Müller & Thomas Müller)
- Hannover Bothfeld (franchisee Muhbettin Kilic)
- Schwerin Dreesch (franchisee Rüdiger Semat & Knut Langkabel)
- Schwerin Nord (franchisee Rüdiger Semat & Knut Langkabel)
- Paderborn (franchisee Matthias Struck)
- Düren (franchisee Gerda Warnke & Thomas Warnke)

The Netherlands

Lunch champion:
Team Emmeloord

Best NPS score:
Team Zutphen

Product Quality Award:
Team Zutphen

Sales champion opening week:
Team Wolvega

AWUS champion new store:
Team Bladel

Sales champion:
Team Hoofddorp

Order champion:
Team Groningen Paddenpoel

Multi-unit sales champion:
Sjoerd van Seters

Shift of the year 2020, cat 1 < €10,000:
Team Enschede Wesselenering

Shift of the year 2020. cat 2 €10,000 - €12,000:
Team Rotterdam Schiebroek

Shift of the year 2020, cat 3 €12,000 - €15,000:
Team Zutphen

Shift of the year 2020, cat 4 > €15,000:
Team Vlaardingen

Overall Shift of the year 2020:
Team Zutphen

Belgium

Highest opening week:
Team Deinze

Rookie store/Highest AWUS:
Team Tessenderlo

Highest afternoon sales:
Team Beringen

Multi-Unit Franchisee Highest AWUS:
Hussein Mamlouk

Million Dollar club:
Team Beringen & Team Tournai

Highest OLO sales:
Team Heist

Highest NPS:
Team St Gilles

Service N° 1 Award:
Team St Gilles

Multi-unit Franchisee Service N° 1 Award:
Yassine Norezzine

OER Award:
Team Namur

HTC Award:

- Team Liège Lambert
- Team Marche en Famenne
- Team Dendermonde
- Team Court Saint Ettiene

Dominator Award:
Patryk Pelc

Development Awards:
Halit Ak & Burak Ak

Multi-unit Franchisee:
Yassine Norezzine

Split store Manager:
Kevin Decottignies

Manager of The Year:
Lorry Debois

3TEN

In 2016, Domino's Pizza Enterprises announced Project 3TEN – a goal to have a freshly made pizza ready for carry-out in three minutes or delivered to a customer's door in 10 minutes.

The reason was straightforward – time is the enemy of food.

As the time it takes a meal to travel from the oven to a customer increases, the quality decreases. Our customers in each of our markets share a passion for hot, fresh pizza and, as delivery times come down, customers rate their order more highly for product quality and service. Faster meals, delivered safely, contribute to more profitable Domino's stores: higher customer ratings are directly linked to increased sales and improved unit economics.

We have made important strides in this effort since launching Project 3TEN and learnt important lessons. For example, faster ovens, while important, are one of the last changes we make to a store to reduce delivery times. Technology such as predictive ordering, and even attitude changes such as a commitment to improvement, can make a meaningful difference to store operations. Most importantly, safe, fast food delivery relies on the 'last mile' and reducing the distance from the oven to the customer. This means opening more stores, closer to customers is key for improved customer satisfaction and the future of our business.

We have made more substantial progress on the delivery front but there is more to do, and the goal of Project 3TEN remains the same. No longer is this a 'project' but a core part of our business in all markets: Accordingly, Project 3TEN is now 3TEN.

Competition for the fastest delivery store in the world is fierce, and this year Domino's Pizza Enterprises Ltd stores delivered some of the best results in the Domino's world.

Rank	Store and Country	Average delivery time (year)
1	Japan - HIGASHI-KOGANEI MIDORICHO	10 minutes 22 seconds
2	Japan - OIMACHI	10 minutes 55 seconds
3	Japan - SHIN EGOTA	11 minutes 29 seconds
4	France - Paris 13 BNF	12 minutes 7 seconds
5	Japan – TENJINBASHI	12 minutes 23 seconds

At a market-wide level, operations teams have set new challenges to set new records again this year.

It is so clear to us that chasing big records really changes the perception of what is possible

Netherlands

"Domino's has always been the delivery expert. We broke records like no other and are the number one delivery company. However, an average delivery time of 20 minutes is not competitive enough. There are more and more suppliers who deliver fast. We want to lower the benchmark and stay ahead of the competition.

"So we organised a week in which we planned to break our delivery record. But to do this, you have to look beyond delivery times. For five months of preparation, one theme was central each month. From hospitality, to supporting hero month in February, to keeping delivery people motivated during the winter months. Tips and tricks were shared on product quality and where time could be saved. Two weeks before the record week, a dress rehearsal took place.

"The real Domino's spirit emerged: 'One team, one goal'. The stores gave each other tips and tricks and so we were ready. We achieved an estimated delivery time of 17 minutes 19 seconds. The previous record stood at 19 minutes 23 seconds, a gain of more than two minutes.

"What made the difference? It's about creating the right mindset. Believing together that we can break records. We were focused and helped each other and then you make the impossible possible.

We have seen that organising a service week brings a lot. Even after the record week, the average delivery time remained low, it created internal pride and, above all, many satisfied customers.

"We plan to focus on delivering two of these 'service weeks' each year and, together with Marketing, we will also publicise this nationally."

MARTIN STEENKS – FRANCHISE OPERATIONS DIRECTOR, NETHERLANDS

Japan

In Financial Year 2018 Domino's Japan (DPJ) launched '20 Minute Mission', to differentiate Domino's from competitors. The market holds the record for the fastest Domino's in the world, the Yotsuya store, at 2 minutes and 38 seconds.

"We want to provide world class service to our customers, stretch the boundaries of what is possible and to embody our core Values of "Be generous and provide joyful experience", "Invest to create devotion" and "Crush convention"; all with a Hungry to Be Better attitude.

"We increased focus on communication and training sessions leading in to Q4 with a focus on intensive training for our lower performers and on best practice sharing across our whole network.

"We set 3 separate challenges/contests around Delivery Times throughout Q4, the final being around our world record attempt.

- Challenge 1: "DPJ All Store Estimated Delivery Time (EDT) contest" for bottom-up improvement for 13 weeks where we grouped our stores in terms of their recent performance and challenged them to make the greatest improvement compared to their peers. Our aim was to achieve 18 minutes across Japan for the quarter
- Challenge 2: One week contest "Golden Week Challenge" in early May, where we held a contest around the greatest improvement in Delivery Times during our busiest week of the year
- Challenge 3: One week contest "National Week Challenge" we challenged every store, manager and Franchisee to break their existing record with a goal of achieving 15 minutes across Japan and setting a new world record as a market.

"3TEN has been a huge part of the culture in DPJ for a long time, but the key to the incredible performance was to have every single DPJ team member aligned on our goal, aware of the huge part they all had to play and what this would mean for DPJ and the customer. Ensuring that we coached everyone on best practices like using predictive ordering, Dispatch Runners, scheduling for success and a fixation on single deliveries was absolutely integral.

"It really was an All Hands effort – we achieved an EDT of 16 minutes and 10 seconds across 790 stores – compared to the previous record of 19 minutes and 58 seconds.

"After our record week our stores have reflected on everything they learnt when they challenged themselves to achieve such an incredible result and we have seen a remarkable reduction in our monthly delivery time since.

"It is so clear to us that chasing big records really changes the perception of what is possible. 20 minutes now feels slow!"

BENJAMIN OBORNE – EXECUTIVE VICE PRESIDENT – FRANCHISE, JAPAN

TAIWAN

In June, Domino's Pizza Enterprises Ltd announced the Company had entered into a binding agreement to acquire its 10th market, Domino's Taiwan.

Domino's Taiwan is currently the second largest pizza chain in the market, operating 157 corporate and franchised stores. In announcing the acquisition, Group CEO and Managing Director Don Meij said the long-term potential for Taiwan was more than 400 stores.

"We have never entered a market as the number one pizza operator but have grown to that position in all markets," Mr Meij said.

"We have built centres of excellence in Australia/New Zealand, Europe and Asia, allowing us to complement local expertise in menu development and taste preferences with proven experience in technology, marketing, operations, and strategy and insights.

"Just as our High Volume Mentality approach has worked in Australia/New Zealand, Europe and more recently in Japan, we intend to apply the same lessons in Taiwan.

"Equally we expect to identify and promote high quality management and multi-unit franchisees within Domino's Taiwan, whose lessons we can apply in other markets."

With a population of more than 23.5 million people, Taiwan expands DPE's total addressable market in Asia by more than 18 per cent, to almost 150 million people.

Mr Meij welcomed the franchisees and team members in Taiwan to the DPE family.

"We may speak different languages across 10 markets, but we all speak the language of pizza and customer service," Mr Meij said.

"We believe Domino's Taiwan will be another example of our purpose: Our Pizza Brings People Closer.

"We are excited about the potential in the Taiwan market and the Taiwan team – and we look forward to investing in the future of our people to help them grow and prosper."

Domino's Taiwan delivered network sales of approximately NT$1.6 billion (A$73 million) and earnings before interest, tax, depreciation and amortisation (EBITDA) of approximately NT$103 million (A$4.8 million) for FY20 under its most recent ownership.

The acquisition, of approximately NT$1.7 billion (A$79 million) on a cash and debt free basis, will be funded from cash and debt facilities.

The acquisition is expected to be completed by the end of 2021, subject to satisfaction of local regulatory approvals.

Domino's Pizza Enterprises Ltd to enter 10th Market

LIVING WITH COVID 19

Like the communities in which we live, Domino's team members have adapted to the new reality of "Living with COVID-19", the practicalities of which vary from market to market.

New Zealand has been fortunate to have been relatively unaffected by COVID-19 this Financial Year, operating largely in a 'business as usual' environment. Similar to most markets, government 'QR codes' are required for all businesses to facilitate contact tracing if required, with 'outbreaks' relatively minor. During these times Domino's stores need to follow stricter rules including mandatory mask wearing (not needed during other times), and turning on Zero Contact Delivery and Carry-out. Fortunately these instances have been few and far between.

Australia has adopted a similar approach to New Zealand, albeit with more lockdowns, with State-by-State government responses complicating Domino's store responses. For example, one region may implement a short-term 'lockdown', in which people are not allowed to leave their homes unless for essential purposes and masks are required outside at all times, while in another city, or adjacent state, life continues unaffected.

In Japan, mass vaccination centres started to open for people younger than 65 in mid-June, with a plan to vaccinate all willing residents by the end of November. Restrictions vary by prefectures. Japan extended the 'state of emergency' in Tokyo and adjacent prefectures in June, conducting the Olympics without fans in sports arenas. The number of COVID-19 cases continues to be at 'Stage 4' (the upper end of the Government's scale and in restrictions on businesses, including early closures for dining-in, remain in place in many prefectures.

In Europe, most markets have seen the worst of COVID-19 conditions pass, although case loads continue to be significant each day, when compared to Australia/New Zealand.

In France night-time curfews have been in place, which had prevented carry-out orders from most Domino's stores during dinner periods, requiring stores to rapidly adjust to almost 100% delivered meals during these times. Towards the latter stages of FY21, improvements in local conditions allowed the lifting of curfews and loosening of other restrictive measures, including the end of mask mandates (with some exceptions). Onsite catering has started to reopen for restaurants and outdoor terraces, although social distancing measures remain.

In Germany, COVID-19 cases have rapidly reduced in recent months, but masks are still required in retail environments and on public transport. Employers are still required to offer rapid COVID-19 tests to most employees, but the use of QR codes (though still widespread) is reducing. Vaccination certificates are required to visit many public spaces, including restaurants and tourist attractions such as museums.

In the Benelux, the number of cases has fallen sharply, with governments announcing further lifting of restrictions at the end of the Financial Year. Restaurants and bars are reopening in time for summer and masks mandates have been reduced (with a few exceptions). Working from home, previously mandated, is no longer an obligation, meaning colleagues are slowly returning to offices. Widespread vaccination is in place, meaning travel to neighbouring countries is now permitted but, as in other markets, proof of vaccination is required for major events such as festivals.

In Denmark lockdown measures introduced at the end of 2020 were scaled back in the later stages of FY21. This allowed the country to reopen indoor service in many hospitality venues. Domino's, like many employers, has used rapid COVID tests for team members, with rapid testing more commonly used with young people instead of stay-at-home orders. The use of a 'corona passport' – required to access many public events and gatherings – has been key to allowing society to begin opening up.

Domino's Pizza Enterprises Ltd's principles of responding to the COVID-19 pandemic remain unchanged: putting people first, and following the advice of health experts in every market. While responding to COVID-19 remains the natural state of business for all markets, team members continue to monitor and rapidly respond to changing conditions and are now well practised in all markets in implementing operational changes at short notice.

The following snapshot of just three days in Australia is instructive of this rapid response.

Domino's Pizza Enterprises Ltd makes extensive use of technology to keep team members connected and allow for distributed decision making regardless of operating hours.

This includes the use of Workplace – a corporate platform by Facebook. In Australia/New Zealand communication groups are well established to allow for updates to be sent to franchisees, store managers and team members (or a subset of these groups) for an entire market, or a smaller geographic area (such as a state or city).

Additionally, 'chat' groups are in place to connect the COVID-19 steering group, which includes representatives from across the business, including store operations, marketing, safety, communications, and IT. These groups, which complement regular video conferences of key decision makers, are available on desktop and mobile phone.

The team monitor government updates, including providing live summaries of press conferences, to allow the fastest possible response by the business.

25 June, Friday: The New South Wales Government implemented their first stay-at-home orders in 2021 for four local government areas, announced shortly before 11:30am to start at midnight. Less than five minutes later a proposed course of action had been agreed, including

extending existing mask mandates and Zero Contact Delivery in affected areas and closing Dine-In operations.

Adjustments to planned marketing for the affected areas, including reducing materials referring to carry-out marketing and increasing the focus on delivered offerings, were determined, and two hours after the initial report a full update was sent to franchisees and team members.

26 June, Saturday: The New South Wales Government held a press conference on local COVID-19 conditions. Two minutes later the group was informed this included an announcement the Greater Sydney region would move into a lockdown (stay-at-home order) four hours later. The Communications team moved immediately to start updating franchisees and team members and less than one hour after the new announcement an updated marketing approach was determined. The team determined a mask mandate, and Zero Contact Delivery, would be implemented statewide.

Because the relevant team members were all able to respond live, this was swiftly communicated to all stores throughout New South Wales, and the IT team moved to ensure online ordering systems were updated – all completed before the lockdown came into effect.

27 June, Sunday: The team provided live updates on government announcements across multiple states on the latest status changes; multiple states closed their borders to interstate travel or urged their local residents to reconsider their travel to areas experiencing increased case numbers. These notices were then immediately communicated to relevant team members.

Shortly after noon, the Northern Territory Government announced they would implement stay-at home-orders for three regions, affecting six stores. The same team members moved immediately to implement Zero Contact Delivery, changes to marketing and safety updates for team members (including mandatory mask wearing) and able to immediately confirm these were in place, and communicated to stores, approximately one hour later.

Shortly after 1pm another state government, Western Australia, announced restrictions relating to a COVID-19 transmission from New South Wales, including mandatory mask wearing and the closure of dine-in eating. These restrictions were to take effect in two regions 40 minutes after their announcement. This was communicated immediately to affected stores, which had all been automatically despatched an appropriate supply of masks to protect every team member on shift, protecting their health and allowing uninterrupted trade.

In Queensland, one store was required to close for deep cleaning after being confirmed as having been visited by a customer with COVID-19. A separate online group was immediately established, to allow representatives from the health team, communications and local operational managers to work through required steps without affecting the broader response effort. This included reviewing CCTV of the affected store, and providing state government contact tracers with roster and customer information to allow them to contact any staff members and customers present at the time – and require them to immediately self-isolate until testing could be undertaken.

Shortly before 6pm, the government of the Australian Capital Territory also implemented mandatory face masks, to commence at midnight. Accordingly the team immediately moved to mandate masks and Zero Contact delivery throughout the Territory, and adjusted associated marketing.

Every team member, whether in stores, head offices, commissaries or distribution centres have made extraordinary efforts responding to changing COVID-19 circumstances, to keep their colleagues safe, to deliver safe meals to customers, and to support their community through generous giving campaigns.

The Board and Management of Domino's Pizza Enterprises Ltd thanks every team member involved, for all of their efforts.

& STRATEGY INSIGHTS

Domino's Pizza Enterprises Ltd's Strategy & Insights function uses data to identify actionable insights that help stores become more efficient, improve customers' ordering experiences, and support Domino's and our franchisees in maximising their potential.

The function brings together experts in Business Intelligence, Analytics, and Data Science, with a mission to Enable, Enhance, and Empower data-driven decision making.

As Group Head of Strategy & Insights Pat Nestor explained: "Our objective is: to ensure that our colleagues have the data and insights they need, formatted in the right way, in an easy-to-use manner, at the right time to make the right decisions."

This year, Domino's has made significant investments to meet that mission and to maximise the benefits of the tens of billions of data points collected through every aspect of the business each year.

"FY21 has seen us lay a significant foundation with respect to data and analytics, that we will leverage and build on in FY22 and beyond to propel our business forward. In particular, evolving from the descriptive to the predictive; and leaning into a KPI-first mentality. But this starts with enterprise-wide data access enablement.

"To enable our team members, we have been working to better ingest, store, and manage our data. It enables our people to make data-driven decisions, for an analyst to find answers to key questions, and for our business partners (particularly franchisees) to have access to the data they need.

"That means taking steps to ensure each market is talking about data and measuring data in the same way, so that Key Performance Indicators are measured and reported consistently. As an example, we have moved to a single global customer feedback platform, which allows us to compare NPS, customer service scores, and product quality scores across markets.

"The Analytics and Data Science team enhances our use of data, through building advanced analytical models and leveraging machine learning capabilities that unlock meaningful insights for our teams. For example, measuring the impact of marketing campaigns, so we can continuously improve our marketing calendar.

"And finally, Empowerment is a concept we're passionate about: 'data democratisation' – how do we ensure that the right person, no matter their role, has and can use the data they need. For example, how do we ensure that a store manager, in any market, at any time, can access their store's data from a mobile device, and take real-time action to address any concerns.

"Data democratisation isn't going away – the benefits are so significant we want to ensure more people throughout our business have more data and actionable insights than ever before.

"This year the team have been able to correlate and quantify how saving one labour minute per order translates to increased profitability for the store each month – and the benefit is substantial. That provides managers and franchisees the evidence to ensure this is a key focus for their operations, searching for and implementing efficiencies that will make a real difference to their unit economics."

Data is critical to the future performance of Domino's Pizza Enterprises Ltd, and the Company will continue to invest to reflect that importance.

"The next step allows us to use customer analytics to better understand what our customers want, to use predictive modelling to ensure we retain customers with the best possible Domino's experience, and to Invest to Create Devotion: driving customer lifetime value by providing a rewarding customer experience in each and every touchpoint

"Ultimately, while our field is still developing, it continues in the long tradition of Domino's, which is about putting the needs and expectations of our customers first."

EUROPE

I have been fortunate to work in the Domino's brand for more than 15 years, and I consider myself privileged to call myself a colleague of the many talented Dominoids in Europe, from young team members to experienced franchisees to a professional support team in our head offices.

The following pages in this report demonstrate why; despite our European operations continuing to face some of the most challenging COVID-19 conditions we have experienced so far in this pandemic, our business has continued to grow. Why? Because of a single-minded focus on what is important; our people, our customers, our communities, our environment and our meals.

Domino's European operations have been able to meet increasing demand for hot, fresh meals, delivered safely to our customers. Where competitors have started to build a delivery option, Domino's deep experience in delivery execution, with 3TEN at the heart of our operations, has been alone in consistently meeting and exceeding customers' expectations.

Putting customers' expectations front and centre has allowed us to grow sales in all markets (+23.0%), while reducing delivery times. This has heightened customer satisfaction and lifted the efficiency of our delivery experts – flowing through to increased franchisee profitability. As a result, our franchisees have been eager to open new stores across our markets, 129 this Financial Year. Europe passed the 1,250 store milestone in May, and we will open our 1,300th store in the first half of the next Financial Year.

The ongoing enhancements in everything we do have been impressive this Financial Year and have made a meaningful difference for our business. But we won't be stopping there. We need to continuously improve our customers' experience every time they order from Domino's, which means we cannot lose focus on continuous innovation: for our menu, our technology, and our operations.

I am pleased that the efforts of our teams have been recognised by Domino's Pizza Inc. with their top honour for a franchisee – the Golden Franny. The Netherlands, Belgium, France and Germany were all awarded, a great great recognition of the fantastic work done by the teams.

Most importantly, their efforts have been recognised by our customers, who have put their trust in Domino's Europe. We won't let them down.

ANDRE TEN WOLDE
CEO EUROPE

TOP HIGHLIGHTS & ACHIEVEMENTS

"Domino's deep experience in delivery execution has been alone in consistently meeting and exceeding customers' expectations."

1,250TH store opened

Launched Domino's Crunchy Chicken

Record store openings France and Germany

New world record for an entire Domino's market (NL), averaging 17 minutes and 19 seconds for a week

REGIONAL OVERVIEW
FRANCE

In the prior Financial Year we reported the need to close our stores in France after our national government declared we would go to war with COVID-19. That 'war' is ongoing, but I am pleased to report the tide is turning.

Our biggest challenge has been to find solutions to the difficulties we faced and to continue to do business within the constraints of the pandemic while preserving the safety of our teams and our customers.

We put extensive effort into working methods that would allow Domino's France to operate safely. Those methods, which we implemented with our franchisees, have allowed us to continue operating throughout this Financial Year, despite changing local conditions and significant changes in our customers ordering behaviours.

The most significant change in our market is a move by customers to delivered food. Leading into the pandemic Domino's France was a market where carry out and delivery were of roughly equal importance. In our prior report we outlined Project Reset, designed to showcase what is possible in a delivery-focused store committed to the best practices of 3TEN. This meant we were already building momentum of a stronger delivery business when COVID-19 and strict curfews (preventing customers visiting stores at night) brought forward our future. Without a strong delivery option Domino's France and our franchisees would have faced significant challenges. Instead, we have outpaced our competition and shown that we can handle high delivery volumes well.

449th STORE OPENED

We opened 38 new stores this Financial Year, bringing our total store count to 449. Pleasingly, there is strong appetite for new stores not only from our existing franchisee base, but from the next generation of franchisees – our store managers and supervisors. I am convinced the success of this year has been made possible because of the strength of a franchised system and a strong DPF team working together towards the same objectives.

Rather than giving up, we reinvented ourselves and together we took on the challenges for the benefit of the network.

> **"We will continue to do so."**

448th STORE OPENED

REGIONAL OVERVIEW

BENELUX

First of all, I am grateful and proud of the efforts and achievements of all our franchisees, distribution colleagues and head office colleagues over the past year. The past year was remarkable in every way.

The second lock-down from December until March impacted us all: schools were closed and many Domino's team members (like those in our community) balanced working and home schooling at the same time, while missing the personal contacts with colleagues and the business.

Domino's Netherlands and Belgium were not immune to the challenges of COVID-19 and the lockdown: because schools were closed and more families were working from home, lunch time sales decreased. This was one of the many changes we have continued to see over the past year. Prior to COVID-19 a significant layer of our sales – almost half – came from carry-out customers. With lunch and other carry-out occasions affected, an increasing proportion of sales came from deliveries. Heightened delivery orders brings challenges and opportunities. For franchisees this requires efficient operations and a larger number of team members to resource the demand, but it also can bring a higher average ticket and the potential for high performing franchisees to build their profits. The Benelux is a system built from high-performing operators, and our franchisees were able to navigate these challenges to grow sales, lift customer satisfaction and expand their profits.

We are living in 'the age of delivery': the demand for meal delivery was already growing before COVID-19, but in the past year this demand has grown exponentially. There are more meal providers than ever and consumers have many options to choose from. The BENELUX team were ready to respond to this competition and I'm proud that in doing so, we welcomed 12 new franchisees and hired more than 2,000 new colleagues.

It is clear that customers value convenience, speed and variation in the menu we offer. We successfully launched an entirely new chicken meal, Domino's Crunchy Chicken, to great success, and we will continue to develop more product innovations in the next year.

Our challenge in a 'living with COVID' environment is to keep our new customers, and our talented new team members. I believe we are up to that challenge.

REGIONAL OVERVIEW

GERMANY

Our main focus continues to be keeping our customers and employees safe. Due to COVID-19 all stores were closed for dine-in, and only able to provide pick-up and delivery. Curfews in some of our stores have been a challenge, meaning customers could not pick up from our stores after 9 or 10 pm.

The tremendous sales and profit growth, which started pre-covid in FY20 and continued in FY21, made franchisees hungry and willing to expand their businesses by opening new stores. The COVID-19 lockdown has been a tailwind to our German business. We`ve seen food delivery in general grow but we have been able to outgrow the competition by better execution and a more appealing offer.

Our marketing spend is a function of the number of stores we have, and the total sales for each store. Because our franchisees have adopted the principles of High Volume Mentality (HVM), sales have significantly grown and we can now advertise more than half the year on national television.

