# Annual Report 2019

Takeaway.com

Takeaway.com

# 01 The Company



# 03 Financial Statements





# 02 Governance



# 04 Other Information

# 01 The Company

# Highlights 2019

Processed **159.2 million Orders** from **19.5 million** Active Consumers

Full migration of **acquired websites** in Germany

Launched Scoober in **53 new cities** and now active in **91 cities** across **10 countries**

Clear market leader in **6 countries**

Launched **Takeaway Pay** in Europe

# At a glance 2019

Online restaurants
**53,027**

Gross revenue
**€427m**

Active Consumers
**19.5m**

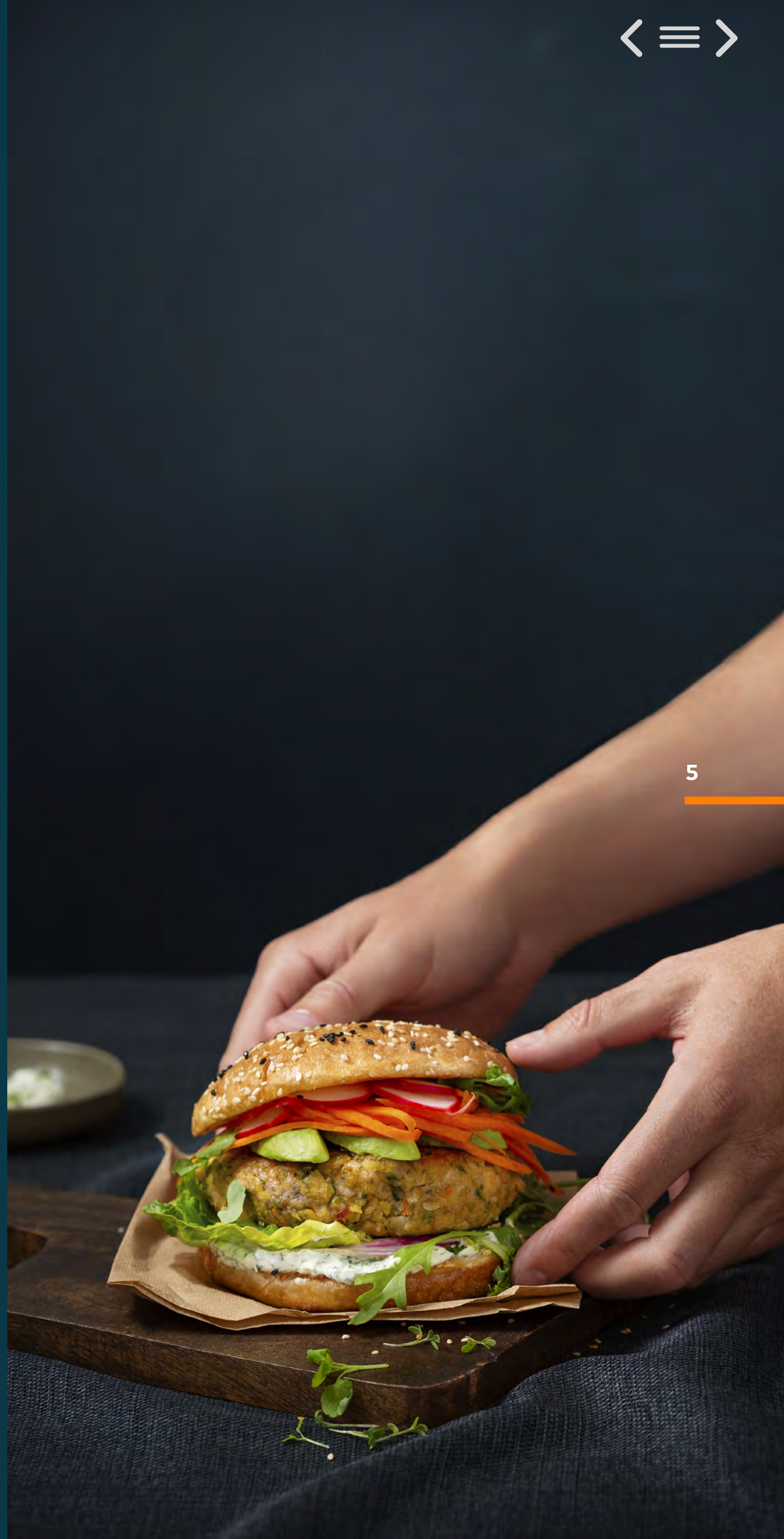
Year end
**5,423 FTEs**

Orders
**159.2m**

Active in
**11 countries**

GMV
**€3.0bn**

Mobile share
**84%**



"Being such a large company, we need to do more than offer a fantastic product and best in class service to consumers and restaurants; we must also consider the impact we have on a broader set of stakeholders: our staff, our communities and the environment "

– Jitse Groen, CEO

# Message from the CEO

## Dear reader,

**As a CEO, writing this message provides a compelling opportunity to describe how exciting the past years have been. Last year, in this very message I described the year as “memorable”. It is only with the benefit of hindsight that I begin to understand that almost every year in the history of our company can be described as memorable. It is this realisation that makes it so exciting to be part of the Takeaway.com story.**

As you will remember, in 2018 we took several decisions that we believed were going to prove instrumental in the future development of our Company. Of course, back then, while we took our decisions with full conviction, we could not be certain of the result of the seeds we were sowing. In April 2019, we migrated the three websites acquired in Germany into Lieferando.de within approximately three weeks post-completion. The speed of execution was fundamental, as it avoided potential complexity in our organisation.

Our followers know that we believe that only marketplaces of significant size will be sustainable over the long term.

The transaction has provided additional scale in Germany, one of the largest food delivery markets worldwide. Germany, as a consequence of that scale, reached a positive Adjusted EBITDA later in 2019 and we anticipate Lieferando.de to become one of Europe’s most profitable food delivery websites. Profitability is important for a sustainable business, but our most important mission was, and still is, to provide the best possible service to our customers everywhere we operate.

In 2019, we launched Takeaway Pay. Although we only just finalised the pilot phase, we expect that we will be able to provide a service that will make our platform far more attractive to corporate users. What I like especially is that we have tested Takeaway Pay with our own staff. While I am sure the lunch allowance helped, we made sure that the people that use our service most are also the very same people that can improve it.

Scoober has now been rolled out to 91 cities in total. We work with major food delivery chains, but also with local heroes. Scoober is a challenging model from a financial perspective. We do believe however, that we need to provide this service in order to satisfy consumers' evolving appetites. In the meantime, our Company commits itself to proper working circumstances for our couriers, and to work towards providing environmentally friendly modes of transport.

2019 was relatively quiet from an M&A perspective in terms of the amount of transactions. In terms of size of course, it was not. Takeaway.com announced its Combination with Just Eat halfway through the year. As you would know, this wasn't the easiest of transactions to complete. I am pleased however that we were able to secure the transaction in January 2020, and I look forward to starting the integration with our new colleagues. Just Eat Takeaway.com will be one of the world's largest food delivery marketplaces, and the opportunities that lie ahead for the Company are very exciting.

Although I believe that we are one of the most advanced companies in the sector globally, I still believe there are a lot of improvements that we need to make to the product. The customer in that sense is always right.

I would like to thank our staff, our consumers, our restaurants, our shareholders, our Supervisory Board and our works councils, for their ongoing support on this journey.

I called 2019 a transformational year for the Company, and I believe that 2020 will be the year of a giant leap forward. Having become a very large company, we need to do more than offer a fantastic product and best in class service to consumers and restaurants; we must also consider the impact we have on a broader set of stakeholders: our staff, our communities and the environment.

2020 would have sounded like a science fiction date back in 1999 when I first thought of the concept of my Company, in the Dutch countryside. It is however merely the end of the beginning.

**Jitse Groen**
CEO and founder
Takeaway.com

# Company profile

Takeaway.com's core business model relies on participating restaurants delivering food themselves, with the Takeaway.com marketplace serving as a source of orders for restaurants.

## Just Eat Takeaway.com N.V.

On 31 January 2020, the recommended all-share combination between Just Eat plc and Takeaway.com N.V. (as per that date renamed into Just Eat Takeaway.com N.V., the "Company") through means of an offer became effective. Since this day, the Company became the holding company of Just Eat in addition to Takeaway.com. As the name change and combination was not completed in 2019, and that in respect of 2019 we are only reporting on the Takeaway.com business, we refer to the Company and its group companies as per 31 December 2019, thus excluding Just Eat plc and its direct and indirect subsidiaries, as Takeaway.com.

We expect that in 2020 the combination will create one of the largest online food delivery companies in the world, with scale, strategic vision, industry leading capabilities, leading positions in attractive markets and a diversified geographic presence. In this annual report, however, we look back at the financial year 2019 for the Company and Takeaway.com.

# Who we are

Takeaway.com is an online food delivery marketplace connecting millions of consumers in ten European countries and Israel with more than 53,000 local restaurants through our websites and apps. Our network benefits both restaurants and consumers, driving our continued growth. For restaurants, partnering with us offers the potential for additional orders at a minimal incremental cost, while enjoying the benefits of our significant marketing power and brand strength. We offer consumers the convenience of a large selection of local takeaway restaurants at their fingertips, user-friendly interfaces that allow the selection of a meal in a few clicks and multiple options for online payment.

Established in 2000 by our founder and CEO, Jitse Groen, Takeaway.com has become the leading online food delivery marketplace in Continental Europe and Israel, with number 1 positions, in terms of number of Orders in 2019, in the Netherlands, Germany, Belgium, Austria, Poland, Bulgaria and Israel. At year end, Takeaway.com had over 5,400 FTEs spread across ten offices including more than 9,000 couriers representing approximately 3,000 FTEs on the road. In 2019, Takeaway.com processed over €3 billion worth of orders for our restaurant partners.

In 2019, Takeaway.com N.V. was listed on the Euronext Amsterdam stock exchange and, between 24 June 2019 and 20 December 2019 included in the AEX-index. Since 20 December 2019, Takeaway.com N.V. has been included in the AMX-index.

# Our business model

We derive our revenue principally from commissions based on the gross merchandise value (GMV) of the food ordered through our marketplace and, to a lesser extent, from other services such as online payment services, sales of merchandise and packaging to restaurants, and placement fees. Takeaway.com's core business model relies on participating restaurants delivering food themselves, with the Takeaway.com platform serving as a source of orders for participating restaurants and facilitating online payment processes (Fig. 1).

Historically, restaurants were dependent on local marketing, primarily through the distribution of flyers and paper menus, which limited their reach. Takeaway.com offers restaurants access to a wider consumer-base and provides publicity at a relatively low cost, which results in an increase in orders for these restaurants. In addition, Takeaway.com provides restaurant delivery services, internally branded as Scoober, in 91 cities across ten countries, delivering food for restaurants that do not deliver themselves. This service has expanded rapidly since its launch in 2016.

We focus on delivering a superior consumer experience and clear benefits to restaurants on our marketplace, thereby promoting network effects that enhance the value of the marketplace for both consumers and restaurants. Our marketplace connects consumers and restaurants by enabling consumers that use mobile devices, personal computers and voice-to-browse to select, order and pay for food through an easy-to-use interface that is designed to offer a high-quality user experience.


Fig. 1. Takeaway.com business model

For consumers, Takeaway.com seeks to provide a favourable user experience from selecting a restaurant to ordering for delivery by providing a large and varied selection of cuisines, broad restaurant choice, seamless payment processes, and transparent order-tracking features.
Our marketplace is designed to offer consumers an efficient way to order food, providing the broadest possible selection of restaurants that offer their desired cuisines almost instantaneously, rather than having to run separate searches for individual restaurants.

We benefit from powerful network effects as the number of consumers and restaurants using our marketplace grows continuously (Fig. 2). As the number of consumers increases, more orders and higher gross merchandise value are generated, attracting more restaurants to our marketplace, which enhances and diversifies the offering, in turn attracting more consumers.
We believe that the introduction of our new B2B service in Continental Europe, Takeaway Pay, will allow us to amplify this network effect in the mid to long run by increasing the number of Active Consumers and Orders, as employees with employer-funded budgets order significantly more often through the platform than in the business-to-consumer market. The power of our network effects is demonstrated by the increasing average number of orders per restaurant, while the absolute number of partner restaurants continues to increase. The self-reinforcing nature of these network effects helps us to sustain our market leadership and drives our long term growth.

Our B2B service Takeaway Pay allows corporate customers to offer their employees (partially) subsidised. The corporate customer can assign budgets to employees to order food through our platform, setting specific limitations, such as weekdays or timeslots. Employees can then order food within the approved budget which is subsidised by the employer. Takeaway Pay removes complicated expense processes, with companies receiving one invoice at the end of each month, and can be integrated with HR and accounting systems. Takeaway Pay offers an alternative to the company canteen, providing significantly greater choice to employees in an economical way.

Once an online food delivery marketplace achieves clear market leadership, network effects generally not only provide the leader with a stronger and more defendable position versus its competitors, it also drives revenue growth without a required linear increase in costs. We believe that leading market positions, in conjunction with an attractive marketplace, enable operating leverage which lead to higher operating margins in the long-run.


Fig. 2. Network effects of online food delivery marketplace

# History

## Creation of the leading online food delivery marketplace in Continental Europe and Israel

**2000**
Thuisbezorgd.nl

**2007**
Lieferservice.de
Pizza.be

**2008**
Lieferservice.at

**2009**
Introduction of iPhone/Android App

**2010**
Lieferservice.ch

**2011**
Name change to Takeaway.com

**2012**
Prime Ventures €13m

**2013**
Pizza.lu

**2014**
Prime Ventures & Macquarie Capital €74m
Lieferando.de[1]
Pyszne.pl[1]

**2016**
Pizza.pt
Justeat.be[1]
Just-eat.nl[1]
Food-express.com
TanteBep.nl[1]
Resto-in.be
Resto-in.de
IPO at Euronext Amsterdam ('TKWY')

**2018**
BGMenu.com[1]
Oliviera.ro[1]
Lieferservice.ch
10bis.co.il[1]

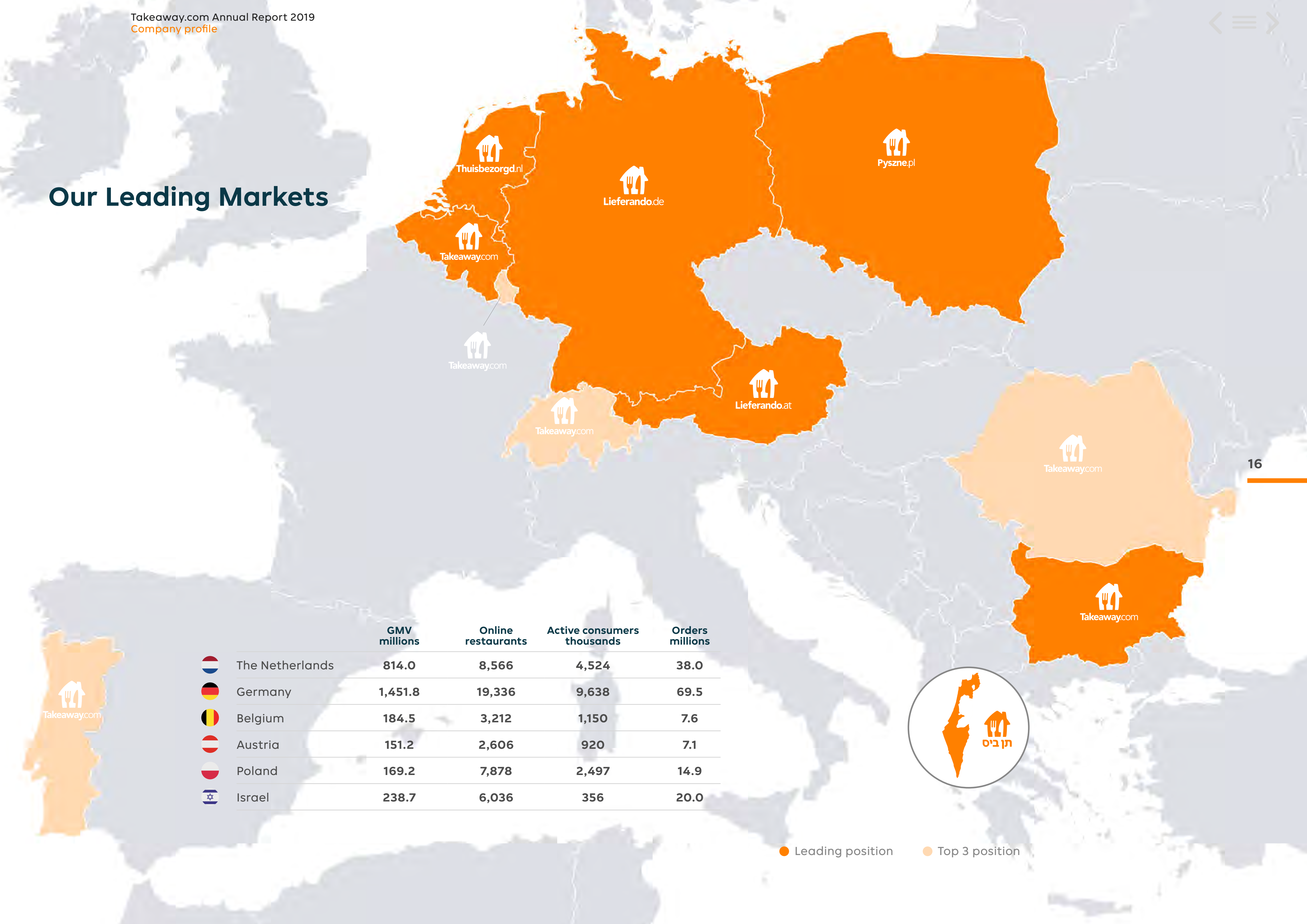
**2019**
Lieferheld.de[1]
Pizza.de[1]
Foodora.de[1]

**2020**
Listing at London Stock Exchange ('JET')
Just Eat[2]

Takeaway.com

[1] Acquisition
[2] Combination

# Our Leading Markets




| | GMV millions | Online restaurants | Active consumers thousands | Orders millions |
|---|---|---|---|---|
| The Netherlands | 814.0 | 8,566 | 4,524 | 38.0 |
| Germany | 1,451.8 | 19,336 | 9,638 | 69.5 |
| Belgium | 184.5 | 3,212 | 1,150 | 7.6 |
| Austria | 151.2 | 2,606 | 920 | 7.1 |
| Poland | 169.2 | 7,878 | 2,497 | 14.9 |
| Israel | 238.7 | 6,036 | 356 | 20.0 |

# Our markets

In 2019, Takeaway.com operated in ten European countries and Israel. Our Leading Markets represent an addressable population of over 142 million people, who spend an estimated €13.4 billion on food delivery annually (Fig. 3). Despite our well-developed market positions in each of our Leading Markets, the penetration remains relatively low, implying considerable upside potential (Fig. 4).

Our significant investment in restaurant acquisition and Scoober enabled us to increase the number of restaurants we offer to over 53,000 by year end, further increasing in diversity of cuisines we offer. We estimate that around two-thirds of takeaway food is still ordered by phone or in the restaurant, which means we see our growth primarily driven by a shift from phone to online-based ordering and, to a lesser extent, by growth in the overall takeaway food market.

## Food delivery market

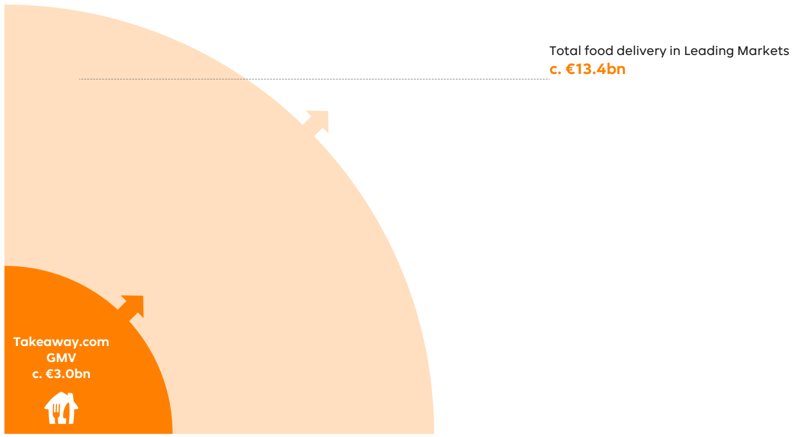
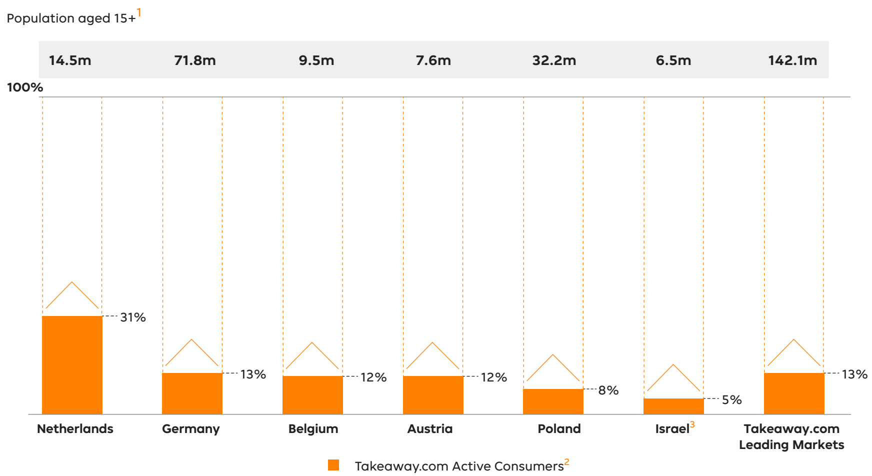



Fig. 3. Our potential market

## Significant penetration upside




1 Eurostat population census data as of 1 January 2018. Eurostat demographic distribution data for 2017 Takeaway.com intends to address only consumers aged 16 and older, however, Eurostat only provides an overview of the population aged 15 and older
2 Active Consumers refer to unique consumer accounts (identified by an unique e-mail address) from which at least one order was placed on Takeaway.com's platform in the preceding 12 months as of 31 December 2018
3 Population census data as on November 2018 from Central Bureau of Statistics, Israel

Fig. 4. Takeaway.com penetration into Leading Markets

## Single brand strategy

Takeaway.com runs a single brand in each country in which we operate, as we believe this is the most efficient and effective approach to reach consumers.

It is efficient because we are able to concentrate all our marketing efforts around a single brand with only a limited organisation; and it is effective because we can offer the broadest possible restaurant and cuisine selection to consumers – meaning we can appeal to the entire market, rather than to specific segments. Each local restaurant has its own “brand strength” in the local area, making our offering “hyper-local”, while each restaurant also benefits from the efforts of our entire marketing organisation.


Fig. 5. Takeaway.com brands

# The Netherlands

Online restaurants
**8,566**

Active Consumers
**4.5m**

Orders
**38.0m**

GMV
**€814m**

Gross revenue
**€121m**

Mobile share
**90%**

**In 2000, Jitse Groen founded Thuisbezorgd.nl and introduced online food ordering to the Netherlands, Takeaway.com's initial market. Since then, Thuisbezorgd.nl has grown to become one of the most recognised consumer brands in the country.**

Today, the number of restaurants connected to Thuisbezorgd.nl enables every consumer in the Netherlands to choose from a large selection of restaurants, regardless of where they live. In addition, we also offer Scoober in 11 Dutch cities for restaurants that are connected to Thuisbezorgd.nl, but which do not offer their own delivery services. With a top-of-mind brand recognition of 57% of the population, Thuisbezorgd.nl is one of the best-known household brands in the country.

Driven in part by our strong brand, 31% of the addressable population ordered at least once in 2019. The year-on-year order growth remained strong at 16%, which is due to an increased number of Active Consumers, currently 4.5 million, and by Active Consumers ordering more frequently. We are confident that our Dutch market will continue to grow, driven by the switch from phone to online ordering and increasing frequency of food ordering by consumers.

Improving our extensive offering to our Dutch consumers by continuing to connect more restaurants to our marketplace allows us to guarantee consumers the broadest and best selection of restaurants from which to choose. Combined with continued significant marketing investments, this will increase the number of consumers who order via our network and will ultimately benefit the restaurants, who will receive more orders.

We continued to invest in our Scoober offering in 2019, allowing us to further broaden the variety of cuisines we offer. In addition, we welcomed several new (inter)national and local chains, including: the Dutch railways NS (pilot), Wayback Burgers and Bagel & Beans, demonstrating the strength of our brand.

# Germany

Online restaurants
**19,336**

Active Consumers
**9.6m**

Orders
**69.5m**

GMV
**€1,452m**

Gross revenue
**€211m**

Mobile share
**86%**

**A transformative event for Takeaway.com in Germany was the completion of the acquisition and integration of Lieferhald.de, Foodora.de and Pizza.de in 2019. With this acquisition we have consolidated the largest online food delivery marketplace in Germany in terms of orders and restaurants, reaching an estimated 98% of the population.**

We completed the acquisition of the companies operating the Lieferheld, Pizza.de and Foodora brands (the “German Businesses”) in Germany in April 2019. Just over three weeks later, all three websites had been fully migrated to the Lieferando.de platform, with all consumers serviced with one brand, thus enabling us to maximise efficiency of our marketing expenditure. This swift migration enabled us to immediately benefit from synergies which led, in the third quarter, to the first-ever positive EBITDA in Germany, which continued in the fourth quarter.

Driven mainly by the acquisition of the German Businesses, we expanded our logistics offering towards restaurants without their own delivery fleet across many new German cities. As at 31 December 2019, Takeaway.com offered logistics services to restaurants in 39 German cities. This expansion goes hand-in-hand with the addition of a wider range of cuisines and a number of chain restaurants, including Peter Pane, L’Osteria, Sushifreunde and Hans im Glück. Our brand recognition is reflected in consumer top-of-mind awareness of 52% - a 14 percentage point increase over 2018. Our Active Consumer base in Germany of 9.6 million people, compared to an addressable adult population of approximately 72 million people, implies significant long term growth potential.

Despite our broad restaurant coverage across Germany, we continue to focus on restaurant acquisition, to ensure that consumers are always satisfied with the available choice when using our platform. In 2019, we were able to achieve our highest net restaurant growth ever with over 4,100 restaurants, bringing the total to over 19,300. Staff at our sales and customer services departments were increased to manage the significant growth in orders.

# Other Leading Markets

Online restaurants
**25,125**

Active Consumers
**5.4m**

Orders
**51.7m**

GMV
**€776m**

Gross revenue
**€95m**

Mobile share
**79%**

**Our Other Leading Markets segment comprises four significant markets – Belgium, Austria, Poland and Israel – as well as other countries in which we are active: Bulgaria, Romania, Switzerland, Portugal and Luxembourg. This is our fastest-growing segment and represents significant long term growth potential.**

## Belgium

Since the launch of Pizza.be in 2007, our Belgian business has grown steadily. In 2017, we rebranded Pizza.be to Takeaway.com to reflect the significant change in variety of cuisines we offer following the expansion in our restaurant base and the roll out of Scoober. In 2019, our Belgian business performed tremendously, accelerating year-over-year order growth to 34% from 29% in 2018. We served almost 1.1 million Active Consumers, representing 12% of the addressable population. By year end, our number of online restaurants increased by 18% to 3,212, covering approximately 96% of the Belgian population. We now provide our Scoober delivery services in Brussels, Antwerp, Ghent, Liege and Leuven.

## Austria

We introduced the Austrian local brand Lieferservice.at in 2008 and have grown our restaurant offering to over 2,600 since then. In 2019, our brand name was changed from Lieferservice.at to Lieferando.at to benefit from the spill-over effect of our strong brand awareness in Germany. This re-branding was delivered successfully, as we were able to maintain the combined top-of-mind brand awareness. We added our Scoober offering in three new cities in 2019 - Salzburg, Linz and Innsbruck - enabling us to add chains such as Soulkitchen Gruppe. In 2019, we served 12% of the addressable population, or 0.9 million Active Consumers.

## Poland

The local brand Pyszne.pl started in 2009 and was acquired by Lieferando.de in 2012. It became part of Takeaway.com in 2014 with the acquisition of Lieferando.de, and while Pyszne.pl was around five times smaller than the largest online food delivery marketplace in 2014, today we believe it is the clear market leader, and multiple times larger than the number two, in terms of orders.

With order growth of 35% in 2019, Poland continues to be the fastest-growing of our Leading Markets. When consumers want to order food online, they are likely to think of Pyszne.pl, as our top-of-mind brand awareness of 56% is comparable to a household brand. In 2019 we grew our restaurant offering by 19%, and we offered almost twice as many restaurants as the nearest competitor. After Warsaw in 2017, and Wroclaw and Krakow in 2018, we introduced Scoober in Poznan, Gdansk, Szczecin, Gdynia, Lodz, Kielce, Lublin, Bialystok and Katowice in 2019. We estimate that our restaurant offering currently reaches approximately 84% of the Polish population.

Our Active Consumer base grew by 28% to 2.5 million, representing 8% of the addressable population. Aside from the shift from phone to online ordering, we expect an increase in internet penetration to be a structural growth driver for our Polish business.