HVM has driven the sales growth and we've continued for the second year our successful Domino's Duo marketing layer, which increases new customers and adds frequency. We have optimised our digital marketing; with this we have been able to reach our (potential) customers in an effective way.

We are still executing our original conversion strategy outlined when we entered the German Market: i) physical conversion of stores to the Domino's brand, ii) implementation of HVM, and iii) organic store growth. I'm pleased that Domino's Germany has clearly entered phase three of this plan.

In FY20, Domino's Germany opened 13 stores. This was a record, but it did not reflect the true potential for this market. This year I'm proud to report we have opened 40 new stores – and we're just getting fired up.

370th STORE OPENED

REGIONAL OVERVIEW

DENMARK

19th STORE OPENED

In May, we set a new record for sales for the market.

This Financial Year marked another important milestone for Domino's Denmark.

When Domino's Pizza Enterprises Ltd acquired the rights to Denmark in 2019, previously operated stores had closed due to food safety issues. Under our management, presented to customers as 'the Real Domino's', our operations have been rebuilding our brand and reputation, as we have rebuilt the network.

With the opening of six stores this year, all 17 locations previously operated under the former owner are now open for business – refreshed and with world-class operations demonstrating the difference Domino's Pizza Enterprises Ltd can make for customers. Additionally, two of the stores opened this Financial Year were opened in new territories, the first outside of Copenhagen, to serve customers who have never previously experienced what Domino's has to offer.

The results have been very positive. While we continue to invest in rebuilding our business, the newest stores in greenfield sites opened very strongly, and all stores earned higher customer satisfaction and product quality scores, as assessed by our customers. In May, we set a new record for sales for the market.

Our focus in Denmark continues to be regaining the trust of Danish consumers with strong food safety and consistently fast delivery times. This year, we were proud to have ranked fifth among all Domino's stores worldwide in independent NSF food safety audits.

With the launch of Domino's Pizza Enterprises Ltd's OneDigital platform, we are now positioned to implement new technology innovations for customers and team members. While we haven't had those in place to date, we have pressed ahead with operations efficiencies, with the Søborg store setting a new record for fast, safe deliveries.

Opening stores remains a challenge during the pandemic, with building permits and recruitment a short-term headwind – but we remain positive about the medium-term outlook and the long-term potential for this important part of the European business.

Digital innovation

Across Europe, as in all markets, our focus is on digital innovation centres, on enhancing the Domino's ordering experience for our customers, and a more efficient and productive experience for our team members.

To enhance our customers' ordering experience, our digital innovation teams focus on making online ordering faster, more user friendly, more visually appealing, and more rewarding – this year they delivered meaningful improvements to each.

In Germany, the team launched a new front-end redesign of dominos.de (August), with a modern and bright look to position the Domino's brand. The new design was then implemented 360 degrees, carrying through to all customer touchpoints, such as menus. In France, the team evolved the online ordering site (October) on desktop and mobile applications. The evolved site has a clearer background, reflecting a more modern design trend and aligning more closely with the dominos.fr showcase website. In Denmark the team implemented Domino's Pizza Enterprises Ltd's OneDigital platform, the heart of online ordering in all of our other markets. OneDigital has replaced the market's legacy website, and provides a platform for future technology development.

Our purpose is To Bring People Closer, because pizza is the world's best bonding food. This year we launched new initiatives to bring our customers closer, breaking down barriers between them and the food they love to share.

The Netherlands launched "Group Ordering" (September), a digital tool that makes life easier for those who order with a large group. It allows everyone to pick menu items from their own devices, which is then forwarded to the 'group leader'. The promotion of this new initiative will be launched once local COVID-19 conditions allow larger gatherings in homes and workplaces. In France we launched a new service to allow sharing the bill with Paypal (August). This service (available on desktop and mobile) makes easier to pay for orders with several people, connecting friends, colleagues and loved ones. The service, in partnership with PayPal, will only be offered at Domino's Pizza for the near future; a true "Only@Domino's" service. The Netherlands also launched B2B Giftcards (April), a more customer-friendly way for businesses to buy giftcards to give to their employees.

Our customers drive everything we do and Domino's consistently looks for ways to reward our customers for their loyalty. This year we launched new loyalty programs in multiple markets. In Germany we piloted "Domino's Club" (September) in about 30 stores. This has generated incremental revenue, and demonstrated loyalty by both Domino's and our customers. France also launched a new loyalty program (September), which offers customers a medium pizza after every six orders. The take-up from customers has been overwhelmingly positive, with more than 350,000 members in just three months, accounting for 35 per cent of online sales. As part of their loyalty program, France launched their 'Secret Menu' – a selection of products available online, for a short period of time, only to members of the loyalty program.

The Netherlands, which previously developed and launched the first loyalty program for Domino's Pizza Enterprises Ltd, has continued to enhance the loyalty offering. This year the team added a new feature "Try our new dip for free" (November) a special offer visible only for loyalty customers. In December, the program launched a ''Double Dice'' online feature, in which customers roll the dice to win, giving customers a holiday win, as well as donating to charity.

Online platforms are an important channel to reach new customers, and to retain existing customers. Domino's France built on the previous success of its high profile sponsorship of the the Domino's Ligue 2 football competition, and official licensee of the Ligue 1 Conforama, by investing in a new audience – esports. This year Domino's collaborated with one of the most played games in the world: League of Legends, with a full promotional package including; a special menu on match days targeted at delivery customers, an online community manager "Pizza Yolo" who provided discount voucher codes during the match's live stream, and by sponsoring weekly online show Popcorn.

Sometimes, things don't quite go the way we intend – but Domino's has always been known for our 100% Customer Satisfaction Guarantee. When things go wrong, our goal is to fix them as quickly as possible, making it up to our valued customers and ensuring they continue to return to enjoy their favourite meals. This year we

launched Critizr, in multiple markets (including in ANZ). Critizr is an online feedback management tool, which makes it easier and more manageable for customers to provide their feedback in the forum and way they prefer. Critizr allows store managers, franchisees and our head offices to track and analyse customer feedback in a standardised and reportable way, with the goal of retaining customers by providing quick, friendly, and helpful feedback, with the support of efficient technology. By collaborating on a single platform across all markets, the ultimate goal is to provide consistent benchmarking of all aspects of the Domino's experience, including Product, Service, Image and Value.

We want our customers to consistently have the best experience and the confidence to trial new products. In February, the Netherlands launched a new 'DCC Cashback Campaign' to coincide with the launch of the new Domino's Crunchy Chicken. This reinforced Domino's satisfaction guarantee, reminding customers we guarantee the quality of this newest, exciting product, and providing customers with a free pizza if they're not 100% satisfied.

Our digital innovation is also designed to make working at Domino's a more efficient and productive experience for our team members. We focus on fast orders, but not speeding, because our team members know 'the rush is on your feet, and not on the street'. One way of reducing delivery times is to ensure customers are ready when their hot, fresh meal arrives at their home. Through record setting attempts in Australia, Domino's identified phoning customers immediately before the delivery expert arrived could reduce delivery times and increase satisfaction – because their meal is in their hands even faster. This 'Call on Arrival' service has now been automated. Another innovation rolled out in previous years has been predictive ordering – which allows team members to start freshly making customer's orders even before the order has been placed, saving team members and customers vital time – Belgium will soon start implementing Call on Arrival and predictive ordering is now available in 40 stores.

In Germany, the team have started to implement digital temperature monitoring (February), which increases food safety, because any potential issue with rising food temperatures can be addressed early, and manual documentation errors are avoided. Not only does this make our food safer, but it also saves time and money for stores by reducing manual temperature measurements and documentation. The system is currently used by 45 stores. Germany has also increased the usage of online rostering tool TANDA: more than 66 per cent of all stores are now using TANDA and have offered introductory and advanced training sessions every fortnight. TANDA is delivering better rostering, which makes stores more profitable without compromising on service.

"DOMINO'S PURPOSE IS TO BRING PEOPLE CLOSER, BECAUSE PIZZA IS THE WORLD'S BEST BONDING FOOD."


NEW
CHICK
IN
TOWN

A Domino's pizza can be personalised by every customer in billions of ways

Food innovation

Customers all over the world appreciate meals made using high quality ingredients, safely delivered hot and fresh, at an affordable price. But tastes vary widely across regions, countries, and even within friend and family groups.

Our talented chefs in development kitchens in Europe work hard to develop delicious new meals and side items and to improve existing favourites. As just one example, Domino's Benelux this year found the perfect way to help customers enjoy their leftover pizza crusts, launching the "After Dinner Dip" – a garlic and herb dip for customers to enjoy every morsel of their meal.

A Domino's pizza starts with our high-quality dough, and this year Denmark developed and implemented Back of House dough. This means our dough is made fresh in store (similar to Australia/New Zealand) allowing lower freight costs without sacrificing taste or freshness.

One of pizza's unique attributes that make it perfect for sharing is its ability to meet the needs of every person in a household. It's particularly important where, when selecting a shared meal, one friend or family member has specific dietary requirements that could otherwise mean a preferred brand or cuisine type is off the menu for the entire group. But from vegans to vegetarians, flexitarians to the curious, a Domino's meal has got you covered. As a perfect example, in France (January) Domino's launched the Basilica pizza in three recipes to cater for all preferences; the Poulet, the Veggie, and the Vegan. In Germany, Domino's launched three vegan pizzas, a vegan range of dips, sauces, dressings as well as a vegan cookie, to cater for increasing demand from our customers. The Vegan BBQ Pizza was awarded by PETA. The "Cheese Love" Pizza, launched in October 20 as part of the Promo "We love Pizza" was the most successful promo pizza ever in Germany.

In October, Domino's launched the 'Made in France' campaign, to honour French ingredients on the successful and much appreciated winter pizzas, including raclette cheese. This also allowed Domino's to highlight and promote other high quality local ingredients, including Emmental cheese, honey, apples and wheat. These ingredients were heroed on the menu with L'Authentique Raclette pizza, La Fondue, L'Avalance and a new recipe, Chèvre-Miel, featuring French light cream, mozzarella, goat cheese and French honey.

A Domino's pizza can be personalised by every customer in billions of ways, and by adding new ingredients to our stores, Domino's can also meet specific cuisine preferences. With research showing 80 per cent of customers aged 15-35 eat Asian cuisine once a month, our team in France launched a new "Teriyaki Sauce" base, which will be the centrepiece of new recipes targeting this occasion, including the Beef Teriyaki and the Poulet Teriyaki.

Pizza is not all Domino's serves. From decadent desserts to savoury treats, right through to menu offerings designed to meet a new meal occasion, including for the single person order. To meet this need, Domino's Germany expanded their oven baked sandwich range this year, while Domino's France added new offerings of its highly popular Cal'z (calzone) including Beef Terriyaki.

One of the most successful product developments in recent Domino's history was in the Benelux, with the launch of Domino's Crunchy Chicken. This delicious, new, oven-baked offering has been more than three years in the making. Starting with Domino's innovation chefs and senior leadership team touring multiple international markets, including the United States, through to sensory testing of different flavour and texture combinations, multiple product formulations in partnership with our suppliers, then market research in Australia, through to an eventual launch in Europe. The wait was worth it, with Domino's Crunchy Chicken not only rapidly offering a popular new item on the menu, but also attracting new customers to try Domino's for the first time. While some customers are enjoying Domino's Crunchy Chicken as a new side item, others are enjoying it as the central part of a meal. The launch was helped by an innovative new television and marketing campaign offering customers 'The Box and the Bucket' – that is, you've already ordered a pizza in a box, now you can add a bucket of Domino's Crunchy Chicken. Local management is confident of the potential to serve more customers with Domino's Crunchy Chicken in the years ahead.

We never take things too seriously however, and this year Domino's France and Benelux teams launched an extreme promotion with 'spicy roulette' – a Halloween limited time offer in which one of the slices comes with an extra spicy pepper.

One change that didn't make it to the menu however – the removal of pineapple. This topping is both loved and controversial for pizza fans in many countries and for April Fools' Day Domino's Netherlands pranked the public by offering to remove this important ingredient. The result was more than 60 million reach in media attention, and an outpouring of love for pineapple – it's here to stay.

Operational Excellence

Across Europe, team members have excelled over the past year, delivering more meals in faster times than ever before.

The driving force behind ongoing improvements has been a focus on team member development, and continuing innovations that help make our people and our stores more productive.

In France, operational teams have continued to roll out Project Reset – a program launched in FY20 designed to showcase best practice operations to the rest of the store's network. Project Reset operates at several corporate stores in Paris, leading by example showing the achievements stores can make with Domino's technology and High Volume Mentality approach. It is increasingly being embraced by franchisees.

This year, as part of Project Reset, the French operations team continued to roll-out flat boxing to stores. Flat boxing sees cooked pizzas, fresh from the oven, placed directly onto a flat box, which is then folded around the meal – with the pizza untouched by team members' hands. The result is less operational complexity, and faster execution. Project Reset is also leading the way with converting to 'Fast Bake' ovens – now being installed in all new stores. Fast Bake ovens will drive continued reductions in delivery times, already we are seeing improvements in delivery times across the country.. Faster deliveries are not only about new technology; the operations team have started to train stores on using a team member as a 'runner', a team member who can help co-ordinate delivery drivers on busier shifts.

Project Reset has demonstrated what is possible, with the Paris 13 BNF store again one of the fastest stores in the world, for the second year running. This year the team achieved an average delivery time of 12 minutes and 7 seconds for an entire year.

In Germany, our delivery experts have accelerated average delivery times despite double-digit growth in delivery volumes in the past year. Hosted webinars have guided team members through the background and purpose of 3TEN, and providing solutions to operations-related challenges that otherwise would be barriers to fast delivery. The training and mindset shift has been making a difference – national estimated delivery times reduced by 1.5 minutes this year, and the Berlin Charlottenburg Nord corporate store set a new national record for fast delivery: all orders delivered in an average of 9 minutes 27 seconds (April).

The Netherlands achieved a new world record for an entire Domino's market, with all orders for an entire week delivered in an average of 17 minutes and 19 seconds, which followed extensive planning and preparation as part of Domino's internal 'olympics'. Fast, safe deliveries matter to our customers – the Netherlands effort resonated with customers, lifting sales and delivering higher customer satisfaction scores. The team in Belgium has focused on reducing delivery times and has made a significant impact. As delivery volumes increased during COVID by almost 20 per cent, the team set a new market record of 20 minutes and 38 seconds, almost three minutes less than the average for the year. As in France, Belgium has been adopting the lessons of using flat boxing, with half of the market using the process and reaping the rewards of faster delivery.

Denmark has focused on execution throughout the market's operations, including safe, fast deliveries. The Søborg store set a new record for the market of 13 minutes and 54 secords – without the benefit of fast ovens or technology such as predictive ordering. This compares to a national average of about 21 minutes, and compared to major competitors at 45 minutes.

A Domino's Value is to help people grow and prosper – and this year we invested in our team members' roles, and their future, with more training and additional technology.

In France, we launched the Domino's Academy as a mobile application on both Apple and Android, which allows team members to progress their training in understanding all aspects of a Domino's store at their own pace. We have also launched a series of Webinars focusing on different operational subjects.

In the Benelux, Domino's has started a monthly webinar series for operational excellence in stores, focused on everything from dough proofing, and pizza making through to growing sales. By using a QR code to sign up, every team member can access the training, reaching broadly throughout the network. The success has been clear, particularly in expanding newer franchisees store level profitability, with average EBITDA growing/of more than 19 per cent.

In Germany, operations staff in the field quickly adapted to COVID by offering video-calls for franchisee business consulting as well as training on Domino's Operational Evaluation Report (OER) system – designed to benchmark every store in the world on a consistent basis. This not only was demonstrated to be time saving, but also effective for attendees. Similar to the Netherlands, Germany has also launched a webinar of the month series, covering topics from reporting, customer feedback management and online payment procedures. Operations team members continue to envelop franchisees into the Domino's Pizza Enterprises Ltd culture (with many having started in the pizza businesses in the subsequently acquired Joeys Pizza and Hallo Pizza chains). Domino's Germany has launched three culture classes; new employee orientation, Excellence is Expected (EiE), and High Volume Mentality (HVM). German CEO Stoffel Thijs co-hosts both the EiE and the HVM classes, showing our dedication to training.

Operations staff have also been training franchisees and team members on HVM through webinars and in-store training. HVM is about removing barriers in our stores that would otherwise limit team members' ability to effectively service a growing number of customers. As one example, an ongoing menu optimisation test in German stores is delivering customers increased choice, without overcomplicating the menu or store processes. The German store network has rapidly adopted HVM, with franchisees now investing in equipment to handle increased store sales: more than 33 per cent of stores have bought new, larger capacity ovens in the past 12 months.

With new efficiencies, growing profitability and increased cultural alignment across the country, Domino's Germany has now launched the Top Shop program, a leaderboard system where stores recording the best Key Performance Indicators (including average delivery times, e-learning performance and OER scores) are rewarded.

MAHAZO ANDRIANIVOSOA

FRANCHISEE
LE MANS CHASSE ROYALE, LE MANS JEAN JAURÈS, LE MANS MAILLETS

Local marketing

2003
started as a delivery expert with his franchisee's first store

2008
Store manager of his franchisee's second store

2015
Supervisor of multiple stores

2016
Awarded supervisor of the year

2018
Joins inaugural class of Emerging Leader program

2019
Becomes franchisee of the three stores in Le Mans

Mahazo's Story

When Mahazo took the important step from employee, to employer, he had big plans for his business and this year he set an even bigger goal.

"I wanted to grow the turnover of my three stores in Le Mans to €2 million. This was a significant step up from when I bought the three stores, when the cumulative turnover was €1.45 million.

"There was no question in my mind that our stores were not reaching their full potential. I had seen the capacity of other stores, in Le Mans and in other areas of France, and determined I would be able to similarly deliver high volume mentality in my stores."

To reach his goal, Mahazo focused on investing more in local store marketing to attract new customers to the brand, and to improve the service from his stores, to keep those customers and to build ordering frequency of his existing customers.

"This year we implemented a consistent local store marketing plan in collaboration with the operational team. We targeted off-peak periods, for example the third week of each month, sending targeted SMS deals to customers with an attractive offer.

"There are three main radio stations in Le Mans, so we undertook three radio appearances, with a special 'Bon appétit with Domino's Pizza' offer running for six months. I also partnered with local hotel chains in Le Mans, making sure their guests know we are an affordable meal, delivered fast, when they need a break while on holidays.

"And then we highlighted all of our actions and offers on social networks.

"As a result of this focus, we've easily met and beaten our goal – now we're setting higher goals, and I'm confident we can achieve them."


PIZZA
MAKES
EVERYTHIN
BETT
DOMINO'S

SJOERD VAN SETERS

FRANCHISEE
ZWIJNDRECHT, HENDRIK IDO AMBACHT, BARENDRECHT, VLAARDINGEN 1, VLAARDINGEN 2

Growth – customers and employees

1994
Joined Domino's as a delivery expert, progressed through other store roles including supervisor

2005
Became a franchisee

2006
Expanded to become a multi-unit franchisee

Sjoerd's Story

People come first. That is the simple mantra that drives franchisee, Sjoerd van Seters. His human-centred approach has helped him achieve a major milestone in the past year with four of his five stores reaching above €20,000 average weekly unit sales.

The incredible result was achieved through a focus on growth: customers and employees.

Sjoerd developed a customer growth plan that was underpinned by a simple philosophy of doing the little things well. The areas of attention centred on efficient delivery times of under 20 minutes, a high score on product quality, fair product pricing and keeping all stores maintained and in good condition.

For employee growth, Sjoerd has heavily invested in his staff, creating a positive work environment that has seen some stay for more than 10 years.

"I believe that taking good care of your people leads to success. We have a very loyal and hard-working team, which was achieved through investing and supporting them."

He has established initiatives to aid staff in their career pathways, including financial support for managers undertaking studies and personal development. Such is the importance of the well-being of all employees, a 'Happiness Coach' was brought onboard to ensure a positive, vibrant workplace.

Sjoerd recognises there is hidden potential within the team. To develop future leaders, management is always on the lookout for career progression. Field trainers are available to mentor and upskill those showing potential to give them the confidence to pursue new opportunities.

The focus on growth this year has been a constant reminder to Sjoerd that, at the end of the day, we are in more than just the pizza business: we are in the people business.

ISLAM YASSINE

FRANCHISEE
LEUVEN, LEUVEN OUDE MARKT, SINT-KATELIJNE WAVER, MECHELEN, LEUVEN NAAMSEVEST, TIENEN

Fortressing the local store network.

2006
Moved to Belgium from Lebanon, after originally training as a nurse

2008
Started with Domino's as a pizza chef, before being promoted to store manager

2012
Became a franchisee, opening the Leuven store

2015
Became a multi-unit franchisee with the opening of the Leuven Oude Markt store

Islams's Story

Domino's is already one of the largest fast-food delivery chains in the Leuven region. But multi-unit franchisee Islam Yassine understands that the key to his future success is opening more stores, closer to his customers.

The secret to our growth is because we don't ever want to lose a customer – that requires the best service and operational execution. Because the speed of our delivery is so important, the only way to safely do this was for us to open another store in our existing delivery territory.

"By having two stores now cover the same delivery area, we are closer to the customer and can deliver to them faster," Islam said.

"We have also benefitted from servicing more carry-out customers from the city, because we are more visible, with more marketing and more delivery vehicles putting our professionalism on display."

"Just because we are the number one pizza chain in our city, does not mean that we can rest easy – we put in place a local store marketing program to maximise our presence for customers."

Islam's store undertook their own local leaflet distribution into customers mailboxes, which delivered a very strong result, activated Facebook advertising and conducted other targeted marketing initiatives.

"The most important thing we can do to market to our customers is delivering the best possible service to our existing customers, and I'm very proud of the operational focus of our team that has ensured both stores are delivering in reduced times, so our customers receive the hottest, freshest pizza possible."

"With these initiatives lifting our sales in the city, we now have even more capacity to fund additional marketing and customer targeting initiatives and if we continue to deliver the service of which we are capable, the future is very bright for our business."


Domino's

RAMON MÖHLE

FRANCHISEE
GÖTTINGEN NORD, GÖTTINGEN SÜD, GÖTTINGEN WEST, HANNOVER HERRENHAUSEN, HANNOVER LIST, HAMELN, GOSLAR

Efficiency in all operations

2005
Joined Joey's Pizza as a delivery driver

2016
Domino's Pizza Enterprises Ltd acquired Joey's Pizza, joined with 4 stores

2017
Awarded first Domino's Rolex for increased weekly sales in Göttingen Nord

2018
After running the stores and being a shareholder since 2015 in the business together with Golden Franny Award winners Antonio Cabanillas and Marco Wrobel, Ramon became a franchisee himself in 2018

Ramon's Story

Ramon Möhle credits two international trips to his success; in 2016 to participate in his first Domino's Worldwide Rally, and in 2018 to Australia, to meet with experienced Domino's franchisees.

"The insights I have gained from meeting other Domino's franchisees have left me with lasting impressions of the world of Domino's Pizza Enterprises Ltd and helped me to improve my business," Ramon said.

The experienced franchisee has been relentlessly focused on efficiency as a key to performance in his business; increasing the number of online orders, investing in training to have the most efficient and engaged team members, and improving communications to ensure everyone contributes to success.

"All of this combines in ensuring a hungry customer gets their food quicker, which means their pizza will be hotter and fresher. It's a winning customer experience, which means they come back again sooner, and the increased number of online orders starts the entire cycle again."

Underpinning Ramon's success is a drive to measure each aspect of his business to ensure every part is contributing to increased efficiency and greater success.

"We measure how many customers are ordering online and actively work to have customers use this channel as it's easier for them and they can achieve more savings. Increased online sales benefits our stores as well – we've been able to increase our sales per hour for each team member on shift by 13 per cent in the past 1.5 years.

"We analyse our vehicle fleet for efficiencies, optimising and seeking efficiencies in the type of vehicles we're using, and the processes and times our drivers use in the store. This has reduced our delivery times by 25 per cent over the same time."

Ramon's focus is delivering ongoing success, and developing a new generation of committed team members who also want to grow – their next opportunity will be in Ramon's newest store in Göttingen in Financial Year 2022.


FRESHER
AND

JAPAN

The 23rd of June marked a major milestone day for Domino's Japan – our team opened 10 new stores (seven franchised), including our 800th for the market.

This was a highlight for our team but was just one of many highlights in an extraordinary year. Each was the direct result of strong leadership across all levels of the business, focused on the execution of our strategy.

Previously our dough production (the heart of a high quality Domino's meal) and our freight distribution model prevented us from accessing some regions of Japan. No more: with strategic changes, including the ability to now make dough fresh in store, we have opened up new markets – accessing seven new prefectures, including Hokkaido.

A focus on franchise activation and leadership delivered strong direct sales generation and more efficient operations. This flowed through to record store level profitability and significant franchisee store growth: from 44 per cent of our system this time last year to 50.75 per cent of the system this year, a growth in the number of franchised stores of 32.25 per cent.

We opened 126 new stores and significantly increased our television advertising across all prefectures. We launched three significant layers: Half Price carry-out, No Minimum Delivery, and Large + Medium Buy One Get One delivery. Each allows us to reach new customers while protecting our special occasion segment.

We challenged our operations this year to shift our mindset on delivery though 3TEN and achieve a world record – a week of deliveries, for the entire market, of less than 17 minutes – which we achieved. This reduced our average delivery time 33 per cent for the year, versus three years ago.

We are passionate in Japan about doing the right thing, because it's the right thing to do. This year we donated more than 400,000 pizzas through our Feed the Need program. This program has helped demonstrate Domino's Japan is a values-driven company. We have also made significant strides in our efforts to reduce our carbon footprint with 45 per cent of Tokyo deliveries now completed on an ebike or electric assisted vehicle. This represents a 30 per cent nationwide usage of bicycles for delivery, up from 14 per cent in 2018.

Our results were because of our people, and this year it has been our privilege to employ 7,000 team members, building a strong pipeline of store managers. They are the key to future expansion and success and we look forward to updating you on our progress.

JOSH KILIMNIK
CEO & PRESIDENT
JAPAN

TOP HIGHLIGHTS & ACHIEVEMENTS

Most organic new stores opened in DPE's history – passed 700th and 800th store milestones

50 stores opened by franchisees – a record – and more than the past four years combined

Surpassed 400 franchised stores (50% of the system)

Record Franchise EBITDA

Reached an average of three stores/franchisee

A YEAR IN REVIEW

JAPAN

Digital Innovation

Japan's digital team has developed a reputation for delivering innovative projects that are considered market leading, not only for Domino's Pizza Enterprises, but for the Quick Service Restaurant industry. This year was no different.

The team rolled out new innovations to enhance the customer experience when ordering Domino's, to help team members become more efficient, and to allow Domino's Japan to provide the optimal online experience to increasingly digital-focused customers.

We provided new connections to allow customers to order however they choose, whether through Domino's own platforms or via third-party aggregators. This year we connected two new aggregators, Uber Eats and a pilot of Food Panda, to allow more customers to order from more stores.

On our own platforms Augmented Reality (AR) was a key tool in customer-facing digital initiatives including the development of an AR app for the World 10 Cheese Quattro pizza, an AR social video game app for the Cheese Fondue pizza and an AR Pizza Size smartphone tool to coincide with the launch of the Ultra Jumbo 46cm Pizza Size.

Customer-facing initiatives were not only about providing more fun, but more peace of mind, including the launch of "Smart Drive Through Carry Out" service (Zero Contact), enabling an extra layer of customer comfort during the COVID-19 pandemic.

In October we migrated Japan onto a new cloud marketing automation platform, to better personalise our email marketing to customers. This has allowed us to make convenient, personalised notifications, for example letting them know when their saved Domino's vouchers will expire.

Central to our customer initiatives was the launch of Domino's Japan's Customer Lifetime Value program, with optimised offerings and simplified user experiences across all channels, to provide a more tailored experience and better serve customers based on their ordering history.

We invest to help our people grow and prosper, relaunching our education management system using new technology, to provide a more enjoyable user experience to team members undertaking training, and added games to better simulate better crew trainings.

The team also launched new operational enhancements behind the scenes, including new reporting functionality for store managers, as well as head office, and a new store inventory tool connected to our Point of Sale system Pulse, delivering productivity gains.

This work was supported by infrastructure enhancements and security upgrades, removing legacy systems and strengthening the OneDigital Online ordering platform to resource record numbers of online customers.

These investments delivered for customers and for Domino's Japan, with online sales reaching a record 77.8 per cent, up from 73.6 per cent in the prior year.

WE PROVIDED NEW CONNECTIONS TO ALLOW CUSTOMERS TO ORDER HOWEVER THEY CHOOSE

Food Innovation

We were excited this year to again bring a number of premium products to customers developed in Japan by our local development kitchen.

The Japanese menu is renowned for differences, promoting some of the most premium ingredients in the Domino's world, as well as the unique fact that the most popular pizza sold is a 'Quattro'. A Quattro offers four different flavours on the one base, providing a similar meal experience to a bento box, with difference flavours and textures.

This year's menu innovation was no different, from launching the World 10 Cheese Quattro pizza in August – with premium flavours including Beemster Cheese (warranted by the Royal Court of the Netherlands), French Mimolette Cheese and Shrimp, and English cheddar cheese and ham.

The team also launched a Star Chef Quattro in time for Christmas, with each of the four flavours curated by a Michelin starred chef, as well as celebrating local flavours with the Quattro Nippon in May – featuring Mayo Mochi, Hokkaido 3 Cheese, Charcoal Grilled Chiki-Teri, and Charcoal Grilled Beef.

May also saw the launch of an entirely new product category, the Pizza Rice Bowl. This innovative product followed customer feedback, particularly from parents, they were eager to include rice in a family Domino's meal – and the Pizza Rice Bowl features tasty butter rice topped with sauce, cheese and toppings just like a pizza. The Pizza Rice Bowls are available in seven flavours.

Domino's Japan launched new, ultra-premium offerings this year, but local customers (as in all markets) also appreciate high quality ingredients delivered at an affordable price. The local team were proud to announce this year they have removed all artificial preservatives, flavours and colours from all pizzas and sides by May 19th. This is a first for the local industry and demonstrates Domino's Japan is committed to leading the way when it comes to delivering high quality meals for local customers.

Operational Excellence

Domino's Japan is determined to set the standard for 3TEN, and has challenged every team member and franchisee to commit to continued improvement in delivering meals safely and fast. This year this included a challenge to all store operations, to set a new world record of less than 17 minutes for the average delivery (from customers placing an order to it being delivered piping hot to their door). The challenge was for the entire market to achieve this goal and they surpassed it, with an average delivery time for the entire week across Japan of just 16 minutes and 21 seconds. Over the past three years Domino's Japan has lowered the average delivery time by 33 per cent, despite sales increasing by 30.9 per cent. The ability to serve record sales this year, while also safely delivering meals in record beating times (page 28) was a tribute to extensive planning and training across the Domino's Japan business.

Domino's invests to create devotion, in our customers and in our team members, and Domino's Japan this year launched the Franchise Business School – a training program focused on setting up store managers for success as they become Franchisees for the first time.

Continuous improvement in a franchisee system relies on continuous improvement for all franchisees, and this year Domino's Japan introduced the Franchise Business Review Program. The program sees business consultants from within Domino's Japan work with all franchisees in a quarterly review, which examines all key performance indicators and store financials. The franchisee and consultant work together to develop a timeline focused on short-, mid- and long-term planning around operations, development, people and marketing. This year the Franchise Business Review Program was complemented by the launch of the Franchise Kaizen Operations 360 Bootcamp. This bootcamp is an intensive program focused on building the skillsets and implementing a turnaround plan for our franchisees who are not currently meeting the expectations they share with Domino's Japan.

Domino's is committed to transparency with customers, and one of its newest stores has taken this to a new level. The 'transparent store' in Odaiba, uses glass as much as possible, not only from the front counter but right through to the refrigerator and walk-in cooler. The transparent store demonstrates Domino's Japan's high quality practices (including freshly made dough), automated change dispensers for cash, and even pizza making live streamed to the internet.

You can watch the transparent store in action
dominos.jp/en/topics/anshin-oishi

EIICHI TANIZAWA

FRANCHISEE

FUTAWA MISAKI, KATSUTADAI, MAGOMEZAWA, SHIN KAMAGAYA, TAKATSUKA SHINDEN, YACHIYO MIDORIGAOKA, FUNABASHI TAKANEDAI, EDOGAWA MATSUSHIMA, SHINOZAKI, KENKYU GAKUEN

Leadership development

2003
Started as a delivery expert

2008
Became a store manager, promoted to supervisor in 2011

2015
Became franchisee of the Shin-Kamagaya store

2017
Awarded Domino's Japan Cornerstone Award for the Franchisee with the highest yearly sales growth

2020
Awarded Domino's Japan President's Award for outstanding achievement.

Awarded Golden Franny for leadership by Domino's Pizza Inc.

Tanizawa's Story

Tanizawa-san has a laser-like focus on leadership development within his ten store franchise network, across Chiba, Ibaraki and Tokyo.

Having grown up in the business, with experience as a delivery expert, store manager and supervisor, Tanizawa-san understands that a high-performing store relies on a high-performing team.

Because of the growing size of his multi-unit franchise, this means exceptional store managers are key, and Tanizawa-san is focused on training, coaching and development of his management teams to create strong leadership across his organisation.

This has included a consistent training program that extends beyond the classroom. Tanizawa-san takes managers on tours of other stores in his business, as well as visiting high-performing corporate stores and those being operated by other successful franchisees, to learn from the best and identify practices they can apply in their own operations.

To ensure every team member's focus is aligned, Tanizawa-san has developed an incentives scheme to reward performance. "These efforts have created a group of brilliant leaders who are all extremely focused around complete operational excellence," he said.

The results of this focus have been clear across his store network. This year Tanizawa-san's stores achieved an average of 4 stars on Operations Evaluation Report inspections, an average delivery time of 18 minutes and 57 seconds, and 18.18% same store sales growth.

For Tanizawa-san's leadership, he was awarded a Golden Franny for his leadership by Domino's Pizza Inc.

Tanizawa-san has set ambitious goals for his stores' future performance, including an average delivery time under 10 minutes, 5 star OER across all stores, 1,000 weekly customers across all stores and increasing the number of stores in his business. Most importantly, his goal includes having one of his store managers be recognised as Japan's Store Manager of the Year.

He believes with continued focus on leadership development, these goals are within reach.

& AUSTRALIA NEW ZEALAND

In a year characterised by an uncontrollable and dynamic external environment, our busines's strengths continued to shine through. These strengths included our franchisees working in collaboration across Australia and New Zealand, a strong leadership team committed to making big and bold decisions, and our ingrained focus on continuous innovation.

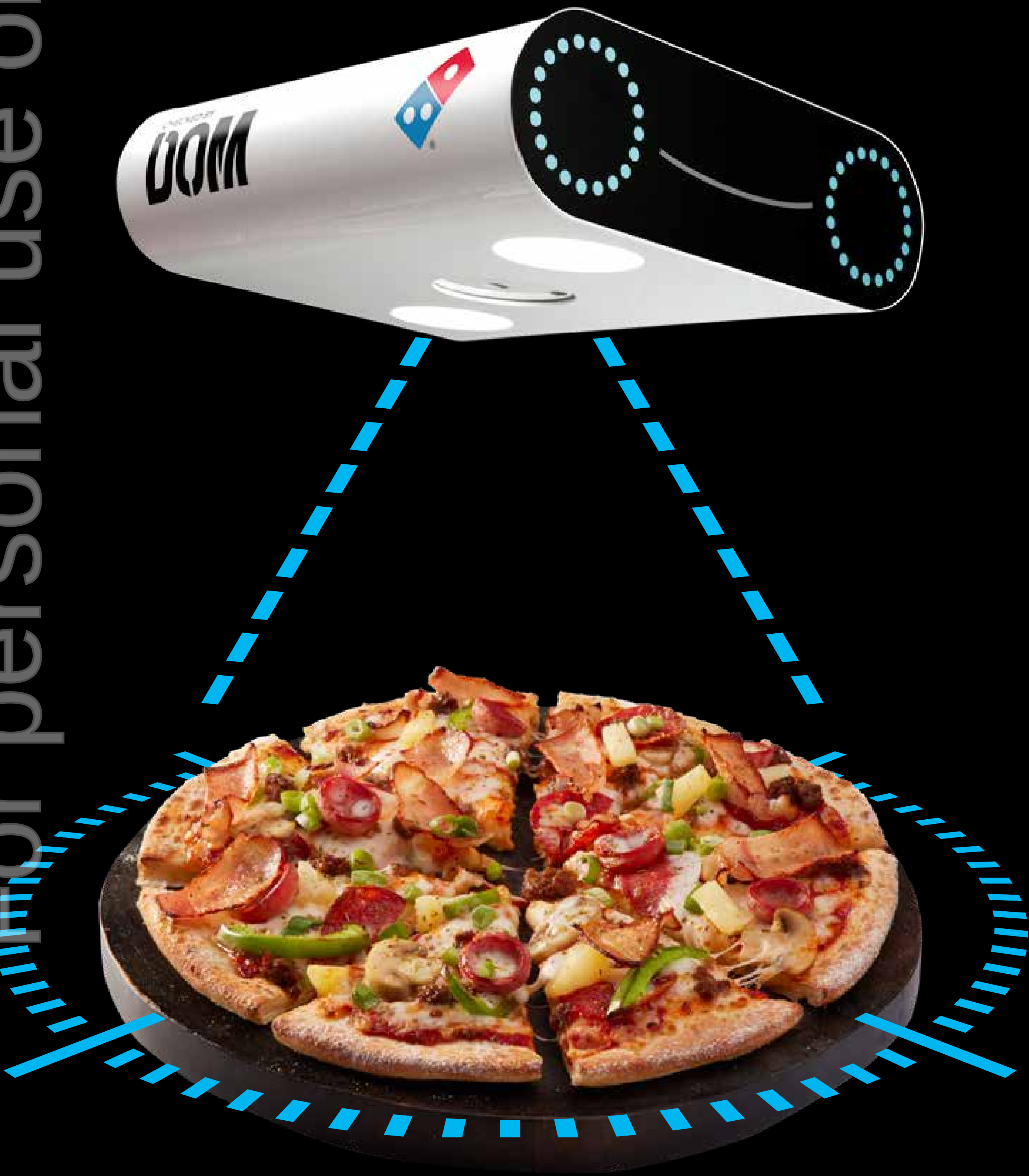
We were proud to show leadership in the way we deployed technology to adapt to changing conditions and customer expectations, with the Australian-first pilot and broader launch of Domino's Car Park Delivery. The offering is a first for the Quick Service Restaurant (QSR) industry in Australia. Our DOM Pizza Checker also received added functionality, with the introduction of the 'cleanliness feature', helping our team members uphold our high standard of hygiene in stores. Our new 'Call on Arrival' offering is also a perfect example of our technology, enhancing our customers' experience to ensure they receive the hottest, freshest products possible at their doors. The success of 3TEN and the Operations 360 program has also led to these initiatives becoming an integral and ongoing part of our strategy.

Even when faced with a pandemic and uncertainty, I am proud of the hard work and commitment that all of our franchisees and team members have shown, reinforcing our desire to continue to innovate, invest and lead with courage for the benefit of our business, team and customers.

We understand that the future of our industry is delivered food, and the cost of the last mile of delivery will increasingly be the deciding factor in which businesses survive, and which thrive. Fortressing our market, and reaching our long-term store target of 1,200 stores for Australia and New Zealand, is a vital part of embracing our future. Accordingly, one of our most significant decisions this year was the announcement of 'Project Ignite', a four-year stimulus package commencing from 1 July 2021.
The package is designed to Ignite franchisee payback (the number of years required for a new store to recoup its investment) and the initial feedback from our franchisees eager to grow their businesses has been positive. Project Ignite solidifies Domino's Australia and New Zealand's commitment towards driving growth and ensuring both the business, and our franchisees, are well-positioned for future success.

Nick Knight
CEO ANZ

Developed a 'cleanliness feature' for DOM Pizza Checker, alerting a store when the cut bench needs cleaning and ensuring a consistently clean and safe work environment.



TOP HIGHLIGHTS & ACHIEVEMENTS

Domino's Northam fastest pizza store in Australia and 2nd fastest in the world: average 12 minutes and 20 seconds over an entire year

Rolled out Domino's Car Park Delivery,

Launched Super Premium (AU) and Super Gourmet (NZ) ranges

Launched new Everyday Value range

Food Innovation

In a year that saw a growing customer demand to buy local, we responded by sourcing quality, farm-fresh ingredients to inspire our new items and limited edition offerings. These menu innovations not only delivered mouth-watering flavours, but doubly satisfied by supporting local businesses and farms across Australia and New Zealand.

Our new Super Premium (AU) and Super Gourmet (NZ) ranges launched in April 2021, featuring the finest Australian and New Zealand duck, beef, salmon and farm-fresh rocket, cheeses, pumpkin and broccoli. Some of the mouth-watering combinations included the Smoked Brisket Cheese Steak, the Crispy BBQ Peking Duck and the Smoky Beef Brisket & Prawn. Popular demand for these gourmet flavours at affordable prices saw a second phase launched in June, adding Salmon & Prawn Supreme, Smoked Salmon, Parmesan & Rocket, Roasted Vegetable Deluxe and Crispy BBQ Peking Duck & Bacon to the menu.

Domino's also launched five new chicken products for summer 2020, featuring 100% Australian and New Zealand chicken. Chicken Supreme, Buffalo Chicken and Chicken Fresco were added to our pizza menu, while Boneless Chicken Tenders and Seasoned Chicken wings launched alongside sauces, including the infamous Franks Red Hot sauce.

In Australia, a limited-edition innovation was the 'quintessentially Aussie' Sausage Sizzle pizza. With the authentic taste of BBQ beef sausage, grilled onion, stretchy mozzarella, tomato sauce and mustard on a classic pizza base, the flavours combined to bring back fond memories of this Aussie classic.

In New Zealand, a collaboration with PURE New Zealand Ice Cream allowed us to add its award-winning ice cream to our menu and work together to launch an exclusive 'choc orange' flavour. This successful partnership was made even sweeter because PURE's business had been significantly impacted by reduced tourist numbers, making this collaboration significant to the company's continuing success.

On top of providing our customers with innovative products, we continued to strive to deliver the exceptional value they know and love. This was highlighted with the launch of our New Everyday Value Range, with mini, large or extra-large value range pizza at unbelievable prices of only AUD/NZ $3/$3.99, $5 and $7/$8 each, respectively.

Finally, an overwhelming customer response saw the return of a crowd favourite and highlighted the importance of the work we do around customer engagement. We asked our social media followers whether or not the Puff Pastry Crust should make a comeback, with an overwhelming response seeing the popular crust reinstated on our menu for a limited time.

"Despite the challenges, we have continued to see the resilience and perseverance of our team to push through and deliver exceptional products and service to our customers."

Digital Innovation

The ongoing changes in customer behaviours and expectations as a result of COVID-19 sparked many of our digital innovations this year. Our company's history of adaptation gave us the confidence to pivot in this continually changing world.

As a response to ongoing lockdowns in 2020, we successfully trialled Domino's Car Park Delivery in July in Victoria before rolling this option out across Australia and New Zealand. The service provides zero-contact pick-up, allowing customers to collect their favourite pizzas from the comfort and safety of their vehicles. Best of all, the service does not cost extra, making it a first of its kind for the QSR industry in Australia and New Zealand.

We know that every minute counts when delivering safe, piping hot pizza. In September, Domino's Australia and New Zealand launched 'Call On Arrival' technology that ensures customers are ready to receive their pizzas moments before they arrive. This drastically reduces the amount of time it takes customers to accept their order by triggering an automated voice call to the customer approximately two minutes before their delivery expert is expected at the door.

In stores, DOM Pizza Checker also added functionality with the introduction of a 'cleanliness feature'. This feature ensures Domino's stores across Australia and New Zealand stay on top of cleaning and sanitising at a time where this has never been more important. The app alerts a store when the cut bench (where pizzas are cut and boxed) needs cleaning, resulting in cleanliness being top of mind even during busy periods.

Similar to Europe, ANZ also launched a modern and simplified online ordering site design in July, which followed extensive customer testing and research, and added a range of user-experience improvements. We know some customers like to order through other platforms, so in September we integrated UberEats, making these orders connect more seamlessly with our systems, and saving time for our in-store team members.

We also know customers want to use their preferred payment method. In September we successfully migrated Australia to our new global payments technology partner, Adyen. With all markets now using the same payment technology, we can offer customers a range of new payment methods in the future and an enhanced seamless payment experience.

Our year was topped off with the Domino's Digital Team being shortlisted in the IDC Digital Transformation Awards. The outstanding work recognised the team for developing Zero Contact Delivery through the 'Special Award for Resiliency' category.

Operational Excellence

Support for our franchisees and team members has continued to be at the forefront of our minds during a challenging year with a global pandemic and rising food and labour costs. Despite the challenges, we have continued to see the resilience and perseverance of our team to push through and deliver exceptional products and service to our customers.

To combat some of these challenges, Domino's Australia and New Zealand announced 'Project Ignite', a stimulus package created to drive store growth. The package will be rolled out over four years, commencing from 1 July 2021. The impact will be felt through improved store profitability and will help to stimulate growth well into the future.

The success of the 3TEN, which is our goal to have hot, freshly made pizza ready for carry-out within three minutes and delivered within ten, has led to this now becoming a permanent part of our DNA. This was demonstrated through outstanding individual store results. For example, Domino's Northam was recognised as the fastest pizza store in Australia and New Zealand and the second-fastest in the world, with an average home delivery time of 12 minutes and 20 seconds over an entire year. In Queensland, the entire market attempted to achieve a sub-20-minute estimated delivery time record and just missed out by three minutes and six seconds. It's only a matter of time before this record is achieved.

The Operations 360 program continued to enhance the quality of our store network by providing data that allows franchisees, store managers and team members to benchmark against other stores. The program has also helped with the upcoming opening of the landmark container store in Tawa, New Zealand, which is the first owned and operated Domino's Pizza Enterprises Ltd store of its kind.

In April, we mobilised a national recruitment drive to employ an additional 2,500 team members across Australia, with an overwhelming response. The current climate has seen the need for more delivery experts and team members across the QSR industry because of the shift towards delivery for many businesses.

To round off an action-packed year, it was important to pause to celebrate the amazing work of our franchisees. In May, we held our first inaugural Franchisee Appreciation Day, recognising the efforts of the hard-working franchisees who make our business so great.

MARK JOHNSON

FRANCHISEE

BRIDGEWATER, DEVONPORT, GLENORCHY, HOBART, KINGS MEADOWS, KINGSTON, LAUNCESTON, MOWBRAY, ROKEBY AND ROSNY

Training and Development

2003
Started as delivery expert in New South Wales

2009
Moved to Tasmania to purchase Domino's Sorell

2012
Purchased Domino's Launceston, Kings Meadows, Mowbray and Devonport

2018
Bought out business partner to bring his store network up to 10

2020
Awarded the DPE Global Leadership Eagle Award for his exceptional leadership, operational excellence and value of investing in his people

Mark's Story

Mark's goal is to be the "number one team in the Domino's universe at training our people, to train our people" and he is obsessed with training and development in all areas of the business.

As he has successfully grown his store network to more than 10 stores with more than 280 employees, Mark's focus has been to invest heavily in his people and training programs.

"Well-trained team members mean we can deliver better products and service for our customers."

Dedicated to implementing unique training programs, identifying skills sets, and empowering and trusting his Store Managers to lead, Mark believes a focus on training is the best investment you can make as a franchisee.

"Training is not just showing someone how to do something – it's about teaching them and giving them the right tools for them to learn, and then the confidence to try and succeed on their own.

"By training our people to train our people, we are one step closer to achieving our vision of owning 100 stores in the next 20 years. Because having the right systems and people in place means we can jump on any expansion opportunity that comes our way, at any time.

"With people who are expertly trained in all areas of the Domino's business, we can expand and move into new markets with little to no disruptions to existing store operations – maintaining high standards of customer service and product quality."

In 2020, Mark received a DPE Global Leadership Eagle Award for demonstrating exceptional leadership, operational excellence, and focus on people development. This award is only given to one person each year across all of DPE's nine markets and is the highest honour you can achieve at Domino's.

AMANDEEP SINGH

FRANCHISEE
PT CHEVALIER, AUCKLAND CITY, QUAY STREET, SHORTLAND STREET, MASTERTON

Fleet management

2011
Started with Dominos as a delivery expert: six hours a day, three days a week. Promioted to shift runner and then store manager

2014
Managed corporate store Mt Eden for eight months before promoted to regional management, supervising Auckland corporate stores

2017
Purchased first store: with no cars, only delivery scooters

2021
Awarded Leadership Eagle

Amandeep's Story

Amandeep Singh (Aman) is a fleet enthusiast. He knows first-hand the savings that can be made by dedicating time to running your own fleet, specifically electric vehicles. Not only does this deliver lower costs, but also frequently means faster delivery times and more productive team members.

Aman first became convinced of his approach when visiting stores in Sydney Australia, and decided to invest in five ebikes.

"The real test was getting my team members to use them for deliveries. I started with one dedicated ebike rider and soon discovered that I needed to hire team members specifically to ride the bikes, people who were passionate about bicycle delivery."

"Ebikes offer a low barrier of entry for new team members as they don't need to have their own vehicle and only need to have a learner's license in order to ride the bikes.

"For 90% of new team members it's their first job and they love it, because we hire team members specifically to ride ebikes, train them well, and invest in the proper equipment for them, including wet weather gear."

The focus of the government and local councils on cycle lanes in cities and towns around the country have aided in the adoption of ebikes. Aman finds using ebikes for delivery is just as safe for his team members, if not safer, than other forms of delivery vehicle and it's helping those staff keep fit and healthy as well.