## Israel

Founded in 2000, 10bis operates the leading online food delivery marketplace in Israel. Its unique technology allows businesses to replace their canteens with not only a delivery service, but also with local restaurants. 10bis serves thousands of corporations, representing hundreds of thousands of employees. While Takeaway.com is predominantly a Business to Consumer (B2C) brand, approximately 90% of 10bis orders are Business to Business (B2B) orders. However, 10bis is still the local market leader in the B2C offering, which is underdeveloped in Israel but growing rapidly. 10Bis was acquired by Takeaway.com in September 2018.

With over 6,000 restaurants, 10bis is the best choice for the over 356,000 Active Consumers that order their food online and in-store. The strong growth in Active Consumers of 44% is a result of the Takeaway.com strategy to focus more heavily on B2C. Since Israel represents an addressable market of 6.5 million, there is a lot of untapped potential in both the B2B and B2C environments. Scoober will be an important enabler for capturing this potential. After introducing the service in 2018 in Tel Aviv, in 2019 we expanded to Petah Tikva, Herzliya/Ramat Hasharon and Rishon Lezion.

## Switzerland, Bulgaria, Romania, Portugal and Luxembourg

Our remaining markets constitute approximately 1% of our revenue, yet all have prospects to grow towards a stronger leading position. Each country benefits from our “One Company, One Brand and One IT Platform” approach, allowing us to leverage our centrally developed marketing campaigns. We aim to reach and maintain meaningful market-leading positions in each of these markets.

“2019 was a truly transformational year for the Company. We further built out our market-leading positions and achieved a major milestone with our fast and successful integration of the acquired German Businesses”

– Jörg Gerbig, COO

# The Best Restaurant Awards 2019

**Takeaway.com Best Restaurant Awards 2019:**
Every single one of our partners – big or small – is of great value to Takeaway.com. We care about their success and work hard every day to help them achieve their fullest potential on our platform. To celebrate their success, we introduced the Takeaway.com Best Restaurant awards. These awards honour and recognize the best of the best and should inspire others to become even better. In 2019 we nominated more than 740 partner restaurants and announced 148 winners in five countries, covering several food category and city awards. The overall winners in the five countries were:


**The Netherlands**
Winner: Fresh2Go Sushi
Owner: Ming Kwong

Commenting on the success, restaurant owner Ming Kwong said, “Winning this award allows us to see that our efforts of achieving our goals are succeeding. I am so proud and grateful for my team. This award would not have been possible without their consistent hard work to deliver the best service possible. We will continue to work hard on this and aim to win again next year.”

BEST RESTAURANT AWARDS 2019
★★★★★
Takeaway.com





**Germany**
Winner: El Greco
Owner: Petros Bartzas

Restaurant owner, Petros Bartzas, is extremely proud of this achievement: “It’s the best kind of recognition for the team to know that our customers really do appreciate us going the extra mile and it motivates us to continue delivering the best quality and services. It is a great honour to be rewarded for that. “

**Poland**
Winner: Kuchnia u Babci Maliny
Owner: Stanislava Wasowicz

Restaurant owner, Adrian Wąsowicz has commented on their success: “We are delighted that the work of our wonderful team at Kuchnia u Babci Maliny has been greatly recognised. We are incredibly grateful and thankful to Pyszne.pl and all our customers for the trust they have placed in us over the last 26 years.”

BEST RESTAURANT AWARDS 2019
Takeaway.com





**Belgium**
Winner: Sim Pizza
Owner: Ensar Dumlupinar

Restaurant owner Ensar Dumlupinar about his win: “I’ve been hoping for this since we heard we had been nominated. Amazing! Unbelievable that we’re able to call ourselves Belgium’s best restaurant for the second year in a row. We’re extremely happy.”

**Austria**
Winner: Pizzeria Peperoni & Getränke
Owner: Bilginay Gueney

Restaurant owner Okday Gökmen is beyond proud of the achievement: “Knowing that Pizzeria Peperoni & Getränke is loved by so many people over the years really motivates us to continue to do our best to deliver the best quality pizza to our customers. It really is a great honour.”

# Report of the Management Board

In 2019, we continued to deliver on our promise to offer the best selection of local restaurants to our 19.5 million Active Consumers, through a seamless technology experience.

## Our strategy

At Takeaway.com, our mission is to satisfy consumers by using the power of technology to bring a wide variety of food options to their fingertips with a fast, easy and secure ordering process, thereby causing them to return and drive incremental orders for our restaurant partners.

## One Company, One Brand, One IT Platform

We strongly believe in our “One Company, One Brand and One IT Platform” approach as the most efficient and effective way to operate an online food delivery business. This is reflected in our highly centralised organisational structure, focused on a single brand in each of our markets and a single European technology platform. Our technology platform has been designed to create a consistent and high-quality user experience for all consumers, irrespective of the market in which they are located, or the devices, applications or operating systems that they use to access the platform.
In 2019, the power of our approach was demonstrated by the swift migration of the three acquired websites in Germany. By migrating these websites into our platform within three weeks, we were quickly able to realise significant synergies both in operational processes and marketing by moving to one brand and one way of working.

In order to achieve our mission, we focus on a set of six strategic priorities:

| Strategic principle | Description | Progress in 2019 |
|---|---|---|
| **Maintain and expand market leadership** | Based on our experience and behavioural knowledge, we believe online food delivery is a “winner takes most” industry where the most popular brand will continue to grow through favourable network effects, hence investments in market-leading positions are critical for long term growth. | • Consolidated our market-leading position in Germany with migration of the three acquired websites, adding millions Active Consumers throughout the year<br>• Continued to expand our restaurant footprint, now offering more than 50,000 restaurants<br>• Maintained and strengthened market-leading positions in seven countries, together representing over 99.5% of our order base |
| **Continue to enhance brand awareness across countries** | High brand awareness drives the acquisition of new consumers and reorder rates of existing consumers, as consumers are more likely to use a brand which they know. High brand awareness is also critical in driving direct traffic to our websites and mobile applications, thereby reducing our marketing costs per order over time. | • Top-of-mind brand awareness continued to increase in our Leading Markets<br>• Invested more than €60 million in brand marketing initiatives across our markets<br>• Signed as Official Food Delivery Platform Partner for UEFA EURO 2020TM, an event which is expected to be watched by a cumulative audience of over five billion people<br>• Improved efficiency of performance marketing due to growth in organic traffic, driven by higher brand awareness<br>• Our increased Scoober footprint enlarged visibility of our brand, covering 91 cities in 10 countries at the end of 2019 |
| **Further enhance the technology platform and mobile applications to drive adoption** | We constantly aim to improve the user experience of our platform to ensure consumers have a positive experience, driving retention. | • Implemented significant improvements to the user interface and initial testing of personalised recommendations<br>• Rolled out Takeaway Pay in Europe to service corporate customers<br>• Major improvement to app interface |
| **Improve results of operations** | We believe that we can generate sustainable profits for our shareholders over the long term by continuing to invest in growth at this early stage of industry development. | • Adjusted EBITDA of €12.3 million in 2019, marking the first year of positive Adjusted EBITDA for Takeaway.com<br>• Adjusted EBITDA increased by €5.8 million to €58.9 million in the Netherlands<br>• Germany became the second segment to reach positive Adjusted EBITDA<br>• Continued to improve efficiency of logistics operations and marketing, which are our key profitability drivers |
| **Maintain disciplined portfolio management** | To maximise long term shareholder returns, we will continually evaluate our portfolio of countries based on current and expected future performance. | • Exited non-core Vietnamese joint venture through sale of our shareholding in Takeaway.com Asia B.V.<br>• Continued to make disciplined investments in all markets, reinvesting positive cash flow from Germany and the Netherlands into Other Leading Markets |
| **Further develop restaurant delivery services in selected markets** | Offering our own restaurant delivery services expands the addressable restaurant market, enabling us to offer the broadest selection to consumers, which we believe is key in driving retention. | • Expanded Scoober offering to a further 53 cities across 10 countries<br>• Added major chains in selected markets such as McDonald’s, further cementing our position as the food delivery platform of choice for all consumers<br>• Scoober delivered nearly 9 million orders in 2019 |

## Acquisition and integration in Germany

On 1 April 2019, we completed the acquisition of the German Businesses for a total consideration of approximately €1.2 billion.

Following our “One Company, One Brand, One IT Platform” strategy, we migrated the websites operating under the names Pizza.de, Lieferheld and Foodora.de within three weeks to Lieferando.de, which we believe is a record in our industry for a platform migration of this size. This ensured that all our (new) consumers in Germany would have one single customer experience.

The acquisition consolidated our market-leading position in Germany in terms of orders and led to a substantial improvement in our profitability, driven primarily by marketing synergies.

## All-share combination with Just Eat

On 5 August 2019, the Management Board and the board of Just Eat plc announced that they reached agreement on the terms of a recommended all-share combination between Just Eat and the Company (the ‘’**Combination**’’). While the Combination was initially expected to be effectuated by means of a so-called scheme of arrangement, on 4 November 2019, the Management Board and the Supervisory Board announced that the Combination would be implemented by way of a recommended offer by the Company for Just Eat, as revised on 19 December 2019 (the “**Offer**”). Under the final terms of the Offer, Just Eat plc shareholders received 0.12111 newly issued shares in the Company in exchange for each Just Eat plc share. The Combination was approved by the Company’s extraordinary general meeting on 9 January 2020 (the “**Just Eat EGM**”). On 10 January 2020 the Company had received valid acceptances representing approximately 80.4% of the voting rights of Just Eat plc, meaning its Offer had become unconditional as to acceptances. By 31 January 2020, the day on which the Combination was effectuated, the Company had received valid acceptances representing 92.2% of the voting rights of Just Eat plc.

On 30 January 2020, the mergers intelligence committee of the UK Competition and Markets Authority ("**CMA**") served an initial enforcement order (also called hold separate order) on the Company and Just Eat plc in relation to the Combination. The hold separate order requires - although the Offer was allowed to be completed - that the businesses continue to be run independently until the CMA's merger investigation has concluded. At the date of this annual report, the merger investigation is ongoing.

As of 3 February 2020, the issued and to be issued ordinary shares in the share capital of the Company has been admitted to trading on the main market for listed securities of London Stock Exchange plc. Since then, the Company's shares are traded under the ticker "JET" on the London Stock Exchange as well as the ticker "TKWY" on Euronext Amsterdam.

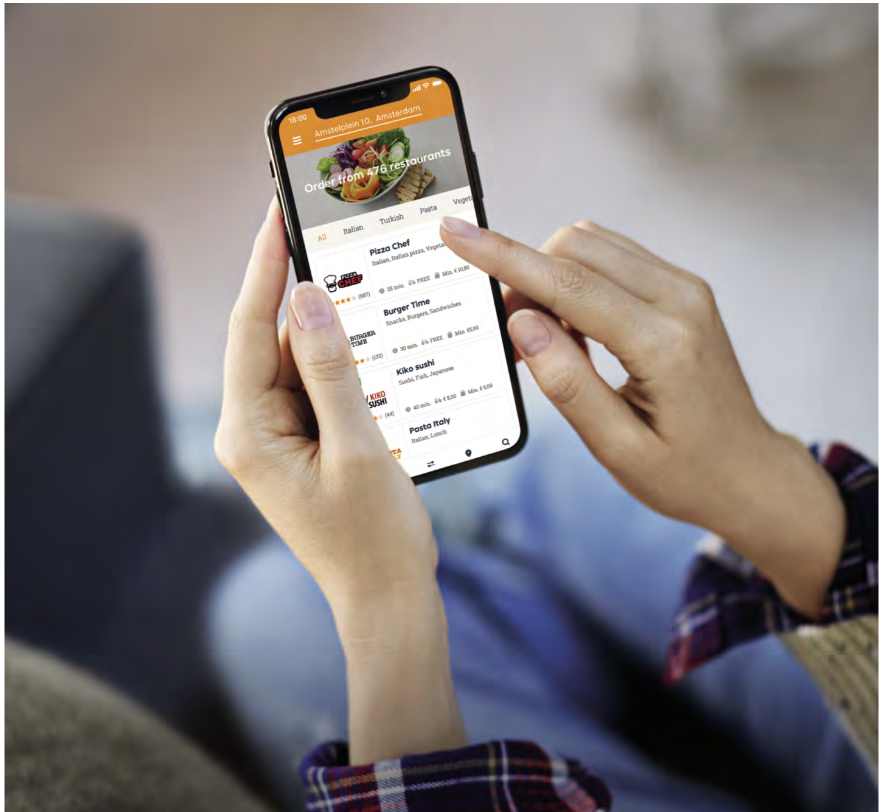
By 7 February 2020, the Company held 96.3% of the voting rights of Just Eat plc.

Takeaway.com believes that the Combination has a compelling strategic rationale:

- World's largest online food delivery platform outside of China, with no.1 positions in 15 of the 23 countries in which it is present around the world.
- Strong foundations with number one positions in three of the world's four major profit pools in food delivery: the UK, the Netherlands and Germany.
- Exceptional founder-led management team with deep knowledge of the requirements for success in the industry and a proven ability to win in competitive markets.
- Scale and financial resources to invest to strengthen the competitive position of the Combined Group.
- Greater scope to leverage investments, in particular in technology, marketing and Scoober restaurant delivery services.

# Our product

Through our websites and apps, we offer a simple and efficient way for consumers to order their favourite food whenever and wherever they like.




At Takeaway.com we digitise the entire food ordering experience for consumers, restaurants, corporates, our back office and drivers. Speed and ease of use are most important in our 3-step user experience for consumers. We have continued to expand our restaurant offering with international chains like McDonald's and Burger King, but also with local unique family restaurants. We focus on guiding customers to find whatever they are looking for and give them the tools to make their whole food ordering experience better. We do this by optimising our discovery, checkout and after ordering experience on our website and apps.

Digitising the user experience from a restaurant, back office and driver point of view are important in creating a positive experience for all our users. We offer multiple products like our order management software, T-Connect, and our restaurant portal, to help restaurants manage and monetise their operations. Back office products are continuously being improved to make our operations scalable, compliant and more efficient. Product and business innovations like Scoober and Takeaway Pay enable customers to order with any restaurant, anywhere at any time and create additional business for new and existing restaurants. In the upcoming years we will further enhance the whole food ordering experience by introducing new features and products to help our partners grow their business and create better food ordering experiences for consumers and restaurants.

In 2019, we continued to develop our digital products for consumers, restaurant delivery services, as well as our back-office platform to enable efficient operational support. We are also proud that we migrated the three businesses we acquired in Germany to Lieferando within three weeks after closing the deal, and launched Takeaway Pay (B2B) in Europe, extending our offering to corporate customers.

## Consumer facing products

### User Experience

We promise the consumer a reliable, quick and easy solution to order food. In 2019 we made more improvements to our consumer product designs than ever before. We launched a new restaurant overview, menu, basket and overall user experience. Additionally, we tested personalised recommendations to make our consumer experience even more relevant.

### Apple Pay

As a launching partner of Apple Pay in the Netherlands, we also introduced Apple Pay simultaneously in other countries in which it is available from Apple. A fast checkout on our website and app results in a seamless ordering process.

### Pre-order and pickup functionality

As we want to make travelling more convenient for passengers, we partnered with the NS (Dutch Railways) for a pilot and Amsterdam Airport Schiphol to provide food delivery and pickup solutions. The service lets travelers order food in advance for pickup at two railway stations in the Netherlands, and food delivery at Amsterdam Airport Schiphol.

## Takeaway Pay

We are very excited to have introduced corporate services in Europe, based on the 10bis technology. The service allows corporates to provide employees with meal benefit plans, encouraging these employees to order their lunch or dinner with Takeaway.com's partner restaurants. Takeaway Pay is available in all countries in which Takeaway.com is active.

The launch of Takeaway Pay is an important step in unlocking the B2B opportunity in Takeaway.com markets. The technology was developed by our 10bis team in Israel, where it has operated effectively for nearly 20 years. On average, users of 10bis order approximately 85 times a year, whereas Returning Active Consumers in Takeaway.com's European markets order on average around 12 times a year. We are excited about the potential of Takeaway Pay to significantly increase order frequency among our 19.5 million consumers.

## Restaurants: Top Rank

At Takeaway.com, our objective is to give restaurants the tools to impact their business. In 2019, we launched Top Rank in selected markets, as an enhancement of Tip Positions, which enables restaurants to boost their business, in real-time. Paid rankings via Top Rank are relative to the organic Takeaway.com ranking to ensure a good consumer experience, while giving restaurants the opportunity to promote themselves.

Top Rank is part of our restaurant-facing product, called the restaurant portal. In addition to promoting their business via Top Rank, restaurants can also use the website to manage their restaurant from a financial and marketing perspective. Additionally, self-service tools enable them to administer their restaurant on the Takeaway.com platform. A redesign created a better user experience for our restaurant partners.

## Back office developments

In 2019, we partnered with Zendesk to combine their market-leading software with our back-office products developed in-house at Takeaway.com, allowing us to roll out smart solutions to automate customer services operations. This combined product is already operational in all countries, improving the effectiveness and scalability of our operations.

## Scoober

In 2019, we made significant progress in further automating and scaling the Scoober delivery technology. As a result, we were able to nearly triple the logistical cities served by evolving our routing and dispatching algorithms.

To better cope with the high consumer demand for our restaurant delivery service, we introduced a demand management service in our app for the couriers.

# Marketing

We further strengthened the marketing organisation and built an even more solid foundation of the brand preference in 2019, reaching more consumers, enabling future growth.


At Takeaway.com, we are focused on connecting as many people as we can to as many restaurants as possible. While our technology platform is the enabler, marketing continues to be focused on making the actual connections. In 2019, more new consumers used our service than ever before, and our existing consumers continued to order more frequently. While the migration of the three websites in Germany was a key enabler, we continued to focus on our strategy for scalable marketing to drive growth and accelerate efficiencies at the same time across markets. We have further strengthened the marketing organisation and built an even more solid foundation for future growth, by running projects such as the Takeaway.com Brand Book, increased automation, and marketing trainings. Our marketing strategy continues to be built on the following key pillars.



## Brand preference

In 2019, we were able to drive brand preference behind an increase in top-of-mind awareness in all countries. Even in markets where awareness has been high historically, like the Netherlands, we were still able to increase our top-of-mind position. The biggest acceleration in top-of-mind awareness was achieved in Germany, partly due to the migration of the acquired three websites, but also due to consistent investment in the key branding channels: television, (online) video, outdoor, and Scoober couriers. At the beginning of the year, we also invested time and effort to prepare a holistic and long term vision for the Takeaway.com brand proposition in the shape of the Takeaway.com Brand Book. This provides clear guidelines on the key benefits, character and visual identity of the brand and is being used to portray a consistent brand image not only by the marketing department but also by other functions such as sales, customer service and product. New teams focused in 2019 on building brand PR and brand publishing, resulting in higher engagement and earned media value, contributing to increased brand preference. Also, our focus on more local city campaigns in the core markets accelerated order and new customer growth.

## Retention and user frequency

For the first full year, we were able to leverage the setup of a dedicated retention team and automation technology in 2019, which resulted in a decrease in churn rates and accelerated increase in order frequency per Returning Active Consumer across markets. Driven by intelligent customer-centric automations, we were able to more than double the number of campaigns and be more effective per campaign. Another driver behind the improved retention rate was the increased user adoption of the loyalty shop (supported by external partners) and the stamp card program (supported by restaurant partners). Furthermore, we were able to further drive user activation through partnerships with restaurant chains such as McDonald's.

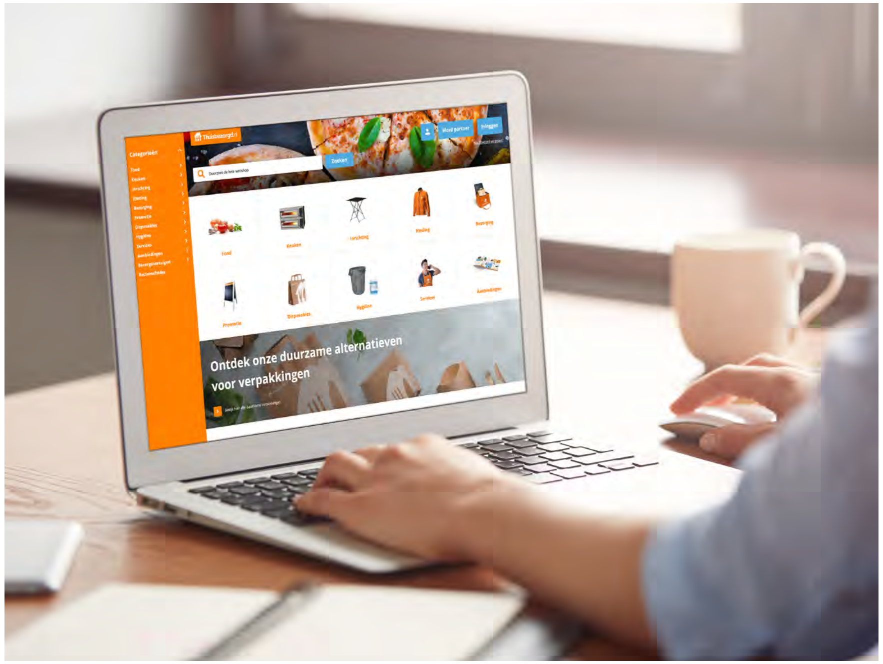
## Customer acquisition through performance

During 2019, we improved the efficiency of our new customer acquisition, driven by our performance campaigns. A key driver was the accelerated new customer growth and lower costs in Germany, driven by the successful migration. At the same time, we were able to drive cost efficiencies in nearly all other markets by applying customer-centric automation and utilising a more efficient and app-focused marketing mix. In Austria, we have laid the foundation for more efficient customer acquisition and brand-building going forward by rebranding Lieferservice.at to the stronger brand name Lieferando.at. In Israel, we invested in both brand and performance marketing, which led to substantial growth in new customers.

## Restaurant Partner Services

At Takeaway.com we value our relationship with connected restaurants, as our restaurants' success is closely linked to our own. Our Partner Services department is the driving spirit behind our objective of maximising results for partner restaurants and driving visibility of our brand. By supporting restaurant owners with relevant and actionable insights, creating brand awareness with innovative campaigns and promotional materials, we aim to develop an ecosystem in which all parties benefit.

In 2019, we further expanded resources in Partner Services in order to build stronger relationships with our restaurants. From account management with online restaurants, advising them on achieving maximum outcomes using our services, through to negotiating the best prices for food and non-food, merchandise and disposables with trusted third party suppliers, arranging logistics across the chain, to boosting awareness with effective marketing campaigns, we made a significant and direct impact on the long term success of many of our restaurant partners in 2019.



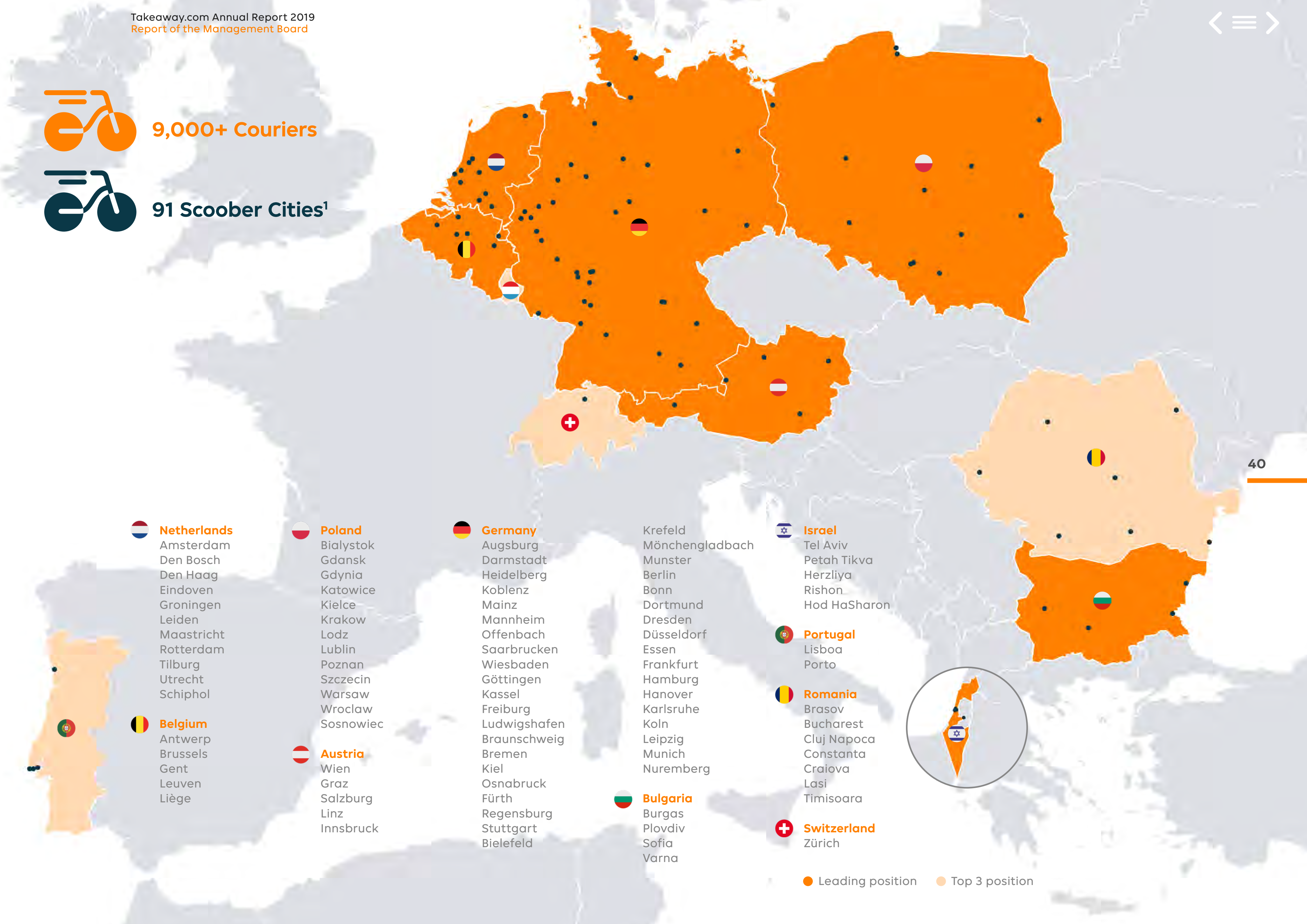
# Scoober

Scoober is Takeaway.com's delivery service for restaurants that do not have their own delivery capability, and is active in 91 cities in ten countries, employing more than 9,000 couriers.

Scoober fuels our network effects by further expanding our offering to consumers and restaurants. By providing Scoober to a select number of restaurants and chains, we are able to offer an even broader selection of cuisines, such as poke bowls and salads, and can also add popular chains such as McDonald's, Burger King, KFC and Starbucks in certain markets. These additions enhance our ability to acquire new consumers and encourage our existing consumers to order more often. Furthermore, our couriers create highly visible awareness of our presence on the streets.

Restaurants that use the Scoober service are integrated within the existing Takeaway.com online food delivery marketplace, consistent with our "One Company, One Brand and One IT Platform" approach. We believe that our hybrid model, which offers Scoober in select cities in tandem with our core marketplace model, is the most attractive strategy to continue to grow our business, while remaining focused on achieving overall profitability.

Our couriers are employed and are provided with e-bikes in most cities, which is an easy and light mode of transport and which offers the additional benefit of faster delivery times than normal bicycles. All couriers receive training to emphasise the importance of road safety.



**9,000+ Couriers**

**91 Scoober Cities[1]**

**Netherlands**
Amsterdam
Den Bosch
Den Haag
Eindoven
Groningen
Leiden
Maastricht
Rotterdam
Tilburg
Utrecht
Schiphol

**Belgium**
Antwerp
Brussels
Gent
Leuven
Liège

**Poland**
Bialystok
Gdansk
Gdynia
Katowice
Kielce
Krakow
Lodz
Lublin
Poznan
Szczecin
Warsaw
Wroclaw
Sosnowiec

**Austria**
Wien
Graz
Salzburg
Linz
Innsbruck

**Germany**
Augsburg
Darmstadt
Heidelberg
Koblenz
Mainz
Mannheim
Offenbach
Saarbrucken
Wiesbaden
Göttingen
Kassel
Freiburg
Ludwigshafen
Braunschweig
Bremen
Kiel
Osnabruck
Fürth
Regensburg
Stuttgart
Bielefeld
Krefeld
Mönchengladbach
Munster
Berlin
Bonn
Dortmund
Dresden
Düsseldorf
Essen
Frankfurt
Hamburg
Hanover
Karlsruhe
Koln
Leipzig
Munich
Nuremberg

**Bulgaria**
Burgas
Plovdiv
Sofia
Varna

**Israel**
Tel Aviv
Petah Tikva
Herzliya
Rishon
Hod HaSharon

**Portugal**
Lisboa
Porto

**Romania**
Brasov
Bucharest
Cluj Napoca
Constanta
Craiova
Lasi
Timisoara

**Switzerland**
Zürich

Leading position
Top 3 position

# Our people

In 2019, we continued to further develop the foundation of providing a compelling employee experience for our people. We realise that our staff are crucial in delivering the best possible service for our restaurants and consumers. Our Human Resources strategy is therefore clear and simple:

- Becoming one of the most preferred employer brands;
- Being a fully integrated partner for our businesses.