Although Aman still has some team members using their own vehicles for delivery his goal for this coming year is to have all of his stores using his fleet exclusively, with a big focus on e-fleet. The savings and efficiencies have been significant and, because of their quiet operation and reduced emissions, they're also benefitting the environment and the community.

DIRECTO REPORT 2021

Group Highlights

	FY20 UNDERLYING $ MIL	FY21 UNDERLYING[1] $ MIL	+/(-) FY20 UNDERLYING %	FY21 STATUTORY $ MIL
Network Sales	3,267.9	3,744.4	14.6%	3,744.4
Revenue	1,905.3	2,199.1	15.4%	2,199.1
EBITDA	**355.9**	**424.9**	**19.4%**	**418.6**
Depreciation & Amortisation	(125.5)	(131.8)	(5.1%)	(131.8)
EBIT	**230.4**	**293.0**	**27.2%**	**286.7**
EBIT Margin	12.1%	13.3%		13.0%
Interest	(14.5)	(13.8)	5.1%	(13.8)
NPBT	**215.9**	**279.2**	**29.4%**	**272.9**
Tax Expense	(64.2)	(81.6)	(27.1%)	(79.8)
NPAT before Minority Interest	**151.6**	**197.6**	**30.3%**	**193.1**
Minority Interest	6.0	9.5	56.8%	9.1
NPAT attributable to DMP shareholders	**145.6**	**188.2**	**29.2%**	**184.0**

PERFORMANCE INDICATORS				
Earnings per Share (basic)	169.1 cps	217.6 cps	28.7%	212.8 cps
Dividend per Share	119.3 cps	173.5 cps	45.4%	173.5 cps
Same Store Sales %	5.8%	9.3%		9.3%

1 Underlying excludes significant Acquisition, integration, conversion, legal settlement and inventory write downs 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 27 June 2021. 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 Chairman	Appointed 20 March 2014
Ross Adler	Non-Executive Deputy Chairman	Appointed 23 March 2005
Grant Bourke	Non-Executive Director	Appointed 24 August 2001
Lynda O'Grady	Non-Executive Director	Appointed 16 April 2015
Ursula Schreiber	Non-Executive Director	Appointed 30 November 2018
Doreen Huber	Non-Executive Director	Appointed 21 February 2020
Tony Peake	Non-Executive Director	Appointed 14 May 2021
Don Meij	Managing Director/Group Chief Executive Officer	Appointed 24 August 2001

DIRECTORSHIPS OF OTHER LISTED COMPANIES

Lynda O'Grady was appointed a director of Wagners Holding Company Limited on 08 November 2017. 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	–	–
Ross Adler	200,000	–	–
Grant Bourke	1,628,344	–	–
Lynda O'Grady	2,000	–	–
Ursula Schreiber	1,200	–	–
Doreen Huber	1,100	–	–
Tony Peake	–	–	–
Don Meij	1,800,001	673,937	–

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 page 84 to 107.

SHARE OPTIONS GRANTED TO DIRECTORS AND SENIOR MANAGEMENT

During and since the end of the financial year, an aggregate 365,908 share options were granted to the following directors and senior management of the Company as part of their remuneration.

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	156,937	DPE Limited	673,937
Richard Coney	39,527	DPE Limited	106,912
Josh Kilimnik	40,605	DPE Limited	122,351
Nick Knight	43,908	DPE Limited	118,486
Andre Ten Wolde	40,249	DPE Limited	84,330
Michael Gillespie	44,682	DPE Limited	92,971

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 of 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 6 to 7.

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 $193.1 million includes a loss of $4.5 million after tax treated as significant items. Excluding these items, the Underlying Profit after tax was $197.6 million, 30.3% up 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.

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 27 JUNE 2021						
	STATUTORY $'000	**SIGNIFICANT ITEMS $'000**	**UNDERLYING $'000**	**ANZ $'000**	**EUROPE $'000**	**JAPAN $'000**	**UNALLOCATED $'000**
Revenue	2,199,106	–	2,199,106	756,581	665,125	777,400	–
EBITDA	418,555	(6,307)	424,862	156,064	127,672	163,814	(22,688)
Depreciation & amortisation	(131,849)	–	(131,849)	(39,250)	(39,503)	(52,515)	(581)
EBIT	**286,706**	**(6,307)**	**293,013**	**116,814**	**88,169**	**111,299**	**(23,269)**
Net finance costs	(13,769)	–	(13,769)				
Net profit before tax	**272,937**	**(6,307)**	**279,244**				
Income tax expense	(79,794)	1,837	(81,631)				
Net Profit after tax	**193,143**	**(4,470)**	**197,613**				
Profit attributed to:							
Owners of the parent	184,011	(4,141)	188,152				
Non-contolling interest	9,132	(329)	9,461				
	193,143	**(4,470)**	**197,613**				

	YEAR ENDED 28 JUNE 2020						
	STATUTORY $'000	SIGNIFICANT ITEMS $'000	UNDERLYING $'000	ANZ $'000	EUROPE $'000	JAPAN $'000	UNALLOCATED $'000
Revenue	1,905,261	–	1,905,261	693,382	560,117	651,762	–
EBITDA	343,438	(12,417)	355,855	140,246	94,914	133,830	(13,135)
Depreciation & amortisation	(125,498)	–	(125,498)	(37,851)	(33,586)	(54,061)	–
EBIT	217,940	(12,417)	230,357	102,395	61,328	79,769	(13,135)
Net finance costs	(14,504)	–	(14,504)				
Net profit before tax	203,436	(12,417)	215,853				
Income tax expense	(60,515)	3,722	(64,237)				
Net Profit after tax	142,921	(8,695)	151,616				
Profit attributable to:							
Owners of the parent	138,483	(7,100)	145,583				
Non-contolling interest	4,438	(1,595)	6,033				
	142,921	(8,695)	151,616				

Directors' Report

continued

REVIEW OF OPERATIONS (continued)

SIGNIFICANT ITEMS

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

Statutory profit after tax was $193.1 million, this included the following significant costs excluded from Underlying Profit after tax as outlined below:

CURRENT PERIOD

ANZ

- External costs of $1.2 million pertaining to the Fast Food Industry Award class action.
- External costs of $0.5 million incurred in relation to the acquisition of Domino's Taiwan.

EUROPE

- Write-down of inventories relating to personal protective equipment to net realisable value of $2.1 million.
- Integration and establishment costs of $0.7 million relating to Denmark.

PRIOR PERIOD

ANZ

- External legal costs of $1.4 million pertaining to the Fast Food Industry Award class action.

EUROPE

- Conversion and integration costs of $4.8 million relating to the acquisition of Hallo Pizza in Germany.
- Integration and establishment costs of $1.2 million relating to Denmark.
- Relocation costs of $0.8 million relating to The Netherlands Commissary relocation.
- Conversion, integration and external legal costs of $0.5 million relating to conversion of Pizza Sprint stores and legal dispute and resolution costs in France.

CHANGES IN STATE OF AFFAIRS

There has 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.

ENVIRONMENTAL AND SOCIAL SUSTAINABILITY RISKS

The Group is currently not subject to any significant environmental or social sustainability risk that have a 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. Equally, the Group continues to recognise the importance of its social and ethical responsibilities to communities in which it operates. Accordingly, this financial year the Group undertook meaningful actions in this regard as demonstrated by the Group's first sustainability report and the appointment of a Global Chief Environment, Social and Governance Officer.

The sustainability report assists the Group with communicating to shareholders its environment, social and governance (ESG) efforts in a transparent manner.

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.

Directors' Report
continued

REVIEW OF OPERATIONS (continued)

CORPORATE GOVERNANCE

A copy of Domino's Pizza Enterprises full 2021 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 27 June 2021, an interim dividend of 88.4 cents per share franked to 50% at 30% corporate income tax rate was paid to the holders of fully paid ordinary shares on 11 March 2021. The Company will be paying a final dividend of 85.1 cents per share franked to 70% at 30% corporate income tax rate to the holders of fully paid ordinary shares on 9 September 2021.

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	29	10,325	Ordinary	$45.25	31 Aug 21
DPE Limited	31	220,000	Ordinary	$51.96	31 Aug 22
DPE Limited	32	462,500	Ordinary	$51.96	31 Aug 22
DPE Limited	33	297,000	Ordinary	$50.25	01 Sep 23
DPE Limited	34	183,225	Ordinary	$50.25	26 Nov 23
DPE Limited	35	288,779	Ordinary	$50.25	01 Sep 23
DPE Limited	36	6,250	Ordinary	Nil	20 Aug 29
DPE Limited	37	3,640	Ordinary	Nil	18 Aug 30
DPE Limited	38	156,937	Ordinary	$84.28	01 Sep 24
DPE Limited	39	614,305	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

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	26	200,000	Ordinary	$16.50	$nil
DPE Limited	27	59,000	Ordinary	$16.80	$nil
DPE Limited	29	26,075	Ordinary	$5.88	$nil

Directors’ Report
continued

REVIEW OF OPERATIONS (continued)

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 such 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 such 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’ 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, twelve (12) Board meetings, five (5) 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	12	12	–	–	–	–
Ross Adler	12	12	5	5	5	5
Grant Bourke	12	12	5	5	5	5
Lynda O’Grady	12	12	5	5	5	5
Ursula Schreiber	12	12	5	5	5	5
Doreen Huber	12	12	–	–	–	–
Tony Peake	2	2	–	–	1	1
Don Meij	12	12	–	–	–	–

DPE directors have been on the boards of Domino’s Pizza Japan and Domino’s Pizza Germany since DPE started operating those markets. In FY21, DPE also established informal “advisory boards” for Australia/NZ, Benelux/Denmark and France. At least 2 of the DPE directors sit on each of the 5 boards. The boards meet on a quarterly basis. The meetings are mutually beneficial, providing the DPE directors a better understanding of the local management and businesses, and also allowing the DPE directors the opportunity to provide guidance to local management more directly.

It is proposed to rotate the DPE directors onto different advisory boards every 2 years so that:

(a) the 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 over time.

Directors' Report
continued

REVIEW OF OPERATIONS (continued)

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 of 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 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 the 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 112 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,

On behalf of the Nomination, Culture and Remuneration Committee (NCRC) and Board, I am pleased to present the remuneration report for FY21.

Domino's Pizza Enterprises Limited (DPE) is a geographically diverse business with a long history of innovation and growth. The Board remains committed to ensuring the remuneration frameworks developed for Key Management Personnel (KMP) are focused and aligned with shareholder value creation over the long term.

FY21 REMUNERATION OUTCOMES

In FY20 we undertook a significant review of the remuneration framework and progressively introduced this in FY21, including moving all our Executive KMP onto a short-term incentive with a cash and equity component (with a 2 year escrow period on the equity). We made changes to the long-term incentive program with a move to net-settled options. The use of net-settled options is simpler for participants and doesn't require a cash outlay in order to exercise the options. We met with a number of investors during FY21 in a series of investor briefings in order to obtain feedback on the company as a whole as well as the remuneration framework. This is a continuation of briefings conducted in prior years where we actively listened to feedback and made changes to our framework as well as our level of disclosure in the remuneration report. We find direct shareholder input extremely helpful and will continue this engagement in FY22 and beyond.

Fixed remuneration increases averaged 2.5% for a majority of the executives including the Group CEO/Managing Director to align with our objective of rewarding for capability, experience and performance, and to ensure we continue to meet the market on executive remuneration. Two executives, Michael Gillespie (Group Chief Digital and Experience Officer) and Josh Kilimnik (CEO Japan) had their roles re-evaluated based on performance and scope and therefore received larger increases than the average awarded.

Short-term incentive results for FY21 averaged at 88.9% of bonus opportunity, with the Group CEO/Managing Director receiving 96.6% of his bonus opportunity. Long-term incentive outcomes are detailed in the report.

APPLICATION OF DISCRETION DURING THE COVID-19 PANDEMIC

We continued to see the impact of COVID-19 on our business in FY21, and as in the prior year the Board undertook a comprehensive review of the impact of COVID-19 on the remuneration structures. The Board introduced broader ranges for the short-term incentive targets to take into account the unpredictable business environment faced by the Company. This resulted in lowering the threshold targets and increasing the strong performance targets. The Board also conducted a formal review of the STI targets following the release of the FY21 H1 results and decided to keep the targets as previously determined based on the ongoing uncertainty in the operating environment.

FY22 REMUNERATION & FOCUS

The Nomination, Culture and Remuneration Committee (NCRC) continuously reviews the company's remuneration practices to ensure that they are contemporary and fit for purpose. We are currently reviewing the remuneration structure for the Group CEO/Managing Director with a view of increasing the ratio of equity to cash for his remuneration package. The package will be taken to the Annual General Meeting in November for shareholder approval.

The Committee also undertook a thorough review of its Charter in April and made several changes to the Charter to ensure that it was relevant and focused. The Committee has long had a strong focus on the culture of the organisation as well as driving diversity and inclusion. From FY22 the Committee has been renamed the Nomination, Culture and Remuneration Committee (NC&RC) to make more explicit its focus on culture within its remit.

This year we have continued to improve the level of detail in our remuneration report to address feedback from our Shareholders, and trust that the link between pay and performance is apparent.

We thank you for your support and interest in our Company, and I look forward to your attendance at our Annual General Meeting currently planned to be held in November 2021.

Uschi Schreiber
Chair, Nomination, Culture and Remuneration Committee

Directors' Report
continued

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 27 June 2021.

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 (GROUP CEO) REMUNERATION STRUCTURE FOR FY21
- OVERVIEW OF EXECUTIVE KMP REMUNERATION FRAMEWORK FOR FY21
- 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
Ross Adler	Non-Executive Deputy 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 (appointed 14 May 2021)
Don Meij	Managing Director/Group Chief Executive Officer (Group CEO)

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	President and Chief Executive Officer of Japan
Nick Knight	Chief Executive Officer ANZ
Andre Ten Wolde	Chief Executive Officer Europe
Michael Gillespie	Group Chief Digital and Experience Officer (formally, Group Chief Digital and Technology Officer)

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) that are deferred for 2 years.	• Designed to achieve Board approved targets, reflective of the Group 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. opening a new market in Hokkaido, Japan)
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 3 years depending on whether the role has Group or segment responsibility

REMUNERATION REPORT (continued)

REMUNERATION AT DOMINO'S AT A GLANCE (continued)

FY21 PERFORMANCE AND REMUNERATION OUTCOMES

The Managing Director/Group CEO and other Executive KMP received fixed remuneration increases averaging 2.50% during FY21, with the exception of 2 executives, Michael Gillespie (Chief Experience Officer) and Josh Kilimnik (CEO Japan) whose roles were revaluated based on performance and change of scope.

Our business has performed well during the unprecedented impacts of COVID-19 and continued to safely prepare and deliver meals for our customers. Our executives and staff have mobilised quickly to respond to the rapidly changing environment, including implementing new operational measures to increase delivery capacity and move to zero contact carry-out and delivery and contactless payments where possible.

Despite the uncertainty surrounding COVID-19, the Group results were positive with record sales and year on year earnings growth. STI achievement was strong in FY21 reflecting the hard work of the Executive Team in delivering strong results.

The options granted under our FY18 LTI plan were eligible to vest during FY21. 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 2021
	Japan EBIT Performance	> 103% of target		

The following table outlines actual remuneration received in the year ended 27 June 2021. This table is not the statutory remuneration table (please see section REMUNERATION OF EXECUTIVE KMP):

EXECUTIVE KMP	FIXED REMUNERATION[1] $	STI[2] $	DEFERRED STI[3] $	LTI VESTED[4] $	TOTAL REMUNERATION $
Managing Director/Group CEO	1,223,461	153,600	–	–	1,377,061
Group Chief Financial Officer	534,579	50,918	25,387	–	610,884
President and Chief Executive Officer of Japan	767,973	312,571	–	733,075	1,813,619
Chief Executive Officer ANZ	525,702	88,747	44,347	–	658,796
Chief Executive Officer Europe	541,884	–	–	–	541,884
Group Chief Digital and Experience Officer[5]	626,522	96,594	291,310	–	1,014,426

1 Reflects salaries and superannuation.
2 The value of STI paid in cash during the year ended 27 June 2021, which is in relation to the performance targets achieved for FY20.
3 The value of deferred STI is determined based on the number of rights granted during the year ended 27 June 2021, for performance targets achieved for FY20, multiplied by the share price at the date of grant.
4 LTI vested is determined based on the LTI vested during the year ended 27 June 2021 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.
5 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.

Directors' Report
continued

REMUNERATION REPORT (continued)

REMUNERATION AT DOMINO'S AT A GLANCE (continued)

STRUCTURAL CHANGES MADE IN FY21

During FY21 we undertook a comprehensive review of our executive remuneration framework to ensure that it is contemporary, remains fit for purpose, and delivers on our objectives. We have also sought to respond to the uncertainty inherent in the COVID-19 pandemic period in the year ahead.

As a result of this review, we have made the following changes for FY21:

- Recognising the difficulty in determining robust performance ranges during this uncertain time, we have introduced wider target and payout ranges for our STI plan, with a commitment from the Board to review the targets at the six month period and adjust if required.
- Extended our STI deferral (33% of any STI earned) to all Executive KMP, including the Managing Director/Group CEO.
- Moved our LTI options to net-settled options, where only the value above the exercise price is provided to participants in the form of shares. The same economic value as options and cost to the company, but simpler for participants and doesn't require a cash outlay.

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.

Nomination, 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.
- Obtaining remuneration information from external advisors / independent consultants to assist the NCRC.

REMUNERATION REPORT (continued)

REMUNERATION GOVERNANCE (continued)

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 $102,330 (2020: $154,535) 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 2021, 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. Having considered all the impacts, the Board determined that the outcomes are a fair reflection of the year as a whole, and have elected not to exercise discretion to adjust STI outcomes.

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.

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

REMUNERATION REPORT (continued)

OVERVIEW OF MANAGING DIRECTOR/GROUP CHIEF EXECUTIVE (GROUP CEO) REMUNERATION STRUCTURE FOR FY21

The following remuneration structure applied to the Managing Director/Group CEO for the year ended 27 June 2021. The table also shows the changes for the Managing Director/Group CEO's remuneration structure in FY21:

	PERFORMANCE-LINKED REMUNERATION	
FIXED REMUNERATION	**SHORT-TERM INCENTIVE**	**LONG-TERM INCENTIVE**
$1,259,520 per annum, inclusive of base salary and superannuation contributions.	STI is awarded up to a maximum of $1,259,520, subject to the achievement of KPIs set annually, and approved by the Board.	Options approved by shareholders at the 2020 AGM worth $2,623,987 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 FY20, and was applied after the Board undertook a review in accordance with its annual processes.	This is an increase of 23% from FY20, based on benchmarking data from our third party providers and balancing of the total remuneration package. Paid as 67% cash and 33% equity (held in escrow for 2 years).	The Options vest from 2023 subject to achievement of cumulative annual growth in Earnings Per Share hurdles, measured over rolling 3 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.

SHORT-TERM INCENTIVE

The Board set the KPIs for the Managing Director/Group CEO during the financial year ended 27 June 2021 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 80% of the total weighting for the short-term incentive bonus, based on year on year EBIT performance in Group and individual markets. The Board listened to feedback from shareholders requesting a greater focus on organic new store openings and adjusted the weighting of this KPI from 5% in FY20 to 20% in FY21. 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	80%	• Group EBIT ($)	• Europe EBIT (€)
		• Australia and New Zealand EBIT ($)	• Japan EBIT (¥)
New Store Growth	20%	• Group organic new store openings	

REMUNERATION REPORT (continued)

OVERVIEW OF MANAGING DIRECTOR/GROUP CHIEF EXECUTIVE (GROUP CEO) REMUNERATION STRUCTURE FOR FY21 (continued)

FY20 SHORT-TERM INCENTIVE – ACHIEVEMENT – TARGETS VS ACTUAL

We have taken on board feedback from investors and included an analysis of the FY20 short term incentive plan targets vs actual. The table below outlines this information.

		BELOW THRESHOLD	THRESHOLD	TARGET	STRONG PERFORMANCE	SCORECARD RESULT	ACTUAL ACHIEVEMENT
		0% Payout	33% Payout	66% Payout	100% Payout		
Group EBIT A$[1]	50%	<6% Growth	Achieve 6% Growth	Achieve 8% Growth	Achieve 12% Growth		Below Threshold $228.7m
Group Organic New Store Openings	5%	Achieve <177 organic new store openings	177 organic new store openings	202 organic new store openings	227 organic new store openings		Below Threshold 168 Stores
ANZ + Global EBIT A$[1]	15%	2.10% worse than budget or more	<2.10% worse than budget	Achieve budget	>2.10% better than budget		Below Threshold $88.6M
EU EBIT €[1]	15%	2.10% worse than budget or more	<2.10% worse than budget	Achieve budget	>2.10% better than budget		Below Threshold €36.6M
Japan EBIT ¥[1]	15%	2.10% worse than budget or more	<2.10% worse than budget	Achieve budget	>2.10% better than budget		Strong Performance ¥5,78B

(1) Adjusted to exclude management bonuses

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 4 November 2020 resulted in the granting of options over a 3 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, that 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 1 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

REMUNERATION REPORT (continued)

OVERVIEW OF MANAGING DIRECTOR/GROUP CHIEF EXECUTIVE (GROUP CEO) REMUNERATION STRUCTURE FOR FY21 (continued)

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 the 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.

CUMULATIVE EPS TARGET		
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**

ANALYSIS OF PAY OUTCOMES

For the year ended 27 June 2021, the following outcomes were applied to the Managing Director/Group CEO in respect of his STI and LTI.

STI OUTCOMES FOR FY21

In FY21, the Managing Director/Group CEO achieved 96.6% of his short-term incentive opportunity (15% in FY20). See section LINK BETWEEN PAY AND PERFORMANCE for more detail.

LTI OUTCOMES FOR FY21

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 28 (granted 8 Nov 17)	220,000	$46.63	1 Sept 2020	Not met	0%

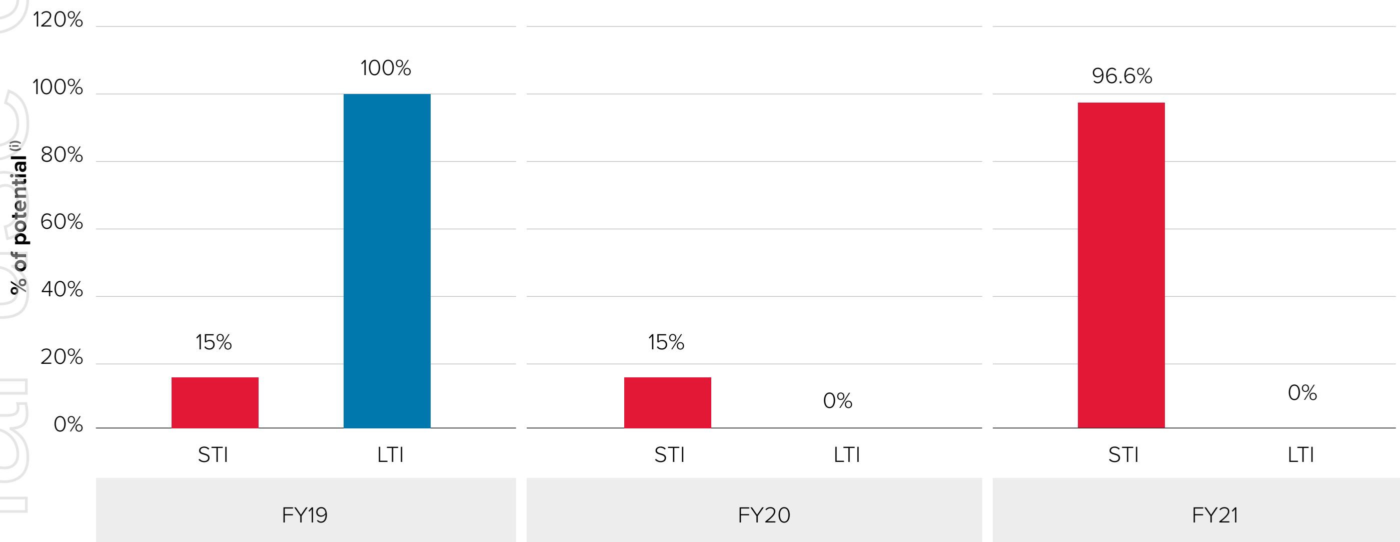
Directors' Report
continued

REMUNERATION REPORT (continued)

OVERVIEW OF MANAGING DIRECTOR/GROUP CHIEF EXECUTIVE (GROUP CEO) REMUNERATION STRUCTURE FOR FY21 (continued)

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 3 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 27 June 2021, and the 2 prior financial years. The Group CEO's LTI did not vest in FY21.



(1) 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 3 years prior).