In today's highly competitive labour market, both components are essential to the ongoing success of Takeaway.com.

## Driving towards best-in-class

In 2019, we pivoted to a new phase in our ongoing human resource strategy, building on our progress in the last two years. In 2017, we solidified core human resource services and introduced automation to our core processes. In 2018, we continued to develop the human resource function by launching (scalable) structures and tools, positively impacting our businesses. The steps taken in these years provided a foundation which enabled us to move onto the next phase of our strategy, which started in 2019.

## Defining our Core Values

One of our challenges is to maintain the culture that has been a determining and distinctive factor for our success over the last 19 years, as we continue to expand. To help achieve this, in 2019 we set out to explore the cultural aspects that underpin our success and translated these findings into three clear and simple core values.

To further embed these core values into our organisation, during the year we launched an awareness program. This involved organising 200 team sessions, aimed at determining what the values meant for each team and how to use them to preserve the behaviours that underpin our success. We began embedding the values in our human resources processes, including onboarding, recruitment and performance management. The core values also played a central role in establishing our employer value proposition. We believe that, in a highly competitive labour market, this will enable us to continue attracting and retaining talented people whose DNA matches the Takeaway.com culture.

### Lead

- We lead in our markets, in our product and our service.
- We strive to provide the best food ordering experience for our customers and restaurants.
- We lead by example, create innovative and sustainable solutions, and act with integrity.

### Deliver

- We want to deliver more than what we promise.
- We keep things simple. One Company, One Brand, One Platform.
- We get things done by working hard and being hands-on.

### Care

- We care for our customers and restaurants by understanding their needs.
- We care for each other by listening, and showing respect.
- We care for society and our environment by striving to make a positive impact.

## Employees drive their own careers

As a fast-growing company, Takeaway.com tries to offer its employees a challenging work environment. To achieve this, we have taken a structured approach to personal development. Realistically, every company is a station in someone's career journey, and we are proud that so many talented people are willing to station with us enabling our growth. In return, we see it as our responsibility to support their development and facilitate their onward progress in their journey.

With this in mind, we began redesigning our performance management cycle in 2019. The goal was to ensure that our staff and managers maintain a continuous dialogue about the performance and development of the employee. We expect our employees to own and drive their own careers, with the role of managers to support and facilitate the growth of our staff.

We consider this continuous performance measurement and development dialogue to be the starting point for personal development and growth. We will continue to materially invest in talent management and learning in order to further support our people in driving their careers.

## Building the winning employee experience

At Takeaway.com, we believe that engaged and motivated staff are vital in being able to continuously improve our service to consumers, restaurants and any other commercial partners, and ultimately strengthen our business results. Employees who feel valued and engaged, and who understand and support the Company's strategy, are more motivated and committed. The employee experience is therefore considered a key element.

In 2019, we developed the framework for a winning employee experience. We learned more about how our employees experience working for Takeaway.com, how they view the trade-off between what we offer and what we expect, and how the Takeaway.com working environment is different to working for other companies. From this, we defined specific moments in the employee lifecycle that really matter; developed multiple employee personas to represent our people's needs at these moments; and identified scalable initiatives that will make these moments memorable for our employees. Finally, and in line with this employee-centred approach, we developed an employee brand story. The line running through this story is that Takeaway.com offers its employees many opportunities, and that working at Takeaway.com enables you to develop yourself to the fullest. The essence is that our employees describe Takeaway.com as like "feeling at home", working at Takeaway.com holds out the promise of getting the most out of yourself.

The next phase is to use the employee brand story to establish an employee experience which should lead to us becoming and remaining a highly attractive employer. This requires continuous monitoring, measuring and evaluating of the relevance of the defining moments in an employee's lifecycle and how our employees experience them. This will be a continuous cycle and we expect this approach to be robust enough to handle the further expansion of Takeaway.com and so prove fit for the future.

"I have been CEO of Takeaway.com my whole career, yet my job has been substantially different every year." Jitse Groen


## Caring for our couriers

Most orders made through our platform are delivered by our partner restaurants themselves. However, Takeaway.com also employs approximately 9,000 couriers who work for us directly on our payroll or via payroll agencies for temporary staffing.

We view and respect our couriers in the same way as any other employee who works for Takeaway.com. They have an appropriate and competitive employment contract, are insured properly and - in particular due to the nature of their work - we care about their safety. We also follow the same people management concepts we have established for other areas of the business.



## Diversity and inclusion

The more we expand, the more we understand that diverse perspectives can trigger new insights and help us find the next wave of opportunities. Our employees come from dozens of countries and all walks of life, and we are proud that they genuinely feel at home at Takeaway.com. We are proud to state that more than 70 nationalities work at Takeaway.com, of whom approximately 55% are male and 45% are female. Such diversity enables us to evaluate situations from different angles, through different eyes and challenge the status quo. In addition, we believe that inclusive collaboration among different nationalities helps drive innovation and ensures we make more robust decisions. For this reason, we take a proactive approach to managing diversity and inclusion. For instance, we pay attention to the diversity of our various departments, teams in countries and management levels, which is also reflected in our Code of Conduct and Core Values.

## Code of Conduct

Our corporate social responsibility strategy reaches all corners of the business and is therefore also reflected in our Code of Conduct. Our Code of Conduct reflects the human rights that we believe are important to our staff and the way we want to do business. We believe in fair treatment and equal rights for all, regardless of nationality, race, culture, beliefs, gender, age and sexual orientation. We believe in treating each other with care and respect, and do not tolerate intimidation or harassment in any form.
We value diversity and do not tolerate discrimination.

Additionally, our Code of Conduct also emphasises our position on bribery and corruption and that, unless gifts or favours to employees are legitimate and contribute to our business (within approved guidelines), all other direct or indirect offers, solicitation or acceptance of payments in order to obtain a commercial advantage are prohibited.

To assure awareness of the Code of Conduct and other policies among our staff we educate and train our employees regularly. These trainings are mandatory for all staff and are offered in various forms including workshops, e-learning programs and leaflets.

Although, we are occasionally confronted with less desirable behaviour, such as fraud, we consider the Code of Conduct to be sufficiently effective. We aim to address such behaviour effectively, appropriately and securely, for instance by ensuring new or revised policies and procedures are put into place to mitigate such occurrences in the future.

## Our FTEs at year end

The table below shows the number of employees (FTEs) we added in 2019, either via acquisitions or through organic growth.

The geographic and departmental spread of the number of our employees (in FTEs) at year end:

| FTE (at year-end) | 2019 | 2018 |
|---|---|---|
| The Netherlands | 1,486 | 859 |
| Germany | 1,986 | 716 |
| Other Leading Markets | 1,951 | 1,097 |
| **Total** | **5,423** | **2,672** |

| FTE (at year-end) | 2019 | 2018 |
|---|---|---|
| Customer Service / Logistics | 1,256 | 707 |
| Sales | 337 | 251 |
| Marketing | 222 | 160 |
| Product and Technology | 381 | 193 |
| Management and Support | 237 | 121 |
| **Total Department FTE** | **2,433** | **1,432** |
| Total Driver FTE | 2,990 | 1,240 |
| **Total** | **5,423** | **2,672** |

# Corporate social responsibility

Being responsible is more than just a personality trait at Takeaway.com. Caring for people and the world around us is an essential part of what we do every day. Whatever decisions we make, we always strive to make a positive impact and a meaningful contribution to the world we live in.

We are thoroughly committed to operating in an environmentally and socially sustainable manner, treating each other, our stakeholders, our consumers and the environment with the utmost respect.

## Scoober

In 2019, we continued to grow our Scoober service. At year end, we operated in 91 cities across Europe and Israel, with over 9,000 couriers. The use of e-bikes and e-scooters is an integral part of our sustainability strategy as we strive to achieve a majority of electric vehicles in all markets.

Moreover, as our people are our biggest asset, our couriers are employed and receive proper training on road safety. The e-bikes are also an easy and light mode of transport for our couriers and offer the additional benefit of faster delivery times than normal bicycles.

## Sustainable packaging

We continue to urge partner restaurants to adopt more environmentally friendly disposables by offering them a wide range of FSC certified, recycled and/or biodegradable disposables from our Takeaway.com restaurant partner webshop and external vendors. In December, we announced the removal of all plastic disposable packaging for food delivery from our restaurant partner webshop as per December 2019

During the year, we researched new initiatives to encourage a more environmentally friendly food delivery industry. We seek to expand our current sustainable line of packaging with new cutting-edge innovations that will reduce waste and simplify waste processing.

## Healthier food options

We joined forces with Unilever Food Solutions, embarking on a journey to help restaurants improve their variety of choice in healthier food options, such as flexitarian, vegan, vegetarian and many other dietary requirements. We educate restaurants on consumer behaviour and acknowledge that healthier food options are on the rise. As market leader in food-delivery one of our missions is to make a positive impact on our environment, promoting a healthier and sustainable lifestyle.

## Green office initiatives

To further reduce our global carbon footprint, video conferencing replaces national and international travel as much as possible – and employees are encouraged to minimise (inter)national travel through non-sustainable modes of transport. Our offices are paper-low, however all printing paper is FSC-approved and scrap paper is recycled. We also encourage our office employees to commute by public transport and offer company bicycles as an alternative mode of transport for nearby out-of-office meetings.

## Loyalty shop

We strongly support social impact initiatives as part of our corporate social responsibility strategy. As an extension of our care for each other and the world we live in, we performed a charitable giving scheme through our loyalty shop in five markets last year, whereby consumers received the offer to redeem their loyalty points towards the humanitarian organisation Red Cross or Pajacyk in Poland. Their loyalty points were used specifically to provide relief in the form of food packages for families and children in need affected by armed conflict in conflict regions all over the world. Over the past two years, this initiative has proven to be highly successful and the offer sold out after two weeks. This clearly highlights the value of corporate social responsibility to our consumers, which we have considered for future social impact initiatives.


## Local initiatives

During the year we established a few local initiatives in order to support local foundations and causes. For the World Cleanup Day, we teamed up with the Plastic Soup Foundation and the City of Amsterdam to clean up the streets of Amsterdam for one day. Employees were granted half a workday in order to participate. At the end of 2019, we collected gifts for children in need in collaboration with Kinderen van de Voedselbank. This initiative was implemented in our offices in the Netherlands, where employees could fulfil a child's wish during the Christmas season.

# Our performance in 2019

In 2019, we realised significant growth in both orders and revenue driven by our strong positions in our Leading Markets, partly driven by the acquisition of the German Businesses and of the 10bis acquisition in 2018.

We processed 159.2 million orders in 2019, an increase of 65.3 million from 2018, which resulted in a total gross revenue of €426.8 million. Gross revenue growth amounted to 78% in 2019 compared with 2018, thereby exceeding order growth, which was mainly driven by higher average order amounts in the Netherlands, partly due to a VAT increase, and higher average commission rates in each of our markets. We experienced continuing benefits from the network effects inherent in our business model and believe that this will continue to power our growth in the coming years.

As a result of the investments in our long term growth strategy, we delivered an Adjusted EBITDA profit of €12.3 million in 2019, compared with an Adjusted EBITDA loss of €11.3 million in 2018, an improvement of €23.5 million. Our Adjusted EBITDA margin improved to 3% in 2019 from minus 5% in 2018. We were pleased to achieve the milestone of an annual profit on an Adjusted EBITDA basis in 2019.

Below we explain how the developments in our key performance indicators contributed to our results in 2019.

## Performance review

### Key performance indicators

#### Restaurants

We believe that a successful online food delivery marketplace starts with a broad coverage of participating restaurants. This allows us to offer the broadest choice and variety of restaurants to consumers, which in turn leads to continuous improvement in conversion and retention. For that reason, we continuously invest in the acquisition of new restaurants in all our markets. In order to expand the addressable restaurant market, we offer our Scoober services to restaurants who do not have their own delivery service, thereby increasing offering diversity to our consumers. For restaurants, our value proposition is to provide them with access to a large consumer base who order on an ever-more frequent basis. We aim to distinguish ourselves by having the largest possible restaurant offering in each of our markets.

| Restaurants | 2019 | 2018 | 2017 | 2019 to 2018 | 2018 to 2017 |
|---|---|---|---|---|---|
| | As at 31 December | | | (% change) | (% change) |
| The Netherlands | 8,566 | 8,084 | 7,433 | 6% | 9% |
| Germany | 19,336 | 15,170 | 12,931 | 27% | 17% |
| Other Leading Markets | 25,125 | 20,509 | 11,452 | 23% | 79% |
| • Belgium | 3,212 | 2,718 | 2,195 | 18% | 24% |
| • Austria | 2,606 | 2,427 | 2,161 | 7% | 12% |
| • Poland | 7,878 | 6,608 | 5,834 | 19% | 13% |
| • Israel[1] | 6,036 | 5,240 | n.a. | 15% | n.a |
| • Rest | 5,393 | 3,516 | 1,262 | 53% | 179% |
| **Total** | **53,027** | **43,763** | **31,816** | **21%** | **38%** |

[1] Included as per acquisition in September 2018

| Active Consumers (in thousands) | 2019 | 2018 | 2017 | 2019 to 2018 | 2018 to 2017 |
|---|---|---|---|---|---|
| | As at 31 December | | | (% change) | (% change) |
| The Netherlands | 4,524 | 4,031 | 3,548 | 12% | 14% |
| Germany | 9,638 | 5,817 | 4,977 | 66% | 17% |
| • Other Leading Markets | 5,387 | 4,268 | 2,946 | 26% | 45% |
| • Belgium | 1,150 | 957 | 783 | 20% | 22% |
| • Austria | 920 | 790 | 643 | 16% | 23% |
| • Poland | 2,497 | 1,957 | 1,455 | 28% | 35% |
| • Israel[1] | 356 | 247 | n.a. | 44% | n.a |
| • Rest | 464 | 317 | 65 | 46% | 388% |
| **Total** | **19,549** | **14,116** | **11,471** | **38%** | **23%** |

[1] Included as per acquisition in September 2018

We added over 9,000 Restaurants to our platform, both organically and through the acquisition of the German Businesses in 2019. Our organic growth is primarily driven by our brand strength and sales excellence.

## Active Consumers

In 2019, we continued to grow our base of Active Consumers through new consumer acquisition and retention of existing consumers in all markets. The growth reflected the strength of our local brands in these countries, which is driven by our strong value proposition to consumers, our product, as well as our marketing efforts.

Despite the strong growth of our Active Consumer base, all Leading Markets with the exception of the Netherlands are highly underpenetrated with penetration rates of between 5%-14% of the addressable population. In the Netherlands, we maintained double-digit growth of Active Consumers despite the relatively high penetration in this market, demonstrating the potential for future growth. This indicates that, despite the scale of the online food delivery marketplaces, most orders are still made by phone. The shift from offline to online ordering is expected to remain a structural growth driver across all our markets in the coming years.

## Returning Active Consumers

Returning Active Consumers are Active Consumers who have ordered through Takeaway.com more than once in the preceding 12 months. We added 3.2 million Returning Active Consumers across our markets in 2019. The Returning Active Consumers as a percentage of Active Consumers increased by four percentage points from 62% in 2018 to 66% in 2019, reflecting improved loyalty in our consumer base. In addition to these positive developments, the order frequency of this group increased by 1.8 orders per year per Returning Active Consumer, from 11.4 times in 2018 to 13.2 times in 2019, which created a multiplier effect on our order figures. Israel was a significant contributor to this increase as its primarily B2B consumer base orders multiple times more frequently than a typical B2C consumer.

| Returning Active Consumers | As at 31 December 2019 | 2018 | 2017 |
|---|---|---|---|
| Returning Active Consumers in millions | 12.9 | 8.7 | 6.8 |
| Returning Active Consumers as % of Active Consumers[1] | 66% | 62% | 59% |
| Order frequency of Returning Active Consumers | 13.2 | 11.4 | 10.7 |

[1] Orders made by Returning Active Consumers, divided by average number of Returning Active Consumers

## Orders

Takeaway.com processed 159.2 million orders in 2019, representing a 70% increase compared with 2018, driven by the increase in our Active Consumer base, the improved percentage of Returning Active Consumers, and the growing order frequency of Returning Active Consumers.

| Orders (in thousands) | Year ended 31 December 2019 | 2018 | 2017 | 2019 to 2018 | 2018 to 2017 |
|---|---|---|---|---|---|
| | | | | (% change) | (% change) |
| The Netherlands | 38,006 | 32,693 | 27,446 | 16% | 19% |
| Germany | 69,470 | 32,629 | 23,946 | 113% | 36% |
| Other Leading Markets | 51,733 | 28,597 | 16,899 | 81% | 69% |
| • Belgium | 7,558 | 5,642 | 4,382 | 34% | 29% |
| • Austria | 7,105 | 5,976 | 4,749 | 19% | 26% |
| • Poland | 14,950 | 11,095 | 7,580 | 35% | 46% |
| • Israel[1] | 20,042 | 4,933 | n.a. | 306% | n.a |
| • Rest | 2,078 | 951 | 188 | 119% | 406% |
| **Total** | **159,209** | **93,919** | **68,291** | **70%** | **38%** |

[1] Included as per acquisition in September 2018

## Average Order Value (AOV)

In all Leading Markets, the AOV increased in 2019 compared with 2018, mainly driven by inflation and partly driven by changes in VAT in the Netherlands and by the growth of Scoober orders, which usually carry a higher basket value. There are significant variations in the AOV across our markets. Generally, the order value is largely a function of general economic conditions such as purchasing power and other country-specific factors which are, for the most part, outside of our control.

| Average Order Value (in €) | Year ended 31 December 2019 | 2018 | 2017 |
|---|---|---|---|
| The Netherlands | 21.42 | 20.61 | 20.12 |
| Germany | 20.90 | 20.39 | 20.05 |
| Other Leading Markets | 14.99 | 15.65 | 16.62 |
| • Belgium | 24.41 | 24.07 | 23.40 |
| • Austria | 21.28 | 20.61 | 19.96 |
| • Poland | 11.32 | 10.77 | 10.24 |
| • Israel[1] | 11.91 | 10.70 | n.a |
| • Rest | 15.44 | 17.13 | 30.98 |
| **Total[2]** | **19.10** | **19.02** | **19.23** |

1 Included as per acquisition in September 2018
2 Weighted average

## Gross Merchandise Value

The value of total orders processed increased by 70% to €3.0 billion in 2019 from €1.8 billion in 2018. The relative growth of our GMV was slightly lower than our order growth rate as a result of a mix effect, as Poland and Israel contribute an increasingly larger share of orders at a considerably lower AOV.

| Gross Merchandise Value (in millions of €) | Year ended 31 December 2019 | 2018 | 2017 | 2019 to 2018 (% change) | 2018 to 2017 (% change) |
|---|---|---|---|---|---|
| The Netherlands | 814.0 | 673.7 | 552.3 | 21% | 22% |
| Germany | 1,451.8 | 665.5 | 480.1 | 118% | 39% |
| Other Leading Markets | 775.7 | 447.5 | 280.8 | 73% | 59% |
| • Belgium | 184.5 | 135.8 | 102.6 | 36% | 32% |
| • Austria | 151.2 | 123.2 | 94.8 | 23% | 30% |
| • Poland | 169.2 | 119.5 | 77.6 | 42% | 54% |
| • Israel[1] | 238.7 | 52.8 | n.a | 352% | n.a |
| • Rest | 32.1 | 16.2 | 5.8 | 98% | 179% |
| **Total** | **3,041.5** | **1,786.7** | **1,313.2** | **70%** | **36%** |

1 Includes Israel as per acquisition in September 2018

“Our increased scale and efficiency improvements in marketing led to the first positive full year Adjusted EBITDA result since our IPO”

– Brent Wissink, CFO

# Takeaway.com financial review

## Revenue

Revenue consists of commission revenue, online payment services revenue and other revenue items such as placement fees and merchandising revenue. Commission revenue accounted for 90% of gross revenue in 2019.

In 2019, we generated total gross revenue of €426.8 million, a 78% increase from €240.0 million in 2018. This increase is driven by the migration of the acquired three websites in Germany, full year effect of 2018 acquisitions, organic growth in orders and higher average commission rates in all of Takeaway.com's Leading Markets. The gross revenue increase rate exceeded GMV growth of 70%, mainly driven by higher average commission rates and an increase in other revenue mainly driven by the improved placement service. Including adjustment for voucher expenses under IFRS 15, net revenue was €415.9 million in 2019.

| Revenue by segment (in thousands of €) | Year ended 31 December 2019 | 2018 | 2017 | 2019 to 2018 (% change) | 2018 to 2017 (% change) |
|---|---|---|---|---|---|
| The Netherlands | 120,708 | 98,293 | 74,427 | 23% | 32% |
| Germany | 210,942 | 86,040 | 57,859 | 145% | 49% |
| Other Leading Markets | 95,193 | 55,710 | 34,192 | 71% | 63% |
| • Belgium | 27,484 | 19,917 | 14,402 | 38% | 38% |
| • Austria | 19,758 | 14,798 | 10,388 | 34% | 42% |
| • Poland | 22,715 | 14,664 | 8,708 | 55% | 68% |
| • Israel[1] | 20,618 | 3,854 | n.a | 435% | n.a |
| • Rest[2] | 4,618 | 2,477 | 694 | 86% | 257% |
| **Gross revenue** | **426,843** | **240,043** | **166,478** | **78%** | **44%** |
| Vouchers | (10,962) | (7,729) | (3,132) | 42% | 147% |
| **Revenue** | **415,881** | **232,314** | **163,346** | **79%** | **42%** |

[1] Includes Israel as per acquisition in September 2018
[2] Includes France for which operations were discontinued in February 2018

### The Netherlands

Gross revenue grew by 23% to €120.7 million in 2019 from €98.3 million in 2018. Gross revenue grew faster than Orders as a result of an increase in the average order size, driven by an increase in the Dutch value added tax rate and an increased Scoober share. In addition, the proportion of orders paid online grew to nearly 82% of orders in 2019, driving growth in online payment fees to €6.6 million, an increase of 12% compared to 2018. Other revenue increased by 63% to €3.8 million in 2019 from €2.3 million in 2018, mainly due to growth in sold merchandise.

### Germany

In Germany we realised 145% gross revenue growth to €210.9 million in 2019 from €86.0 million in 2018, driven by strong organic growth of our Lieferando.de brand, as well as the successful migration of three acquired websites in April 2019. Our gross revenue growth exceeded our order growth, mainly driven by an increase of our standard commission rate by 1% and an expansion of the Scoober share. In 2019 there was also a significant increase in orders paid online of nine percentage points compared to 2018. Online paid orders in Germany in 2019 were more than 55% of total German orders.

### Other Leading Markets

Gross revenue in Other Leading Markets grew by 71% to €95.2 million in 2019 from €55.7 million in 2018, including the full year effect of businesses acquired in Israel, Romania, Bulgaria and Switzerland in 2018.
The substantial growth in gross revenue reflected a growth in orders and a slight increase in average commission rates. The 2019 average commission rate was mainly impacted by a 1% commission increase in Poland, with the impact of the increasing Scoober share partly offset by the full year effect of 2018 acquisitions (Israel, Bulgaria and Romania). The AOV for the segment was slightly lower than 2018, driven by the mix effect of a larger proportion

of orders coming from Poland and Israel, which have lower basket values than our Western European countries.

### Commission

Commission revenue is earned from restaurants and is generally charged as a percentage of the GMV for each order processed. Commission revenue also includes the administrative fee charged in the Netherlands, Belgium, Bulgaria, Romania and Switzerland. Commission revenue was €382.5 million in 2019, representing 90% of total gross revenues and was 76% higher than in 2018. The average commission rate for Takeaway.com increased to 12.6% in 2019 from 12.1% in 2018, driven by an increase in standard commission rate in Germany and Poland as well as the effect of the increasing Scoober share with a higher commission percentage in most Leading Markets.

### Online payment services

Payment services revenue is earned from consumers or restaurants that are charged a payment services fee by Takeaway.com for processing online payments. As a result of further adoption of online payments by consumers, revenue from online payments increased to €29.5 million in 2019 from €16.0 million in 2018. The percentage of orders paid online amounted to 66% of total orders in 2019, up from 60% in 2018, representing almost €2 billion in GMV.

### Other revenue

Other revenue grew strongly by 122% in 2019, reaching €14.8 million, driven primarily by growth in sold merchandise and placement fees charged to restaurants.

## Cost of sales and gross margin

Cost of sales was €110.9 million in 2019, which was 154% higher than in 2018. This growth was primarily driven by our Scoober expansion. We grew from 38 cities at the end of 2018 to 91 cities in 2019, across our markets. Delivery expenses amounted to €73.9 million, representing 67% of our cost of sales. Excluding the impact of delivery expenses, cost of sales increased by 86% year-on-year, above order growth, driven by growth in the share of online payments, growing share of merchandise items and increased printer costs driven by the onboarding of new restaurants.

As a result of the above, we realised a gross margin of 73% in 2019, compared to 81% in 2018. The growing delivery expenses as a result of Scoober share increased to 5.4% in 2019 versus 3.0% in 2018 was a main contributor to the reduction in gross margin on a year-over-year basis. Excluding the impact of Scoober, the gross margin remained at 91%.

### Staff costs

Staff costs were €112.4 million in 2019, representing a 101% increase compared with 2018. This increase is the result of the acquisitions (Germany in 2019 and Israel, Bulgaria, Romania and Switzerland in 2018) and continuing investments in our organisation to execute on our growth strategy. Our staff-related investments were primarily in IT and product functions where we almost doubled our FTEs on a year-on-year basis, as well as operational functions, with a large increase in our customer service staff to be able to support strong order growth. Over the course of 2019, our Scoober operations staff more than doubled to support our expansion. These investments do not include approximately 9,000 couriers

(2,990 FTEs), which are classified as cost of sales. Our staff, excluding couriers, increased to 2,433 FTEs as at 31 December 2019 from 1,432 FTEs as at 31 December 2018. In 2019, we classified share-based payments and temporary staff expenses within staff costs. Temporary staff expenses were €10.7 million, representing a 123% increase compared with 2018.

Share-based payments were €2.8 million in 2019, representing a 9% increase compared with 2018. Share-based payments includes the Long-Term Incentive Plan (LTIP) for the Management Board, as well as the Employee Share and Option Plan (ESOP), which covers senior management and certain other employees.

## Marketing expenses

Marketing expenses can be divided into performance marketing and brand awareness marketing. Performance marketing represents costs related to pay-per-click marketing such as search engine and affiliate marketing. Brand awareness marketing expenses are those which relate to investments in our brand strength through (primarily) offline channels such as television, outdoor advertising, and merchandising for restaurants. In order to promote the platform, Takeaway.com distributes vouchers to existing consumers, potential new consumers, restaurants, and via partner campaigns. Voucher expenses amounted to €11.0 million in 2019 and €7.7 million in 2018. For accounting purposes these voucher expenses are deducted from revenue.

Marketing expenses increased by 20% to €153.8 million in 2019 compared with €127.8 million in 2018, substantially lower than our order and revenue growth, reflecting the effectiveness of our marketing investments, the strength of our brand and the recurring nature of consumer behaviour. Marketing expenses as a percentage of revenue and on a per-order basis improved in all segments in 2019.

| Marketing expenses (in thousands of €) | 2019 | 2018 | 2019 to 2018 |
|---|---|---|---|
| | | | (% change) |
| The Netherlands | 15,609 | 13,839 | 13% |
| Germany | 84,650 | 73,900 | 15% |
| Other Leading Markets | 53,556 | 40,020 | 34% |
| **Marketing expenses** | **153,815** | **127,759** | **20%** |
| Vouchers | (10,962) | (7,729) | 42% |
| **Marketing expenses, net** | **142,853** | **120,030** | **19%** |

| Marketing as % of Gross revenue | 2019 | 2018 | 2019 to 2018 |
|---|---|---|---|
| | | | (pp change) |
| The Netherlands | 13% | 14% | (1)pp |
| Germany | 40% | 86% | (46)pp |
| Other Leading Markets | 56% | 72% | (16)pp |
| **Total** | **36%** | 53% | (17)pp |

In the Dutch market we demonstrated the achievable scale benefits in marketing by growing absolute marketing investments slower than order growth and improving marketing as a percentage of revenue by one percentage point versus 2018.

In Germany, we were able to achieve strong order growth while only marginally increasing our absolute marketing spend in 2019 compared to 2018. The return on our historical marketing investments accelerated, as we achieved a €1.04 decline in the cost per order.

In the Other Leading Markets segment, marketing expenses as a percentage of revenue improved strongly to 56% in 2019 from 72% in 2018, despite the highest absolute growth in spending among our segments.

The driver of this improvement was primarily Poland where order and revenue growth significantly exceeded growth in marketing expenses.

| Marketing Cost Per Order | 2019 | 2018 |
|---|---|---|
| The Netherlands | 0.41 | 0.42 |
| Germany | 1.22 | 2.26 |
| Other Leading Markets | 1.04 | 1.40 |
| **Total** | **0.97** | **1.36** |

Marketing cost per order ("CPO") decreased in all segments. This result validates our single brand strategy and demonstrates our ability to achieve scale and efficiency benefits in our marketing spend over time. The large differences in CPO levels reflect the varying levels of maturity in each of our markets as well as the competitive environment.