The following table outlines actual remuneration received by the Managing Director/Group CEO in the year ended 27 June 2021 and the 2 prior financial years. This table is not the statutory remuneration table (please see section REMUNERATION OF EXECUTIVE KMP):

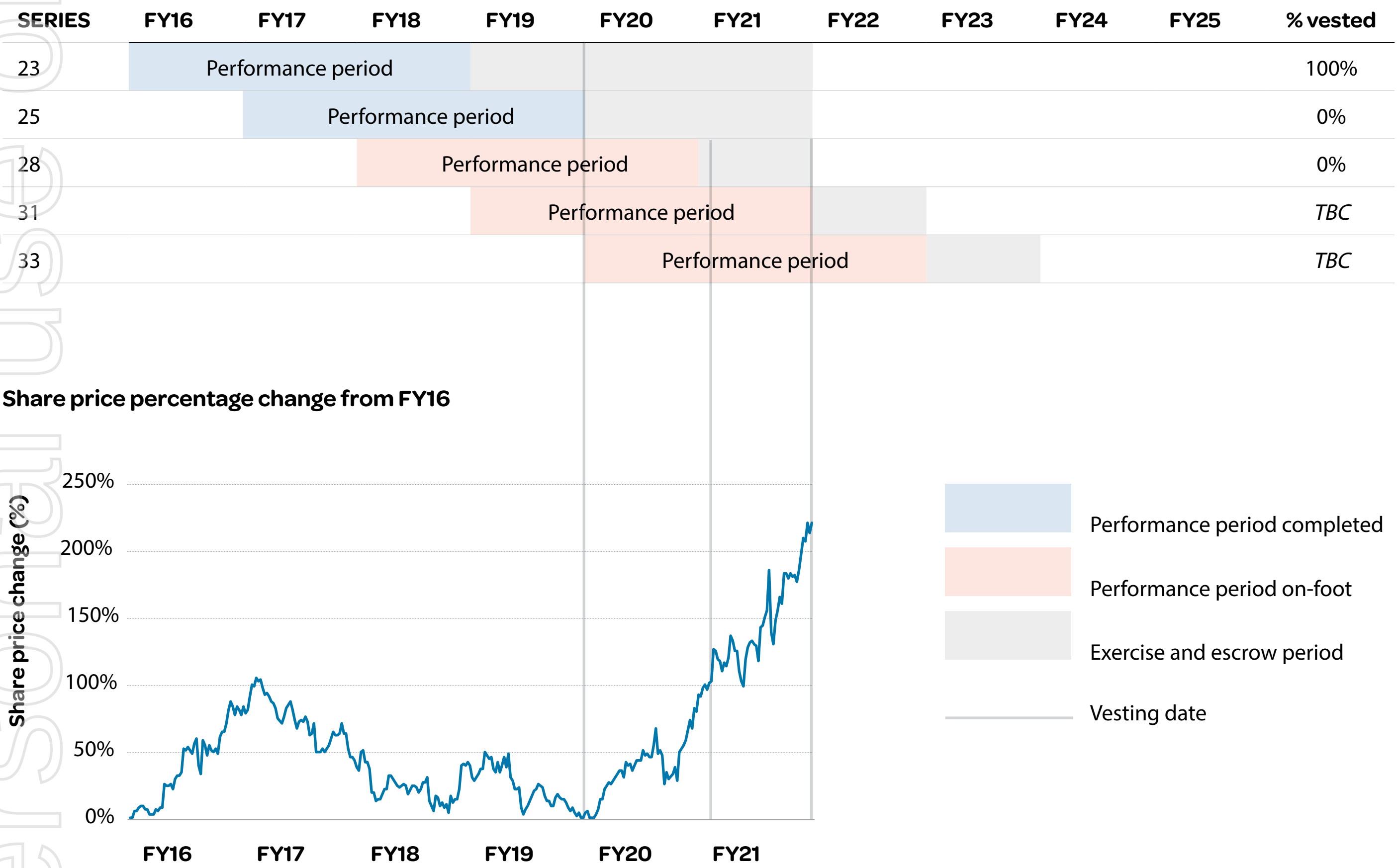
ELEMENT OF REWARD	FY19[1]	FY20[2]	FY21[3]
Total fixed remuneration[4]	$1,200,000	$1,228,800	**$1,259,520**
Short-term incentive[5]			
% Earned	15%	15%	**96.6%**
Total Earned	$150,000	$153,600	**$1,216,697**
Cash	$150,000	$153,000	**$815,187**
Equity	–	–	**$401,510**[6]
Value of prior long-term incentive vested in financial year[7]	$3,957,000	$0	**$0**
TOTAL REMUNERATION EARNED IN THE YEAR	$5,307,000	$1,382,400	**$2,476,217**

1 The value of LTI that vested in FY19, in relation to Series 23 and the performance period from 2015 to 2018.
2 The FY17 grant performance condition was not met, and no LTI has subsequently vested in FY20.
3 The FY19 grant performance conditions was not met, and no LTI has subsequently vested in FY21.
4 Reflects salary and superannuation.
5 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 will be combination of cash and equity.
6 The equity component of the FY21 Short-term incentive will be delivered in the form of 1 zero exercise priced option to subscribe for Shares at the underlying market price around the time of release of the FY21 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.
7 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.

REMUNERATION REPORT (continued)

OVERVIEW OF MANAGING DIRECTOR/GROUP CHIEF EXECUTIVE (GROUP CEO) REMUNERATION STRUCTURE FOR FY21 (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. As the chart demonstrates, significant shareholder wealth has been generated through this time period. The Managing Director/Group CEO’s LTI did not vest in FY21 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, while the FY17 award did not vest in FY20:

GRANT YEAR	SERIES	NO.	GRANT DATE	FIRST EXERCISE DATE	LAST EXERCISE DATE	HOLDING STOCK	EXERCISE PRICE	VESTING	SHARE PRICE AT VEST	VALUE AT VEST[1]	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	TBC	TBC	TBC	TBC
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

1 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 FY21

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 2 years from grant.	Equity in options. All equity is held subject to service and performance for a minimum of 3 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 2 years from the date of vest.

REMUNERATION REPORT (continued)

OVERVIEW OF EXECUTIVE KMP REMUNERATION FRAMEWORK FOR FY21 (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.

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. An Executive KMPs remuneration is also reviewed on promotion.

Fixed pay increases of 2.50% on average were applied in FY21 for executives to align with our objective of rewarding for capability, experience, and performance, and to ensure we continue to meet the market on executive remuneration. Two executives, Michael Gillespie (Group Chief Digital and Experience Officer) and Josh Kilimnik (CEO Japan) received increases above 2.50% as a result of changes in the role scope and performance.

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 align 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
- 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 FY21:

EXECUTIVE KMP	STI OPPORTUNITY (% OF FIXED REMUNERATION)
Group Chief Financial Officer	80%
President and Chief Executive Officer of Japan	80%
Chief Executive Officer ANZ	80%
Chief Executive Officer Europe	80%
Group Chief Digital and Experience Officer[1]	75%

1 The Group Chief Digital and Experience Officer was awarded performance rights, to the value of $249,974 during the period, which has been included as STI for the period.

REMUNERATION REPORT (continued)

OVERVIEW OF EXECUTIVE KMP REMUNERATION FRAMEWORK FOR FY21 (continued)

DELIVERY

In the year ended 27 June 2021, delivery was in the form of cash and equity split 67% and 33% respectively, with the equity deferred for a minimum of 2 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 2 years from the date of grant, they remain under escrow until the 2 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 2020 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%
President and Chief Executive Officer of Japan	80%
Chief Executive Officer ANZ	80%
Chief Executive Officer Europe	80%
Group Chief Digital and Experience Officer	75%

VESTING CONDITIONS FOR OPTIONS ISSUED DURING FY21

Options awarded during the year ended 27 June 2021 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 30% of LTI and the cumulative regional EBIT target 70% 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 FY21 for details of the LTI award for the Managing Director/Group CEO.

The EPS Growth performance condition applicable to 100% of the FY21 LTI grant for the Group Chief Financial Officer and Group Chief Digital and Experience Officer vest in accordance with the schedule shown in the tables below:

REMUNERATION REPORT (continued)

OVERVIEW OF EXECUTIVE KMP REMUNERATION FRAMEWORK FOR FY21 (continued)

GROUP CHIEF FINANCIAL OFFICER 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 6%	0%
At 6%	20%
Above 6% and up to less than 15%	Straight line vesting
15% or over	100%

The EPS Growth performance condition applicable to 70% of the FY21 LTI grant and cumulative regional EBIT performance condition applicable to 30% of the FY21 LTI grant for the Chief Executive Officer ANZ vest in accordance with the schedule shown in the tables below:

CEO ANZ (70% OF THE LTI AWARDS)

ANNUAL COMPOUND EPS GROWTH DURING THE PERFORMANCE PERIOD	PROPORTION OF OPTIONS WHICH VEST
Less than 6%	0%
At 6%	20%
Above 6% and up to less than 15%	Straight line vesting
15% or over	100%

CEO ANZ (30% OF THE LTI AWARDS)

PERCENTAGE OF CUMULATIVE EBIT TARGET (IN ANZ)	PROPORTION OF OPTIONS WHICH VEST
Less than 90%	0%
At 90%	40%
Above 90% and up to less than 105%	Straight line vesting
105% or over	100%

The EPS Growth performance condition applicable to 70% of the FY21 LTI grant and cumulative regional EBIT performance condition applicable to 30% of the FY21 LTI grant for the Chief Executive Officer Europe, and President and Chief Executive Officer of Japan vest in accordance with the schedule shown in the tables below:

CEO EUROPE AND PRESIDENT AND CEO OF JAPAN (70% OF THE LTI AWARD)

ANNUAL COMPOUND EPS GROWTH DURING THE PERFORMANCE PERIOD	PROPORTION OF OPTIONS WHICH VEST
Less than 6%	0%
At 6%	20%
Above 6% and up to less than 15%	Straight line vesting
15% or over	100%

CEO EUROPE AND PRESIDENT AND CEO OF JAPAN (30% OF THE LTI AWARD)

PERCENTAGE OF CUMULATIVE EBIT TARGET (IN EUROPE AND JAPAN RESPECTIVELY)	PROPORTION OF OPTIONS 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 2-year holding lock from the vesting date (i.e. 5 years from grant).

REMUNERATION REPORT (continued)

LINK BETWEEN PAY AND PERFORMANCE

BUSINESS OUTCOMES FOR FY21

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 FY21:

KEY PERFORMANCE INDICATOR	PERFORMANCE[1]
EBITDA – Group	$369.5m + 21.9% growth YoY
EBIT:	
Group	$290.3m + 26.9% growth YoY
ANZ	$115.2m + 13.2% growth YoY
Europe	$87.6m + 45.3% growth YoY
Japan	$110.7m + 38.9% growth YoY
Same Store Sales – Group	+9.3%
NPAT attributable to shareholder	$188.4m + 29.2% growth YoY

1 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 5 years to 27 June 2021:

	27 JUNE 2021 $'000	28 JUNE 2020 $'000	30 JUNE 2019 $'000	01 JULY 2018 $'000	02 JULY 2017 $'000
Revenue	2,199,106	1,905,261	1,435,410	1,153,952	1,073,125
Net profit before tax	272,937	203,436	159,413	174,476	150,680
Net profit after tax	193,143	142,921	114,379	121,693	105,804

	27 JUNE 2021	28 JUNE 2020	30 JUNE 2019	01 JULY 2018	02 JULY 2017
Share price at the start of the year ($)	67.79	37.64	52.22	52.08	68.82
Share price at the end of the year ($)	118.00	67.79	37.64	52.22	52.08
Interim dividend per share (cents)[1]	88.4	66.7	62.7	58.1	48.4
Final dividend per share (cents)[1,2]	85.1	52.6	52.8	49.7	44.9
Basic earnings per share (cents)	212.8	160.9	135.5	139.4	116.0
Diluted earnings per share (cents)	211.9	160.8	135.4	139.0	114.7

1 The final dividend for the year ended 27 June 2021 is to be franked at 70%. The interim dividend for the year ended 27 June 2021 was franked at 50%. The interim and final dividends for the year ended 28 June 2020 are franked at 100%. The interim and final dividends for the year ended 30 June 2019 are franked at 75% and 100%, respectively. Interim and final dividends for the year ended 01 July 2018 are franked to 40% and 75%, respectively. For the year ended 02 July 2017 interim and final dividends are franked to 50%. The Company's tax rate has remained at 30% for franking purposes over this 5 year period.
2 The final dividend for the financial year ended 27 June 2021 was declared after the end of the reporting period and is not reflected in the financial statements.

REMUNERATION REPORT (continued)

LINK BETWEEN PAY AND PERFORMANCE (continued)

SHORT-TERM INCENTIVE

On 17 August 2021, Don Meij, Richard Coney, Andre Ten Wolde, Josh Kilimnik, Nick Knight, and Michael Gillespie were granted a combination of cash and a deferred component incentive for their performance during the year ended 27 June 2021. 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 $[1]	DEFERRED COMPONENT $	AMOUNT FORFEITED IN YEAR $	PERCENTAGE AWARDED IN YEAR %[2]	PERCENTAGE FORFEITED IN YEAR %[3]
Don Meij	815,187	401,510	42,823	96.6%	3.4%
Richard Coney	262,818	129,447	35,972	91.6%	8.4%
Josh Kilimnik	279,670	137,748	–	100%	0%
Nick Knight	134,599	66,295	218,946	47.9%	52.1%
Andre Ten Wolde	279,547	137,687	10,698	97.5%	2.5%
Michael Gillespie[4]	255,672	125,928	68,400	84.8%	15.2%

1 Amounts included in compensation represent the amount that was awarded based on the achievement of specified performance criteria for the financial year ending 27 June 2021.
2 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 27 June 2021.
3 The amounts forfeited are due to the performance or service criteria not being met in relation to the financial year ended 27 June 2021.
4 During the period, Performance Rights were granted to Michael Gillespie to the value of $249,974 and subject to a 3 year escrow period, which is recognised in deferred component. This related to a considerable change in role in FY21.

No other incentives were granted during the financial year ended 27 June 2021.

LONG-TERM INCENTIVE OUTCOMES

The table below outlines the options series for which the performance period concluded in FY21, 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
28 (Don Meij)	Group EPS percentage growth over the relevant performance period	< 12% EPS Growth	0%	N/A
29 (ANZ Employees – Richard Coney, Michael Gillespie)	Group EPS percentage growth over the relevant performance period	< 12% EPS Growth	0%	N/A
29 (ANZ Employees – Nick Knight)	Group EPS percentage growth over the relevant performance period	< 12% EPS Growth	0%	N/A
	ANZ EBIT Performance	< 93% of target	0%	N/A
29 (Europe Employees)	Group EPS percentage growth over the relevant performance period	< 12% EPS Growth	0%	N/A
	Europe EBIT performance	< 93% of target	0%	N/A
29 (Japan Employees)	Group EPS percentage growth over the relevant performance period	< 12% EPS Growth	0%	N/A
	Japan EBIT performance	> 103% of target	70%	31 August 2021

REMUNERATION REPORT (continued)

REMUNERATION OF EXECUTIVE KMP

			SHORT-TERM BENEFITS			LONG-TERM BENEFITS	POST-EMPLOYMENT BENEFITS	SHARE BASED-PAYMENTS[1]		TOTAL	PERFORMANCE RELATED
			SALARIES $	BONUS[2] $	OTHER SHORT-TERM BENEFITS[3] $	LONG SERVICE LEAVE[4] $	SUPER-ANNUATION $	DEFERRED COMPONENT (STI)[2,5] $	OPTIONS (LTI) $	$	%
Executive Director	**Don Meij**	**2021**	**1,201,767**	**815,187**	**–**	**21,915**	**21,694**	**107,576**	**999,570**	**3,167,709**	**60.7%**
		2020	1,229,733	153,600	–	(68,673)	21,003	–	–	1,335,663	11.5%
Executive Officers	**Richard Coney**	**2021**	**512,885**	**262,818**	**–**	**10,561**	**21,694**	**68,368**	**208,701**	**1,085,027**	**49.8%**
		2020	498,818	50,918	–	649	21,003	31,316	75,038	677,742	23.2%
	Josh Kilimnik	**2021[6]**	**724,209**	**279,670**	**253,931**	**–**	**43,764**	**36,907**	**269,159**	**1,607,640**	**36.4%**
		2020[6]	737,042	312,571	253,575	–	59,628	–	160,963	1,523,779	31.1%
	Nick Knight	**2021**	**504,008**	**134,599**	**–**	**11,914**	**21,694**	**29,888**	**204,610**	**906,713**	**40.7%**
		2020	499,377	88,747	–	69,699	21,003	12,037	73,568	764,431	22.8%
	Andre Ten Wolde	**2021**	**541,884**	**279,547**	**–**	**–**	**–**	**36,890**	**156,782**	**1,015,103**	**46.6%**
		2020[7]	180,297	–	–	–	–	–	29,277	209,574	14.0%
	Michael Gillespie	**2021[8]**	**604,828**	**255,672**	**–**	**33,458**	**21,694**	**80,000**	**178,477**	**1,174,129**	**43.8%**
		2020	479,523	96,594	–	9,477	21,003	38,319	54,735	699,651	27.1%
Former Executive Officers	**Andrew Rennie**	2020[9]	400,014	–	176,498	(204,315)	5,727	–	189,811	567,735	33.4%
	Allan Collins	2020[10]	45,611	10,231	–	1,104	2,423	2,516	7,350	69,235	29.0%
Total		**2021**	**4,089,581**	**2,027,493**	**253,931**	**77,848**	**130,540**	**359,629**	**2,017,299**	**8,956,321**	**49.2%**
		2020	4,070,415	712,661	430,073	(192,059)	151,790	84,188	590,742	5,847,810	23.7%

1 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.
2 The incentives are dependent on satisfaction of performance conditions.
3 Amounts relate to expatriate allowances including but not limited to housing, schooling and healthcare.
4 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.
5 The expense relating to the deferred STI payable as equity is recognised over a 2.9 year vesting period for accounting purposes.
6 Included in salaries and other short-term benefits are amounts relating to tax equalisation.
7 From the 19 February 2020, given the announced retirement of the now previous Chief Executive Officer of Europe, the former Chief Operations Officer of Europe is considered a KMP. The remuneration reported is for the period that he is considered KMP.
8 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.
9 On 18 February 2020, the Chief Executive Officer of Europe Andrew Rennie, announced his retirement effective from 29 June 2020. The Chief Operations Officer of Europe, Andre Ten Wolde, will assume the Chief Executive Officer of Europe from 29 June 2020. During FY20 Andrew Rennie, has taken long service leave entitlements as well as leave without-pay.
10 On the 7 August 2020, Allan Collins was appointed to the role of Chief Marketing Officer ANZ and reporting directly to Nick Knight. As a result, Allan Collins ceases to meet the definition of KMP. The remuneration reported is for the period that he is considered KMP.

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 FY21 for terms relating to option awards made in the year ended 27 June 2021:

OPTIONS SERIES	ISSUE & GRANT DATE	GRANTED TO	EXPIRY DATE	GRANT DATE FAIR VALUE	EXERCISE PRICE	VESTING DATE
(23)	03 Sep 2015	Don Meij[1]	28 Oct 2020	$8.20	$40.95	01 Sep 2018
(24)	03 Sep 2015	Andrew Rennie[1]	31 Aug 2020	$8.57	$40.95	01 Sep 2018
(25)	01 Sep 2016	Don Meij[1]	31 Aug 2020	$17.00	$76.23	01 Sep 2019
(26)	01 Sep 2016	Andrew Rennie[1]	31 Aug 2020	$16.50	$76.23	01 Sep 2019
(27)	01 Sep 2016	ANZ Employees	31 Aug 2020	$16.80	$76.23	01 Sep 2019
(27)	01 Sep 2016	Europe Employees	31 Aug 2020	$16.80	$76.23	01 Sep 2019
(27)	01 Sep 2016	Japan Employees	31 Aug 2020	$16.80	$76.23	01 Sep 2019
(28)	08 Nov 2017	Don Meij	31 Aug 2021	$11.22	$46.63	01 Sep 2020
(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
(30)	14 Aug 2018	Andrew Rennie	31 Aug 2021	$9.58	$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	01 Sep 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	07 June 2031	$105.63	Nil	07 Jun 2023
(41)	28 May 2021	ANZ Employees	28 May 2031	$84.28	Nil	28 May 2021

1 Options and shares issued on the exercise of options to Don Meij and Andrew Rennie are subject to an escrow. Don Meij's escrow period commencing on the date of issue and ending on 28 October 2019. Andrew Rennie's escrow period commencing on the date of issue and ending on 01 January 2019.

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 1 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	15,000	15,000	$1,143,450	$nil
Michael Gillespie	–	–	–	$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[1] $	VALUE OF OPTIONS EXERCISED AT THE EXERCISE DATE[2] $	VALUE OF OPTIONS LAPSED AT THE DATE OF LAPSE[3] $
Don Meij	–	–	2,468,400
Richard Coney	–	–	305,760
Josh Kilimnik	60,711	373,042	52,038
Nick Knight[4]	–	–	329,280
Andre Ten Wolde	252,000	140,250	147,000
Michael Gillespie	–	–	205,800

1 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.
2 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.
3 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.
4 Includes options granted to a related party.

Directors' Report

continued

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.
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[1]	**384**	**–**	**–**	**3,018**	**3,402**	**–**
	Andre Ten Wolde	**3,000**	**–**	**15,000**	**(15,000)**	**3,000**	**–**
	Michael Gillespie	**–**	**–**	**–**	**–**	**–**	**–**
2020	Jack Cowin	–	–	–	23,050,966	23,050,966	–
	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	1,000	–
	Doreen Huber	–	–	–	–	–	–
	Don Meij	1,843,344	–	300,000	(343,343)	1,800,001	–
	Richard Coney	25,454	–	24,000	(23,735)	25,719	–
	Andrew Rennie	700,225	–	150,000	(347,000)	503,225	–
	Josh Kilimnik	2,600	–	–	–	2,600	–
	Nick Knight[1]	384	–	48,500	(45,500)	3,384	–
	Michael Gillespie	–	–	–	–	–	–
	Allan Collins	192	–	–	–	192	–
	Andre Ten Wolde	–	–	–	3,000	3,000	–

1 Includes shares held during the period by a related party.

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.
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[1]	**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**	**–**
2020	Don Meij	1,140,000	297,000	(300,000)	(400,000)	737,000	–
	Richard Coney	156,000	41,385	(24,000)	(54,000)	119,385	–
	Andrew Rennie	644,000	–	(150,000)	–	494,000	200,000
	Josh Kilimnik	69,500	31,421	–	–	100,921	–
	Nick Knight[1]	184,000	43,578	(48,500)	(48,500)	130,578	–
	Michael Gillespie	83,000	29,734	–	(30,500)	82,234	–
	Allan Collins	106,000	39,102	–	(38,500)	106,602	–
	Andre Ten Wolde	65,000	19,081	–	–	84,081	15,000

1 Includes options relating to a related party.

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	4 Years	1 January 2021	12 months (year 1) 6 months (years 2-4)	12 months (year 1) 6 months (years 2-4)	12/6 months remuneration
Nick Knight	Ongoing	1 October 2012	3 months	3 months	3 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.

Directors' Report
continued

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 months written notice.
- He may also resign on 1 month 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 $1,400,000 per annum.

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

ROLE		FY21 FEES
Chairman		$290,531
Non-executive Director	Deputy Chairman	$175,000
Audit and Risk Committee	Chairman of the Audit and Risk Committee	$161,900
Nomination, Culture and Remuneration Committee	Director/Chairman of the NCRC	$156,425
Non-executive Director		$140,000

REMUNERATION REPORT (continued)

NON-EXECUTIVE DIRECTOR REMUNERATION (continued)

NON-EXECUTIVE DIRECTOR REMUNERATION FOR FY21

Details of the audited remuneration for FY21 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	**2021**	**268,837**	**21,694**	**290,531**
	2020	269,528	21,003	290,531
Ross Adler	**2021**	**159,895**	**15,190**	**175,085**
	2020	170,000	16,150	186,150
Grant Bourke	**2021**	**147,854**	**14,046**	**161,900**
	2020	135,000	12,825	147,825
Lynda O'Grady	**2021**	**127,854**	**12,146**	**140,000**
	2020	127,854	12,146	140,000
Ursula Schreiber	**2021**	**142,739**	**13,560**	**156,299**
	2020	127,854	12,146	140,000
Doreen Huber	**2021**	**140,000**	**–**	**140,000**
	2020	49,000	–	49,000
Tony Peake	**2021**[1]	**15,244**	**1,448**	**16,692**
Total	**2021**	**1,002,423**	**78,084**	**1,080,507**
	2020	879,236	74,270	953,506

1 On 14 May 2021, Tony Peake was appointed to the board.

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
17 August 2021

Don Meij
Managing Director/Group Chief Executive Officer
17 August 2021

Independent Auditor's Report

Deloitte.