### Other operating expenses

Other operating expenses were €85.1 million in 2019, an increase of 151% compared with the prior year. This increase was mainly driven by additional cost due to acquisitions, additional recruitment and other staff-related expenses to support our organisational expansion, the growth of our restaurant delivery services, legal and compliance, and professional services fees.

### Depreciation and amortisation expenses

Depreciation and amortisation expenses were €37.6 million in 2019, up from €7.9 million in 2018. This material increase related primarily to the amortisation of intangible assets recognised as the result of acquisitions in Germany and Israel, the impact of the application of IFRS 16, which causes the capitalisation of leased assets such as offices and cars and the depreciation on physical assets such as offices and IT-related assets.

| Depreciation and Amortisation (in thousands of €) | 2019 | 2018 | 2019 to 2018 (% change) |
|---|---|---|---|
| Amortisation | 26,672 | 6,331 | 321% |
| IFRS 16 depreciation | 7,652 | – | n.a. |
| Other depreciation | 3,236 | 1,617 | 100% |
| **Total** | **37,560** | **7,948** | **373%** |

### Finance expense

Our finance expense increased to €16.3 million in 2019, from €1.3 million in 2018, mainly as a result of €10.3 million interest expenses related to the €250 million convertible bonds, €2.8 million transaction costs related to the bridge financing commitment obtained in connection with the German Businesses and €0.7 million incurred in financing costs associated with Just Eat transaction.

### Gain on joint venture disposal

On 15 February 2019, Takeaway.com sold its interest in Takeaway.com Asia B.V. to Woowa Brothers, operators of the Korean market leader "Baedal Minjok". In return for Takeaway.com's part of the purchase price it acquired 0.24% in Woowa Brothers Corp. This investment is presented in the statement of financial position in the line "Equity investment".

### Share of loss in joint venture

At year end, Takeaway.com had no share in any joint ventures. As per 15 February 2019, Takeaway.com divested its stake of 66% in Takeaway.com Asia B.V., which in turn owned 99% of the shares and voting rights of Vietnammm.com. Takeaway.com Asia B.V. was accounted for as a joint venture using the equity method of accounting given that joint control existed in terms of decision-making. Takeaway.com's share of loss in the joint venture was €0.2 million in 2018.

### Income tax expense

Takeaway.com's current income tax expense amounted to €8.8 million in 2019 compared with €7.7 million in 2018. In 2019, Takeaway.com recognised a deferred tax expense amounting to €18.6 million compared with €29.1 million deferred tax benefit in 2018. As a result, the income tax expense was €27.4 million in 2019.

In the past, Takeaway.com reported losses in its non-Dutch entities and therefore accumulated tax losses in these entities which could be carried forward to offset future taxable income, if any, and if not expired in the relevant countries. In 2018, Takeaway.com implemented a new legal structure to more accurately reflect its centralised management and operating model. Subsequently, the transfer pricing policy was aligned with Takeaway.com's operating model and legal structure. As a result, the Dutch entities reported a loss on a consolidated level in 2018 and 2019. The non-Dutch entities reported a profit overall, which has been partly offset with the losses carried forward in those non-Dutch countries.

## Loss for the year

As a result of the factors described above, Takeaway.com realised a net loss after tax of €115.5 million in 2019.

## Adjusted EBITDA

Adjusted EBITDA consists of Takeaway.com's profit or loss for the period before depreciation, amortisation, finance income and expenses, long term employee incentive costs, share of loss of joint ventures, non-recurring items and income tax expense.

Non-recurring items mainly relate to acquisition costs, restructuring and integration expenses amounting to €43.4 million in 2019. This cost relates primarily to professional, financial and legal fees, and severance payments.

| **Adjusted EBITDA** (in thousands of €) | 2019 | 2018 | Margin 2019 | Margin[1] 2018 |
|---|---|---|---|---|
| The Netherlands | 58,861 | 53,211 | 49% | 54% |
| Germany | 5,162 | (36,721) | 2% | (43%) |
| Other Leading Markets | (51,752) | (27,768) | (54%) | (50%) |
| **Total** | **12,271** | **(11,278)** | **3%** | **(5%)** |

[1] Percent of revenue

Adjusted EBITDA for Takeaway.com was €12.3 million, an improvement of €23.5 million on the prior year. This improvement was driven primarily by our rapid growth and substantial efficiency improvements in marketing, which offset the increased investments in our organisation and in our Scoober offering.

In the Netherlands, our Adjusted EBITDA increased to €58.9 million in 2019 compared to €53.2 million in 2018 reflecting the increasing value we delivered to our network of consumers and restaurants. The decline in Adjusted EBITDA margin was primarily a result of increased investments in Scoober, which has structurally higher cost of sales levels, as well as costs that were incurred in connection with the addition of support and management staff (relating to the growth of Takeaway.com's business generally).

In Germany, Adjusted EBITDA improved €5.2 million compared to minus €36.7 million in 2018, driven primarily by our improved marketing efficiency through migration of the three acquired websites in Germany, demonstrating the underlying profitability and scalable nature of our business.

In the Other Leading Markets segment, the Adjusted EBITDA fell to minus €51.8 million in 2019 compared to €27.8 million in 2018, largely driven by the full year effect of acquisitions made in 2018 (Israel, Romania, Bulgaria, Switzerland) and by our continuing investments in these high potential and under-penetrated markets. The Adjusted EBITDA margin declined by four percentage points.

## Financial position

### Statement of financial position

Non-current assets, mainly consisting of goodwill, other intangible assets, property and equipment, and deferred tax assets increased to €1.5 billion in 2019 from €291.5 million in 2018. This increase was mainly driven by the increase in goodwill and other intangible assets due to the acquisition in Germany and, to a lesser extent, an increase in property and equipment due to initial application of IFRS 16, as well as a decrease in deferred tax assets due to utilisation of tax losses.

Cash and cash equivalents decreased to €49.8 million as at 31 December 2019 from €89.6 million as at 31 December 2018, representing a decrease of €39.8 million. The balance includes €18 million cash held by Stichting Derdengelden Takeaway.com on behalf of third parties including restaurants, consumers and the Company (2018: €11.8 million).

Shareholders' equity increased to €1.1 billion at year end 2019 from €138.8 million at 31 December 2018, driven by the accelerated bookbuild offering of new shares with net proceeds of €418 million, the issuance of shares related to the acquisition of the German Businesses for €652 million, the issuance of convertible bonds with a total value of €250 million, and the allocation of the loss for the year 2019 to shareholders' equity.

The solvency ratio, defined as total equity divided by total assets, was 68% at year end 2019, up from 33% at year end 2018, driven by the increase of equity.

For the objectives and the policy regarding managing the risks of financial instruments we refer to note 23 of the Financial Statements.



Non-current liabilities increased to €282.7 million in 2019 from €27.6 million in 2018, driven by the issuance of convertible bond and increased deferred tax liabilities.

| €'000 | 2019 | 2018 |
|---|---|---|
| Net cash used in operating activities | (63,770) | (2,726) |
| Net cash used in investing activities | (496,693) | (130,171) |
| Net cash generated by financing activities | 519,703 | 132,718 |
| **Net cash and cash equivalents used** | **(40,760)** | **(179)** |
| Effects of exchange rate changes of cash held in foreign currencies | 965 | (56) |
| **Net decrease in cash and cash equivalents** | **(39,795)** | **(235)** |

### Net cash used in operating activities

Net cash used in operating activities amounted to €63.8 million in 2019 compared with €2.7 million in 2018. The change was mainly driven by the acquisition of the German Businesses consisting of opening balances for restaurant payables and staff related expenses, additional expenses related to the combination with Just Eat in 2019, interest paid and timing of pay-out of amounts due to the restaurants.

### Net cash used in investing activities

Net cash used in investing activities was €496.7 million, an increase of €367.0 million compared to the prior year, primarily driven by the cash paid to acquire the German businesses.

### Net cash generated by financing activities

Net cash generated by financing activities was €519.7 million, compared with €132.7 million in 2018. The main drivers of the year-over-year increase were the issue of convertible bonds with a face value of €250.0 million, the drawdown on our RCF of €15.0 million, proceeds from the accelerated bookbuild offering, and repayment of €150.0 million of the bridge facility which was raised in connection with the 10bis acquisition.

## Management report

The following sections of this annual report form the management report within the meaning of section 2:391 of the Dutch Civil Code:

- Company profile;
- Report of the Management Board;
- Report of the Supervisory Board;
- Remuneration report;
- Composition Management Board and Supervisory Board;
- Governance & compliance;
- Risk management.

## Outlook

In 2020, we will focus on continuing to build the best offering for our restaurants, consumers and couriers, thereby continuing to fuel the network effects which have driven our success to date. We expect to devote considerable time and resources to a smooth and effective integration with Just Eat, focusing initially on their Continental European businesses. We are excited about the opportunities that lie ahead of us as a combined group.

Given the material impact of the Combination on our plans for 2020, we are not providing an outlook.

# In control and responsibility statements

The Management Board is responsible for the preparation of the financial statements in accordance with IFRS and Part 9 of Book 2 of the Dutch Civil Code. The responsibility of the Management Board includes selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

The Management Board is also responsible for the preparation of the management report (as included in the annual report), in accordance with Part 9 of Book 2 of the Dutch Civil Code. In the annual report, the Management Board endeavours to present a fair review of the situation of the business at balance sheet date and of the state of affairs in the year under review. Such an overview contains a selection of some of the main developments in the financial year and can never be exhaustive.

The Management Board is responsible for Takeaway.com's risk management and internal control systems. The Management Board believes that Takeaway.com maintains an adequate and effective system of risk management and internal control that complies with the requirements of the Dutch corporate governance code (the "Code").

The internal control systems of Takeaway.com are designed to manage, rather than eliminate, the risk that we fail to achieve our business objectives and can provide reasonable, but not absolute, assurance against financial loss or material misstatements in the financial statements.
The Management Board reviews the effectiveness of Takeaway.com's systems of internal control relative to strategic, financial, operational and compliance risks and discusses risk management and internal controls with the Supervisory Board on a periodic basis. The Management Board is not aware of any critical failings in these systems during the financial year 2019.

Takeaway.com embeds risk management in its strategic business planning. A top-down approach is followed in which management identifies the major risks that could affect Takeaway.com's business objectives, and assesses the effectiveness of the processes and internal controls in place to manage and mitigate these risks. For an overview of our most important business risks, please refer to the paragraph "Risk Management". Assurance on the effectiveness of controls is obtained through management reviews and testing of certain aspects of our internal financial control systems by our internal audit function and the external auditors, during their annual audit. This, however, does not imply that certainty as to the realisation of our business and financial objectives can be provided, nor can the approach of Takeaway.com to control its financial reporting be expected to prevent or detect all misstatements, errors, fraud or violation of law or regulations.

The key controls over financial reporting policies and procedures include controls to ensure that:

- Commitments and expenditures are appropriately authorised by the Management Board;
- Records are maintained which accurately and fairly reflect transactions;
- Any unauthorised acquisition, use or disposal of Takeaway.com's assets that could have a material effect on the financial statements is detected on a timely basis;
- Transactions are recorded as required to permit the preparation of financial statements;
- Reporting of the financial statements is done in compliance with IFRS and Part 9 of Book 2 of the Dutch Civil Code.

As demanded by provision 1.4.3 of the Code and on the basis of the foregoing and the explanations contained in the paragraph "Risk Management", the Management Board confirms, to its knowledge, that:

- Takeaway.com's financial reporting over 2019 provides sufficient insights into any failings in the effectiveness of the internal risk management and control systems;
- Takeaway.com's internal risk management and control systems with regard to financial reporting risks provide a reasonable assurance that Takeaway.com's financial reporting over 2019 does not contain any material inaccuracies;
- Based on the current state of affairs, it is justified that the financial reporting over 2019 is prepared on a going concern basis; and
- The report states those material risks and uncertainties that are relevant to the expectation of Takeaway.com's continuity for the period of twelve months after the preparation of the report.

With reference to the statement within the meaning of Article 5:25c (2)(c) of the Financial Supervision Act, the Management Board states, to the best of its knowledge, that:

- The financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- The management report includes a true and fair review of the situation at the balance sheet date, the course of affairs during the financial year of the Company, and undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that the Company faces.

**Management Board**

| | | |
|---|---|---|
| Jitse Groen | Brent Wissink | Jörg Gerbig |
| CEO | CFO | COO |

02

# Governance

# Report of the Supervisory Board

The year 2019 was yet another exciting year for Takeaway.com. Takeaway.com acquired and integrated the German Businesses. Takeaway.com also proposed an all-share combination with Just Eat.

## Introduction

As the Supervisory Board of Takeaway.com, in the first half of 2019 we focused our supervision on the acquisition, refinancing and integration of the acquired German Businesses into Takeaway.com. In addition, we reassessed the remuneration policy of the Management Board, which we submitted a proposal to revise to our general meeting. During the second half of 2019, our supervision focused on the all-share combination between the Company and Just Eat plc (the “Combination”). Throughout 2019 we also continued to be involved in annually recurring topics, such as the financial statements, evaluation of the Managing Directors, as well as the supervision of the Company’s long term value creation strategy and the associated risks. In view of the Combination, numerous additional meetings (both in person and by telephone) were convened in addition to the initially scheduled meetings to ensure proper supervision.

Notwithstanding any specific focus we might have during a financial year, we remain responsible for supervision of the management by, and advising of the Management Board in setting and achieving Takeaway.com’s strategy, objectives, charters and policies, as well as the supervision of the general course of affairs of Takeaway.com and its business.

In performing our duties, we are guided by the interests of Takeaway.com and its business enterprise, taking into consideration the interests of the stakeholders (which include but are not limited to restaurants, consumers, employees, creditors and shareholders). We also observe the relevant corporate social responsibility issues.

As per 31 January 2020, due to the Combination, the composition of the Supervisory Board has changed. In addition, the Company's Articles of association, the Charter of the Management Board and the Charter of the Supervisory Board were amended. These changes are not reflected in this report. Please consult the Company's corporate website for information on the Company's current governance.

## Composition Supervisory Board

The composition of the Supervisory Board effective since 31 January 2020, is shown on pages 88 till 89.

In 2019, the Supervisory Board consisted of Adriaan Nühn, Corinne Vigreux and Ron Teerlink as well as Johannes Reck, whose appointment as member of the Supervisory Board became effective on 15 May 2019. Pursuant to the relationship agreement between Delivery Hero and Takeaway.com, Delivery Hero has the right to designate one person for appointment to the Supervisory Board (provided that such person is independent), see page 95. On 5 March 2019, Johannes Reck was appointed in observance of the relationship agreement. His appointment became effective on 15 May 2019, the date on which Delivery Hero obtained a declaration of no objection from the Dutch Central Bank to hold a shareholding of 10% or more in the Company in connection with Directive (EU) 2015/2366 (the Payment Services Directive). Adriaan Nühn acted as chairman of the Supervisory Board throughout 2019 and Corinne Vigreux was reappointed as member and vice-chairman in our General Meeting held on 14 May 2019.

The composition of the Supervisory Board in 2019 was in line with its profile, as published on the Company's corporate website, in terms of experience, expertise, nationality, and age. Regarding gender diversity, as per 31 December 2019, Takeaway.com had one female Supervisory Director, equating to 25% of the entire Supervisory Board.

In the opinion of the Supervisory Board, the independence requirements referred to in best practice provisions 2.1.7 to 2.1.9 inclusive of the Code have been fulfilled in 2019 and all members of the Supervisory Board, are independent within the meaning of best practice provision 2.1.8 of the Code.

## Meeting(s)

Not taking into account the additional meetings in respect of the Combination, the Supervisory Board held eleven face-to-face meetings in 2019.

The majority of the meetings of the Supervisory Board were held at the Amsterdam offices of the Company.

None of the Supervisory Board members was frequently absent at these meetings and in all meetings, there was sufficient presence to constitute a valid quorum. One member of the Supervisory Board was unable to attend four of the formal meetings. The member who was absent was informed by the chairman of the Supervisory Board after the meeting on the proceedings during the meetings. The frequent absence of the Supervisory Director has been addressed with the person in question.

During all meetings, the members of the Management Board were present for a substantial amount of time; the Supervisory Board took time to discuss certain items without the presence of the Management Board during some of its meetings.

When necessary or useful, individual members of the Supervisory Board had contact with their colleagues, the CEO and other members of the Management Board and the company secretary. In these meetings, specific issues as well as the general affairs of Takeaway.com and its businesses were discussed. The chairman of the Supervisory Board attended one of the annual meetings of the Dutch works council, but also was in contact with the Dutch works council in connection with the request for advice that was submitted to the works council in respect of the Combination.

The agenda for each meeting was prepared in consultation with the chairman of the Supervisory Board, the Management Board and the company secretary, ensuring that during the year, the Supervisory Board was updated on topical issues in its formal meetings.

In most Supervisory Board meetings, the Management Board updated the Supervisory Board on financial aspects of the Company, as well as other topics that could be important from a strategic or risk management perspective, such as the competitive landscape, compliance matters and risks. In addition to these matters and further to the specific subjects set out below, presentations were held by specific members of the senior staff in three of the meetings of the Supervisory Board. The topics of these presentations were human resources, marketing and product development respectively and which allowed the Supervisory Board to gain further information on the relevant topics.
Two combined meetings with the Supervisory Board and the supervisory board of Takeaway.com Payments were held in which matters relating to payment services were discussed.

In 2019, the Supervisory Board discussed and approved several items, such as the financial results of Takeaway.com (and related press releases and disclosures), including Takeaway.com's 2018 annual report, the semi-annual report 2019 and quarterly updates during 2019. In view the Combination, the Supervisory Board furthermore reviewed and approved documentation in connection with the Combination, such as the related offer documents and prospectus. These documents, reports and press releases were approved in conference calls or in meetings.

Apart from the formal meetings, Supervisory Board members also visited Takeaway.com's Amsterdam office regularly to receive an update on or advise in respect of specific subjects.

## Committees

In principle and in line with the Code, as long as the Supervisory Board consists of not more than four Supervisory Directors, individual Supervisory Board committees were not installed in 2019.
Nevertheless, in anticipation of its expansion, the Supervisory Board resolved to install an audit committee, remuneration committee and nomination committee in its meeting held on 7 February 2020. These committees are expected to become operationally effective in the second half of February 2020.

## Financial statements and the annual audit

This annual report includes the 2019 financial statements, which are accompanied by an unqualified independent auditor's report by Deloitte (see the independent auditor's report starting on page 206). These financial statements were prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and section 9 of Book 2 of the Dutch Civil Code.

In December 2019, two representatives of the Supervisory Board discussed the draft management letter with the auditor.

On 7 February 2020, the Supervisory Board discussed the auditor's report with the auditor as well as the draft financial statements. The Supervisory Board discussed, among other topics, the audit approach, key audit matters, communications, timing, audit fees, composition of the audit team, materiality, expertise of the individual audit team members as well as the annual report (including the financial statements) and related documents. Particular attention was paid to key audit matters. The Supervisory Board also discussed the auditor's report, the quality of internal risk management and control systems and had a discussion with the auditor without the Management Board being present.

On 12 February 2020, the Supervisory Board discussed this annual report, including the 2019 financial statements, with the Management Board in the presence of the auditor. The members of the Management Board have issued the statements required under section 5:25c, paragraph 2 sub c of the Financial Supervision Act. All members of the Management Board and the four acting members of the Supervisory Board signed the financial statements in accordance with section 2:101 paragraph 2 of the Dutch Civil Code. Ms. Burr and Mr Palaniappan have not signed the financial statements, as they are prevented from acting as members of the Supervisory Board since the date on which their appointment became effective until the hold separate order of the CMA in connection with the Combination is lifted or amended by way of derogation to allow this to occur. The Supervisory Board is of the opinion that the financial statements meet all requirements for correctness, completeness, and transparency. The Supervisory Board has approved these financial statements.

The Supervisory Board recommends that the Annual General Meeting (AGM), to be held on 14 May 2020, adopts the 2019 financial statements. In addition, the Supervisory Board requests that the AGM grants discharge to the members of the Management Board in office during the 2019 financial year for their management of the Company and its affairs during 2019, and to the members of the Supervisory Board in office for their supervision over said management.

The Supervisory Board concurs with the decision of the Management Board that, due to the negative net result, no proposal will be submitted to pay a dividend for 2019.

## Internal audit

The duty of the internal auditor as set out in the internal audit charter is to assess the design implementation and the operation or effectiveness of the internal risk management and control systems.

The internal auditor regularly reports to the Management Board and the Supervisory Board jointly and once a year to the Supervisory Board without the Management Board being present. In addition, the internal audit function was evaluated by the Supervisory Board in 2019.

## Finance

The Supervisory Board reviewed and discussed the periodic internal and external (non-) financial reports of Takeaway.com including the statements of financial condition, profit or loss and other comprehensive loss, changes in equity and cash flows including monitoring of the development of the key performance indicators.

During the first few weeks of 2019, the Supervisory Board resolved on the placement of convertible bonds in connection with the refinancing of the bridge loan in connection with the acquisition of the German Businesses.

In the beginning of 2019, the Supervisory Board discussed and approved the internal budget for 2019 and focused on the preparation of the annual report 2018 as well as supervision of the audit of such report.
In another meeting, the Supervisory Board was updated on Takeaway.com's business and ongoing projects and discussed the external auditor's audit plan for 2019 as presented by Deloitte.

In September and October 2019, the Supervisory Board discussed and resolved to approve entering into a €60 million revolving credit facility agreement for general corporate purposes with the option to increase this facility by an additional €60 million.

In addition, the Supervisory Board discussed and approved the preliminary budget 2020 on a standalone basis (i.e. not taking into account the Combination), and discussed the financial outlook, the achievement of financial targets, the use of free cash flow, the outcome of final purchase price allocations, annual impairment tests, and annual and interim financial results with the Management Board.

## Risk management and internal control

The Management Board frequently provided updates to the Supervisory Board on the implementation of Takeaway.com's risk management and internal controls.

The Supervisory Board and the Management Board discussed risk management on various occasions in Supervisory Board meetings and the Supervisory Board was also informed about the general and financial risks of the business and about the results of an assessment of internal risk management and control systems. The Supervisory Board discussed the continuing actions Takeaway.com took to further improve the internal risk management and control systems.

With the rapid growth of Takeaway.com, it is of the utmost importance to continue enhancing the existing risk management program and internal control system. Takeaway.com's enterprise risk management framework is described in the section "Risk Management".

## Strategy and long term value creation

One of the subjects that received attention of the Supervisory Board in 2019 was Takeaway.com's strategy and long term vision. This strategy is to be all-present in the markets where it operates. This requires investing in the brand, not only from a marketing / brand awareness perspective, but also from a product perspective, which needs to be continuously improved.

To ensure long term profitability, Takeaway.com believes it is important to hold a leading position in terms of orders or restaurants listed on its platform in its active markets, or to hold a position from which it would be possible to reach the number one position within a reasonable period of time.

The Supervisory Board was closely involved in, and looked critically at, the formulation of Takeaway.com's strategy. Both Takeaway.com's general long term strategy and the strategy of particular business units were addressed in its meetings. The Supervisory Board continued to challenge the Management Board on rolling out the Company's strategy.

In addition, the Supervisory Board considered the strategic objectives when reviewing the budget and continued to challenge management in formulating and pursuing its ambitions.

## Culture

Culture and governance are important elements for a rapidly growing business such as Takeaway.com. Consequently, the Supervisory Board frequently addressed these items in its meetings and was closely involved in reformulating Takeaway.com's core values.

In 2019, Takeaway.com's core values have been further defined and were launched in the first quarter. The further embedding of the core values in such a way that these values contribute to and reflect Takeaway.com's strategy have also been addressed in the Supervisory Board. Although it is believed these core values are sufficiently reflected in Takeaway.com's current Code of Conduct, the Code of Conduct will be amended to ensure it fully reflects Takeaway.com's core values.

The Supervisory Board is critical in its assessment of whether the core values as identified indeed contribute to the culture focused on long term value creation.

## Investor relations

The Investor Relations department kept the Supervisory Board well informed about share price developments, analyst research, communications with stakeholders, Euronext Amsterdam developments, and so on. In addition, the Supervisory Board carefully reviewed and approved the press releases regarding the full and half year results, quarterly trading updates and acquisition announcements.

## General Meetings

During the financial year 2019, two General Meetings were convened; an extraordinary general meeting was held on 5 March 2019 in connection with the approval of the acquisition of the German Businesses, and the AGM 2019 was held on 14 May 2019.

In connection with the approval of the Combination, an additional extraordinary general meeting (EGM) was held on 9 January 2020.
The Supervisory Board was involved in the preparation of each of these meetings.

In preparation of the AGM 2019, the Supervisory Board evaluated the external auditor and the audit process and adopted the AGM 2019 agenda.

## Acquisitions and integration

During the financial year, Takeaway.com closed the transaction with Delivery Hero SE and as per 1 April 2019 acquired the German Businesses.
The Supervisory Board was well-Informed about the acquisition process and, as of 1 April 2019, regularly briefed on the integration effort.
The German Businesses were fully integrated into the Takeaway.com corporate structure.

In addition, the Management Board and Supervisory Board reached an agreement with the board of Just Eat plc in respect of the Combination.
The Supervisory Board closely supervised the process. As a consequence, additional meetings were convened and to the extent deemed necessary by the Supervisory Board, external advisors were invited to the meetings to educate the Supervisory Directors.

Throughout 2019, more than twenty meetings were convened and were spent in their entirety discussing and assessing the Combination. For this purpose, the Supervisory Board engaged its own legal and financial advisors.

## Corporate governance

The corporate governance structure of Takeaway.com is described in the section “Governance & Compliance”. In that section, the Company explains the deviations from the principles and best practice provisions of the Code in 2019.

The Supervisory Board was kept well informed about developments with respect to corporate governance during its periodic meetings and informal meetings with the Management Board and the company secretary.

## Amendment remuneration policy for Management Board

In 2019, the Supervisory Board reviewed the remuneration policy for the Management Board and proposed an amendment of the remuneration policy, which was adopted in the 2019 AGM. Takeaway.com’s revised remuneration policy for the Management Board is described in the section “Remuneration Report”.

## Self-assessment and assessment Management Board

Annually, the Supervisory Board assesses its functioning in order to evaluate its performance and identify opportunities for individual and shared growth. This was carried out in November 2019. The Supervisory Board looked at the functioning of the Supervisory Board as a whole and of the individual Supervisory Board members. After having completed an evaluation form, the feedback was discussed in a Supervisory Board meeting without the presence of the Management Board.

All members had sufficient time available for their duties as Supervisory Directors as evidenced by prompt responses to e-mails, availability for unexpected calls and/or meetings and their well-preparedness for and active participation in meetings. The Supervisory Board has no reason to believe its functioning causes reason for concern. Nevertheless, one of the Supervisory Board members was absent more frequently. This has been addressed by the chairman of the Supervisory Board.

The assessment of the Management Board and its individual members in respect of the previous year was conducted in a similar way. Following the evaluation, the chairman of the Supervisory Board met with each member of the Management Board individually to provide direct feedback.
This feedback was based on the input received from the members of the Supervisory Board. The conclusions from the self-assessment of the Management Board were also taken into account.

## Final remarks

We are grateful for the invaluable contributions of the Management Board, senior management, and all Takeaway.com employees worldwide to expand the Takeaway.com brand and organisation.

**The Supervisory Board**

| | | |
|---|---|---|
| Adriaan Nühn | Corinne Vigreux | Ron Teerlink |
| Chairman | Vice-chairman | |
| Johannes Reck | Gwyn Burr | Jambu Panaliappan |
| | Prevented from acting | Prevented from acting |


AQUA

# Remuneration report

In 2019, the Takeway.com remuneration policy for the members of the Management Board was revised to align the Managing Directors' remuneration with the increased size, scope and complexity of Takeaway.com.

## Introduction

### Highlights summary

In 2019, Takeaway.com realised significant growth in both orders and revenue driven by its strong positions in its Leading Markets, partly driven by the acquisition of the German Businesses and of the 10bis acquisition in 2018.

Takeaway.com processed 159.2 million orders in 2019, an increase of 70% from 2018, which resulted in a total gross revenue of €426.8 million. Gross revenue growth amounted to 78% in 2019 compared with 2018, thereby exceeding order growth.

As a result of the investments in its long term growth strategy, Takeaway.com delivered an Adjusted EBITDA profit of €12.3 million in 2019, compared with an Adjusted EBITDA loss of €11.3 million in 2018, an improvement of €23.5 million. Its Adjusted EBITDA margin improved to 3% in 2019 from minus 5% in 2018. Takeaway.com is pleased to achieve the milestone of an annual profit on an Adjusted EBITDA basis in 2019.

Our remuneration policy, which applied since 4 October 2016 for the Managing Directors, had been adopted by the Company's General Meeting immediately prior to the listing of its shares on Euronext Amsterdam in October 2016. Considering the rapid growth of Takeaway.com and to align the remuneration policy with the current size, scope and complexity of the Company, in 2018 the Supervisory Board engaged an external advisor to conduct an in-depth analysis of the remuneration structure and the remuneration of the Management Board. The analysis was finalised in the first quarter of 2019, following which the Supervisory Board proposed to amend the remuneration policy of the Management Board in March 2019. The proposed remuneration policy was adopted at the AGM 2019.