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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 27 June 2021, 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 Group's financial position as at 27 June 2021 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 Entity, 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 27 June 2021, the carrying value of the of the German CGU included goodwill of $82.4 million and indefinite life intangible assets of $184.8 million. The carrying value of the France/Belgium CGU included goodwill of $47.7 million and indefinite life intangible assets of $47.9 million, as disclosed in Note 11. Management is required to exercise significant judgement in estimating future cash flows, market growth rates and discount rates, which are used to determine the recoverable amount of the CGUs.	In conjunction with our valuation experts, our procedures included, but were not limited to: • Evaluating the Group's identification of CGUs and the allocation of goodwill to the carrying value of CGUs based on our understanding of the Group's business; • 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. We also assessed whether the impairment models appropriately reflected the impact of AASB 16 *Leases*; and • 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. Our analysis also included consideration of the potential impacts of COVID-19. We also 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 27 June 2021 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.

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Responsibilities of the Directors for the Financial Report

The directors of the Entity 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 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 skepticism 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.

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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.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 85 to 107 of the Directors' Report for the year ended 27 June 2021.

In our opinion, the Remuneration Report of Domino's Pizza Enterprises Limited, for the year ended 27 June 2021, complies with section 300A of the *Corporations Act 2001.*

Responsibilities

The directors of the Entity 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, 17 August 2021

Auditor’s Independence Declaration

Deloitte.

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17 August 2021

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 statements of Domino’s Pizza Enterprises Limited for the financial year ended 27 June 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) 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

Don Meij
Managing Director/Group Chief Executive Officer
17 August 2021

FINANCIAL REPORT 2021


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Financial Report

Consolidated Statement of Profit or Loss

For the year ended 27 June 2021

	NOTE	2021 $'000	2020 $'000
Continuing operations			
Revenue	2	**2,199,106**	1,905,261
Other gains and losses	3	**23,372**	21,174
Finance income	4	**4,824**	4,777
Food, equipment and packaging expenses		**(913,085)**	(772,254)
Employee benefits expense	5	**(398,317)**	(356,988)
Plant and equipment costs	5	**(22,405)**	(23,850)
Depreciation and amortisation expense	5	**(131,849)**	(125,498)
Occupancy expenses	5	**(5,446)**	(4,931)
Finance costs	5	**(18,593)**	(19,281)
Marketing expenses		**(210,610)**	(179,520)
Royalties expense		**(93,279)**	(79,551)
Store related expenses		**(28,205)**	(27,931)
Communication expenses		**(32,831)**	(30,002)
Acquisition, integration, conversion, legal settlement and inventory write downs		**(6,307)**	(12,417)
Other expenses		**(93,438)**	(95,553)
Profit before tax		**272,937**	203,436
Income tax expense	7	**(79,794)**	(60,515)
Profit for the period from continuing operations		**193,143**	142,921
Profit is attributable to:			
Owners of the parent		**184,011**	138,483
Non-controlling interests		**9,132**	4,438
Total profit for the period		**193,143**	142,921
		Cents	Cents
Earnings per share from continuing operations			
Basic (cents per share)	19	**212.8**	160.9
Diluted (cents per share)	19	**211.9**	160.8

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

Consolidated Statement of Other Comprehensive Income

For the year ended 27 June 2021

	2021 $'000	2020 $'000
Profit for the period	**193,143**	142,921
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Gain/(loss) on net investment hedge taken to equity	**5,270**	(1,145)
Exchange differences arising on translation of foreign operations	**(44,836)**	6,720
Gain/(loss) on cash flow hedges taken to equity	**1,791**	1,877
Income tax relating to components of other comprehensive income	**(2,201)**	(242)
Other comprehensive gain/(loss) for the period, net of tax	**(39,976)**	7,210
Total comprehensive income for the period	**153,167**	150,131
Items not to be reclassified to profit or loss		
Remeasurement of defined benefit obligation	**(853)**	(109)
Income tax relating to components of other comprehensive income	**295**	38
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods for the period	**(558)**	(71)
Other comprehensive income/(loss) for the year, net of tax	**(40,534)**	7,139
Total comprehensive income for the year	**152,609**	150,060
Total comprehensive income for the period is attributable to:		
Owners of the parent	**146,327**	145,781
Non-controlling interests	**6,282**	4,279
Total comprehensive income for the year	**152,609**	150,060

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

Consolidated Statement of Financial Position

As at 27 June 2021

	NOTE	2021 $'000	2020 $'000
Assets			
Current assets			
Cash and cash equivalents	6	**174,689**	245,678
Trade and other receivables	12	**145,751**	146,462
Other financial assets	22	**14,391**	14,404
Inventories	15	**25,955**	27,912
Current tax assets	7	**1,285**	774
Other assets	12	**35,142**	38,612
Investment in lease assets	10	**57,541**	48,557
Total current assets		**454,754**	522,399
Non-current assets			
Other financial assets	22	**82,476**	75,582
Investment in joint venture	27	**1,937**	2,201
Property, plant and equipment	9	**274,130**	272,837
Deferred tax assets	7	**7,818**	6,005
Goodwill	11	**456,091**	492,549
Intangible assets	11	**385,797**	386,705
Right-of-use assets	10	**344,911**	378,993
Investment in lease assets	10	**350,256**	333,834
Total non-current assets		**1,903,416**	1,948,706
Total assets		**2,358,170**	2,471,105
Liabilities			
Current liabilities			
Trade and other payables	13	**353,511**	323,618
Contract liabilities	2	**3,105**	2,985
Lease liabilities	10	**109,433**	105,203
Borrowings	21	**-**	50,195
Other financial liabilities	23	**29,697**	21,650
Provisions	14	**14,088**	12,887
Current tax liabilities	7	**28,988**	19,121
Total current liabilities		**538,822**	535,659
Non-current liabilities			
Borrowings	21	**507,375**	657,241
Contract liabilities	2	**16,066**	14,787
Lease liabilities	10	**651,492**	663,049
Other financial liabilities	23	**167,089**	131,486
Provisions	14	**9,108**	10,488
Deferred tax liabilities	7	**69,051**	65,022
Total non-current liabilities		**1,420,181**	1,542,073
Total liabilities		**1,959,003**	2,077,732
Net assets		**399,167**	393,373
Equity			
Issued capital	16	**259,500**	235,420
Reserves	16	**(150,329)**	(70,016)
Retained earnings	16	**289,996**	227,969
Total equity		**399,167**	393,373

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

Consolidated Statement of Changes in Equity

For the year ended 27 June 2021

	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 30 June 2019 as originally presented	206,218	(6,714)	42,861	(93,418)	197,060	–	346,007
Changes in accounting standards	–	–	–	–	(4,768)	(18)	(4,786)
Restated equity at 01 July 2019	206,218	(6,714)	42,861	(93,418)	192,292	(18)	341,221
Profit for the period	–	–	–	–	138,483	4,438	142,921
Other comprehensive income	–	490	6,879	(71)	–	(159)	7,139
Total comprehensive income for the period	–	490	6,879	(71)	138,483	4,279	150,060
Share options trust	–	–	–	1,282	–	–	1,282
Transactions with non-controlling interest	–	–	–	–	–	2,100	2,100
Dividend provided for or paid	–	–	–	–	(102,806)	–	(102,806)
Employee share scheme	29,202	–	–	–	–	–	29,202
Non-controlling interest put option	–	–	–	(18,410)	–	(6,361)	(24,771)
Recognition of share-based payments	–	–	–	(2,915)	–	–	(2,915)
Balance at 28 June 2020	235,420	(6,224)	49,740	(113,532)	227,969	–	393,373
Balance at 29 June 2020	**235,420**	**(6,224)**	**49,740**	**(113,532)**	**227,969**	**–**	**393,373**
Profit for the period	–	–	–	–	184,011	9,132	193,143
Other comprehensive income	–	4,860	(41,986)	(558)	–	(2,850)	(40,534)
Total comprehensive income for the period	**–**	**4,860**	**(41,986)**	**(558)**	**184,011**	**6,282**	**152,609**
Share options trust	–	–	–	3,353	–	–	3,353
Transactions with non-controlling interests	–	–	–	–	–	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	–	–	–	(47,219)	–	(9,575)	(56,794)
Recognition of share-based payments	–	–	–	1,237	–	–	1,237
Balance at 27 June 2021	**259,500**	**(1,364)**	**7,754**	**(156,719)**	**289,996**	**–**	**399,167**

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

Consolidated Statement of Cash Flows

For the year ended 27 June 2021

	NOTE	2021 $'000	2020 $'000
Cash flows from operating activities			
Receipts from customers		**2,412,797**	2,008,011
Payments to suppliers and employees		**(1,974,645)**	(1,627,988)
Interest received		**9,451**	9,074
Interest and other finance costs		**(17,420)**	(18,244)
Income taxes paid		**(55,773)**	(59,443)
Net cash generated from operating activities	6	**374,410**	311,410
Cash flows from investing activities			
Proceeds from franchisee loans		**39,294**	38,294
Payments for intangible assets		**(45,431)**	(29,404)
Payments for property, plant and equipment		**(98,473)**	(95,878)
Proceeds from sale of non-current assets		**29,688**	13,731
Acquisition of stores net of cash		**(23,824)**	(24,269)
Acquisition of subsidiaries		**(1,218)**	(1,500)
Net cash inflow/(outflow) on investment in joint ventures		**1,349**	150
Net cash used in investing activities		**(98,615)**	(98,876)
Cash flows from financing activities			
Proceeds from issues of equity securities		**20,923**	24,744
Proceeds from borrowings		**176,207**	261,959
Repayment of borrowings		**(345,236)**	(195,646)
Payments for establishment of borrowings		**(217)**	(30)
Lease principal payments		**(112,489)**	(103,863)
Receipts from subleases		**52,892**	45,499
Dividends paid		**(121,984)**	(102,806)
Net cash used in financing activities		**(329,904)**	(70,143)
Net increase/(decrease) in cash and cash equivalents held		**(54,109)**	142,391
Cash and cash equivalents at the beginning of the period		**245,678**	101,404
Effects of exchange rate changes on the balance of cash held in foreign currencies		**(16,880)**	1,883
Cash and cash equivalents at the end of the period	6	**174,689**	245,678

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

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 Exchanges 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 year ended 27 June 2021 was authorised for issue in accordance with a resolution of the directors on 17 August 2021. 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 29 June 2020 as listed in note 35;
- does not early adopt Accounting Standards and Interpretations that have been issued or amended but are not yet effective; and
- accounts for associates and joint ventures using the equity method as listed in note 27.

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 $84.1 million at 27 June 2021 (28 June 2020: net current liability position $13.3 million).

As at 27 June 2021, the Group had unrestricted cash and cash equivalents of $174.7 million and generated cash flows, excluding the net repayment of borrowings, of $114.9 million, (2020: $76.1 million). The Group's capital structure is sustainable with sufficient liquidity, including undrawn committed facilities of $243.2 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 financials 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.

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
- Japan

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.

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 1 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 27 JUNE 2021				
	ANZ $'000	**EUROPE $'000**	**JAPAN $'000**	**UNALLOCATED $'000**	**TOTAL $'000**
Continuing operations					
Revenue	756,581	665,125	777,400	–	2,199,106
EBITDA	153,665	123,764	163,814	(22,688)	418,555
Depreciation & amortisation	(39,250)	(39,503)	(52,515)	(581)	(131,849)
EBIT	**114,415**	**84,261**	**111,299**	**(23,269)**	**286,706**
Net finance costs					(13,769)
Net profit before tax					**272,937**

	YEAR ENDED 28 JUNE 2020				
	ANZ $'000	EUROPE $'000	JAPAN $'000	UNALLOCATED $'000	TOTAL $'000
Continuing operations					
Revenue	693,382	560,117	651,762	–	1,905,261
EBITDA	138,308	84,435	133,830	(13,135)	343,438
Depreciation & amortisation	(37,851)	(33,586)	(54,061)	–	(125,498)
EBIT	100,457	50,849	79,769	(13,135)	217,940
Net finance costs					(14,504)
Net profit before tax					203,436

Notes to the Financial Statements
continued

1 SEGMENT INFORMATION (continued)

Revenue reported above represents revenue generated from external customers and franchisees. There were no inter-segment sales during the period (2020: 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.

2021	ASSETS $'000	LIABILITIES $'000
Continuing operations		
Australia/New Zealand	**593,402**	**(760,785)**
Europe	**844,344**	**(565,703)**
Japan	**919,688**	**(630,373)**
Total segment assets/(liabilities)	**2,357,434**	**(1,956,861)**
Unallocated	**736**	**(2,142)**
Consolidated assets/(liabilities)	**2,358,170**	**(1,959,003)**

2020	ASSETS $'000	LIABILITIES $'000
Continuing operations		
Australia/New Zealand	653,292	(870,281)
Europe	879,657	(561,831)
Japan	938,156	(645,620)
Total segment assets/(liabilities)	2,471,105	(2,077,732)
Unallocated	–	–
Consolidated assets/(liabilities)	2,471,105	(2,077,732)

OTHER SEGMENT INFORMATION

The non-current assets by geographical location are detailed below;

	DEPRECIATION AND AMORTISATION		ADDITIONS TO NON-CURRENT ASSETS		NON-CURRENT ASSETS	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000	**2021 $'000**	2020 $'000
Australia/New Zealand	**39,250**	37,851	**51,245**	43,903	**443,819**	467,512
Europe	**39,503**	33,586	**58,156**	106,408	**716,283**	724,470
Japan	**52,515**	54,061	**101,387**	95,263	**742,578**	756,724
Global	**581**	–	**-**	–	**736**	–
TOTAL	**131,849**	125,498	**210,788**	245,574	**1,903,416**	1,948,706

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 1 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.

	YEAR ENDED 27 JUNE 2021			
	ANZ $'000	EUROPE $'000	JAPAN $'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**

2 REVENUE (continued)

	YEAR ENDED 28 JUNE 2020			
	ANZ $'000	EUROPE $'000	JAPAN $'000	TOTAL $'000
Revenue type				
Revenue from sale of goods	479,968	403,334	581,603	1,464,905
Revenue from rendering of services	210,721	156,491	68,847	436,059
Interest income	2,693	292	1,312	4,297
Total	693,382	560,117	651,762	1,905,261
Timing of revenue recognition				
At a point in time	513,298	413,487	590,862	1,517,647
Over time	180,084	146,630	60,900	387,614
Total	693,382	560,117	651,762	1,905,261

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 overtime on 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:

	2021 $'000	2020 $'000
Contract liabilities		
Within 1 year	**3,105**	2,985
More than 1 year	**16,066**	14,787
Total	**19,171**	17,772

Contract liabilities at the beginning of the period was $17.8 million (2020: $18.7 million). The Group recognised $3.7 million (2020: $3.8 million) of revenue related to contract liabilities. Management expects to recognise $3.1 million (2020: $3.0 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.

Notes to the Financial Statements

continued

3 OTHER GAINS AND LOSSES

	2021 $'000	2020 $'000
Net gain on disposal of property, plant & equipment, goodwill and other non-current assets	**23,372**	21,174
Total other gains and losses	**23,372**	21,174

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

	2021 $'000	2020 $'000
Finance income	**4,824**	4,777
Total finance income	**4,824**	4,777

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 in Australia and New Zealand 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	2021 $'000	2020 $'000
Remuneration, bonuses and on-costs		**378,858**	341,307
Defined contribution plans		**13,848**	13,085
Defined benefit plans	31	**1,217**	1,051
Share-based payments expense		**4,394**	1,545
Employee benefits expenses		**398,317**	356,988
Equipment operating costs		**19,347**	20,891
Expenses relating to leases of low value assets		**3,058**	2,959
Plant and equipment costs		**22,405**	23,850
Depreciation of property, plant and equipment		**46,762**	44,441
Depreciation of right-of-use assets		**58,732**	57,373
Amortisation of intangible assets		**25,923**	23,122
Amortisation of other assets		**432**	562
Depreciation and amortisation expense		**131,849**	125,498
Non-lease component occupancy expenses		**5,446**	4,931
Occupancy expenses		**5,446**	4,931
Interest on commercial bills and loans		**9,509**	11,231
Amortisation of borrowing costs		**937**	1,077
Interest expense on lease liabilities		**8,147**	6,973
Finance costs		**18,593**	19,281

Notes to the Financial Statements

continued

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 3 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:

	2021 $'000	2020 $'000
Cash and cash equivalents	**174,689**	245,678
	174,689	245,678

RECONCILIATION OF PROFIT FOR THE PERIOD TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	2021 $'000	2020 $'000
Profit for the period	**193,143**	142,921
Profit on sale of non-current assets	**(22,999)**	(21,270)
Equity settled share-based payments	**4,394**	1,545
Depreciation and amortisation	**131,849**	125,498
Share of joint venture entities net (profit)/loss	**(24)**	378
Amortisation of loan establishment costs	**937**	1,077
Other	**8,811**	(1,559)
	316,111	248,590
Movement in working capital		
(Increase)/decrease in assets:		
Trade and other receivables	**817**	(51,896)
Inventory	**(2,446)**	(5,632)
Other current assets	**(41)**	(12,875)
Increase/(decrease) in liabilities:		
Trade and other payables	**43,753**	134,052
Provisions	**712**	2,018
Current tax assets and liabilities	**10,848**	(6,041)
Deferred tax balances	**4,656**	3,194
Net cash generated from operating activities	**374,410**	311,410

6 CASH AND CASH EQUIVALENTS (continued)

NET DEBT RECONCILIATION

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	2021 $'000	2020 $'000
Cash and cash equivalents	**174,689**	245,678
Borrowings – repayable within 1 year	**–**	(50,195)
Borrowings – repayable after 1 year	**(508,485)**	(659,057)
Net debt	**(333,796)**	(463,574)
Cash and cash equivalents	**174,689**	245,678
Gross debt–fixed interest rates	**(373,243)**	(428,982)
Gross debt–variable interest rates	**(135,242)**	(280,270)
Net debt	**(333,796)**	(463,574)

	CASH $'000	FINANCE LEASES DUE WITHIN 1 YEAR $'000	FINANCE LEASES DUE AFTER 1 YEAR $'000	BORROWINGS DUE WITHIN 1 YEAR $'000	BORROWINGS DUE AFTER 1 YEAR $'000	TOTAL $'000
Balances as at 1 July 2019	101,404	(5,373)	(11,259)	–	(637,681)	(552,909)
Changes in accounting standards	–	(97,838)	(616,630)	–	–	(714,468)
Cash flows	142,391	–	103,863	(50,195)	(16,118)	179,941
Finance lease additions	–	(1,099)	(133,587)	–	–	(134,686)
Foreign exchange adjustments	1,883	(893)	(5,436)	–	(5,258)	(9,704)
Balances as at 28 June 2020	245,678	(105,203)	(663,049)	(50,195)	(659,057)	(1,231,826)

	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 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**
Lease liabilities 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)**

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.

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 $99,264 thousand (2020: $98,721 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.

Notes to the Financial Statements
continued

7 TAX (continued)

INCOME TAX RECOGNISED IN THE PROFIT OR LOSS

	2021 $'000	2020 $'000
Tax expense comprises:		
Current tax expense in respect of the current year	**73,725**	55,351
Adjustments recognised in the current year in relation to the current tax of prior years	**39**	817
	73,764	56,168
Deferred tax expense/(income) relating to the origination and reversal of temporary differences	**8,400**	4,930
Deferred tax expense/(income) relating to the origination in relation to change in tax rate in other jurisdiction	**(2,370)**	(583)
Total tax expense relating to continuing operations	**79,794**	60,515

RECONCILIATION OF INCOME TAX EXPENSE TO PRIMA FACIE TAX RATE:

	2021 $'000	2020 $'000
Profit before tax from continuing operations	**272,937**	203,436
Income tax expense calculated at 30%	**81,881**	61,031
Non-assessable/(non-deductible) amounts	**1,238**	537
Effect of tax concessions (research and development and other allowances)	**(2,843)**	(2,587)
Adjustments recognised in the current year in relation to the current tax of prior year	**(210)**	707
Adjustments recognised in the current year in relation to the deferred tax of prior year	**66**	(345)
Effect of different tax rates of subsidiaries operating in other jurisdictions	**2,032**	1,755
Effect of change in tax rate in other jurisdictions	**(2,370)**	(583)
Income tax expense recognised in profit or loss	**79,794**	60,515

The tax rate used for the 2021 and 2020 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

	2021 $'000	2020 $'000
Arising on income and expenses in other comprehensive income:		
(Gain)/Loss on hedges taken to equity	**(2,201)**	(242)
(Gain)/Loss on defined benefit plan taken to equity	**295**	38
Share option trust	**3,353**	1,282
Total	**1,447**	1,078

Notes to the Financial Statements
continued

7 TAX (continued)

CURRENT TAX ASSETS AND LIABILITIES

	2021 $'000	2020 $'000
Current tax assets		
Income tax refund receivable	**1,285**	774
	1,285	774
Current tax liabilities		
Income tax payable	**(28,988)**	(19,121)
	(28,988)	(19,121)

DEFERRED TAX BALANCES

2021	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	**(89,590)**	**1,027**	**-**	**3,584**	**(84,979)**
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**
	(65,218)	**(36)**	**1,447**	**2,486**	**(61,321)**
Unused tax losses and credits					
Tax losses	**6,201**	**(5,994)**	**-**	**(119)**	**88**
	(59,017)	**(6,030)**	**1,447**	**2,367**	**(61,233)**
Deferred tax asset					**7,818**
Deferred tax liability					**(69,051)**
					(61,233)

7 TAX (continued)

2020	OPENING BALANCE $'000	RESTATED OPENING BALANCE[1] $'000	CHARGED TO P&L $'000	CHARGED TO EQUITY $'000	EXCHANGE DIFFERENCE $'000	CLOSING BALANCE $'000
Temporary differences						
Property, plant & equipment	396	396	(168)	–	(23)	205
Intangible assets	(88,023)	(88,023)	(982)	–	(585)	(89,590)
Provision for employee entitlements	7,259	7,259	3,115	38	71	10,483
Doubtful debts	848	848	(199)	–	18	667
Other financial liabilities	3,146	5,522	637	(242)	42	5,959
Options reserve	–	–	(663)	1,282	–	619
Unearned income	4,829	4,829	(1,086)	–	18	3,761
Other	2,859	2,504	140	–	34	2,678
	(68,686)	(66,665)	794	1,078	(425)	(65,218)
Unused tax losses and credits						
Tax losses	11,216	11,216	(5,139)	–	124	6,201
	(57,470)	(55,449)	(4,345)	1,078	(301)	(59,017)
Deferred tax asset						6,005
Deferred tax liability						(65,022)
						(59,017)

1 The Group adopted the modified retrospective approach to the implementation of AASB 16. A transition adjustment has been recognised on transition at 01 July 2019, without adjustment of the comparative. The Group has recognised a deferred tax asset of $2,021 thousand as at 01 July 2019 relating to the adoption of AASB 16.

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 1 year from the acquisition date) about facts and circumstances that existed at the acquisition date.

8 ACQUISITION OF BUSINESSES (continued)

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 1 year.

CURRENT YEAR ACQUISITIONS

ACQUISITION OF DOMINO'S PIZZA TAIWAN

On 11 June 2021, the Company announced that it has entered into a binding agreement for the acquisition of PizzaVest Company Limited ("Domino's Taiwan").

The purchase price of Domino's Taiwan was for NT$1.7 billion (c. A$79 million) on a cash and debt free basis. The acquisition did not complete as at 17 August 2021; therefore no amounts have been recognised in relation to identifiable assets acquired and liabilities assumed in the transactions described.

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:

2021	ANZ	EUROPE	JAPAN	TOTAL
Number of stores acquired	**32**	**10**	**4**	**46**

	ANZ $'000	EUROPE $'000	JAPAN $'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**

Notes to the Financial Statements
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8 ACQUISITION OF BUSINESSES (continued)

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.

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:

2020	ANZ	EUROPE	JAPAN	TOTAL
Number of stores acquired	14	33	9	56

	ANZ $'000	EUROPE $'000	JAPAN $'000	TOTAL $'000
Fair value on acquisition				
Inventories	68	–	–	68
Property, plant & equipment	1,643	5,191	865	7,699
Other intangible assets	–	1,655	–	1,655
Total identifiable net assets	1,711	6,846	865	9,422
Cash consideration	7,493	15,911	865	24,269
Less fair value of net identifiable assets	(1,711)	(6,846)	(865)	(9,422)
Goodwill	5,782	9,065	–	14,847

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.

Notes to the Financial Statements
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9 PROPERTY, PLANT AND EQUIPMENT (continued)

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.