On 31 December 2019, the conditional performance options granted as per 31 December 2016 vested. The Management Board's performance over the period 2017 till 2019 lead to the vesting over this period with success ratio of 80 percent.

## Summary of the 2019 revision

The revision of the remuneration policy for the members of the Management Board, effective as per the day following the AGM 2019, kept the design of the remuneration policy as simple and transparent as possible. To ensure (future) market competitiveness and alignment with the Company's strategy, the following amendments were implemented in the remuneration policy of the Management Board:

- **Introduction of two external reference markets to assess market competitive remuneration:** The competitiveness of the Management Board remuneration is benchmarked against a group of 16 sector-specific peer companies, operating in the Internet & Direct Marketing Retail sector, positioning the Company around the median of the group in terms of size. In addition, as a second reference market, the Dutch local cross-industry is taken into account by reference to the index in which the shares in the Company were included at the date of the AGM 2019, i.e. the AMX index.
- **Adjustment of pay levels to align with the reference markets:** In order to acknowledge the equal importance of the financial as well as the operational side of the business, the CFO and COO's total direct compensation level is equal and aligned with the combined median of the two reference markets for the CFO and COO benchmark. Further, to emphasize the team effort of the Management Board as a whole, the remuneration package of the CEO is placed relatively close to this package, resulting in a package below the median of the combined reference markets for the CEO benchmark.
- **Adjustment of the long term incentive (LTI):** The remuneration policy continues to include the long term incentive plan (LTIP), pursuant to which the Supervisory Board, at its sole discretion, may decide to grant conditional performance options to the Managing Directors. The targets that were set for the previous performance window expired and therefore new targets have been established in line with the strategy. The following performance measures apply to the LTIP 2020-2022: revenue growth (weight: 37.5%), relative total shareholder return (weight: 37.5%) and a strategic target (weight: 25%). Lastly, vesting ranges were introduced and aligned with market practice.



# Remuneration policy

The initial remuneration of the individual Managing Directors was established by the Supervisory Board immediately prior to the listing of the Company's shares on Euronext Amsterdam in October 2016. In due observance of the remuneration policy as revised and adopted at the AGM 2019, the remuneration of the individual Managing Directors has been amended as per the day following the AGM 2019.

A revised remuneration policy for the Management Board will be prepared and proposed for adoption at the AGM 2020.

The existing remuneration policy is aimed at attracting, motivating and retaining highly qualified executives and rewarding Managing Directors with a balanced and competitive remuneration package that is focused on sustainable results and is aligned with Takeaway.com's strategy. The level and design of the remuneration are established by considering scenario analyses, internal pay differentials and the (non-)financial performance indicators relevant to the long term objectives of the company, hereby focusing on sustainable results and alignment with Takeaway.com's strategy. The remuneration design and elements do not encourage risk taking that is not in line with the risk profile of the Company. Pursuant to the remuneration policy, the remuneration of the Managing Directors consists of the following components:

- Fixed annual base salary;
- LTIP consisting of conditional performance options;
- Allowance for pension and fringe benefits; and
- Severance arrangements.

The fixed remuneration (on an annual basis) of the individual Managing Directors as included in the revised remuneration policy, is set out in the following table:

| €'000 | J. Groen CEO | B. Wissink CFO | J. Gerbig COO | 2019 |
|---|---|---|---|---|
| Base salary | 475 | 450 | 450 | 1,375 |
| Pensions allowance | 50 | 50 | 50 | 150 |
| **Total remuneration** | **525** | **500** | **500** | **1,525** |

## Compensation package Management Board

The compensation package for the Management Board during 2019 consisted of the following fixed and variable components, which are discussed in more detail below:

- Fixed annual base salary;
- Allowance for pension and fringe benefits; and
- LTIP.

### Base salary

The base salary of the Managing Directors is a fixed cash compensation paid monthly.



## Pensions and fringe benefits

The Managing Directors received an annual cash contribution to participate in a pension scheme or obtain pension insurance and to obtain insurance for disability to work. The allowance granted amounts of €50,000 per Managing Director. No Managing Director participates in a collective pension scheme.

In addition, the Managing Directors were entitled to customary fringe benefits, such as a company car, expense allowance and reimbursement of costs incurred.

## Long term incentive plan (LTIP)

To strengthen the alignment with shareholders' interests, the remuneration consists of variable remuneration in the form of a LTIP, which includes the annual grant of conditional performance options.

The conditional performance options shall vest three years after the date of granting. Vesting is subject to continuous employment and performance testing after three years. The exercise price of the options is determined on the basis of the average of the closing prices of the shares in the Company in the five days preceding the grant date. The number of options that vest after three years is dependent on the achievement of certain targets, which are set by the Supervisory Board.

The Supervisory Board, at its sole discretion, will decide if and to what extent grants of options are made to individual members of the Management Board. Grants shall be determined on the basis of a consistent granting policy and set as a percentage of the base salary of the members of the Management Board.

In order to mitigate dilution, the Company may repurchase shares to cover the conditional performance options granted, effectively with the result that no new shares have to be issued when options are exercised.

## Compensation package Supervisory Board

The current remuneration of the Supervisory Board was determined by the General Meeting, prior to the completion of the initial public offering, on 3 October 2016, and comprises an annual fixed fee. The remuneration is not dependent on the results of the Company. The Company did not provide any loans, advances, guarantees, shares or options to its Supervisory Board members.

In 2019, the fixed fee for the chairman of the Supervisory Board was €65,000 and €50,000 for the other members of the Supervisory Board.

At the Just Eat EGM, the General Meeting of the Company resolved to approve a different remuneration structure in respect of the members of the Supervisory Board appointed therein. The appointment of Ms Burr and Mr Palaniappan became effective as per 31 January 2020 and the different remuneration will continue to apply until a remuneration policy for the Supervisory Board adopted by the General Meeting becomes effective. For more information, we refer to the agenda and shareholder circular for the Just Eat EGM, which is available on the Company's corporate website.

A remuneration policy for the Supervisory Board will be prepared and proposed for adoption at the AGM 2020.

## Total remuneration 2019

The total remuneration actually due to the individual Managing Directors, as well as the individual Supervisory Directors for the financial year 2019, is set out below, compared to 2018. With regard to each Managing Director the table provides for the different components of their remuneration, taking into account the increase of the fixed remuneration of the individual Managing Directors upon adoption of the revised remuneration policy in 2019. The remuneration of the Management Board and Supervisory Board are recognised in the consolidated statement of profit or loss and other comprehensive loss during the year.

| | | Fixed remuneration | | | Variable remuneration | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Name of Director, position | Reporting period | Base salary | Fees | Fringe benefits | One-year variable | Multi-year variable | Extra-ordinary items | Pensions expense | Total remun-eration | Proportion of fixed and variable remuneration |
| J. Groen – CEO | 2019 | 448 | – | 31 | – | 191 | – | 50 | 720 | 74% / 26% |
| | 2018 | 400 | – | 31 | – | 104 | – | 50 | 585 | 81% / 21% |
| B. Wissink – CFO | 2019 | 414 | – | 24 | – | 176 | – | 50 | 664 | 73% / 27% |
| | 2018 | 350 | – | 28 | – | 91 | – | 50 | 519 | 81% / 19% |
| J. Gerbig – COO | 2019 | 404 | – | – | – | 172 | – | 46 | 622 | 72% / 28% |
| | 2018 | 325 | – | 12 | – | 84 | – | 40 | 461 | 80% / 20% |
| A. Nühn – Chairman Supervisory Board | 2019 | 65 | – | – | – | – | – | – | 65 | 100% / 0% |
| | 2018 | 65 | – | – | – | – | – | – | 65 | 100% / 0% |
| C. Vigreux – Vice-chairman Supervisory Board | 2019 | 50 | – | – | – | – | – | – | 50 | 100% / 0% |
| | 2018 | 50 | – | – | – | – | – | – | 50 | 100% / 0% |
| R. Teerlink – Supervisory Board member | 2019 | 50 | – | – | – | – | – | – | 50 | 100% / 0% |
| | 2018 | 50 | – | – | – | – | – | – | 50 | 100% / 0% |
| J. Reck – Supervisory Board member | 2019 | 38 | – | – | – | – | – | – | 38 | 100% / 0% |
| | 2018 | – | – | – | – | – | – | – | – | 100% / 0% |
| S. Bosch – Supervisory Board member | 2019 | – | – | – | – | – | – | – | – | 100% / 0% |
| | 2018 | 35 | – | – | – | – | – | – | 35 | 100% / 0% |

In 2019, €2.0 million was charged to Takeaway.com for remuneration of current members of the Management Board, including pension charges and long term incentive costs.

No loans, advances or guarantees were granted to the Managing Directors in 2019.

## General overview of LTIPs

The remuneration of the Managing Directors consists of a variable remuneration in form of LTIP, which includes the annual grant of conditional performance options. The table below contains information on the number of conditional share options granted to each Managing Director under the LTIP 2017-2019, LTIP 2018-2020 and LTIP 2019-2021. In addition, we provide further information about the applicable performance conditions per LTIP.

| | The main conditions of share option plans | | | | | Information regarding the reported financial year | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Name of Director, position | Specifications of LTIP performance period | Award date | Vesting date | End of holding period | Exercise period | Strike price of the share (in €) | Share options awarded at the beginning of the year | Share options awarded | Share options vested | Market value of share options vested (in €) | Share options subject to a performance condition | Share options awarded and unvested | Share options subject to a holding period |
| J. Groen – CEO | 2017-2019 | 31-12-2016 | 31-12-2019 | n.a. | 1-1-2020 to 31-12-2026 | 23.37 | 7,225 | – | 5,780 | 475,116 | – | – | n.a. |
| | 2018-2020 | 31-12-2017 | 31-12-2020 | n.a. | 1-1-2021 to 31-12-2027 | 49.06 | 12,340 | – | – | – | 12,340 | 12,340 | n.a. |
| | 2019-2021 | 31-12-2018 | 31-12-2021 | n.a. | 1-1-2022 to 31-12-2028 | 54.62 | 11,655 | – | – | – | 11,655 | 11,655 | n.a. |
| B. Wissink – CFO | 2017-2019 | 31-12-2016 | 31-12-2019 | n.a. | 1-1-2020 to 31-12-2026 | 23.37 | 6,322 | – | 5,058 | 415,768 | – | – | n.a. |
| | 2018-2020 | 31-12-2017 | 31-12-2020 | n.a. | 1-1-2021 to 31-12-2027 | 49.06 | 10,798 | – | – | – | 10,798 | 10,798 | n.a. |
| | 2019-2021 | 31-12-2018 | 31-12-2021 | n.a. | 1-1-2022 to 31-12-2028 | 54.62 | 10,198 | – | – | – | 10,198 | 10,198 | n.a. |
| J. Gerbig – COO | 2017-2019 | 31-12-2016 | 31-12-2019 | n.a. | 1-1-2020 to 31-12-2026 | 23.37 | 5,870 | – | 4,697 | 386,093 | – | – | n.a. |
| | 2018-2020 | 31-12-2017 | 31-12-2020 | n.a. | 1-1-2021 to 31-12-2027 | 49.06 | 10,027 | – | – | – | 10,027 | 10,027 | n.a. |
| | 2019-2021 | 31-12-2018 | 31-12-2021 | n.a. | 1-1-2022 to 31-12-2028 | 54.62 | 9,470 | – | – | – | 9,470 | 9,470 | n.a. |

## LTIP 2017-2019

The conditional performance options granted as per 31 December 2016 and vested on 31 December 2019, are referred to as the LTIP 2017-2019.

The targets set by the Supervisory Board in respect of the LTIP 2017-2019 were determined based on full year order and revenue growth in line with first half-year 2016 year-on-year growth.

The targets used for the vesting of the conditional performance options granted under the LTIP 2017-2019 and their relative weight were as follows:

| Targets | Relative weight |
|---|---|
| Order growth to exceed 25% per annum in the medium-term | 20% |
| > 30% CAGR over 2015 Actual-2018 Estimate | 20% |
| Revenue growth to continue to exceed order growth after 2016 | 20% |
| Positive EBITDA margin for both Germany and the Company within 2 to 3 years after the IPO[1] | 20% |
| The Netherlands EBITDA margin to continue to increase after 2016 | 20% |

[1] The positive EBITDA margin for both Germany and the Company in this context means monthly positive EBITDA margins (whether or not the full year EBITDA margins are positive) as also disclosed in the prospectus dated 19 September 2016 on page 121

Application of the LTIP 2017-2019 as per 31 December 2016 resulted in the granting to the members of the Management Board of a total of 19,417 conditional performance options upon the adoption of the Company's annual accounts 2016. The exercise price of the conditional performance options is €23.37 (the average closing price of the shares at Euronext Amsterdam on the last five trading days of 2016).

The maximum number of conditional performance options granted to each Managing Director for the financial year 2016 were as follows:

| | Maximum grant (in euro) | Maximum number of options |
|---|---|---|
| Jitse Groen – CEO | 75% * € 100,000 = € 75,000 | 7,225 |
| Brent Wissink – CFO | 75% * € 87,500 = € 65,625 | 6,322 |
| Jörg Gerbig – COO | 75% * € 81,250 = € 60,938 | 5,870 |

These conditional performance options have vested at 80% on 31 December 2019 based on the continued employment and the achievement of the targets set by the Supervisory Board. As at the date of this report, no vested options under the LTIP 2017-2019 have been exercised.

## LTIP 2018-2020

The conditional performance options granted as per 31 December 2017 and expected to vest on 31 December 2020, are referred to as the LTIP 2018-2020.

The targets set by the Supervisory Board are determined based on full year order and revenue growth. The options will vest if Takeaway.com's business develops in accordance with and in the direction of the medium-term targets as communicated to the stock market.

The targets to be used for the vesting of the options granted under the LTIP 2018-2020 and their relative weight are as follows:

| Targets | Relative weight |
|---|---|
| Order growth to exceed 25% per annum in the medium-term | 20% |
| > 30% CAGR over 2015 Actual-2018 Estimate | 20% |
| Revenue growth to continue to exceed order growth after 2017 | 20% |
| Positive EBITDA margin for both Germany and the Company within | |
| 2 to 3 years after the IPO[1] | 20% |
| The Netherlands EBITDA to continue to increase after 2016[2] | 20% |

[1] The positive EBITDA margin for both Germany and the Company in this context means monthly positive EBITDA margins (whether or not the full year EBITDA margins are positive) as also disclosed in the prospectus dated 19 September 2016 on page 121

[2] Following the higher than expected growth of Scoober, also in the Netherlands, we have amended the medium-term objective for the Netherlands from "Netherlands EBITDA margin to continue to increase" to "Netherlands EBITDA to continue to increase"

Application of the LTIP 2018-2020 as per 31 December 2017 resulted in the granting to the Managing Directors of a total of 33,165 conditional performance options upon the adoption of the Company's annual accounts 2017. The exercise price of the conditional performance options is €49.06 (the average closing price of the shares at Euronext Amsterdam on the last five trading days of 2017).

The number of conditional performance options granted to each Managing Director for the financial year 2017 are as follows:

| | Maximum grant (in euro) | Maximum number of options |
|---|---|---|
| Jitse Groen – CEO | 75% * € 400,000 = € 300,000 | 12,340 |
| Brent Wissink – CFO | 75% * € 350,000 = € 262,500 | 10,798 |
| Jörg Gerbig – COO | 75% * € 325,000 = € 243,750 | 10,027 |

These conditional performance options will vest three years after the grant date depending on the continued employment and the achievement of the targets set by the Supervisory Board.

### LTIP 2019-2021

The conditional performance options granted as per 31 December 2018 and expected to vest on 31 December 2021, are referred to as the LTIP 2019-2021.

The targets set by the Supervisory Board are determined based on full year order and revenue growth. The options will vest if Takeaway.com's business develops in accordance with and in the direction of the medium-term targets as communicated to the stock market.



The targets to be used for the vesting of the options to be granted under the LTIP 2019-2021 and their relative weight are as follows:

| Targets | Relative weight |
|---|---|
| Order growth to exceed 25% per annum in the medium-term | 20% |
| > 30% CAGR over 2015 Actual-2018 Estimate | 20% |
| Revenue growth to continue to exceed order growth after 2016 | 20% |
| Positive EBITDA margin for both Germany and the Company within | |
| 2 to 3 years after the IPO[1] | 20% |
| The Netherlands EBITDA to continue to increase after 2016[2] | 20% |

[1] The positive EBITDA margin for both Germany and the Company in this context means monthly positive EBITDA margins (whether or not the full year EBITDA margins are positive) as also disclosed in the prospectus on page 121

[2] Following the higher than expected growth of Scoober, also in the Netherlands, we have amended the medium-term objective for the Netherlands from "Netherlands EBITDA margin to continue to increase" to "Netherlands EBITDA to continue to increase"

Application of the LTIP 2019-2021 as per 31 December 2018 resulted in the granting to the Managing Directors of a total of 31,323 conditional performance options. These options were granted upon the adoption of the

Company's annual accounts 2018. The number of options is determined based on the valuation as calculated in note 20 of the Financial Statements. The exercise price of the conditional performance options is €54.62 (the average closing price of the shares at Euronext Amsterdam on the last five trading days before 31 December 2018).

The maximum number of conditional performance options granted to each Managing Director for the financial year 2018 are as follows:

| | Maximum grant (in euro) | Maximum number of options |
|---|---|---|
| Jitse Groen – CEO | 75% * € 400,000 = € 300,000 | 11,655 |
| Brent Wissink – CFO | 75% * € 350,000 = € 262,500 | 10,198 |
| Jörg Gerbig – COO | 75% * € 325,000 = € 243,750 | 9,470 |

These conditional performance options will vest three years after the grant date depending on the continued employment and the achievement of the targets set by the Supervisory Board.

### LTIP 2020-2022

The Supervisory Board at its sole discretion will decide if and to what extent grants of conditional performance options shall be made to individual members of the Management Board for the financial year 2019. Grants shall be determined on the basis of a consistent granting policy and set as a percentage of base salary. The Supervisory Board has set the annual LTIP grant level at 100% of base salary for each of the Managing Directors.

The first conditional grant under the revised remuneration policy will occur after the AGM 2020.

The exercise price of the performance options will be determined on the basis of the five-day average closing price after the relevant AGM. The number of options to be granted will be determined based on the fair value, using the Black-Scholes-Merton option pricing model.

The performance options are conditional. Vesting, three years after grant, is subject to continuous employment and performance testing. The exercise period is seven years upon vesting which results in a total option term of ten years after the grant date.

The number of options that vest after three years will be dependent on the achievement of certain targets, which will be set by the Supervisory Board. To ensure a sustainable way of setting targets and fostering agility, each year a new three-year window starts based on the following targets:
i. Revenue growth target: 37.5%;
ii. Relative total shareholder return target: 37.5%; and
iii. Strategic target: 25%.

#### i. Revenue growth target

The revenue growth target (threshold, target, and maximum) is set annually by the Supervisory Board, for a three-year period. The performance period starts 1 January and ends three years later on 31 December. Given that these targets are considered competitively sensitive, the targets and the achieved performance will be published in the annual report after the relevant performance period.

At vesting, a minimum of zero and a maximum of 1.5 times (150%) the number of options conditionally granted can become unconditional, based on performance.

### ii. Relative total shareholder return target

Total shareholder return ("TSR") is defined as the share price increase, including reinvested dividends. TSR is measured over a three-year period based on a three-month average of the last three months of the year before the start and the end of the performance period. The performance period starts 1 January and ends three years later on 31 December. Takeaway.com will use the local cross-industry index in which Takeaway.com is included (currently AMX index) to measure TSR performance against. The percentile ranking within the index constituents determines the vesting level. The local cross-industry was chosen given the limited number of direct competitors in the relevant geography.

At vesting, a minimum of zero and a maximum of 1.5 times (150%) the number of options conditionally granted can become unconditional, based on performance.

### iii. Strategic target

Each year at the moment of the conditional grant, the Supervisory Board will set a strategic target to be achieved in the coming three-year period. The performance period starts 1 January and ends three years later on 31 December. The target will be expressed in a clear, quantitative framework.

The strategic target will be derived from Takeaway.com's strategy to create long term value for its shareholders and other stakeholders. Examples would be related to Takeaway.com's long term goals e.g. including product improvements/ technological advancements, value of orders, consumer acquisition, market share, M&A activities, customer satisfaction, employee engagement, sustainability (digital/green). When the strategic targets have been set and conditional performance options have been granted, the Supervisory Board will explain in the annual report which KPI has been selected for the latest plan, for what reason, and how this will be measured. After vesting, the result will be reported in terms of performance versus target unless this is restricted by reasons of confidentiality or competition.

At vesting, a minimum of zero and a maximum of 1.5 times (150%) the number of options conditionally granted can become unconditional, based on performance.

## Clawback

In line with Dutch law and the Code, the variable remuneration of a Managing Director may be reduced or (partly) recovered if certain circumstances apply.

In 2019, no variable remuneration was reclaimed from any Managing Director.

## Compensation package's compliance with remuneration policy

As set out in the tables below, the remuneration granted to the individual Managing Directors in 2019 is compliant with the remuneration policy, provided that conditional performance options have not yet been granted.

| Description of the performance criteria and type of applicable remuneration | Relative weight | Information on Peformance Targets: a) Minimum target/ threshold performance and b) corresponding award | Information on Peformance Targets: a) Maximum /target performance and b) corresponding award |
|---|---|---|---|
| Order growth to exceed 25% per annum in the medium-term | 20% | a) 25%<br>b) 20% | a) n.a.<br>b) n.a. |
| > 30% CAGR over 2015 Actual-2018 Estimate | 20% | a) 30%<br>b) 20% | a) n.a.<br>b) n.a. |
| Revenue growth to continue to exceed order growth after 2016 | 20% | a) Revenue growth exceeding order growth<br>b) 20% | a) n.a.<br>b) n.a. |
| Positive EBITDA margin for both Germany and the Company within 2 to 3 years after the IPO | 20% | a) Positive EBITDA<br>b) 20% | a) n.a.<br>b) n.a. |
| The Netherlands EBITDA to continue to increase after 2016 | 20% | a) Increasing EBITDA<br>b) 20% | a) n.a.<br>b) n.a. |

In 2019, no deviations from the procedure for the implementation of the remuneration policy for any Managing Director were made and no derogations itself have been applied.

## Pay ratios within Takeaway.com and annual change

The pay ratio from our Management Board relative to the average pay of all employees, employed by Takeaway.com, is sixteen to one in 2019 (2018: fourteen). This ratio is based upon total staff cost per average FTE in 2019. This calculation includes the full total compensation and benefits, such as pension schemes, long term incentives and share-based payments, payable to the members of our Management Board and our employees. The increase of the pay ratio compared to prior years is due to the growth of Takeaway.com's FTEs by 115%, which includes the newly acquired countries, and increase of the Scoober drivers, both having a lower base pay on average.

Our employee base largely consists of employees on so called "on-call" employment agreements. As a result, comparing the Management Board pay ratio to the average paid employee offers a more representative view on the wages paid, than if the Management Board's remuneration would have been compared to the lowest wage paid.

Although we expect this ratio to increase over time, driven by the growth of the number of couriers employed, it is important for us to continuously monitor the ratio between the highest and the average paid persons within Takeaway.com.

| Director's remuneration | Annual change 2017 vs 2016 | 2018 vs 2017 | 2019 vs 2018 | Information regarding 2019 |
|---|---|---|---|---|
| J. Groen CEO | 10% | 17% | 23% | Increase of the managing director's remuneration in 2019 is due to the application of the revised remuneration policy as of the day after the AGM 2019 and grant of LTIP 2019-2021 as at 31 December 2018. |
| B. Wissink CFO | 4% | 17% | 28% | |
| J. Gerbig COO | 3% | 18% | 35% | |
| A. Nühn Chairman Supervisory Board | 0% | 0% | 0% | No change in remuneration |
| C. Vigreux Vice-chairman Supervisory Board | 0% | 0% | 0% | No change in remuneration |
| R. Teerlink Supervisory Board member | 0% | 0% | 0% | No change in remuneration |
| J. Reck Supervisory Board member | n.a. | n.a. | n.a. | Appointed in 2019 |
| **Company performance** | | | | |
| Revenue | 50% | 42% | 79% | Takeaway.com realised significant growth in both orders and revenue driven by its strong positions in its Leading Markets, partly driven by the acquisition of the German Delivery Hero Businesses and of 10bis in 2018. |
| Adjusted EBITDA | (51%) | 59% | 216% | |
| Orders | 38% | 38% | 70% | |
| **Average remuneration on a full-time equivalent basis of employees** | | | | |
| Employees of Takeaway.com | 3% | -19% | 9% | |

The table above contains an overview over the past three years only as the Company was not listed prior to October 2016.

## Share ownership

### Share ownership members of the Management Board

As at 31 December 2019, the Managing Directors held shares in the Company as set out below.

| Numbers of shares held | J. Groen CEO[1] | B. Wissink CFO | J. Gerbig COO[1] |
|---|---|---|---|
| Numbers of shares held as at 31 December 2019 | 15,318,766 | 190,581 | 383,235 |

[1] Shares are hold indirectly through personal holding.

### Share ownership members of the Supervisory Board

As at 31 December 2019, none of the Supervisory Board members held shares in the Company.

## Severance arrangements

Contractual severance arrangements of the Managing Directors provide for compensation for the loss of income resulting from a non-voluntary termination of employment. In that situation, the severance package is equal to the sum of the six-month gross fixed base salary of the respective Managing Director. The contractual severance arrangements are compliant with the Code.

During 2019, no severance payments were granted to members of the Management Board and the Supervisory Board.

## Payments by consolidated subsidiaries

During 2019, no remuneration for members of the Management Board has been made at the account of any consolidated subsidiary of the Company.

## Advisory Vote

In accordance with the Shareholder Directive as implemented in the Netherlands, this remuneration report will be put on the agenda for an advisory vote in the AGM 2020.

### The Supervisory Board

Adriaan Nühn
Chairman

Corinne Vigreux
Vice-chairman

Ron Teerlink

Johannes Reck

Gwyn Burr
Prevented from acting

Jambu Panaliappan
Prevented from acting

# Composition Management Board and Supervisory Board

## Management Board

Our strong track-record has been achieved through our highly dedicated, founder-led Management Board with substantial experience and complementary skill sets. Our Management Board has a combined experience of over 35 years in the online food delivery industry and consists of the following individuals:

### Jitse Groen

**Dutch national, 1978, Founder, CEO and chairman of the Management Board since 2011**

Jitse studied Business & IT at the University of Twente. He started his career during his studies when he launched a business in web development. In 2000, Jitse founded and launched Takeaway.com (at that time still named Thuisbezorgd.nl). Jitse is also a member of the advisory board of Suitsupply B.V.

As CEO and chairman of the Management Board, Jitse has responsibility for Corporate Strategy, Business Development, Product and Technology.

## Brent Wissink

**Dutch national, 1967, CFO and member of the Management Board since 2016**

Brent joined Takeaway.com as COO in 2011. He led the acquisition of Lieferando.de and Pyszne.pl before becoming CFO of Takeaway.com. Prior to this, he was CFO of a fast-growing technology business (NedStat) and worked in venture capital (ABN AMRO, Mees Pierson). Brent graduated in 1992 from the Erasmus University of Rotterdam in Econometrics. Brent is also a member of the supervisory board of BloomOn International B.V.

As CFO and member of the Management Board, Brent has responsibility for Finance, Business Intelligence, Investor Relations, Mergers & Acquisitions, Risk Management and control, Human Resources, and Legal Affairs.

## Jörg Gerbig

**German national, 1981, COO and member of the Management Board since 2016**

Jörg founded Lieferando.de in 2009 and has driven its rapid growth since then. He joined Takeaway.com following the acquisition of Lieferando.de in 2014, when he became COO of Takeaway.com. He has been instrumental in integrating Takeaway.com and Lieferando.de and in introducing the “One Company, One Brand and One IT Platform” approach across all operations. Jörg graduated in 2005 from the European Business School Oestrich-Winkel and has experience in M&A and equity capital markets at UBS Investment Bank in London and New York.

As COO and member of the Management Board, Jörg has responsibility for Marketing, Scoober, Sales and Customer Services.

# Supervisory Board

The Supervisory Board consists of the following Supervisory Directors:

## Adriaan Nühn

**Dutch national, 1953, chairman of the Supervisory Board since 4 October 2016**

Independent of Takeaway.com.

Until 2008, Adriaan acted as chief executive officer of Sara Lee International and chairman of the executive board of Sara Lee/Douwe Egberts. Prior to that, he was president of Sara Lee's Coffee and Tea Division and Household and Body Division. He held various positions within Sara Lee/Douwe Egberts and, prior to that, within Proctor & Gamble/Richardson Vicks in Austria, Sweden, South Africa and Belgium. Adriaan holds an MBA from the University of Puget Sound in Washington, USA. Adriaan is currently chairman of the supervisory board of Wereldhave N.V. (the Netherlands). He was a member of the non-executive board of Sligro Food Group until April 2017, Kuoni Reisen Holding AG Switzerland until April 2016, Cloetta AB Sweden until April 2018 and the World Wildlife Fund until December 2018. Adriaan is also a member of Anglovaal Industries Ltd. (South Africa) and Hunter Douglas N.V. (Curacao) and Stichting Administratiekantoor Unilever (the Netherlands).

## Corinne Vigreux

**French national, 1964, vice-chairman of the Supervisory Board since 4 October 2016**

Independent of Takeaway.com.

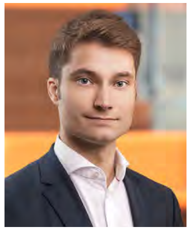
Corinne is a co-founder of TomTom N.V. (holding various board positions within the TomTom group), the navigation technologies company that continues to create cutting edge technologies that solve mobility problems and address the challenges of autonomous driving and smart cities.
She holds a BBA from the ESSEC Business School in Paris. As one of the top-50 most inspirational women in European tech, Corinne champions women in the workforce and passionately advocates for improved social mobility through education. She is a member of the supervisory board of Groupe ILIAD, member of the supervisory board of the Dutch National Opera & Ballet and member of the International Advisory Board of the Amsterdam Economic Board. Corinne was made Chevalier de la Legion d'Honneur in 2012 and knighted in the Royal Order of Orange-Nassau in 2016. Corinne also currently holds the following positions: member of the Advisory Board of Mass Transit SNCF, board member of Stichting CCI Pays-Bas, board member of the French Foreign Trade Advisors, chairperson of the Board of Trustees of Sofronie Foundation, board member of Stichting Kanteen, board member of Stichting Codam, board member of the Stichting Nationale Opera & Ballet Fonds.

## Ron Teerlink

**Dutch national, 1961, member of the Supervisory Board since 4 October 2016**

Independent of Takeaway.com.

Until 2013, Ron acted as chief administrative officer and member of the executive committee of the RBS Group. Before this, he was a member of the management board of ABN AMRO, and was chief operational officer from 2006 until 2010. Between 1990 and 2006, Ron held various positions within ABN AMRO and its subsidiaries. Ron was a member of the supervisory board of Equens SE from 2015 until 2016. Ron holds an MSc in economics from the Vrije Universiteit Amsterdam and a banking diploma from NIBE. Ron is currently chairman of the supervisory board of Coöperatieve Rabobank U.A. Ron is chairman of the supervisory board (raad van toezicht) of Stichting Vrije Universiteit Amsterdam.



## Johannes Reck

**German national, 1985, member of the Supervisory Board since 15 May 2019**

Independent of Takeaway.com.

Johannes is the CEO, chairperson of the management board and co-founder of GetYourGuide AG since June 2009. Prior to that, he was a visiting associate at the Boston Consulting Group. Johannes has valuable and extensive knowledge of online marketplaces, e-commerce, marketing & management. He graduated with distinction from the Swiss Federal Institute of Technology with a master's degree in Biochemistry. Johannes is currently also a supervisory board member at Travelperk Inc. (Spain).

## Gwyn Burr

**British national, 1963, member of the Supervisory Board since 31 January 2020**

Independent of Takeaway.com, prevented from acting.

Gwyn has been a non-executive director of Just Eat plc since March 2014 and a senior independent director since July 2019. She has also been a non-executive director of Hammerson plc since May 2012, and a senior independent director of Hammerson plc since January 2019. She is non-executive director of Taylor Wimpey plc, appointed in February 2018, and a non-executive director of Sainsbury's bank plc, appointed September 2006.
Gwyn has been a member of the Metro A.G. supervisory board and nomination committee since December 2014. Gwyn holds a BSc (Hons) in Economics and History from the University of Bradford and has completed business programs at both Stanford and Harvard Business School.
The appointment of Gwyn to the Supervisory Board became effective on 31 January 2020, but she is prevented from acting until the hold separate order of the UK Competition and Markets Authority in connection with the Combination is lifted or amended by way of derogation to allow this to occur.

## Jambu Palaniappan

**American national, 1987, member of the Supervisory Board since 31 January 2020**

Independent of Takeaway.com, prevented from acting.

Jambu has been a non-executive director of Just Eat plc since 24 June 2019. He is also a director of Palaniappan Consulting Limited, appointed in January 2019, and Alltaster Limited, appointed in April 2019. Jambu holds a BA in Public Policy and Economics from Vanderbilt University.
The appointment of Jambu to the Supervisory Board became effective on 31 January 2020, but he is prevented from acting until the hold separate order of the UK Competition and Markets Authority in connection with the Combination is lifted or amended by way of derogation to allow this to occur.

# Governance and compliance

## General

This section of the management report sets out the governance structure of Takeaway.com N.V., a company organised under Dutch law, as embedded in the Company's Articles of Association, Charter of the Management Board and Charter of the Supervisory Board, each as per 31 December 2019. In 2019 the Company was the ultimate parent company of Takeaway.com and its shares were listed at Euronext Amsterdam.

Since 31 January 2020 Takeaway.com N.V. has been renamed into Just Eat Takeaway.com N.V., its Articles of Association (as described in this chapter) have been amended and the Company is now also the ultimate parent of Takeaway.com and Just Eat. The Company's shares have been listed on the London Stock Exchange in addition to Euronext Amsterdam. Information with regard to the Company's amended articles of association, charter of the Management Board, and charter of the Supervisory Board which apply since the 31 January 2020 can be found on the Company's corporate website.

The Company has a two-tier board structure, consisting of a Management Board and a Supervisory Board who are responsible for the corporate governance structure of Takeaway.com. In 2019, the Company complied with all principles and best practice provisions of the Code, with the expectation listed in this section under "Compliance with the Code". The Code is available at www.mccg.nl.

# Management Board

## Powers, responsibilities and functioning

The Management Board is responsible for Takeaway.com's management, the general affairs of Takeaway.com's business and the general affairs of group companies, subject to the supervision by the Supervisory Board. In doing so, the members of the Management Board must establish a position on the relevance of long term value creation for the Company and its business and take into account the relevant stakeholder interests. The Management Board's responsibilities include, among other things, defining and attaining Takeaway.com's objectives, determining Takeaway.com's strategy and risk management policy and day-to-day management of Takeaway.com's operations. In performing its duties, the Management Board is guided by the interests of the Company, Takeaway.com and the business. It takes into account the relevant interests of all those involved in the Company and Takeaway.com (including Takeaway.com's shareholders). The Management Board is responsible for the quality of its own performance and conducts an annual review to identify the aspects about to which each member requires training or education.

## Composition, appointment and removal

The Articles of association provide that the Management Board shall consist of two or more members and that the Supervisory Board determines the exact number of Managing Directors. One of the Managing Directors shall be appointed as CEO and one of the Managing Directors shall be appointed as CFO. The Supervisory Board may grant other titles to other Managing Directors. As per 31 December 2019, the Management Board consisted of three Managing Directors; the CEO, the CFO and the COO.

The General Meeting appoints the Managing Directors. If a Managing Director is to be appointed, the Supervisory Board will make a binding nomination. The nomination must be included in the notice of the General Meeting at which the appointment will be considered. If no nomination has been made by the Supervisory Board within 60 days after it has been requested to do so by the Management Board, this must be stated in the notice and the Management Board will make a non-binding nomination. If no such nomination has been made by the Management Board, this must also be stated in the notice and the General Meeting may appoint a Managing Director at its discretion.

The General Meeting can vote to disregard the binding nomination of the Supervisory Board, provided that such vote requires an absolute majority that represents at least one-third of the issued share capital of the Company. If the General Meeting votes to disregard the binding nomination of the Supervisory Board, a new General Meeting will be convened and the Supervisory Board will make a new binding nomination. For the avoidance of doubt, a second General Meeting as referred to in section 2:120(3) of the Dutch Civil Code cannot be convened in respect hereof.

The Supervisory Board may propose to the General Meeting to suspend or dismiss a Managing Director. If this is the case, the resolution is adopted by an absolute majority without a quorum required. In all other cases, the General Meeting may only suspend or dismiss a Managing Director with an absolute majority of the votes cast, representing more than one third (1/3) of the issued share capital.

The Supervisory Board may also at all times suspend (but not dismiss) a Managing Director. A General Meeting must be held within three months after suspension of a Managing Director has taken effect, in which meeting a resolution must be adopted to either terminate or extend the suspension for a maximum period of another three months, taking into account the majority and quorum requirements described above. The suspended Managing Director must be given the opportunity to account for his or her actions at that meeting. If neither such resolution is adopted nor the General Meeting has resolved to dismiss the Managing Director, the suspension will cease after the period of suspension has expired.

## Term of appointment

Best practice provision 2.2.1 of the Code recommends that Managing Directors are appointed for a maximum term of four years and may be reappointed for a term of not more than four years at a time. This principle has been embraced in the Charter of the Management Board.

## Meetings and decisions

The Management Board shall meet whenever a Managing Director so requires. Pursuant to the Articles of association and the Charter of the Management Board, the Managing Directors shall endeavour to achieve that Management Board resolutions are adopted unanimously as much as possible. Where unanimity cannot be reached and Dutch law, the Articles of association or the Charter of the Management Board do not prescribe a larger majority, resolutions of the Management Board are adopted by a majority vote, provided that resolutions can only be adopted if such majority includes the vote of the CEO if entitled to vote. In case of a tie in votes, the resolution will be adopted by the Supervisory Board, unless there are more than two Managing Directors entitled to vote, in which case the CEO shall have a casting vote.

Management Board decisions can also be adopted without holding a meeting, provided those resolutions are adopted in writing or in a reproducible manner by electronic means of communication and all Managing Directors entitled to vote have consented to adopting the resolutions outside a meeting.

Resolutions of the Management Board regarding a significant change of identity or character of the Company or its business must be adopted by the Management Board and require the approval of the Supervisory Board and the General Meeting.

Pursuant to the Articles of association and/or the Charter of the Management Board, the Management Board shall furthermore obtain the approval of the Supervisory Board for a number of resolutions which concern, among others, (i) the operational and financial objectives of Takeaway.com; (ii) the strategy designed to achieve those objectives; (iii) the parameters to be applied in relation to the strategy, for example in respect of the financial ratios; (iv) the aspects of corporate social responsibility relevant to the activities of Takeaway.com; (v) the issue or grant of rights to subscribe for and acquisition of shares in the capital of the Company; (vi) entering into credit facilities and/or loan agreements or obligations of any kind or nature, in each case if the relevant principal amount exceeds €25 million; (vii) a proposal to amend the Articles of association; (viii) a proposal to dissolve the Company; (ix) an application for bankruptcy or for suspension of payments; and (x) the termination of the employment of a substantial number of employees of Takeaway.com at the same time or within a short period of time.

## Conflict of interest

Managing Directors must report any (potential) conflict of interest to the chairman of the Supervisory Board and the other members of the Management Board. The Supervisory Board shall decide whether a conflict of interest exists.

The Managing Director who has a (potential) conflict of interest shall not participate in discussions and decision-making on a subject or transaction in relation to which he has a conflict of interest with the Company.

When the conflict relates to the CEO, the relevant resolution can be adopted without the CEO's vote. Decisions to enter into transactions in which there are conflicts of interest with one or more Managing Directors require the approval of the Supervisory Board if they are of material significance to the Company or to the relevant Managing Directors.

During 2019, no such conflicts of interest were reported.

## Maximum number of supervisory positions of Managing Directors

Restrictions apply to the overall number of supervisory positions that a managing director or supervisory director of "large Dutch companies", as referred to in sections 2:132a and 2:142a of the Dutch Civil Code, may hold.

A person cannot be appointed as a managing or executive director of a "large Dutch company" if he/she already holds a supervisory position at more than two other "large Dutch companies" or if he/she is the chairman of the supervisory board or one-tier board of another "large Dutch company." Also, a person cannot be appointed as a supervisory director or non-executive director of a "large Dutch company" if he/she already holds a supervisory position at five or more other "large Dutch companies", whereby the position of chairman of the supervisory board or one-tier board of another "large Dutch company" is counted twice. As per 31 December 2019, Takeaway.com met the criteria of a large Dutch company and all Managing Directors complied with these rules.



# Supervisory Board

## Powers, responsibilities and functioning

The Supervisory Board supervises the policies carried out by the Management Board and the general affairs of the Company and its business enterprise. In so doing, the Supervisory Board also focuses on the effectiveness of Takeaway.com's internal risk management and control systems and the integrity and quality of the financial reporting.
The Supervisory Board also provides advice to the Management Board.
In performing its duties, the Supervisory Directors are required to be guided by the interests of the Company and its business enterprise, taking into consideration the interests of Takeaway.com's stakeholders.
The Supervisory Board must also observe the corporate social responsibility issues that are relevant to the Company.

## Composition, appointment and removal

The Articles of association provide that the Supervisory Board shall consist of at least three Supervisory Directors, with the exact number of Supervisory Directors to be determined by the Supervisory Board.
Only natural persons (not legal entities) may be appointed. The General Meeting appoints the Supervisory Directors as follows:

- One Supervisory Director, who – prior to the amendment of the Company's articles of association on 31 January 2020 – is appointed as vice-chairman of the Supervisory Board is appointed upon a binding nomination by Gribhold until the date it becomes public information by means of the AFM register that Gribhold holds less than 10% of the number of the issued ordinary shares. After the date referred to in the previous sentence, that Supervisory Director is appointed upon a binding nomination of the Supervisory Board;
- Any other Supervisory Director is appointed upon the binding nomination of the Supervisory Board.

Pursuant to the relationship agreement between the Company and Delivery Hero, Delivery Hero has the right to designate one person for appointment to the Supervisory Board subject to certain conditions. Delivery Hero nominated Mr Johannes Reck, whose appointment became effective as per 15 May 2019 (See "Report of the Supervisory Board – Composition of the Supervisory Board").

The General Meeting may at all times overrule the binding nomination by an absolute majority of the votes cast, representing more than one third (1/3) of the issued ordinary share capital. Each time the General Meeting overrules the binding nomination, a new meeting shall be convened and the party who made the initial binding nomination shall make a new binding nomination. A second general meeting as referred to in section 2:120(3) of the Dutch Civil Code cannot be convened in respect hereof.

The nomination must be included in the notice of the General Meeting at which the appointment will be considered. If a nomination has not been made, this must be stated in the notice of the General Meeting and the General Meeting may appoint a Supervisory Director at its discretion.

In accordance with the Code, the Supervisory Board has drawn up a profile for its size and composition, taking into account the nature and the activities of the enterprise affiliated with the Company and addressing:

i. the desired expertise and background of the Supervisory Directors;
ii. the desired diverse composition of the Supervisory Board;
iii. the size of the Supervisory Board; and
iv. the independence of the Supervisory Directors.

The profile of the Supervisory Board can be downloaded from the Company's corporate website.

The Supervisory Board may propose to the General Meeting to suspend or dismiss a Supervisory Director. If this is the case, the resolution is adopted by an absolute majority without a quorum required. In all other cases, the General Meeting may only suspend or dismiss a Supervisory Director with an absolute majority of the votes cast, representing more than one third (1/3) of the issued ordinary share capital.

A General Meeting must be held within three months after suspension of a Supervisory Director has taken effect, in which meeting a resolution must be adopted to either terminate or extend the suspension for a maximum period of another two months. The suspended Supervisory Director must be given the opportunity to account for his or her actions at that meeting.
If neither such resolution is adopted nor the General Meeting has resolved to dismiss the Supervisory Director, the suspension will cease after the period of suspension has expired.

## Term of appointment

In accordance with best practice provision 2.2.2 of the Code - and until the amendment of the Company's articles of association on 31 January 2020 -, Supervisory Directors were appointed for a maximum term of four years. A Supervisory Director may be reappointed for a term of not more than four years at a time except if the General Meeting resolves upon a proposal of the Supervisory Board to appoint a Supervisory Director for a longer term. A Supervisory Director may be a Supervisory Director for an aggregate maximum period of eight years, unless the General Meeting resolves otherwise. The members of the Supervisory Board retire periodically in accordance with a rotation schedule, which can be downloaded from the Company's corporate website.

## Meetings and decisions

The Supervisory Board shall meet at least four times a year and, furthermore, whenever one or more Supervisory Directors or Managing Directors has (have) requested a meeting. Members of the Management Board (if any) will attend Supervisory Board meetings when invited to do so by the chairman of the Supervisory Board. Meetings of the Supervisory Board are generally held at Takeaway.com's offices, but may also be held elsewhere.
According to the Charter of the Supervisory Board, resolutions of the Supervisory Board can only be adopted in a meeting at which at least the majority of the Supervisory Directors is present or represented, including the chairman and vice-chairman. The Supervisory Directors shall endeavour to achieve that resolutions are adopted unanimously as much as possible. Where unanimity cannot be reached and Dutch law, the Articles of association or the Charter of the Supervisory Board do not prescribe a larger majority, resolutions of the Supervisory Board are adopted by a majority vote. In the event of a tie vote, the proposal shall be rejected.

The Supervisory Board may also adopt resolutions outside a meeting with due observance of the Charter of the Supervisory Board.

## Conflict of interest

Members of the Supervisory Board (other than the chairman) must report any (potential) conflict of interest to the chairman of the Supervisory Board. If the (potential) conflict of interest involves the chairman of the Supervisory Board, it must be reported to the vice-chairman of the Supervisory Board. The Supervisory Board shall decide whether a conflict of interest exists. The member of the Supervisory Board who has a (potential) conflict of interest shall not participate in discussions and decision-making on a subject or transaction in relation to which the member has a conflict of interest with the Company. Decisions to enter into transactions under which members of the Supervisory Board have conflicts of interest that are of material significance to the Company and/or to the relevant member(s) of the Supervisory Board, require the approval of the Supervisory Board.

During 2019, no such conflicts of interest were reported.

In accordance with provision 2.7.5 of the Code, the Company reports that no transactions occurred in 2019 between the Company and legal or natural persons who hold at least 10% of the shares in the Company.

Maximum number of supervisory positions of Supervisory Directors
Restrictions apply to the overall number of supervisory positions that a supervisory director of "large Dutch companies", as referred to in sections 2:132a and 2:142a of the Dutch Civil Code, may hold. Takeaway.com meets the criteria of a large Dutch company and all Supervisory Directors comply with these rules.

## Supervisory Board Committees

In principle and in line with the Code, as long as the Supervisory Board consists of not more than four Supervisory Directors, there shall be no individual Supervisory Board committees.

# Diversity

The Supervisory Board aims for a diverse composition in respect of nationality, experience, expertise, education, culture, gender, age and work background and shall therefore strive for a fair balance between nationality, experience, expertise, education, culture, gender, age and work background of its members.

When nominating a candidate for appointment the qualifications (such as expertise and experience) of the candidate and the specific requirements for the position to be filled shall prevail; nevertheless, the Supervisory Board strives – in accordance with Dutch law – to have at least 30% female and 30% male among its members, although such percentage will also depend on the total number of members within the Supervisory Board.

As per 31 December 2019, the Supervisory Board consisted of four members, three males (75%) and one female (25%). Since the effectuation of the Combination on 31 January 2020, the composition of the Supervisory Board is in accordance with the diversity target.

The Supervisory Board pays great value to diversity in the composition of the Management Board. In particular it strives to have members with a background (nationality, work experience or otherwise) in the countries where Takeaway.com has a presence. In addition, and although challenging in the Company's business, the Company strives to have a Management Board consisting of at least 30% male and at least 30% female members. Nevertheless, other factors such as age and education should also be taken into account. Similarly, Takeaway.com strives for a diverse composition of its senior management.

When nominating a candidate for appointment, the qualifications (such as expertise and experience) of the candidate and the specific requirements for the position to be filled shall prevail.

As per 31 December 2019, the Management Board consists of three members, all male. The Supervisory Board will take the balanced composition requirements into account when nominating and selecting new candidates for the Supervisory Board and the Management Board. However, the Supervisory Board is of the opinion that gender is only one element of diversity, and that experience, background, knowledge, skills and insight are equally important and relevant criteria in selecting new members.

# Insider Dealing Policy

The Company has an insider dealing policy. Insider dealing conflicts with the basic principle that everyone dealing on the stock exchange should simultaneously have access to the same information. Everyone involved with Takeaway.com is responsible for keeping inside information confidential. If a person has inside information, he or she should not deal in Takeaway.com's securities (ordinary shares or convertible bonds).

The Supervisory Board, Management Board and senior executives (not being members of the Supervisory Board or Management Board), who have regular access to inside information relating directly or indirectly to

Takeaway.com and the power to take managerial decisions affecting the future developments and business prospects of Takeaway.com may not deal in the Company's securities during the closed period, regardless of whether they possess inside information. The closed periods are:
The periods of two months prior to the publication of Takeaway.com's annual financial statements and 30 calendar days prior to the publication of Takeaway.com's semi-annual financial statements; and
The period of approximately three weeks prior to the publication of Takeaway.com's interim trading updates;
In addition, a Takeaway.com employee and certain third-party consultants may not deal in the Company's securities if he or she is included on the insider list as a person having access to inside information, regardless of whether he possesses inside information, unless dispensation has been granted by the compliance officer.

The Management Board established a disclosure committee, which in 2019 consisted of the members of the Management Board, the manager Investor Relations and the company secretary. The disclosure committee's task is to establish and maintain disclosure controls and procedures in respect of "inside information".

## Dutch Corporate Governance Code

The Code applies to all Dutch companies whose shares or depositary receipts for shares have been admitted to trading on a regulated market, whether in the Netherlands or elsewhere. The Code therefore applies to the Company. The Code contains a number of principles and best practice provisions in respect of management boards, supervisory boards, shareholders and the general meeting, financial reporting, auditors, disclosure, compliance and enforcement standards. The Company is required to disclose in its management report whether or not it applies the provisions of the Code and, if it does not apply those provisions, to explain the reasons why. The Code states that a Company is also in compliance with the Code if its general meeting has approved the corporate governance structure and the deviations from the Code's principles. Reference is made to the section "Compliance with the Code" below.

## Compliance with the Code

The Company endorses the underlying principles of the Code, and is committed to adhering to the best practices of the Code as much as possible. In 2019, the Company complied with the Code, with the exception of best practice provision 4.3.3, which relates to the binding nature of a nomination for the appointment or dismissal of Managing Directors and Supervisory Directors. If the General Meeting overrules a binding nomination, the party who made the initial binding nomination can make a new binding nomination for the appointment or dismissal of Managing Directors and Supervisory Directors.

The specific nomination rights for the large shareholder of the Company (Gribhold (as defined in the Articles of association)) to nominate one Supervisory Director referred to in Article 7.6.3 of the Company's Articles of association will remain in place until Gribhold holds less than 10% of the issued ordinary shares. In addition, based on the relationship agreement, Delivery Hero has the right to designate one person for appointment to the Supervisory Board until It holds less than 9.99% of the Company's issued and outstanding capital (See "Report of the Supervisory Board – Composition of the Supervisory Board").

The Company has several regulations in place governing the performance of its various corporate bodies. These regulations can be found in the section "Corporate Governance" of the corporate website.
These regulations concern:
- The Articles of association;
- The Charter of the Management Board;
- The Charter of the Supervisory Board.

The following items also appear on the Company's corporate website:
- The profile of the Supervisory Board;
- The rotation plan for the Supervisory Board members;
- The remuneration policy;
- The whistleblowers' policy;
- The code of conduct;
- The tax approach of Takeaway.com;
- The policy regarding bilateral contacts with shareholders;
- The dividend policy.

# General Meeting

General Meetings must be held at least once a year and generally take place in Amsterdam. General Meetings are convened by the Management Board or Supervisory Board by convocation placed on the Company's corporate website.

The agenda for the Annual General Meeting will at least include the adoption of the annual report, the discussion of any substantial change in the corporate governance structure of the Company (if any) and, if applicable, the allocation of the result. In addition, the agenda shall include such items as have been included therein by the Management Board, the Supervisory Board or shareholders (with due observance of Dutch law).

In addition to the Annual General Meeting, Extraordinary General Meetings may be held as often as the Management Board or the Supervisory Board deem desirable. In addition, one or more shareholders, who solely or jointly represent at least one-tenth of the issued capital, may request that a General Meeting be convened, the request setting out in detail matters to be considered.

Each shareholder may attend the General Meeting, address the General Meeting and exercise voting rights pro rata to his or her shareholding, either in person or by proxy. Shareholders may exercise these rights, if they are the holders of shares on the record date as required by Dutch law, which is currently the 28th day before the day of the General Meeting, and they or their proxy have notified the Company of their intention to attend the General Meeting in writing or by any other electronic means that can be reproduced on paper at the address and by the date specified in the notice of the General Meeting.

## Capital structure

As per 31 December 2019, the authorised capital of the Company amounted to €7,000,000 and is divided into:
- 87,500,000 ordinary shares, with a nominal value of €0.04 each; and
- 87,500,000 cumulative preference shares, with a nominal value of €0.04 each.

On 31 December 2019, the issued capital amounted to €2,448,258 divided into 61,206,450 ordinary shares. As per 31 December 2019, no cumulative preference shares have been issued. All the ordinary shares have equal voting rights (one share, one vote).

## Voting rights

Each share confers the right to cast one vote in the General Meeting. Subject to certain exceptions provided by Dutch law or the Articles of association, resolutions of the General Meeting are passed by an absolute majority of votes cast. Pursuant to Dutch law, no votes may be cast at a General Meeting in respect of shares that are held by the Company or any of its subsidiaries. As at 31 December 2019, the Company nor any of its subsidiaries held any own shares.

## Restrictions on transfer of shares

The Management Board's and Supervisory Board's approval is required for each transfer of cumulative preference shares, except for a transfer of cumulative preference shares by the Company itself. The approval has to be requested in writing stating the number of shares to be transferred as well as the name of the intended acquirer of the shares in question.

As per 31 December 2019, the Company was not aware of the existence of any agreement pursuant to which the transfer of ordinary shares in the share capital of the Company was restricted, with the exception of the irrevocable of Gribhold and each Managing Director in relation to the Combination.

## Protective measures

Although this protection was dismantled in 2020, the main point of Takeaway.com's protection against a hostile takeover in 2019 depended on the possibility of the Company to issue cumulative preference shares to Stichting Continuïteit Takeaway.com (Foundation Continuity). A call option to acquire cumulative preference shares was granted to the Foundation Continuity.

The aim of the protective measures is to safeguard the interests of the Company, of the enterprises maintained by the Company and Takeaway.com companies in such a way that the interests of those parties are optimally safeguarded and that influences that could affect the independence, continuity or identity of those parties are deterred in the best possible way.

The Foundation Continuity tries to realise these objectives by, at the sole discretion of the board of the Foundation Continuity, (a) acquiring and holding cumulative preference shares and by exercising the rights attached to those shares, in particular the voting rights attached to such cumulative preference shares and (b) acquiring and holding voting shares in Continuïteit Takeaway.com B.V. and (c) exercising all other rights that the Foundation Continuity may have pursuant to Dutch law, on the basis of an agreement or otherwise.

To this end, the Foundation Continuity has been granted a call option to acquire cumulative preference shares in the Company. Pursuant to the call option agreement, the Foundation Continuity is entitled to acquire from the Company up to a maximum number of cumulative preference shares corresponding to 100% of the issued ordinary shares at the time of exercise of the call option minus the number of cumulative preference shares already held by the Foundation Continuity at that time (if any).

The Foundation Continuity may not dispose of or encumber the cumulative preference shares without the consent of the Management Board and Supervisory Board. In deviation from the preceding sentence, the Foundation Continuity may pledge the cumulative preference shares without the consent of the Management Board and Supervisory Board, provided that the voting rights attached to the cumulative preference shares do not pass to the pledgee.

The Foundation Continuity is independent from the Company. The Foundation Continuity is managed by the board of the Foundation Continuity, which, as per 31 December 2019, consisted of three members, Henk Rottinghuis, Sietze Hepkema and Lex Kloosterman.

The Foundation Continuity meets the independence requirement as referred to in Section 5:71(1)(c) of the Financial Supervision Act.

## Share option and share plans

The Company has a long term incentive plan pursuant to which conditional performance options can be granted to Managing Directors. This plan, the LTIP, was approved by the General Meeting in October 2016 prior to the completion of the initial public offering. See the section "Remuneration report" for further details of the LTIP.

In 2017, the Company implemented the Takeaway.com "ESOP". Pursuant to ESOP, which is still in effect, and subject to its terms and conditions, certain employees of Takeaway.com are entitled to receive a number of depositary receipts of ordinary shares in the capital of the Company as well as a number of rights to subscribe for depositary receipts of ordinary shares in the capital of the Company. Upon vesting of a grant and, where relevant, exercise of options, the Company issues or transfers the relevant number of ordinary shares in its capital to STAK for the benefit of the relevant participants and STAK, in due observance of its articles of association and in accordance with its terms and conditions of administration, issues one depositary receipt to the relevant eligible participant for each ordinary share issued or transferred to it for the benefit of such eligible participant. Based on the STAK's terms and conditions, STAK exercises the voting rights attributable to the ordinary shares it holds and administers at its own discretion.