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	EQUIPMENT UNDER FINANCE LEASE AT COST[1] $'000	TOTAL $'000
Year ended 27 June 2021			
Cost or fair value	432,304	–	432,304
Accumulated depreciation	(158,174)	–	(158,174)
Net carrying amount	**274,130**	**–**	**274,130**
Movement			
Opening net book amount	272,837	–	272,837
Additions	98,473	–	98,473
Acquisitions of Domino's Pizza stores and other businesses	5,853	–	5,853
Disposals and write-offs	(37,010)	–	(37,010)
Depreciation charge	(46,762)	–	(46,762)
Other including foreign exchange movements	(19,261)	–	(19,261)
Net carrying amount at the end of the year	**274,130**	**–**	**274,130**

Notes to the Financial Statements
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9 PROPERTY, PLANT AND EQUIPMENT (continued)

	PLANT & EQUIPMENT AT COST $'000	EQUIPMENT UNDER FINANCE LEASE AT COST[1] $'000	TOTAL $'000
Year ended 28 June 2020			
Cost or fair value	410,526	–	410,526
Accumulated depreciation	(137,689)	–	(137,689)
Net carrying amount	272,837	–	272,837
Movement			
Opening net book amount	236,481	16,655	253,136
Change in accounting policy	–	(16,655)	(16,655)
Additions	95,878	–	95,878
Acquisitions of Domino's Pizza stores and other businesses	7,699	–	7,699
Disposals and write-offs	(25,037)	–	(25,037)
Depreciation charge	(44,441)	–	(44,441)
Other including foreign exchange movements	2,257	–	2,257
Net carrying amount at the end of the year	272,837	–	272,837

1 Due to adoption of AASB 16 *Leases* in prior period, on adoption, Equipment under Finance Lease at Cost was reclassified to Right of Use Asset. Refer to note 10.

There was no depreciation during the period that was capitalised as part of the cost of other assets.

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 committed 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.

Notes to the Financial Statements

continued

10 LEASES (continued)

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 29 June 2020	349,949	29,044	378,993
Net additions[1]	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**
As at 01 July 2019	311,473	25,980	337,453
Net additions	85,021	12,346	97,367
Depreciation expense	(47,706)	(9,667)	(57,373)
Other including foreign exchange movement	1,161	385	1,546
As at 28 June 2020	349,949	29,044	378,993

(1) 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.

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2021 $'000		2020 $'000
As at 28 June 2020	**768,252**	As at 01 July 2019	731,099
Additions	**151,141**	Additions	134,686
Accretion of interest	**8,147**	Accretion of interest	6,973
Payments	**(120,636)**	Payments	(110,836)
Other including foreign exchange movement	**(45,979)**	Other including foreign exchange movement	6,330
As at 27 June 2021	**760,925**	As at 28 June 2020	768,252
Current	**109,433**	Current	105,203
Non-current	**651,492**	Non-current	663,049
Total lease liabilities	**760,925**	Total lease liabilities	768,252

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 1.07% (2020: 0.94%) 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.

10 LEASES (continued)

GROUP AS A LESSOR

The Group has a portfolio of long-term (greater than 1 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.

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:

	2021 $'000
As at 28 June 2020	**382,391**
Net additions	**92,896**
Accretion of interest	**4,824**
Receipts	**(57,716)**
Other including foreign exchange movement	**(14,598)**
Total	**407,797**
Current	**57,541**
Non-current	**350,256**
Total investment in lease assets	**407,797**

	2020 $'000
As at 01 July 2019	385,679
Net additions	40,393
Accretion of interest	4,777
Receipts	(50,276)
Other including foreign exchange movement	1,818
Total	382,391
Current	48,557
Non-current	333,834
Total investment in lease assets	382,391

Future minimum rentals receivable under non-cancellable operating leases as at end of the year are as follows:

	2021 $'000	2020 $'000
Year 1	**63,353**	53,426
Year 2	**62,574**	53,394
Year 3	**61,759**	52,715
Year 4	**56,420**	51,964
Year 5	**50,312**	49,127
Onwards	**135,090**	145,189
Undiscounted lease payments	**429,508**	405,815
Less: unearned finance income	**(21,711)**	(23,424)
Net investment in leases	**407,797**	382,391
Current	**57,541**	48,557
Non-Current	**350,256**	333,834
	407,797	382,391

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 3-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 2021 financial year (2020: nil).

Notes to the Financial Statements
continued

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 (2021: $44.4m, 2020: $31.7m). In addition, the same treatment has been applied to the MFA and associated franchise agreements recognised on the acquisition of Domino's Pizza Japan (2021: $41.3m, 2020: $47.1m). 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.

The liability associated with the Franchise Network Assets for Germany is valued using a multi-period excess earnings method income approach taking into account forecast revenue and EBITDA margin with a discount rate applied. These inputs are not observable therefore the liability is considered a Level 3 in the hierarchy of fair value as disclosed in note 24.

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 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**
Year ended 28 June 2020	
Cost	492,549
Accumulated amortisation and impairment	–
Net carrying amount	492,549
Movement	
Net carrying amount at the beginning of the year	475,005
Acquisitions of Domino's Pizza stores and other businesses	14,847
Disposals	(4,304)
Other including foreign exchange movement	7,001
Net carrying amount at the end of the year	492,549

Notes to the Financial Statements

continued

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 27 June 2021					
Cost	**201,462**	**50,243**	**87,627**	**189,832**	**529,164**
Accumulated amortisation and impairment	**(111,475)**	**(31,892)**	**–**	**–**	**(143,367)**
Net carrying amount	**89,987**	**18,351**	**87,627**	**189,832**	**385,797**
Movement					
Net carrying amount at the beginning of the year	**89,156**	**15,968**	**86,228**	**195,353**	**386,705**
Additions	**25,279**	**7,847**	**–**	**–**	**33,126**
Acquisitions of Domino's Pizza stores and other businesses	**11**	**–**	**–**	**–**	**11**
Remeasurement	**–**	**–**	**8,474**	**–**	**8,474**
Disposals	**(515)**	**(383)**	**–**	**–**	**(898)**
Amortisation for the year	**(22,209)**	**(3,714)**	**–**	**–**	**(25,923)**
Other including foreign exchange movement	**(1,735)**	**(1,367)**	**(7,075)**	**(5,521)**	**(15,698)**
Net carrying amount at the end of the year	**89,987**	**18,351**	**87,627**	**189,832**	**385,797**
Year ended 28 June 2020					
Cost	179,407	46,464	86,228	195,353	507,452
Accumulated amortisation and impairment	(90,251)	(30,496)	–	–	(120,747)
Net carrying amount	89,156	15,968	86,228	195,353	386,705
Movement					
Net carrying amount at the beginning of the year	80,842	15,785	77,781	194,389	368,797
Additions	26,071	3,712	–	–	29,783
Acquisitions of Domino's Pizza stores and other businesses	1,655	–	–	–	1,655
Remeasurement	–	–	7,166	–	7,166
Disposals	(196)	(162)	–	–	(358)
Amortisation for the year	(19,647)	(3,475)	–	–	(23,122)
Other including foreign exchange movement	431	108	1,281	964	2,784
Net carrying amount at the end of the year	89,156	15,968	86,228	195,353	386,705

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
- Europe market, which comprises:
  - The Netherlands and Belgium stores located in the region of Antwerp and Denmark
  - France & the rest of Belgium (FR) & (BE)
  - Germany (DE)
- Japan market

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	JAPAN $'000	TOTAL $'000
Goodwill						
2021	**71,178**	**47,720**	**10,968**	**82,414**	**243,811**	**456,091**
2020	66,031	50,339	11,328	86,803	278,048	492,549
Goodwill impairment						
2021	**–**	**–**	**–**	**–**	**–**	**–**
2020	–	–	–	–	–	–
Indefinite life intangible assets						
2021	**226**	**47,888**	**3,304**	**184,778**	**41,263**	**277,459**
2020	226	49,646	1,785	182,822	47,102	281,581
Indefinite life intangible assets impairment						
2021	**–**	**–**	**–**	**–**	**–**	**–**
2020	–	–	–	–	–	–

ESTIMATES AND JUDGEMENTS IN DETERMINING THE RECOVERABLE AMOUNT OF THE CASH GENERATING UNITS

In assessing the recoverable amount of CGUs, the calculations necessarily require estimates and assumptions around future cashflows, growth rates and discount rates. The resulting recoverable amount can be sensitive to these outputs. Key assumptions used are detailed further below.

All CGUs have adopted the VIU valuation methodology to determine the recoverable amount. EBIT growth over the forecast period is based on past experience and expectations of average sale percentages growth rates. The post-tax discount rates incorporate a risk-adjustment relative to the risks associated with the net post-tax cash flows being achieved, whilst the terminal growth rates are based on market estimates of the long-term average industry growth rate.

11 GOODWILL AND OTHER INTANGIBLES (continued)

	ANZ	FR & BE	NL	DE	JAPAN
Discount rate (post-tax)					
2021	**8.3%**	**8.6%**	**7.7%**	**7.8%**	**8.5%**
2020	7.7%	9.0%	8.0%	8.0%	9.2%
Compound annual growth rate for corporate plan[1]					
2021	**6.7%**	**18.8%**	**6.6%**	**14.0%**	**15.5%**
2020	8.9%	36.3%	6.2%	14.3%	7.4%
Nominal terminal growth rates					
2021	**0.8%**	**0.5%**	**0.5%**	**0.5%**	**0.2%**
2020	1.0%	0.5%	0.5%	0.5%	0.2%

1 Compound annual growth rate (CAGR) for the corporate plan period has been calculated based on the compound EBITDA growth, which has been adjusted for the impact of AASB16, over the forecast period adjusted for any non-recurring costs.

In general, COVID-19 has not had a significant adverse impact on the operations of Group. Sales have generally remained strong, with an increase in delivery sales largely offsetting a decrease in store pick-up sales. Certain jurisdictions, notably Japan and Germany, have seen an increase in sales during COVID-19. In other jurisdictions, including Australia and the BENELUX, store pick-up sales were initially impacted more than delivery sales growth, however have subsequently continued to improve.

The impact and responses to the global outbreak of COVID-19 continue to evolve and there are difficulties in projecting the impact and duration of the pandemic on the Group's business. In setting its assumptions, the Group has considered its demonstrated capacity to respond to the impacts of COVID-19 on the operational and financial performance of the business, including through government regulation (such as lock-downs and financial support initiatives) and changing customer requirements.

The Group has reviewed sensitivity on the key assumptions on which the recoverable amounts are based and believes that any reasonable change would not cause the cash-generating units' carrying amount to exceed its recoverable amount. The sensitivity tests applied were to reduce the forecasted EBITDA growth rates by 2% and an increase to the post-tax discount rates by 1% for each cash-generating unit, which did not result in the cash-generating units carrying amounts exceeding the recoverable amounts.

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 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 that are neither impaired nor past due, 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.

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. Impairment is recognised in the income statement when there is objective evidence that the Group will not be able to collect the receivables.

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.

	2021 $'000	2020 $'000
Trade receivables	**145,532**	147,249
Allowance for expected credit loss	**(5,756)**	(7,184)
Other receivables	**5,975**	6,397
Total trade and other receivables	**145,751**	146,462

	2021 $'000	2020 $'000
Prepayments	**18,524**	19,894
Work in progress–store builds	**1,067**	2,945
Other–current	**15,551**	15,773
Total other assets	**35,142**	38,612

	2021 $'000	2020 $'000
Movement in allowance for expected credit loss		
Balance at the beginning of the year	**7,184**	6,990
Provision for expected credit loss	**1,739**	3,029
Amounts written off as uncollectible	**(1,021)**	(2,675)
Amounts recovered during the year	**(1,770)**	(272)
Effect of foreign currency	**(376)**	112
Balance at the end of the year	**5,756**	7,184

Included in the Group's trade receivables balance are debtors with a carrying amount of $2,090 thousand (2020: $3,370 thousand), which are past due at the reporting date.

Notes to the Financial Statements

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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.

	2021 $'000	2020 $'000
Current		
Trade payables	**242,849**	223,202
Goods and services tax (GST)/Value added tax (VAT) payable	**13,929**	11,974
Other creditors and accruals	**96,733**	88,442
Total trade and other payables	**353,511**	323,618

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.

Notes to the Financial Statements
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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;
- future on-cost rates; and
- experience of employee departures and period of service.

	NOTE	2021 $'000	2020 $'000
Employee benefits		**11,980**	10,895
Defined benefit plan	31	**7,759**	7,710
Other provisions		**3,457**	4,770
Total provisions		**23,196**	23,375
Current		**14,088**	12,887
Non-current		**9,108**	10,488
Total provisions		**23,196**	23,375

OTHER PROVISIONS

	MAKE GOOD $'000	STRAIGHT-LINE LEASING $'000	LEGAL PROVISIONS $'000	TOTAL $'000
Balance at 01 July 2019	1,936	126	2,708	4,770
Change in accounting standard	–	(126)	–	(126)
Recognised in profit or loss	323	–	–	323
Reductions arising from payments	–	–	(253)	(253)
Movements resulting from remeasurement	38	–	18	56
Balance at 28 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**

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.

	2021 $'000	2020 $'000
Raw materials	**9,004**	6,825
Finished goods	**16,951**	21,087
Total inventory	**25,955**	27,912

There are no inventories (2020: $nil) expected to be recovered after more than 12 months. Expenses relating to inventories are recorded under Food, equipment and packaging expenses. During the year, there has been a write-down of personal protective equipment to net realisable value of $3,059 thousand, which has been recognised in Acquisition, integration, conversion, legal settlement and inventory write downs.

CAPITAL

Capital provides information about the capital management practices of the Group.

16 EQUITY

ISSUED CAPITAL

	2021 $'000	2020 $'000
86,523,365 fully paid ordinary shares (28 June 2020: 86,238,290)	**259,500**	235,420

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

	2021		2020	
	NUMBER OF SHARES '000	**SHARE CAPITAL $'000**	NUMBER OF SHARES '000	SHARE CAPITAL $'000
Balance at beginning of financial period	**86,238**	**235,420**	85,634	206,218
Shares issued:				
Issue of shares under executive share option plan	**285**	**24,080**	604	29,202
Balance at end of financial year	**86,523**	**259,500**	86,238	235,420

Fully paid ordinary shares carry 1 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 1 ordinary share. Refer to note 20.

Notes to the Financial Statements
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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 285,075 options were exercised (2020: 604,250). A total of $24,080,211 was received as consideration for 285,075 fully paid ordinary shares of Domino's Pizza Enterprises Limited on exercise of the options in the current financial year (2020: $29,201,780).

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 27 June 2021 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.

Notes to the Financial Statements
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16 EQUITY (continued)

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.

	2021 $'000	2020 $'000
Foreign currency translation	**7,754**	49,740
Hedging	**(1,364)**	(6,224)
Other	**(156,719)**	(113,532)
Balance at the end of the year	**(150,329)**	(70,016)
Foreign currency translation reserve		
Balance at beginning of financial year	**49,740**	42,861
Translation of foreign operations	**(41,986)**	6,879
Balance at the end of the year	**7,754**	49,740
Hedging reserve		
Balance at beginning of financial year	**(6,224)**	(6,714)
Net investment hedge	**5,270**	(1,145)
Cash flow hedge	**1,791**	1,877
Income tax related to gain/(loss) on hedging items	**(2,201)**	(242)
Balance at the end of the year	**(1,364)**	(6,224)
Other Reserves		
Balance at beginning of financial year	**(113,532)**	(93,418)
Share-based payment	**1,237**	(2,915)
Movement in put option liability and non-controlling interest	**(47,219)**	(18,410)
Share option trust	**3,353**	1,282
Remeasurement of defined benefit plan	**(558)**	(71)
Balance at the end of the year	**(156,719)**	(113,532)

16 EQUITY (continued)

RETAINED EARNINGS

	NOTE	2021 $'000	2020 $'000
Balance at beginning of year		**227,969**	197,060
Change in accounting policies		**–**	(4,768)
Restated retained earnings		**227,969**	192,292
Net profit attributable to members of the Company		**184,011**	138,483
Payment of dividends	18	**(121,984)**	(102,806)
Balance at the end of the year		**289,996**	227,969

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	2021 $'000	2020 $'000
Balance at beginning of year		**–**	–
Change in accounting policies	35	**–**	(18)
Restated equity at the end of the year		**–**	(18)
Non-controlling interest contributions during the period		**3,293**	2,100
Share of profit/(loss)		**9,132**	4,438
Foreign currency translation		**(2,850)**	(159)
Non-controlling interest put option adjustment		**(9,575)**	(6,361)
Balance at the end of the year		**–**	–

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18 DIVIDENDS

	2021		2020	
	CENTS PER SHARE	**TOTAL $'000**	CENTS PER SHARE	TOTAL $'000
Recognised amounts				
Fully paid ordinary shares				
Interim dividend for half-year ended[1]	**88.4**	**76,487**	66.7	57,521
Dividend for full year ended[2]	**52.6**	**45,497**	52.8	45,285
	141.0	**121,984**	119.5	102,806
Unrecognised amounts				
Fully paid ordinary shares				
Partially franked dividend for full year ended	**85.1**	**73,631**	52.6	45,361

1 The interim dividend for half year ended was franked at 50% (2020: 100%).
2 The dividend for full year ended was franked at 70% (2020: 100%).

On 17 August 2021, the directors declared a final dividend of 85.1 cents per share to the holders of fully paid ordinary shares in respect of the financial year ended 27 June 2021, to be paid to shareholders on 9 September 2021. The dividend will be paid to all shareholders on the Register of Members on 25 August 2021. The total estimated dividend to be paid is $73,631 thousand.

FRANKED DIVIDENDS

The franked portions of the final dividends determined after 27 June 2021 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 27 June 2021.

	2021 $'000	2020 $'000
Franking credits available for subsequent financial years based on a tax rate of 30.0%	**12,710**	7,545

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 or receivables 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.

	2021 CENTS	2020 CENTS
From continuing operations attributable to the ordinary equity holders of the Company	**212.8**	160.9

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.

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19 EARNINGS PER SHARE (CONTINUED)

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.

	2021 CENTS	2020 CENTS
From continuing operations attributable to the ordinary equity holders of the Company	**211.9**	160.8

EARNINGS USED IN CALCULATING EARNINGS PER SHARE

	2021 $'000	2020 $'000
Profit from continuing operations	**184,011**	138,483
Profit attributable to the ordinary equity shareholders of the Company used in calculating basic and diluted earnings per share	**184,011**	138,483
WEIGHTED AVERAGE NUMBER OF SHARES USED AS DENOMINATOR		
	2021 NO.'000	2020 NO.'000
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**86,481**	86,049
Adjustments for calculation of diluted earnings per share:		
Options on issue	**343**	61
Weighted average number of ordinary and potential ordinary shares used as the denominator in calculating diluted earnings per share	**86,824**	86,110

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 adjustment 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 1 share plan and 1 share and option plan available for employees, 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.

Notes to the Financial Statements

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20 SHARE-BASED PAYMENTS (continued)

EXECUTIVE SHARE AND OPTION PLAN

The Company established the ESOP to assist in the recruitment, reward, retention and motivation of directors and 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 1 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:

OPTIONS GRANTED UNDER THE INCENTIVE PLANS

Set out below are summaries of the performance options and rights granted in respect of the 2021 and 2020 financial years under the incentive plans:

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

Notes to the Financial Statements

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20 SHARE-BASED PAYMENTS (continued)

2020

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
(23)	3 Sep 15	28 Oct 20	300,000	–	(300,000)	–	–	–
(24)	3 Sep 15	31 Aug 19	192,250	–	(154,250)	(38,000)	–	–
(24)	3 Sep 15	31 Aug 20	150,000	–	(150,000)	–	–	–
(25)	1 Sep 16	28 Oct 20	400,000	–	–	(400,000)	–	–
(26)	1 Sep 16	31 Aug 20	200,000	–	–	–	200,000	200,000
(27)	1 Sep 16	31 Aug 20	410,500	–	–	(346,000)	64,500	64,500
(28)	8 Nov 17	31 Aug 21	220,000	–	–	–	220,000	–
(29)	19 Apr 18	31 Aug 21	578,250	–	–	(36,500)	541,750	–
(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	653,750	–	–	(27,750)	626,000	–
(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	–	–	294,092	–
(36)	20 Aug 19	20 Aug 29	–	6,250	–	–	6,250	–
TOTAL			3,471,750	780,567	(604,250)	(848,250)	2,799,817	264,500

The weighted average exercise price at the date of the exercise of options during the 2021 financial year was $84.47 (2020: $48.33).

The weighted average remaining contractual life of options outstanding at the end of the 2021 financial year was 2.27 years (2020: 1.97 years)

FAIR VALUE OF SHARE OPTIONS GRANTED IN THE YEAR

The weighted average fair value of the options granted during the 2021 year is $12.87 (2020: $11.58). 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 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 37, Series 40 and Series 41 are zero exercise price options, therefore the options share price at date of grant approximates the options fair value.

20 SHARE-BASED PAYMENTS (continued)

The model inputs for rights granted during 2020 financial year include:

PERFORMANCE CONDITIONS	SERIES 33	SERIES 34	SERIES 35
Grant date share price	$52.95	$52.95	$52.95
Exercise price	$50.25	$50.25	$50.25
Expected volatility	34.6%	32.5%	34.6%
Option life years	3.77	4.00	3.77
Dividend yield	2.18%	2.70%	2.18%
Risk-free interest rate	0.76%	0.70%	0.76%

Series 36 is a zero exercise price option, therefore the options share price at date of grant approximates the options fair value.

SHARE OPTIONS EXERCISED DURING THE YEAR

The following share options granted under the ESOP were exercised during the year:

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**

2020 OPTION SERIES	NUMBER EXERCISED	EXERCISE DATE	SHARE PRICE AT EXERCISE DATE ($)
(24) Issued 3 September 2015	11,250	22 August 2019	$42.28
(24) Issued 3 September 2015	54,000	23 August 2019	$42.77
(24) Issued 3 September 2015	30,000	26 August 2019	$42.85
(24) Issued 3 September 2015	26,500	27 August 2019	$42.75
(24) Issued 3 September 2015	12,000	28 August 2019	$43.00
(24) Issued 3 September 2015	13,000	29 August 2019	$42.80
(24) Issued 3 September 2015	7,500	30 August 2019	$43.37
(24) Issued 3 September 2015	150,000	07 November 2019	$50.03
(23) Issued 3 September 2015	300,000	12 November 2019	$50.32

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.

	2021 $'000	2020 $'000
Loans from other entities		
Loans from other entities[1]	**24,371**	35,978
Total from other entities	**24,371**	35,978
Uncommitted		
Bank loans	**–**	50,195
Total uncommitted borrowings	**–**	50,195
Committed		
Bank loans[2]	**483,004**	621,263
Total committed borrowings	**483,004**	621,263
Current	**–**	50,195
Non-current	**507,375**	657,241
Total borrowings	**507,375**	707,436

SUMMARY OF BORROWING ARRANGEMENTS

1 Relates to loans from Domino's Pizza Group plc relating to the German joint venture.

2 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.

The unused facilities available on the Group's bank overdraft are $5,795 thousand (2020: $5,807 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.

22 FINANCIAL ASSETS (continued)

RECOGNITION AND MEASUREMENT (continued)

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.

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.

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22 FINANCIAL ASSETS (continued)

NON-CASH FINANCING AND INVESTING ACTIVITIES

Included in the movement of other financial assets are non-cash transactions of $44.9 million (2020: $35.7 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	**2021 $’000**	2020 $’000
Current		
Loans to franchisees	**12,234**	14,350
Foreign exchange forward contracts	**2,157**	54
Total current financial assets	**14,391**	14,404
Non-current		
Loans to franchisees	**54,192**	49,100
Allowance for doubtful loans	**(62)**	(182)
Financial guarantee receivable	**2,217**	1,024
Long-term store rental security deposits	**26,129**	25,640
Total non-current financial assets	**82,476**	75,582
Current	**14,391**	14,404
Non-current	**82,476**	75,582
Total financial assets	**96,867**	89,986

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 is 6.7% (2020: 5.8%) in Australia and New Zealand, the average interest charged in France is 6.0% (2020: 5.91%), in the Netherlands is 7.0% (2020: 7.09%), in Germany is 5.0% (2020: 4.96%) and the average interest charged in Japan is 5.0% (2020: 5.0%).

The Group applies the ‘general approach’ to measuring expected credit losses which uses a lifetime expected loss allowance for franchisee loans. 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.

22 FINANCIAL ASSETS (continued)

	2021 $'000	2020 $'000
Franchisee loans	**66,426**	63,450
Allowance for doubtful loans	**(62)**	(182)
	66,364	63,268

	2021 $'000	2020 $'000
Ageing of Franchisee Loans		
Amounts not yet due	**66,364**	63,268
	66,364	63,268

	2021 $'000	2020 $'000
Movement in loss allowance		
Balance at the beginning of the year	**182**	1,141
Impairment losses recognised on loans	**–**	90
Amounts written off as uncollectible	**(63)**	(1,066)
Unused amounts reversed	**(54)**	–
Effect of foreign currency	**(3)**	17
Balance at the end of the year	**62**	182

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.

Notes to the Financial Statements

continued

23 FINANCIAL LIABILITIES (continued)

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 1 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.

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.