## Issuance of shares

The General Meeting, or the Management Board subject to approval by the Supervisory Board to the extent so authorised by the General Meeting for a specific period, may resolve to issue shares. The General Meeting is only authorised to resolve to issue shares upon the proposal of the Management Board and subject to the approval of the Supervisory Board. This also applies to the granting of rights to subscribe for shares, such as options, but is not required for an issue of shares pursuant to the exercise of a previously granted right to subscribe for shares. An authorisation as referred to above will be irrevocable unless otherwise stipulated and will each time only be valid for a fixed term of no more than five years and may each time only be renewed for a maximum period of five years. The Company may not subscribe for its own shares on issue.

On 5 March 2019, the General Meeting resolved to irrevocably authorise the Management Board to, subject to approval by the Supervisory Board, resolve to issue ordinary shares and to grant rights to subscribe for ordinary shares in the capital of the Company. This authorisation of the Management Board with respect to the issue of ordinary shares and/or granting of rights to acquire ordinary shares is limited to: (i) 6,114,627 (rights to acquire) ordinary shares (representing 10%) for general corporate purposes, (ii)

6,114,627 (rights to acquire) ordinary shares (representing 10%) in connection with or on the occasion of mergers, acquisitions and/or strategic alliances and (iii) 3,057,313 (rights to acquire) ordinary shares (representing 5%) in connection with one or more incentive plans for Managing Directors, senior management and/or other employees of the Company, all to be valid for eighteen months following 5 March 2019, ending on 5 September 2020.

## Pre-emptive rights

Upon issue of ordinary shares in the capital of the Company or grant of rights to subscribe for ordinary shares, each shareholder shall have a pre-emptive right in proportion to the aggregate nominal amount of his or her ordinary shares in the capital of the Company. Shareholders do not have pre-emptive rights in respect of shares issued against contribution in kind, shares issued to the Company's employees or shares issued to persons exercising a previously granted right to subscribe for shares. In addition, no pre-emptive right shall exist with respect to the issue of cumulative preference shares and holders of cumulative preference shares have no pre-emptive right to subscribe for newly issued ordinary shares.

Pre-emptive rights may be limited or excluded by a resolution of the General Meeting upon the proposal of the Management Board and subject to the approval of the Supervisory Board. The Management Board, subject to approval by the Supervisory Board, is authorised to resolve on the limitation or exclusion of the pre-emptive right if and to the extent the Management Board has been designated by the General Meeting to do so.
The designation will only be valid for a specific period, in each case not exceeding five years. Unless provided otherwise in the designation, the designation cannot be cancelled. A resolution of the General Meeting to limit or exclude the pre-emptive rights or a resolution to designate the Management Board as described above requires a two-thirds majority of the votes cast if less than half of the issued share capital is represented at a General Meeting.

Pursuant to the same resolution of the General Meeting adopted on 5 March 2019, the Management Board has been, subject to the approval of the Supervisory Board, irrevocably authorised by the General Meeting to resolve to restrict and/or exclude statutory pre-emptive rights in relation to the issuances of ordinary shares in the capital of the Company or the granting of rights to subscribe for ordinary shares. The aforementioned authorisation of the Management Board is limited to (i) 6,114,627 (rights to acquire) ordinary shares (representing 10%) for general corporate purposes, (ii) 6,114,627 (rights to acquire) ordinary shares (representing 10%) in connection with or on the occasion of mergers, acquisitions and/or strategic alliances, and (iii) 3,057,313 (rights to acquire) ordinary shares (representing 5%) in connection with one or more incentive plans for Managing Directors, senior management and/or other employees of the Company, and is valid for eighteen months following 5 March 2019, ending on 5 September 2020.

## Acquisition of own shares

The Company may acquire fully paid-up shares in its own share capital at any time for no consideration (om niet) or, subject to Dutch law and its Articles of association if: (i) the distributable part of the shareholders' equity is at least equal to the total purchase price of the repurchased shares; (ii) the aggregate nominal value of the shares that the Company acquires, holds or holds as pledge or that are held by a subsidiary does not exceed 50% of the issued share capital; and (iii) the Management Board has been authorised by the General Meeting to repurchase shares. As part of the authorisation, the General Meeting must specify the number of shares that may be acquired, the manner in which the shares may be acquired and the price range within which the shares may be acquired. No authorisation from the General Meeting is required for the acquisition of fully paid-up shares for the purpose of transferring these shares to the employees of the Company pursuant to any share option plan, provided that such shares are quoted on the official list of any stock exchange.

Pursuant to a resolution by the General Meeting adopted on 14 May 2019, the Management Board, subject to approval by the Supervisory Board, has been authorised to resolve to acquire fully paid-up shares.
Such authorisation of the Management Board is limited to 10% of the issued ordinary shares and is valid for eighteen months following 14 May 2019, therefore ending on 14 November 2020.

Shares may be acquired at the stock exchange or otherwise, at a price between the nominal value and 110% of the opening price at Euronext Amsterdam at the date of the acquisition.
No voting rights may be exercised in the General Meeting with respect to any share or depositary receipt for such share held by the Company or by a subsidiary, and no payments will be made on shares the Company holds in its own share capital.

The Management Board is authorised to dispose of the Company's own shares held by it.

## Amendment of the articles of association

The General Meeting may resolve to amend the articles of association upon the proposal of the Management Board which is subject to the approval of the Supervisory Board. A proposal to amend the Articles of association must be included in the agenda for the relevant General Meeting. A copy of the proposal, containing the verbatim text of the proposed amendment, must be lodged with the Company for the inspection of every shareholder until the end of the General Meeting.

## External auditor

At the General Meeting held in May 2018, Deloitte was re-appointed as the external auditor of the Company. The Management Board shall report their dealings with the external auditor to the Supervisory Board on an annual basis. The external auditor may be questioned by the General Meeting in relation to the auditor's opinion on the financial statements. The external auditor shall attend and be entitled to address the General Meeting for this purpose.

## Major shareholdings

The Financial Supervision Act requires investors who hold a share interest or voting interest exceeding (or falling below) certain thresholds to (inter alia) notify their interest with the Authority for the Financial Markets (AFM) in the Netherlands. This information is included in the section “Information for shareholders”.

## Corporate Governance Statement

This is a statement concerning corporate governance as referred to in section 2a of the decree on additional requirements for annual reports (Vaststellingsbesluit nadere voorschriften inhoud jaarverslag) effective as of 1 January 2010 (the Decree).

The information required to be included in this Corporate Governance Statement as described in sections 3, 3a and 3b of the Decree is included in this chapter, provided that the main characteristics of Takeaway.com’s internal risk management measures and control systems relating to its financial reporting process, as required by article 3a sub a of the Decree, are described in the section “Risk management”.

# Risk management

In 2019, we started transitioning the documentation of our risks and controls to an Enterprise Risk Management software solution to streamline and align our risk and control programs across the organisation.

## Introduction

Takeaway.com is an entrepreneurial company by nature, having achieved great success over 19 years through conscious and balanced risk-taking. Takeaway.com's success is, in part, based on our centralised operational approach which is also reflected in our risk management and control activities. We take a structured approach to enterprise risk management (ERM) which starts with the Management Board and is applied throughout each layer of the organisation. Periodically, the Management Board presents on the identification and development of key risks and the effectiveness of mitigating controls to the Supervisory Board. Annually, the Management Board assesses the operating effectiveness of the overall ERM system and reports to the Supervisory Board thereon. The ERM program is built upon the ERM policy and related ERM methodology, as approved by the Management Board and Supervisory Board.

### Risk and Control

In 2019, Takeaway.com established a dedicated Risk and Control department which oversees the enterprise risk management program of Takeaway.com. This department was put in place to support the Management Board and senior management by bringing expertise, process excellence, and management monitoring alongside the first line of defense (owners of specific risks and controls) to help ensure that risk and control are effectively managed within the organisation. The Risk and Control department is separate from the first line of defense but is still under the control and direction of the Management Board and can perform some management functions if needed. The Risk and Control team is bound by the Risk Management charter.

The Risk and Control function may directly develop, implement, and/or modify controls and risk processes of Takeaway.com. It may also take a decision-making role for certain operational activities. Risk and Control is not directly involved in a first-line activity so it can act independently from the first line of defense activity. Furthermore, it is also directly responsible for IT security (a second line of defense function). An enhanced IT security organisation was established during 2019 to better align resources and competences. The Head of IT Security is bound by the IT Security charter.

Risk and control awareness meetings and trainings were conducted throughout the year to influence culture, behaviour, and motivation of employees. In addition, identified risks are discussed with senior management when and where required, and updates to risks and controls are carried out.

## Risk and control software tool

In order to sustain our centralised approach, the Management Board decided to move towards a sophisticated governance, risk, and compliance software tool. This tool greatly improves the efficiency and effectiveness of our risk management and control programs at a central level, by function, and by geographical location. In addition, this tool allows us to streamline and align risks, controls, issues, and tasks between our three lines of defense, both for Takeaway.com as a whole and for Takeaway.com Payments, our regulated online payment service provider, on a stand-alone basis.

In September 2019, we commenced with the conversion of our existing risk registers, risk assessments, and existing controls to this software tool.

We will continue to invest in appropriate risk management resources and efficient risk mitigating processes to allow our staff to continue to act with agility.

## Controls and ISAE 3402 reports

In the second half of 2018, the Company embarked on its mission to obtain an unqualified assurance report (Type 1 - Design and implementation) in relation to our ISAE 3402 Report. This report provides a description of the Takeaway.com online payment processing systems (mainly Order-to-Cash and IT processes), and the suitability of the design and implementation of selected controls. This report covers key controls in place within Takeaway.com for the benefit of restaurants and Takeaway.com Payments. This unqualified assurance report was obtained in December 2018. In 2019, we continued to enhance our risk and internal control framework as part of our continuing development as a publicly-listed company. As a direct result, the Company obtained an unqualified assurance report (Type 2 - Operating effectiveness) from Deloitte Risk Advisory in February 2020 in relation to our ISAE 3402 Report (2019).

A number of other business processes (e.g. record to report, purchase to pay, hire-to-retire, GDPR related controls, and entity-level controls) have also been assessed internally by our second lines of defense (e.g. Risk and Control, Financial Control, IT security, Takeaway.com Payments compliance function) and/or have been audited by our third line of defense (Internal Audit). Our senior IT (security) management levels have also assessed our current IT risk and control mitigation environments against the Good Practice Information Security 2019/2020 as issued by the Dutch Central Bank. This Good Practice, in our view, also covers ISO 27001 requirements, the leading international standard for an information security management system.

## ERM approach

A summary of our ERM approach and key elements within it (based on the COSO ERM model) is outlined below.

## Strategic objectives

We manage our business based on three operating segments – the Netherlands, Germany and Other Leading Markets – with each segment and each country within it demonstrating different competitive intensity, market maturity and potential. We pursue a growth strategy as a path to long term value creation, which requires us to invest significantly in the markets in which we operate. Apart from competition, we are influenced by other external factors such as technological and IT security developments, consumer preferences, competition, and laws and regulations. We consider all these factors, and our internal strengths, when developing our strategic objectives. These strategic objectives form the basis of our risk management program.

## Risk identification

The risk identification phase is to identify (potential) risks which could endanger the achievement of our strategic objectives (including those related to Takeaway.com Payments). Risks are identified using 1) external sources, 2) internal (risk) documents, and 3) risk interviews with senior management and other stakeholders within Takeaway.com. On a continuous basis, senior management updates and identifies new risks which may threaten the achievement of our strategic objectives.

To facilitate the risk identification phase, we use five broad risk categories to classify risks. These categories are not mutually exclusive, as any service or product may expose Takeaway.com to multiple risks. In addition, risks may also be interdependent in which an increase in one category of risk may cause an increase in others. It is the responsibility of senior management to be aware of this interdependence and assess the effect in a consistent and inclusive manner. The five categories are as follows:

| Category | Explanation |
| --- | --- |
| **External / strategic** | Risks caused by outside individuals, entities, the online food ordering industry, the local, national, or international economies, and/or the environment that are beyond the control of Takeaway.com. Integrity and cybercrime risks are classified under the categories integrity and IT systems, respectively. |
| **IT systems** | As a technology company, IT is fundamental to our core business. We assess both strategic and operational risks related to IT, from our ability to remain a key player in innovation and our ability to maintain and further enhance a stable, secure operating system for our core business. Risks caused by failure or disruption of service in network, hardware, software, or physical infrastructure, irrespective whether it relates to human error, system failures, and/or cybercrime. |
| **Integrity** | Risks caused by non-ethical behaviour of our staff, and senior management as well as non-ethical behaviour of third parties that can be attributed to Takeaway.com or in which Takeaway.com plays a punishable role. The most noticeable non-ethical behaviour is characterised by acts such as e.g. money laundering, insider trading, financing of terrorism, circumvention of economic and financial sanctions, fraud, embezzlement, forgery, bribery, and (the appearance of) conflicting interest. The intentional breach of internal policies and procedures with the aim to defraud Takeaway.com is also an integrity risk. |
| **Legal and compliance** | Risks related to non-compliance with laws and regulations, reputational risks and risks related to failures of internal governance and control structures. This category also covers risks in laws & regulations, regulatory guidelines and best practices related to the regulated payment service provider as well as e.g. those related to Takeaway.com as a whole (e.g. GDPR, allergens, competition law, listing requirements, market abuse, employment legislation). |
| **Operational** | Risks related to the continuing operational effectiveness and efficiency of Takeaway.com's business in each of our markets. This covers our core business processes such as accounting, marketing, human resources, restaurant and consumer acquisition, order processing, restaurant delivery services (Scoober), restaurant invoicing, and restaurant payment, and the staff that execute these processes. |

## Risk assessment

Once risks have been identified, the next steps we undertake are to assess the likelihood of occurrence (chance that the risk will materialise), assess the impact (financial or non-financial) when the risk materialises, and identify and assess the design and operating effectiveness of controls related to these risks. Controls are covered in various 'control libraries' being:

| Process | Covering |
|---|---|
| **Purchase-to-pay** | Internal and external requisition processes |
| **Record-to-Report** | Accounting, financial control, financial planning and analysis, and various reporting processes |
| **Order-to-Cash** | Sales, restaurant invoicing and payout processes |
| **Hire-to-Retire** | Recruitment, Human Resources, and payroll processes |
| **Information technology** | Customer facing, and internal IT processes |
| **Tax** | Adherence to various tax laws & regulations |
| **GDPR** | Adherence to the general data protection regulation |
| **Entity-level controls** | Processes related to the control environment, risk assessment, control activities, information and communication, and monitoring activities. This includes, among others, our Code of Conduct, and Whistleblowers' policy. |

Also, we have various charters in place (amongst which the Charter of the Management Board, Charter of the Supervisory Board, and risk management charter) outlining the roles, responsibilities and rights of the members of each group individually and as a group.

Where effective mitigation is dependent on human or financial investments, these are incorporated into the annual budgeting process.

## Risk evaluation

For our senior management to manage their respective parts of Takeaway.com's operations, it is important to provide them with sufficient guidance on the levels of risk that the Management Board considers legitimate to take (risk appetite). The Management Board has defined risk appetite as follows: "the amount and type of risk that the Management Board is willing to accept in pursuit of its business objectives".

The risk appetite guidance has been outlined in a number of specific risk appetite statements, spread over the five broad risk categories, and related assessment factors. At the organisational level, risk appetite is more complicated to be defined but at the level of a specific risk we have defined acceptable exposures in terms of both the impact if a risk occurs, and the frequency of that impact. It is against this that net (residual) risks are compared to decide whether or not further action is required. What is acceptable may be affected by the value of assets lost or wasted in the event of an adverse impact; stakeholder perception of such an impact; the cost of implementing actions to further manage the risk; the likelihood of the risk occurring; and the balance of potential benefit to be gained.
The approaches to setting risk appetite that Takeaway.com has adopted to ensure a response to risk that is proportionate given Takeaway.com's business objectives are:

| Approach | Explanation |
|---|---|
| **Averse** | Avoidance of risk and uncertainty is a key objective of Takeaway.com |
| **Minimal** | Preference for ultra-safe options that are low risk and only have a potential for limited reward |
| **Cautious** | Preference for safe options that have a low degree of risk and may only have limited potential for reward |
| **Open** | Willing to consider all potential options and choose the one most likely to result in successful delivery, while also providing an acceptable level of reward and value for money |
| **Hungry** | Eager to be innovative and to choose options offering potentially higher business rewards, despite greater inherent risk |

Gaps between the current net (residual) risk levels and the risk appetite levels expressed by the Management Board are addressed by four possible responses: Accept, Mitigate, Transfer or Avoid. Primarily, our active risk management activities are related to those risks we decide to mitigate.

Through this process, the key risks are prioritised according to our risk appetite and we highlight the risks requiring the most management attention.

## Risk monitoring

Selected controls were tested by the first, second, and/or third lines of defense during 2019. Attention has been given to observed weaknesses, instances of misconduct and irregularities, indications from whistleblowers, lessons learned and findings from the internal audit function and the external auditor. Where necessary, improvements have been or are in the process of being made to internal risk management and control systems.

As mentioned earlier, we also engaged Deloitte Risk Advisory to report on the description of our online payment processing system for processing restaurants' transactions, and on the design and operating effectiveness related to the control objectives stated in the description. The description in the ISAE 3402 report reflects the period of 1 May 2019 to 31 December 2019 and relates solely to online payments executed by consumers. Testing by Deloitte Risk Advisory was conducted in accordance with the International Standard on Assurance Engagements 3402 "Assurance Report on Controls at a Service Organization", issued by the International Auditing and Assurance Standards Board. Restaurants can request a copy of this report to ascertain themselves that relevant controls at Takeaway.com operated effectively for their financial reporting purposes. The report covers mostly controls in the order-to-cash, record-to-report, and IT processes, and applies to the following:

| Type | Domains |
| --- | --- |
| **Business controls** | • Restaurant account management;<br>• Order placement and transmittal;<br>• Payment processing by external payment service providers;<br>• Invoicing;<br>• Restaurant payout;<br>• Refunds. |
| **General IT controls** | • Access to programs and data;<br>• Program changes;<br>• Computer operations;<br>• Service level management. |

## Improvements to the risk management system

In 2019, a number of improvements were made to our ERM system:

- Updated our ERM policy and ERM methodology;
- Developed formal risk appetite statements;
- Purchased the right to use GRC software, and transitioned risk and control libraries;
- Established the Risk and Control department and the Risk Management Charter;
- Invested significantly in the IT security department by adding more resources, and experience;
- Finalised various risk assessments of Takeaway.com and Takeaway.com Payments;
- Updated the risk registers.

## Takeaway Payments

On 15 May 2019, the Dutch Central Bank granted Takeaway.com Payments, a 100% indirect subsidiary of the Company, a license as a payment institution under the Dutch Financial Markets Supervision Act from the Dutch Central Bank.

The provision of online payment services by Takeaway.com is subject to the new European Payment Services Directive 2 as implemented in most of the European countries in which Takeaway.com operates. In view of such implementation, Takeaway.com Payments was granted this license which has been passported to most European markets in which Takeaway.com is active. Consequently, the processing of online payments in these countries is supervised by the relevant regulatory authorities.

## Risks and uncertainties with a significant impact on Takeaway.com

As a regulated payment institution under supervision of the DNB, Takeaway.com Payments is required to comply with rules applicable to payment institutions. Takeaway.com has been developing many new policies and procedures to ensure adherence to relevant laws and regulations.

We did not observe any major failings in our risk management and control systems in the financial year. Significant changes made to risk and control systems have been discussed with the members of the Management Board and, where needed, with the Supervisory Board.

## Non-exhaustive list of key risks

Based on the process described, we have identified a non-exhaustive list of our key risks. Below we have described the development of these risks over 2019 and the mitigating actions we have taken:

| Risk | Trend | Main countermeasures | Potential impact | Risk appetite |
|---|---|---|---|---|
| **Increased competition from current competitors or new entrants, impacting our ability to maintain and improve our competitive position** | < > | • Continued to expand our #1 position in each Leading Market through increasing investments in our brands and our product as well as through the acquisition of the three websites in Germany in April 2019.<br>• Continued focus on portfolio management. | • We view market leadership as key to longterm success in our industry. We also believe that sustainable profitability is more achievable from a position of clear market leadership so to increasingly able to benefit from network effects.<br>• Failure to achieve clear market leadership could lead to a loss of, or failure to increase, market share or otherwise materially adversely affect our business, results of operations, financial condition and prospects. | |
| **New (disruptive) technologies** | < > | • Invested in the functionality of our product to make the consumer experience as smooth as possible, and to continue meeting changing consumer needs.<br>• Rolled-out of the B2B concept (Takeaway Pay) in December 2019 in various European countries to diversify our service offering.<br>• Maintained an agile organisation, technology, and processes to enable swift response to new market developments. | • Disruptive innovation could affect our ability to retain consumers which drives our business, results of operations, financial condition and prospects. | |

< Severity of risk, considering mitigation action, is lower <> No change to severity of risk ^ Severity of risk, considering mitigating actions, is higher

| Risk | Trend | Main countermeasures | Potential impact | Risk appetite |
| --- | --- | --- | --- | --- |
| **Maintaining our reputation and consumer awareness of our single brand in each market** | ⌄ | • Top-of-mind brand awareness is critical to market leadership which in turn drives long term profitability and sustainability of our operations. We continued to improve our top-of-mind brand awareness in each market by continuing our significant marketing efforts.<br>• Due to continued growth in size and additional countries, faced increasing press coverage in relation to our business which is constantly monitored and, where appropriate, effective media response actions are taken. | • Failure to improve or maintain our top-of-mind brand awareness could result in a material adverse impact on on our results of operations, and financial condition.<br>• Failure to maintain brand appeal is a potential business threat and negative publicity could have a material adverse effect on our reputation and the reputation of our brands, and that may adversely affect our results of operations, and financial condition. | ● (3 of 5) |
| **High dependency on senior management and other key employees** | ‹ › | • Competitive benefit plans (including option plans for the Management Board and key employees) are in place to align employee and shareholder incentives. | • The loss of their services would result in a loss of knowledge and experience which could adversely affect our ability to effectively determine and execute our strategy. | ● (3 of 5) |



⌄ Severity of risk, considering mitigation action, is lower ‹› No change to severity of risk ⌃ Severity of risk, considering mitigating actions, is higher

| Risk | Trend | Main countermeasures | Potential impact | Risk appetite |
| --- | --- | --- | --- | --- |
| **High IT system and IT employee dependency** | | • The nature of our business implies high dependency on certain IT systems (and IT employees) in the Netherlands, Germany, Bulgaria and Israel.<br>• Invested in enhancing our IT and IT security environments, both in human and financial resources.<br>• Selected IT application and general IT controls were independently tested to reduce the risk of any IT-related failure.<br>• Strong tools to monitor performance of IT infrastructure and processes.<br>• Continue to strengthen the IT security policies and culture to raise awareness of personnel for IT security.<br>• Detailed back-up and recovery procedures in case of emergencies. | • Any sustained failure of our IT systems (including the loss of key IT employees) would have a significant adverse impact on our reputation, our business, our results of operations, financial condition, and prospects. | |



Severity of risk, considering mitigation action, is lower   No change to severity of risk   Severity of risk, considering mitigating actions, is higher

| Risk | Trend | Main countermeasures | Potential impact | Risk appetite |
|---|---|---|---|---|
| **Compliance with laws and regulations related to Takeaway.com Payments** | | • Intragroup agreements with clear service levels in place between Takeaway.com and Takeaway.com Payments.<br>• Compliance function at the level of Takeaway.com Payments with a clear focus primarily on KYC and sanction aspects.<br>• Ensuring staff at Takeaway.com stays aware of regulatory requirements through ongoing training and presentations, including an internal KYC Ambassadors program.<br>• Takeaway.com Payments has policies and procedures in place that it believes are sufficient to comply with the applicable rules and regulations.<br>• Selected business, IT application and general IT controls tested independently for operating effectiveness using ISAE 3402. | • Non-compliance could lead to regulatory intervention, including administrative fines and ultimately the revocation of the license of Takeway.com Payments causing a material adverse impact on our reputation, business, results of operations, financial condition, and prospects. | |
| **Compliance with privacy regulation** | | • The Office of the Data Protection Officer was instituted in 2018 monitoring adherence to GDPR.<br>• Periodic reassessment of the GDPR risk and control libraries.<br>• Periodic awareness trainings to employees regarding GDPR related policies & procedures. | • Non-compliance could lead to regulatory fines up to 4% of the consolidated revenues causing a material adverse impact on our reputation, business, results of operations, financial condition, and prospects. | |



Severity of risk, considering mitigation action, is lower
No change to severity of risk
Severity of risk, considering mitigating actions, is higher

| Risk | Trend | Main countermeasures | Potential impact | Risk appetite |
|---|---|---|---|---|
| **Failing to adhere to internal standards on integrity** | | • Detailed fraud risk assessment (including systematic integrity risks) in place covering all departments and key processes to ensure potential fraud risks are addressed by appropriate mitigating controls at the appropriate level in the organisation.<br>• Code of Conduct outlining our approach to identified integrity issues.<br>• Addressing identified fraud by investigations including reporting to senior management and apply measures in line with our 'zero tolerance' approach. | • Fraud could result in a material adverse impact on our reputation, business, results of operations, financial condition, and prospects.<br>• Fraud in respect of payment services would pose a risk in view of out payment licence | |
| **Failing to provide reliable financial reporting** | | • Further enhanced various control libraries (design, implementation).<br>• Objectively tested various processes by our internal audit function.<br>• Selected business controls were independently tested to reduce the risk of any failure in our objective to timely provide reports, invoices, and payouts to restaurants, and refunds to consumers.<br>• Various monitoring layers in place to review financial and non-financial reports. | • Unintentional misstatements or manipulation could adversely affect our relationships with various stakeholders and therefore materially adversely impact our reputation, business, results of operations, financial condition, and prospects. | |
| **Geopolitical challenges in respect of new markets** | | • Technology of 10bis has been redeveloped for the B2B concept rolled out across various European countries.<br>• Monitoring foreign currency fluctuations for goodwill impairment assessments | • A significant economic, violent, military or political event could adversely and materially impact our business, results of operations, financial condition, and prospects. | |

Severity of risk, considering mitigation action, is lower  No change to severity of risk  Severity of risk, considering mitigating actions, is higher

| Risk | Trend | Main countermeasures | Potential impact | Risk appetite |
|---|---|---|---|---|
| **Our ability to successful and efficiently integrate new businesses with our existing operations** | | • Acquired the three websites of our main competitor in Germany.<br>• Controls are in place to achieve a successful and efficient integration of new businesses with the existing operations.<br>• Post-implementation review of integration to capture lessons learned. | • Integration may prove to be more costly than anticipated, may lead to failure to discover material liabilities for which Takeaway.com may be responsible, and/or we may not be able to retain acquired key staff members, restaurants, and consumers. |  |

Severity of risk, considering mitigation action, is lower   No change to severity of risk   Severity of risk, considering mitigating actions, is higher



## Monitoring

For all key risks, one Managing Director, supported by dedicated senior management of Takeaway.com, is made responsible for the successful completion of any required mitigating actions and periodically reports on progress to the Management Board.

The control libraries are a core part of our financial control process and most items are covered as part of ongoing operations or as part of the monthly close processes. Each control owner is responsible for the operating effectiveness of the assigned controls. Senior management and other personnel discuss the effectiveness and efficiency of controls with one Managing Director on a periodic basis (e.g. weekly or monthly). These meetings, other discussions, and relevant supporting evidence serve partially as substantiation for our in-control statement. The design and operating effectiveness of selected controls is periodically assessed by our second lines of defense (e.g. IT security, Risk and Control, Data & Analytics, Legal, compliance Takeaway.com Payments) as well as the third line of defense (Internal Audit).

We also updated our 2018 fraud risk assessment in 2019. Takeaway.com's stance with regard to integrity is clearly outlined in its Code of Conduct. Any incidents of fraud and theft within Takeaway.com will be promptly investigated, reported and, where appropriate, prosecuted. The fraud risk assessment is carried out annually. In addition, we carry out in-depth investigations of (possible) fraud cases, which may lead to an intermediate update of the fraud risk assessment.

Our strong data & analytics capability not only provides insight into our operational drivers, it also acts as a powerful monitoring tool that enables us to quickly detect unusual or significant transactions and follow up on these if necessary.
Finally, the Internal Audit function reports at least on a quarterly basis to the Management Board and Supervisory Board on the outcome of its activities.

# Compliance on Privacy

In 2019, we further enhanced our measures on transparency for consumers and our internal data protection processes.

## Introduction

Takeaway.com takes privacy and data protection of all data subjects of whom it processes data very seriously. The General Data Protection Regulation (GDPR) which came into effect in May 2018 is used at Takeaway.com to reassess and further improve its measures and procedures on data protection and privacy. The key priorities of Takeaway.com's privacy compliance strategy for 2019 were enhancing the compliance on privacy by improved monitoring and enhanced data retention policies and practices. The privacy compliance of Takeaway.com is overseen by the Privacy Council, which include members with different expertise.



### Risk & Control

One of the major improvements has been to strengthen the operations within the organisation to follow the privacy requirements and become more agile at the same time by assigning privacy responsibilities. This effort with the Privacy Ambassador Network and Business Process Owners imposes additional risks. New controls have been included in our Privacy Control Framework to manage these risks and in 2020 will undergo testing by our Internal Audit function.