23 FINANCIAL LIABILITIES (continued)

FINANCIAL LIABILITIES	2021 $'000	2020 $'000
Current		
Interest rate swaps	**251**	472
Foreign exchange contracts	**723**	–
Security deposits	**10,502**	9,416
Market access right[1]	**17,594**	9,173
Contingent consideration	**293**	47
Deferred consideration	**–**	1,253
Other	**334**	1,289
Total current financial liabilities	**29,697**	21,650

Non-current		
Interest rate swaps	**704**	839
Market access right[1]	**–**	15,517
Contingent consideration	**–**	586
Put/call minority interest liability[2]	**164,444**	112,980
Other	**1,941**	1,564
Total non-current financial liabilities	**167,089**	131,486
Current	**29,697**	21,650
Non-current	**167,089**	131,486
Total financial liabilities	**196,786**	153,136

1 Market access right arising in respect of the Group's contractual arrangements with DPG.
2 Put/call option liability arises in respect of the minority interest in Domino's Pizza Germany.

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:

	2021 $'000	2020 $'000
Debt[1]	**507,375**	707,436
Cash and cash equivalent	**(174,689)**	(245,678)
Net debt	**332,686**	461,758
Equity[2]	**399,167**	393,373
Net debt to equity ratio	**83.3%**	**117.4%**

Net debt to equity ratio

1 Debt is defined as long-term and short-term borrowings, excluding capitalised borrowing costs, as detailed in note 21.

2 Equity includes all capital and reserves that are managed as capital.

The categories of financial assets and liabilities are outlined below:

			2021		2020	
FINANCIAL ASSETS	**CLASSIFICATION**	**NOTE**	**INTEREST RATE %[1]**	**$'000**	INTEREST RATE %[1]	$'000
Trade and other receivables	Amortised cost	12	**–**	**145,751**	–	146,462
Loans receivable	Amortised cost	22	**3.59**	**66,364**	3.61	63,268
Financial guarantee contracts	Amortised cost	22	**6.10**	**2,217**	6.10	1,024
Deposits	Amortised cost	22	**–**	**26,129**	–	25,640
Investment in lease assets	Amortised cost	10	**1.22**	**407,797**	1.24	382,391
Forward exchange contracts	FVOCI	22	**–**	**2,157**	–	54

1 Interest rates represent the weighted average effective interest rate.

24 FINANCIAL RISK MANAGEMENT (continued)

			2021		2020	
FINANCIAL LIABILITIES	**CLASSIFICATION**	**NOTE**	**INTEREST RATE %[1]**	**$'000**	INTEREST RATE %[1]	$'000
Trade and other payables	Amortised cost	13	**–**	**353,511**	–	323,618
Other financial liabilities	Amortised cost	23	**–**	**12,777**	–	12,269
Rent incentive liability	Amortised cost	23	**–**	**–**	–	–
Bank loans	Amortised cost	21	**1.65**	**483,004**	1.81	621,263
Other bank loans	Amortised cost	21	**–**	**–**	0.77	50,195
Loans from other entities	Amortised cost	21	**2.70**	**24,371**	2.70	35,978
Lease liabilities	Amortised cost	10	**0.93**	**760,925**	0.94	768,252
Market access right	FVOCI	23	**–**	**17,594**	–	24,690
Put-option liability	FVOCI	23	**–**	**164,444**	–	112,980
Contingent consideration	FVPL	23	**–**	**293**	–	633
Deferred consideration	FVPL	23	**–**	**–**	–	1,253
Interest rates swaps	Derivative financial instrument	23	**–**	**955**	–	1,311
Foreign exchange contracts	Derivative financial instrument	23	**–**	**723**	–	–

1 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;
- 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.

Notes to the Financial Statements
continued

24 FINANCIAL RISK MANAGEMENT (continued)

FINANCING FACILITIES

	2021 $'000	2020 $'000
Unsecured bank overdraft, reviewed annually and payable at call:		
Amount used	**–**	–
Amount unused	**5,795**	5,807
Total	**5,795**	5,807
Committed commercial bill facility, reviewed annually:		
Amount used	**508,485**	675,350
Amount unused	**243,198**	137,914
Total	**751,683**	813,264
Uncommitted facilities, at call:		
Amount used	**–**	33,903
Amount unused	**55,385**	8,146
Total	**55,385**	42,049

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.

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**	**–**	**–**
Financial guarantee contracts	**–**	**2,217**	**–**
Investment in lease assets	**57,541**	**219,595**	**130,661**
Deposits	**–**	**26,129**	**–**
Forward exchange contracts	**–**	**2,157**	**–**

24 FINANCIAL RISK MANAGEMENT (continued)

27 JUNE 2021	LESS THAN 1 YEAR $'000	1–5 YEARS $'000	MORE THAN 5 YEARS $'000
Financial liabilities			
Trade and other payables	**(353,511)**	**–**	**–**
Derivative instruments in designated hedge accounting relationships	**(251)**	**(704)**	**–**
Bank loans	**–**	**(483,004)**	**–**
Loans from other entities	**–**	**(24,371)**	**–**
Lease liabilities	**(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)**	**–**	**–**
28 JUNE 2020			
Financial assets			
Trade and other receivables	146,462	–	–
Loans receivable	14,350	35,473	13,445
Cash and cash equivalents	245,678	–	–
Financial guarantee contracts	–	1,024	–
Forward exchange contracts	54	–	–
Investment in lease assets	48,557	195,696	138,138
Deposits	–	25,640	–
Financial liabilities			
Trade and other payables	(323,618)	–	–
Derivative instruments in designated hedge accounting relationships	(472)	(839)	–
Bank loans	–	(621,263)	–
Other bank loans	(50,195)	–	–
Loans from other entities	–	(35,978)	–
Finance lease liability	(105,203)	(399,438)	(263,611)
Market access right	(9,173)	(15,517)	–
Put option liability	–	(112,980)	–
Contingent consideration	(47)	(586)	–
Deferred consideration	(1,253)	–	–
Other financial liabilities	(10,705)	(1,564)	–

The following table details the Group's liquidity analysis for is 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.

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**	**–**

2020				
Net Settled				
Interest rate swaps	–	–	(472)	(839)
Gross Settled				
Forward foreign exchange contracts – Inflow	5,685	11,951	15,940	–
Forward foreign exchange contracts – (Outflow)	(5,676)	(11,932)	(15,914)	–
	9	19	26	–

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 and Europe, which exposes the Group's investments to movements in the AUD/NZD, AUD/JPY and AUD/EUR exchange rates. The Group mitigates and manages the effect of its translational currency exposure by borrowing in NZ dollars, Japanese Yen and Euro.

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 swap to mitigate rising interest rates and foreign exchange fluctuation
- 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	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000
New Zealand Dollar	**18,741**	10,507	**(18,599)**	(4,375)
Euro	**102,532**	110,586	**(541,411)**	(521,785)
Japanese Yen	**164,596**	203,620	**(283,431)**	(332,492)

24 FINANCIAL RISK MANAGEMENT (continued)

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.

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 5-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
Actual 2021	**0.64**	**84.17**	**1.07**
+ 10%	**0.70**	**92.59**	**1.18**
– 10%	**0.57**	**75.75**	**0.97**
Actual 2020	0.61	73.74	1.07
+ 10%	0.68	81.11	1.18
– 10%	0.55	66.37	0.96

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 3 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;
- 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.

24 FINANCIAL RISK MANAGEMENT (continued)

	TOTAL IMPACT	
	2021 $'000	2020 $'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 with all other variables held constant	**–**	–
Other equity		
If there was a 10% increase in exchange rates with all other variables held constant	**13,246**	4,428
If there was a 10% decrease with all other variables held constant	**(16,189)**	(6,718)

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 1 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	
	2021 $'000	2020 $'000
Interest rates – increase by 100 basis points	**(1,824)**	(2,378)
Interest rates – decrease by 100 basis points	**102**	1,154

24 FINANCIAL RISK MANAGEMENT (continued)

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.

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 1 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.

24 FINANCIAL RISK MANAGEMENT (continued)

The following table presents the Group's assets and liabilities measured and recognised at fair value at the reporting date.

27 JUNE 2021	**LEVEL 1 $'000**	**LEVEL 2 $'000**	**LEVEL 3 $'000**	**TOTAL $'000**
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**
Put option over non-controlling interest	**–**	**–**	**164,444**	**164,444**
Market access right	**–**	**–**	**17,594**	**17,594**
Contingent consideration	**–**	**–**	**293**	**293**
Total financial liabilities	**–**	**1,678**	**182,331**	**184,009**

28 JUNE 2020				
Recurring fair value measurements				
Financial assets				
Foreign exchange contracts	–	54	–	54
Total financial assets	–	54	–	54
Financial liabilities				
Interest rate swaps	–	1,311	–	1,311
Put option over non-controlling interest	–	–	112,980	112,980
Market access right	–	–	24,690	24,690
Contingent consideration	–	–	633	633
Total financial liabilities	–	1,311	138,303	139,614

There have been no transfers between Level 1 and Level 2.

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 $113.0 million and has a closing balance at year end of $164.4 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.

Notes to the Financial Statements

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24 FINANCIAL RISK MANAGEMENT (continued)

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 multiple and the put option is exercisable 4 years (January 2020) from date of the joint venture agreement (December 2015). The call option is exercisable 6 years (January 2023) from the date of the joint venture agreement. 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.

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.

24 FINANCIAL RISK MANAGEMENT (continued)

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 27 June 2021, the Group have interest rate swap agreements in place with a notional amount of €131 million and ¥12 billion, whereby the Group receives a fixed rate of interest of EURIBOR (floored at 0%) and TIBOR +0% and pays interest at rate equal to 0.168% and 0.242% on the notional amount. The swap is being used to hedge the exposure to changes in the fair value of its fixed rate secured loans.

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.

Notes to the Financial Statements

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24 FINANCIAL RISK MANAGEMENT (continued)

The impact of the hedging instruments on the statement of financial position as at 27 June 2021 is, as follows:

	2021 '000	2020 '000
Interest Rate Swap		
Notional Amount (Euro)	**131,000**	131,000
Carrying Amount (AUD)	**205,975**	213,425
Change in intrinsic value of outstanding hedging instrument since 29 June 2020 (AUD)	**(10)**	(369)
Change in value of hedged item used to determine hedge effectiveness (AUD)	**10**	370
Notional Amount (JPY)	**12,000,000**	12,000,000
Carrying Amount (AUD)	**142,569**	162,734
Change in intrinsic value of outstanding hedging instrument since 29 June 2020 (AUD)	**(945)**	(941)
Change in value of hedged item used to determine hedge effectiveness (AUD)	**945**	941

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 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.

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 27 June 2021 is borrowings of $145,702 thousand, which has been designated as hedge of the net investments in the Group's European 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:

	2021 '000	2020 '000
Hedge of Net Investment in Foreign Operations		
Notional amount (EURO)	**92,667**	92,667
Carrying amount (AUD)	**145,702**	150,972
Change in intrinsic value of outstanding hedging instrument since 29 June 2020 (AUD)	**(5,270)**	1,145
Change in value of hedged item used to determine hedge effectiveness (AUD)	**5,270**	(1,145)

Notes to the Financial Statements
continued

24 FINANCIAL RISK MANAGEMENT (continued)

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).

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.

Franchisee's 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 neither past due nor impaired has been assessed as high based on information on counterparty and historical counter party default. The carrying value of the Groups' trade, other receivables and loans are denominated in Australian Dollars, NZ Dollars, Japanese Yen and Euros.

EXPOSURE

The Group's maximum credit exposure to current receivables, finance advances and loans are shown below:

	2021 $'000	2020 $'000
ANZ	**97,758**	110,832
Europe	**55,133**	51,940
Japan	**60,254**	47,141
Total	**213,145**	209,913

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 27 June 2021 are as follows:

NAME OF ENTITY	PLACE OF INCORPORATION AND OPERATION	FUNCTIONAL CURRENCY	PROPORTION OF OWNERSHIP AND VOTING POWER HELD 2021 %	2020 %
Domino's Development Fund Pty Ltd[1]	Australia	AUD	100	100
Hot Cell Pty Ltd[1]	Australia	AUD	100	100
Silvio's Dial-a-Pizza Pty Ltd[1]	Australia	AUD	100	100
IPG Marketing Solutions Pty Ltd[1]	Australia	AUD	100	100
Catering Service & Supply Pty Ltd[1]	Australia	AUD	100	100
Domino's Pizza Enterprises Ltd Employee Share Trust	Australia	AUD	100	100
Construction, Supply & Service Pty Ltd[1]	Australia	AUD	100	100
Ride Sports ANZ Pty Ltd[1]	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	The Netherlands	EUR	50	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 HRB	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	–

1 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.

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

	2021 $'000	2020 $'000
Assets		
Current assets	**124,448**	167,973
Non-current assets	**839,555**	855,993
Total assets	**964,003**	1,023,966
Liabilities		
Current liabilities	**172,590**	140,060
Non-current liabilities	**550,060**	694,292
Total liabilities	**722,650**	834,352
Equity		
Issued capital	**259,500**	235,420
Retained earnings	**59,579**	33,504
Reserves		
Equity-settled share-based benefits	**(76,244)**	(77,423)
Hedging	**(1,482)**	(1,887)
Total equity	**241,353**	189,614
FINANCIAL PERFORMANCE		
Profit for the year	**148,060**	80,821
Other comprehensive income	**405**	556
Total comprehensive income	**148,465**	81,377

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.

Notes to the Financial Statements

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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. 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 February 3, 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 3 corporate stores previously owned by Domino's and 2 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 27 June 2021. The future lease payments for these non-cancellable lease contracts are $770 thousand within 1 year, $2,754 thousand within 5 years and $1,105 thousand thereafter.

CAPITAL EXPENDITURE COMMITMENTS

	2021 $'000	2020 $'000
Plant and equipment	**7,722**	3,893
Total	**7,722**	3,893

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.

	2021 $'000	2020 $'000
Guarantees – franchisee loans and leases	**9,434**	12,374
Total	**9,434**	12,374

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 $3,188 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 5 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 5 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.

Notes to the Financial Statements

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29 CONTINGENT LIABILITIES (continued)

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 €232 million. DPF filed its new appeal brief including a new economic report on 19 March 2021.

In the 2 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. The current status of these 2 claims ruled on by the Cour de Cassation is that the first instance decisions in favour of DPF stand and SRP is entitled to file a fresh appeal of those 2 decisions to the Court of Appeal. SRP has not yet filed such appeals.

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 2 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.

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 27 June 2021.

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 will be heard on 15 September 2021.

Five decisions in the Franchisees' Proceedings were handed down on 3 December 2019 and the remaining 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 1 hand, and separately by some of the Relevant Pizza Sprint Franchisees, on the other, with the Paris Court of Appeal. The need to make the payment in each case has been suspended pending the outcome of the appeals. Pleadings are scheduled for 19 January 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 certain 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.

29 CONTINGENT LIABILITIES (continued)

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 are amending their pleadings and further interlocutory applications will be listed for hearing after August 2021. The matter has not been listed for trial.

The statement of claim does not quantify any loss by the lead applicant or the alleged group and, to date, the applicant's solicitors have not indicated how many members form part of the alleged group. Accordingly, 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.

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 27 June 2021 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

REFINANCING OF BORROWINGS

During the period between year-end and the date of authorisation of the financial statements, the Group has executed several bilateral facility agreements with new and existing lenders. The bilateral agreements provide the Group with an increase in its committed debt facilities from $751.6 million to circa $900.0 million and a new funding term that is weighted, on average, to 5 years.

OTHER EVENTS

On 17 August 2021, the directors declared a final dividend for the financial year ended 27 June 2021 as set out in note 18.

Other than the above, there has been no further matters or circumstance 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.

Notes to the Financial Statements
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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);
- Net interest expense or income; and
- Re-measurement

The Group presents the first 2 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 – DOMINO'S PIZZA JAPAN, INC.

The Group operates an unfunded retirement benefit plan where a lump-sum amount is paid out to eligible full-time employees of Domino's Pizza Japan with more than 3 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 in Japan will increase the plan liability by reducing the discount rate;
- 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 was carried out at 27 June 2021 by Mr. K. Taniguchi, Certified Pension Actuary.

Notes to the Financial Statements

continued

31 RETIREMENT BENEFIT PLANS (continued)

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	2021	2020
Discount rate	**0.07%**	0.10%
Expected rate of salary increase	**1.93%**	1.93%
Number of employees	**649**	584
Average service years	**4.2 yrs**	4.4 yrs
Expected service years	**5.2 yrs**	5.2 yrs

Amounts recognised in other comprehensive income in respect of these defined benefit plans are as follows:

	2021 $'000	2020 $'000
Service cost:		
Current service cost	**1,210**	1,059
Net interest expense	**7**	(8)
Components of defined benefit costs recognised in profit or loss	**1,217**	1,051
Remeasurement of the net defined benefit liability:		
Actuarial gain recognised in the period	**853**	109
Components of defined benefit costs recognised in other comprehensive income	**853**	109
Total	**2,070**	1,160

Of the expense for the year, an amount of $1.2 million has been included in profit or loss as administration expenses. (2020: $1.1 million).

Movements in the present value of the defined benefit obligation in the current year were as follows:

	2021 $'000	2020 $'000
Opening defined benefit obligation	**7,710**	7,467
Current service cost	**1,210**	1,059
Net interest expense	**7**	(8)
Remeasurements (gains)/losses:		
Actuarial gains and losses arising from changes in financial assumptions	**853**	109
Benefits paid	**(797)**	(919)
Exchange differences of foreign plans	**(1,224)**	2
Closing defined benefit obligation	**7,759**	7,710

The Group expects to make a contribution of $1.3 million (2020: $1.3 million) to the defined benefit plans during the next financial year.

32 KEY MANAGEMENT PERSONNEL COMPENSATION

	2021 $	2020 $
Short-term employee benefits	**7,373,428**	6,092,385
Post-employment benefits	**208,624**	226,060
Other long-term employee benefits	**77,848**	(192,059)
Equity settled share-based payments	**2,376,928**	674,930
Total	**10,036,828**	6,801,316

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 2021 financial year. Payment of $102,330 (2020: $154,535) 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.

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 1 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 $54,750 (2020: $54,750) was paid or payable to Mr Michael Cowin during the year ended 27 June 2021.

Notes to the Financial Statements

continued

33 RELATED PARTY TRANSACTIONS (continued)

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

Comgroup Supplies Pty Ltd and Comgroup NZ Limited T/A Franklin Foods, are entities associated with Mr Jack Cowin, supplies food products to the Group on commercial arm's length terms. The entities were selected as a preferred suppliers after competitive tender processes in which Mr Cowin had no involvement. During the year the Group made purchases totalling $16,170,049 excluding GST. As at 27 June 2021, $2,833,688 (2020: $2,007,578) was outstanding and there were no bad or doubtful debts. In addition, the Group received sponsorship contributions from Comgroup Supplier Pty Ltd in relation to the Company's annual franchising rally to the value of $119,323, excluding GST.

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.

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 27 June 2021 is $9,723,433 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[1]	2021 $	2020 $
Audit or review of financial reports:		
Audit of the parent company	**538,959**	482,349
Audit of subsidiaries and other entities	**862,498**	828,606
Total audit services	**1,401,457**	1,310,955
Other assurance and agreed-upon procedures under other legislation or contractual agreements[2]	**63,175**	106,506
Total assurance services	**63,175**	106,506
Tax consulting services[3]	**153,583**	138,090
Due diligence services	**137,500**	–
Digital advisory services[4]	**37,718**	148,710
Other advisory services	**37,420**	–
Total other services	**366,221**	286,800
Total Group auditor's remuneration	**1,830,853**	1,704,261

1 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.
2 Other assurance services relate principally to the Domino's Franchisee monitoring and whistleblower services payable to the parent company auditor.
3 Taxation services relate to tax compliance services and tax advisory services paid to related overseas practices of the parent company auditor.
4 Principally relate to digital advisory services payable to the parent company auditor.

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 29 June 2020 and therefore relevant for the current year end.

STANDARDS AFFECTING PRESENTATION AND DISCLOSURE

AMENDMENTS TO IFRS 3: DEFINITION OF A BUSINESS

The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the consolidated financial statements of the Group, but may impact future periods should the Group enter into any business combinations.

AMENDMENTS TO IAS 1 AND IAS 8 DEFINITION OF MATERIAL

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.

35 OTHER ITEMS (continued)

Amendments to IFRS 16 Covid-19 Related Rent Concessions

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions – amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted.

This amendment had no impact on the consolidated financial statements of the Group.

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 27 June 2021 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.

Software as a Service

In April 2021 IFRIC published its decision clarifying how an entity should account for configuration and customisation costs incurred in implementing 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 are met.

In response to the IFRIC's agenda decision, the Group is in the process of assessing the treatment of configuration and customisation costs incurred in implementing SaaS arrangements. This assessment requires an extensive review of the Group's finite life development costs and licence assets included in intangible assets (carrying amount of $108.33 million at 27 June 2021) including reviewing contractual agreements relating to development costs and licenses to assess the architecture of the cloud technology. At the date of this report intangible assets with a carrying value of $6.62 million require further assessment to ascertain if the assets are attributable to SaaS arrangements.

Intangible assets with a total carrying amount of $3.01 million as at 27 June 2021 have been identified relating to capitalised costs associated with SaaS arrangements. However, due to the complexity of these historical SaaS projects, the Group is still in the process of obtaining the required information to assess if the capitalised costs relate to customisation and configuration works. Therefore, as at the date of this report the amount proposed to be derecognised when the Group adopts its revised accounting policy is yet to be determined. The Group expects that the analysis will be completed and the adoption of the revised accounting policy, and the resulting adjustment, will be presented in the half-year financial report for the period ending 2 January 2022.

REFERENCE TO THE CONCEPTUAL FRAMEWORK – AMENDMENTS TO IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations – Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance on IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

35 OTHER ITEMS (continued)

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.

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.

Additional Securities Exchange Information

Number of Holders of Equity Securities as at 04 August 2021

ORDINARY SHARE CAPITAL

- 86,523,365 fully paid ordinary shares are held by 8,907 individual shareholders.
- All issued ordinary shares carry 1 vote per share, however partly paid shares do not carry the rights to dividends.

OPTIONS

- 2,247,347 options are held by 110 individual option holders.
- Options do not carry a right to vote.

DISTRIBUTION OF HOLDERS OF EQUITY SECURITIES

	FULLY PAID ORDINARY SHARES	PARTLY PAID ORDINARY SHARES	CONVERTING CUMULATIVE PREFERENCE SHARES	REDEEMABLE PREFERENCE SHARES	CONVERTING NON-PARTICIPATING PREFERENCE SHARES	CONVERTIBLE NOTES	OPTIONS
100,001 and over	25	–	–	–	–	–	4
10,001 – 100,000	56	–	–	–	–	–	37
5,001 – 10,000	60	–	–	–	–	–	23
1,001 – 5,000	643	–	–	–	–	–	43
1 – 1000	8,123	–	–	–	–	–	3
	8,907	**–**	**–**	**–**	**–**	**–**	**110**

SUBSTANTIAL SHAREHOLDERS

	FULLY PAID		PARTLY PAID	
ORDINARY SHAREHOLDERS	NUMBER HELD	PERCENTAGE	NUMBER HELD	PERCENTAGE
SOMAD HOLDINGS PTY LTD	23,050,966	26.64%	–	–%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	18,919,089	21.87%	–	–%
CITICORP NOMINEES PTY LIMITED	13,112,682	15.16%	–	–%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	12,259,237	14.17%	–	–%
	67,341,974	**77.84%**	**–**	**–%**

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	26.64%	–	–%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	18,919,089	21.87%	–	–%
CITICORP NOMINEES PTY LIMITED	13,112,682	15.16%	–	–%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	12,259,237	14.17%	–	–%
NATIONAL NOMINEES LIMITED	2,714,273	3.14%	–	–%
CITICORP NOMINEES PTY LIMITED	2,471,622	2.86%	–	–%
BNP PARIBAS NOMS PTY LTD	1,894,325	2.19%	–	–%
BNP PARIBAS NOMINEES PTY LTD	1,348,969	1.56%	–	–%
MR DONALD JEFFREY MEIJ	753,194	.87%	–	–%
MRS ESME FRANCESCA MEIJ	700,000	.81%	–	–%
MR GRANT BRYCE BOURKE & MRS SANDRA EILEEN BOURKE	698,516	.81%	–	–%
MR GRANT BRYCE BOURKE	544,828	.63%	–	–%
INVIA CUSTODIAN PTY LIMITED	486,087	.56%	–	–%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	465,912	.54%	–	–%
MR DONALD JEFFREY MEIJ	369,868	.43%	–	–%
BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD	341,093	.39%	–	–%
AUSTRALIAN FOUNDATION INVESTMENT COMPANY LIMITED	254,000	.29%	–	–%
SUCCESS PIZZAS PTY LTD	240,149	.28%	–	–%
BNP PARIBAS NOMS(NZ) LTD	168,524	.19%	–	–%
BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD	166,655	.19%	–	–%
	80,959,989	**93.58%**	**–**	**–%**

UNMARKETABLE PARCELS

There were 190 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 20 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

Domino's Pizza Enterprises Ltd

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Telephone: +61 (7) 3633 3333

WEBSITE ADDRESS

dominos.com.au

AUDITORS

Deloitte Touche Tohmatsu

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

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