In relation to the increased responsibilities and to further cement the knowledge level of the Privacy Ambassador Network we have embarked on a certification programme of the International Association of Privacy Professionals (IAPP).

## Transparency

It is important to Takeaway.com that its data subjects have the opportunity to see how Takeaway.com deals with their personal data, so that one can make an informed decision. Therefore, we have updated our Privacy Statements and the various possibilities to consent on our websites.

## Processes

After the previous year with the introduction of the GDPR, we have seen that automation is proven to be key in reliability and scalability of the internal data protection processes. Therefore, we have worked on the automation of data subject requests and retention. For increased maintainability of the record of processes we have set up a Privacy Portal where employees, Business Process Owners together with the Privacy Ambassador Network, are able to perform Data Privacy Impact Assessments with ease.

## Objectives

In 2020, Takeaway.com will focus on further enhancing privacy automation and increasing the responsibilities of the Privacy Ambassador Network.

# Information for shareholders

The Company aims to maintain and further strengthen a strong reputation of a transparent, proactive and approachable company.

## Investor relations policy

We are committed to complying with applicable rules and regulations on fair disclosure to shareholders. The Company has a detailed communication program in place to maintain proper communications with investors, shareholders and analysts. Communication events are available on the section “Investor Relations” and are posted on the Company’s corporate website: http://corporate.takeaway.com at the same time as they are made available to analysts and investors.

Bilateral meetings with (potential) shareholders will not be held during a period of approximately six weeks immediately prior to the first publication of the annual results, a period of approximately one month prior to the first publication of the semi-annual results, and for a period of approximately 10 days immediately prior to the first publication of our quarterly trading updates, if applicable.

During these periods the Company will also refrain from making presentations at financial conferences, to retail investor audiences or one-on-one meetings with shareholders. Exceptions may apply, for example if communication relates to factual clarifications of previously disclosed information.

The Company does not assess, comment upon, or correct, other than factually, any analyst report or valuation prior to publication. The Company is committed to helping investors and analysts become better acquainted with Takeaway.com and its management, as well as to maintaining a long term relationship of trust with the investment community at large.

The policy regarding bilateral contacts with shareholders provides the principles upon which Investor Relations engages with shareholders and other market participants to provide this information.

The Company has published its policy regarding bilateral contacts with shareholders on https://corporate.takeaway.com/governance/corporate-governance.

## Dividend policy

The Company intends to retain any future distributable profits to expand the growth and development of Takeaway.com's business and, therefore, does not anticipate paying any dividends to shareholders in the foreseeable future.

## AEX-Index at Euronext Amsterdam

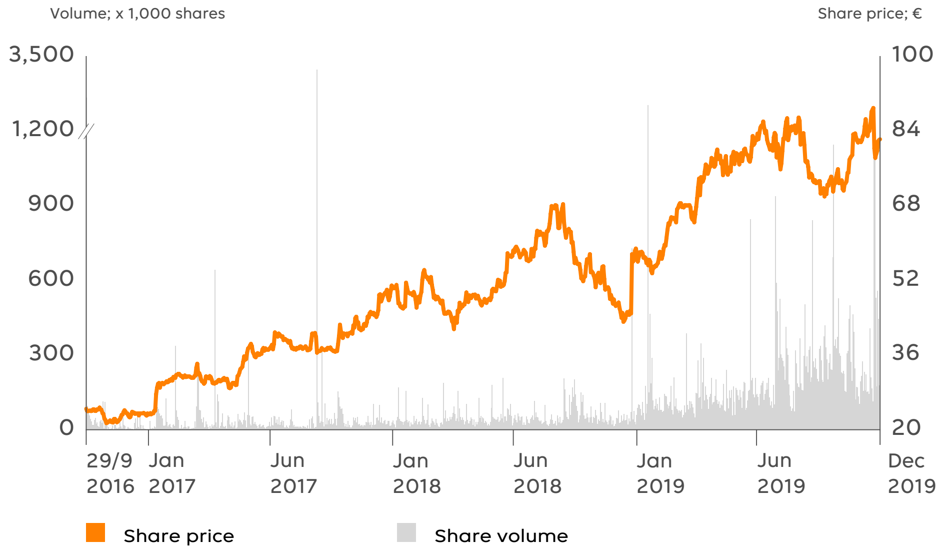
Following an initial public offering in September 2016, the shares of Takeaway.com are listed and traded on Euronext Amsterdam under the listing name Takeaway.com – symbol TKWY. Takeaway.com N.V. is included in the AMX-Index at Euronext Amsterdam

## Takeaway.com N.V. share price performance

Since the beginning of 2019, the development of the share price of the Company on Euronext Amsterdam is as follows:

### Data per share

The average daily trading volume in Takeaway.com N.V. shares on Euronext




Amsterdam between 1 January 2019 and 31 December 2019 was 220,211 shares (source: Euronext Amsterdam).

On the basis of the total number of 61,206,450 issued ordinary shares, the market capitalisation as at 31 December 2019 was €5.0 billion.

# Shareholders with 3% or more interest

According to the Financial Supervision Act, investors are required to notify the Dutch Authority for the Financial Markets (AFM) if their shareholding or voting rights reach, exceed or fall below certain thresholds. Such disclosures can be found at www.afm.nl.

According to the AFM register as at 17 January 2020, shareholders who have disclosed holdings exceeding the 3% threshold are as follows:

| Name | Date | Capital Interest | Voting Interest |
|---|---|---|---|
| | | % | % |
| Gribhold (founder) | 22 January 2019 | 29.63 | 29.63 |
| Capital Research and Management Company | 18 January 2019 | 0.00 | 7.09 |
| Smallcap World Fund, Inc. | 18 January 2019 | 6.25 | 0.00 |
| Adelphi Capital LLP | 18 January 2019 | 4.01 | 2.69 |
| Cat Rock Capital Management | 22 January 2019 | 4.88 | 4.88 |
| Ameriprise Financial (Threadneedle) | 4 October 2016 | 4.36 | 4.36 |
| Massachusetts Financial Services Company | 22 January 2019 | 2.75 | 3.23 |

It is possible that the stated interests differ from the current interests of the relevant shareholder.

# Shareholders with 10% or more interest

One of the Company's indirect subsidiaries, Takeaway.com Payments, is supervised by the Dutch Central Bank (DNB) as a licensed payment institution and is required to comply with rules applicable to payment institutions. Pursuant to one of these rules, Takeaway.com Payments must as soon as possible notify DNB if a shareholder's qualifying holding interest in Takeaway.com Payments exceeds 20%, 30% or 50%, or falls below 10%, 20%, 30% or 50%. In addition, each person is required to obtain a declaration of no objection from DNB before it can hold, acquire or increase a qualifying holding in a payment institution, or exercise any voting power in connection with such holding. A direct or indirect participation in a payment institution is a qualifying holding when it represents 10% or more of the shares and/or voting rights in the payment institution. This means that acquiring a holding of 10% or more of the shares and/or voting rights in Takeaway.com and, following the Combination, the Combined Group requires a declaration of no objection from the DNB and that certain changes to such an interest (as described above) also require such a regulatory approval. In addition, obtaining rights to appoint the majority of the managing board or other means of providing significant influence over the management of the payment institution also falls within the scope of a "qualifying holding".

# Capital events 2019

## Accelerated bookbuild offering

On 18 January 2019, the Company placed 8.35 million new ordinary shares at an issue price of €51.50, representing approximately 19% of the Company's outstanding share capital, raising approximately €430 million through an accelerated bookbuild offering. The accelerated bookbuild offering was completed on 22 January 2019, so as of that date the total number of issued shares in the Company amounted to 51,646,266 ordinary shares.

## Convertible bond offering

On 18 January 2019, concurrent with the accelerated bookbuild offering, convertible bonds have been offered at 100% of their nominal value, with an interest rate of 2.25% payable semi-annually in arrears in equal instalments on 25 January and 25 July of each year, commencing on 25 July 2019, and have a maturity of five years and a minimum denomination of €100,000 each. The initial conversion price of the convertible bonds has been set at €69.525, representing a conversion premium of 35% above the issue price of €51.50 per share. Completion of the convertible bonds offering occurred on 25 January 2019.

The gross proceeds raised from the accelerated bookbuild and the convertible bond issuance were used to pay the cash portion of the acquisition of Germany Businesses and to repay the bridge financing in connection with the 10bis acquisition.

# Financial calendar 2020

Our financial calendar can be viewed on:
https://corporate.takeaway.com/investors/financial-calendar/

# Contact

Shareholders, investors and analysts are invited to contact investor relations with any information requests they have:

Joris Wilton
Investor Relations
+31 6 143 154 79
joris.wilton@takeaway.com

03

# Financial statements

# Consolidated statement of profit or loss and other comprehensive loss

for the year ended 31 December

| €'000 | Note | 2019 | 2018 |
|---|---|---|---|
| Revenue | 3 | 415,881 | 232,314 |
| Cost of sales | 4 | (110,892) | (43,726) |
| **Gross profit** | | **304,989** | **188,588** |
| Staff costs | 5 | (112,383) | (55,959) |
| Other operating expenses | 6 | (232,874) | (158,591) |
| Depreciation and Amortisation expenses | 12, 13 | (37,560) | (7,948) |
| Finance expense | 7 | (16,297) | (1,294) |
| Gain on joint venture disposal | 8 | 6,020 | – |
| Share of loss of joint ventures | | – | (170) |
| **Loss before income tax** | | **(88,105)** | **(35,374)** |
| Income tax (expense) / benefit | 9 | (27,385) | 21,357 |
| **Loss for the period** | | **(115,490)** | **(14,017)** |
| | | | |
| **Other comprehensive (loss) / income** | | | |
| Foreign currency translation gain related to foreign operations, net | | 12,352 | 257 |
| Other comprehensive income that may subsequently be reclassified to profit or loss | | 12,352 | 257 |
| **Other comprehensive income for the period** | | **12,352** | **257** |
| **Total comprehensive loss for the period** | | **(103,138)** | **(13,760)** |
| | | | |
| Loss attributable to: | | | |
| **Owners of the company** | | **(115,490)** | **(14,017)** |
| | | | |
| Total comprehensive loss attributable to: | | | |
| **Owners of the company** | | **(103,138)** | **(13,760)** |
| | | | |
| **Loss per share** | | | |
| Basic loss per share | 20 | (1.99) | (0.32) |
| Diluted loss per share | 20 | (1.99) | (0.32) |

The accompanying notes are an integral part of these consolidated financial statements.

# Consolidated statement of financial position

as at 31 December

| €'000 | Note | 2019 | 2018 |
|---|---|---|---|
| **Assets** | | | |
| Goodwill | 11 | 1,096,924 | 128,225 |
| Other Intangible assets | 12 | 375,736 | 126,783 |
| Property and equipment | 2, 13 | 36,372 | 7,053 |
| Other non-current assets | 14 | 3,522 | 720 |
| Equity investments | 15 | 7,026 | – |
| Joint ventures | | – | 102 |
| Deferred tax assets | 9 | 2,141 | 26,913 |
| Loans carried at amortised cost | | – | 1,747 |
| **Total non-current assets** | | **1,521,721** | **291,543** |
| | | | |
| Trade receivables payment service providers | 16 | 13,785 | 7,941 |
| Trade receivables corporate accounts | 16 | 23,934 | 15,747 |
| Trade receivables restaurants | 16 | 1,655 | 971 |
| Other receivables | 16 | 4,345 | 2,829 |
| Other current assets | 16 | 32,497 | 3,871 |
| Current tax assets | 9 | 7,025 | 499 |
| Inventories | 17 | 3,969 | 4,132 |
| Cash and cash equivalents | 18 | 49,763 | 89,558 |
| **Total current assets** | | **136,973** | **125,548** |
| | | | |
| **Total assets** | | **1,658,694** | **417,091** |

The accompanying notes are an integral part of these consolidated financial statements.

# Consolidated statement of financial position (continued)

as at 31 December

| €'000 | Note | 2019 | 2018 |
|---|---|---|---|
| **Shareholders' equity** | | | |
| Ordinary share capital | 19 | 2,448 | 1,729 |
| Share premium | 19 | 1,320,610 | 249,838 |
| Equity-settled employee benefits reserve | 19 | 4,457 | 4,665 |
| Option premium on convertible bonds | 19 | 23,308 | – |
| Foreign currency translation reserve | 19 | 12,246 | (106) |
| Accumulated deficits | 19 | (230,364) | (117,297) |
| **Total shareholders' equity** | | **1,132,705** | **138,829** |
| | | | |
| Borrowings | 21 | 222,446 | – |
| Deferred tax liabilities | 9 | 42,966 | 27,607 |
| Lease liability | 2, 23 | 17,326 | – |
| **Total non-current liabilities** | | **282,738** | **27,607** |
| | | | |
| Borrowings | 21 | 20,672 | 149,850 |
| Lease liability | 2, 23 | 9,627 | – |
| Trade payables | 22 | 6,677 | 6,036 |
| Amounts due to restaurants | 22 | 53,865 | 51,864 |
| Current tax liabilities | 9 | 42,375 | 7,485 |
| Other liabilities | 22 | 110,035 | 35,420 |
| **Total current liabilities** | | **243,251** | **250,655** |
| **Total liabilities** | | **525,989** | **278,262** |
| **Total shareholders' equity and liabilities** | | **1,658,694** | **417,091** |

The accompanying notes are an integral part of these consolidated financial statements.

# Consolidated statement of changes in equity

| €'000 | Note | Ordinary share capital | Share premium | Equity-settled employee benefits reserve | Option premium on convertible bonds | Foreign currency translation reserve | Accumulated deficits | Total shareholders' equity |
|---|---|---|---|---|---|---|---|---|
| **Balance at 1 January 2018** | | **1,727** | **249,534** | **2,161** | **–** | **(363)** | **(103,280)** | **149,779** |
| Loss for the period | | – | – | – | – | – | (14,017) | (14,017) |
| **Other comprehensive (loss) / income** | | | | | | | | |
| Foreign currency translation gain related to foreign operations, net | | – | – | – | – | 257 | – | 257 |
| **Other comprehensive income for the period** | | **–** | **–** | **–** | **–** | **257** | **–** | **257** |
| **Total comprehensive (loss) / income for the period** | | **–** | **–** | **–** | **–** | **257** | **(14,017)** | **(13,760)** |
| **Transactions with owners of the company** | | | | | | | | |
| Issuance of shares | | 2 | 193 | – | – | – | – | 195 |
| Issuance of shares to employees | 5 | 0 | 111 | (111) | – | – | – | 0 |
| Share-based payments | 5 | – | – | 2,615 | – | – | – | 2,615 |
| **Balance at 31 December 2018** | | **1,729** | **249,838** | **4,665** | **–** | **(106)** | **(117,297)** | **138,829** |

The accompanying notes are an integral part of these consolidated financial statements.

# Consolidated statement of changes in equity (continued)

| €'000 | Note | Ordinary share capital | Share premium | Equity-settled employee benefits reserve | Option premium on convertible bonds | Foreign currency translation reserve | Accumulated deficits | Total shareholders' equity |
|---|---|---|---|---|---|---|---|---|
| Initial application of IFRS 16 | | – | – | – | – | – | (634) | (634) |
| **Balance at 1 January 2019** | | **1,729** | **249,838** | **4,665** | **–** | **(106)** | **(117,931)** | **138,195** |
| Loss for the period | | – | – | – | – | – | (115,490) | (115,490) |
| **Other comprehensive (loss) / income** | | | | | | | | |
| Foreign currency translation gain related to foreign operations, net | | – | – | – | – | 12,352 | – | 12,352 |
| **Other comprehensive income for the period** | | **–** | **–** | **–** | **–** | **12,352** | **–** | **12,352** |
| **Total comprehensive (loss) / income for the period** | | **–** | **–** | **–** | **–** | **12,352** | **(115,490)** | **(103,138)** |
| **Transactions with owners of the company** | | | | | | | | |
| Issuance of shares | 19 | 333 | 418,061 | – | – | – | – | 418,394 |
| Issuance of shares related to business combination | 11 | 380 | 651,795 | – | – | – | – | 652,175 |
| Issuance of convertible bonds | 21 | – | – | – | 23,308 | – | – | 23,308 |
| Issuance of shares to employees | 5 | 6 | 916 | (3,056) | – | – | 3,057 | 923 |
| Share-based payments | 5 | – | – | 2,848 | – | – | – | 2,848 |
| **Balance at 31 December 2019** | | **2,448** | **1,320,610** | **4,457** | **23,308** | **12,246** | **(230,364)** | **1,132,705** |

The accompanying notes are an integral part of these consolidated financial statements.

# Consolidated statement of cash flows

for the year ended 31 December

| €'000 | Note | 2019 | 2018 |
|---|---|---|---|
| Loss for the year | | (115,490) | (14,017) |
| **Adjustments:** | | | |
| Depreciation and amortisation | 12, 13 | 37,560 | 7,948 |
| Gain on joint venture disposal | 8 | (6,020) | – |
| Share of profit of joint ventures | | – | 170 |
| Expense related to share-based payments | 5 | 2,848 | 2,615 |
| Finance costs recognised in profit or loss | 7 | 15,901 | 2,082 |
| Net foreign exchange gain | 7 | 396 | (531) |
| Charge for doubtful debt | 6, 16 | 1,204 | 422 |
| Income tax expense / (income) recognised in profit or loss | 9 | 27,385 | (21,357) |
| | | **(36,216)** | **(22,668)** |
| **Movement in working capital** | | | |
| (Increase) / decrease in inventories | 17 | 163 | (2,494) |
| (Increase) / decrease in trade, other receivables and other current assets | 11, 16 | (36,594) | 2,020 |
| Increase / (decrease) in trade and other payables | 11, 22 | (24,727) | 6,027 |
| Increase in other liabilities | 11, 22 | 43,710 | 20,684 |
| **Net cash (used in) / generated by operations** | | **(53,664)** | **3,569** |
| Interest paid | | (7,389) | (1,294) |
| Income taxes paid | 9 | (2,717) | (5,001) |
| **Net cash used in operating activities** | | **(63,770)** | **(2,726)** |

The accompanying notes are an integral part of these consolidated financial statements.

# Consolidated statement of cash flows (continued)

for the year ended 31 December

| €'000 | Note | 2019 | 2018 |
|---|---|---|---|
| **Cash flows from investing activities** | | | |
| Investment in other intangible assets | 12 | (853) | (899) |
| Investment in property and equipment | 13 | (7,597) | (3,607) |
| Repayments / (proceeds) of loans carried at amortised cost | | 1,747 | (888) |
| Cash outflow on acquisition, net of cash acquired | 11 | (489,144) | (124,769) |
| Investment in equity instruments | 15 | (7,026) | – |
| Proceeds / (repayment) from sale of investment in joint venture | 8 | 6,180 | (8) |
| **Net cash used in investing activities** | | **(496,693)** | **(130,171)** |
| | | | |
| **Cash flows from financing activities** | | | |
| Proceeds from issue of ordinary shares | 19 | 430,940 | 194 |
| Transaction costs related to issue of ordinary shares | 19 | (11,630) | – |
| Principal elements of lease payments | 2 | (8,205) | – |
| Proceeds from borrowings | 21 | 265,000 | 149,850 |
| Transaction costs related to the borrowings | 21 | (6,402) | – |
| Repayments of the loan related to acquisition | | – | (17,326) |
| Repayments of borrowings | 21 | (150,000) | – |
| **Net cash generated by financing activities** | | **519,703** | **132,718** |
| | | | |
| Net decrease in cash and cash equivalents | | (40,760) | (179) |
| | | | |
| Cash and cash equivalents at beginning of year | 18 | 89,558 | 89,793 |
| Effects of exchange rate changes of cash held in foreign currencies | | 965 | (56) |
| **Cash and cash equivalents at end of year** | | **49,763** | **89,558** |

The accompanying notes are an integral part of these consolidated financial statements.

# Notes to the consolidated financial statements

## 1 General

Takeaway.com is a leading online food delivery marketplace focused on connecting consumers and restaurants through its platform across ten European countries and Israel.

Takeaway.com N.V., renamed Just Eat Takeaway.com N.V. as per 31 January 2020 (the "Company"), is a public limited liability company incorporated and domiciled in Amsterdam, the Netherlands. The Company is the ultimate parent of the Group and its ordinary shares are quoted on Euronext Amsterdam (ticker symbol: TKWY) and on the London Stock Exchange since 3 February 2020 (ticker symbol: JET). The Company is registered at the Commercial Register of the Chamber of Commerce in Amsterdam, the Netherlands under number 08142836.



Amounts in the notes are in €'000 unless related to number and/or nominal value of shares, number and fair value elements of share options, or stated otherwise.

## 2 Basis of preparation

### Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union by the European Commission and in conformity with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements were authorised for issue by the Management Board and Supervisory Board on 12 February 2020.
The adoption of these consolidated financial statements is reserved for the shareholders in the Annual General Meeting scheduled for 14 May 2020.

## Basis of measurement

The financial statements have been prepared on the historical cost basis unless stated otherwise. Income and expenses are accounted for on an accrual basis.

Reference is made to the significant accounting policies as included in the relevant notes to the consolidated financial statements and Company financial statements for more detailed information on the measurement basis. These policies have consistently been applied by the group entities.

## Basis of consolidation

The consolidated financial statements include the accounts of the Company and the entities controlled by the Company (its subsidiaries) and Stichting Derdengelden Takeaway.com.

### Control

Control is achieved where Takeaway.com has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity, and has the ability to use its power to affect its returns. Takeaway.com considers all relevant facts and circumstances in assessing whether or not Takeaway.com's voting and share rights in an investee are sufficient to give it power.
Consolidation of a subsidiary begins when Takeaway.com obtains control over the subsidiary and ceases when Takeaway.com loses control over the subsidiary.

### Consolidation process

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with Takeaway.com's accounting policies. All intra-group assets and liabilities, equity, income and expenses relating to transactions between members of Takeaway.com are eliminated in full on consolidation.

Income and expenses of subsidiaries acquired/disposed of during the year are included/excluded from the consolidated statement of profit or loss and other comprehensive income (OCI) from the date Takeaway.com gains/loses control of the subsidiary.

Profit or loss and each component of OCI are attributed to the shareholders of the Company.

## Foreign currencies

### Functional and presentation currency

The financial statements are presented in euros, which is the Company's functional and presentation currency.

### Foreign currency transactions

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in OCI and reclassified from equity to profit or loss on repayment of the monetary items.

### Foreign operations

The assets and liabilities of Takeaway.com's foreign operations, including goodwill and fair value adjustments arising on acquisitions, are translated into euros using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in OCI and accumulated in a foreign currency translation reserve as part of shareholders' equity.

## Going concern

The Management Board has assessed the going concern assumptions of Takeaway.com during the preparation of the financial statements. There are no events or conditions that give rise to doubt the ability of Takeaway.com to continue for the period of twelve months after the preparation of the financial statements. The assessment included knowledge of Takeaway.com, the estimated economic outlook and identified risks and uncertainties in relation thereto. Furthermore, the review of our strategic plan and budget, including expected development in liquidity, debt and capital. Consequently, it has been concluded that it is reasonable to apply the going concern concept as the underlying assumption for the financial statements.

## Comparatives

Where necessary, certain immaterial reclassifications have been made to the prior-year financial information and the notes thereto to align with the current year presentation and to improve insights to stakeholders.

## Impairment

The carrying amounts of the assets of Takeaway.com are reviewed each reporting period to determine whether there is any indication of impairment. If such indication exists, then the recoverable amount of the asset is estimated. Goodwill is tested annually for impairment, and whenever an impairment trigger is identified.

Receivables are assessed for impairment based on the "expected credit loss" model. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating unit (CGU). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount is the greater of the fair value less costs to sell and value in use. In assessing the value in use, estimated future cash flows are discounted to present values using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised whenever the carrying amount of an asset or its CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised with regard to CGUs are allocated first to reduce the carrying amount of any goodwill allocated to CGUs and then to reduce the carrying amount of the other assets in the CGU on a pro-rata basis. An impairment loss of goodwill is not reversed. Regarding other assets, an impairment loss can be reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**Derivative financial instruments**

The general policy of Takeaway.com is not to enter into derivative financial instruments. As at 31 December 2019, no derivative financial instruments were entered into.

**Offsetting of financial assets and financial liabilities**

Financial assets and liabilities are offset and reported as a net amount in the consolidated statement of financial position when there is a legally enforceable right to offset the amounts recognised and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of Takeaway.com or the counterparty.

**Consolidated statement of cash flows**

The consolidated statement of cash flows has been prepared using the indirect method. The indirect method implies that the consolidated result for the year is adjusted for items and expenses that are not cash flows and for autonomous movements in operating working capital (excluding impact from business acquisitions). Cash payments to employees and suppliers are recognised as cash flows from operating activities. Cash flows from operating activities also include costs of business acquisition and divestment related costs, spending on provisions, and income taxes paid on operating activities.

Cash flows from investing activities are those arising from capital expenditure and disposal, additions and disposals of loans carried at amortised cost, additions and disposals of joint ventures and equity investments, and from the acquisition of business combinations. Cash and cash equivalents available at the time of acquisition or sale are deducted from the related payments or proceeds.

Cash flows from financing activities comprise the cash receipts of the exercise of share options, and payments for issued shares, debt instruments, and short-term financing.

## New accounting standards and developments

In the current period, Takeaway.com has mandatorily adopted IFRS 16, IFRIC 23 and a number of amendments to IFRSs issued by the IASB that are effective for the current accounting period.

The consolidated financial statements as at and for the year ended 31 December 2019 differ from the 2018 consolidated financial statements due to new standards and interpretations becoming effective.
The following amendments to standards were applied for the first time in 2019, resulting in consequential changes to the accounting policies and other note disclosures, where applicable:

- IFRS 16 Leases
- IFRIC Interpretation 23 Uncertainty over Income Tax Treatments
- Amendments to IFRS 9 Prepayment Features with Negative Compensation
- Amendments to IAS 28 Long-term Interests in Associates and Joint Ventures
- Amendments to IAS 19 Plan Amendment, Curtailment or Settlement
- Annual Improvements to IFRS Standards 2015–2017 Cycle including amendments to IFRS 3 Business Combinations, IFRS 11 Joint Arrangements, IAS 12 Income Taxes and IAS 23 Borrowing Costs

IFRIC 23 relates to the accounting of uncertain tax positions. As of 31 December 2019, we do not have uncertain tax positions, included in the consolidated financial statements, that are impacted by the implementation of IFRIC 23.

The amendments to IFRS 9, IAS 28, IAS 19, IFRS 3, IFRS 11, IAS 12 and IFRIC 23 do not have a significant impact as of the on the disclosures or on the amounts reported in these financial statements.

## IFRS 16 Leases

Takeaway.com has applied IFRS 16 Leases (as issued by the IASB in January 2016) effective as of 1 January 2019. IFRS 16 replaces IAS 17 Leases and IFRIC 4.
IFRS 16 introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low-value assets when such recognition exemptions are adopted. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged.

### Policies applicable from 1 January 2019

#### As a lessee

A right-of-use asset and a lease liability are recognised at the lease commencement date.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease
liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever an obligation is incurred for costs to restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects the expectation to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The Group applies IAS 36 to determine whether a right-of-use asset is impaired.

Takeaway.com applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Takeaway.com applies the lease of low-value assets recognition exemption to leases of bikes and office equipment that are considered to be low value (i.e., below €5,000). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

#### As a lessor

Lessor accounting under IFRS 16 is substantially unchanged under IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. At 1 January 2019 Takeaway.com did not have lease contracts where Takeaway.com acted as a lessor. As a result of business combination (note 11) Takeaway.com acquired two sub-lease contracts. These contracts are classified as finance leases under IFRS 16 as of 1 April 2019. Net investment in the leases and finance income are disclosed in note 7 and note 14.

### Transition

Takeaway.com has adopted IFRS 16 using the modified retrospective method, under which the cumulative effect of initial application is recognised in accumulated deficits as at 1 January 2019. Accordingly, the comparatives have not been restated, these are continued to be presented based on IAS 17 and related interpretations.

As a lessee, Takeaway.com has adopted a number of key options and practical expedients allowed under IFRS 16, see below.

The associated right-of-use assets were measured on a retrospective basis as if the new rules had always been applied. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

When measuring lease liabilities, the lease payments are discounted using its incremental borrowing rate as at 1 January 2019. The weighted-average rate applied is 2.49%

The change in accounting policy affected the following items in the balance sheet on 1 January 2019:

| €'000 | 1 January 2019 |
|---|---|
| **Assets** | |
| Right-of-use assets presented in Property and equipment | 14,638 |
| Deferred tax asset | 103 |
| Prepayments | – |
| **Total assets** | **14,741** |
| | |
| **Liabilities** | |
| Lease Liabilities | 15,375 |
| Deferred tax liabilities | – |
| Accruals | – |
| **Total liabilities** | **15,375** |
| **Total adjustment on equity** | **634** |

In applying IFRS 16 for the first time, Takeaway.com used the following practical expedients permitted by the standard:

- the application of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- reliance on previous assessments on whether leases are onerous;
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases;
- the accounting for operating leases that are considered of low value (i.e., below €5,000) as lease of low-value assets;
- the exclusion of initial direct costs for the measurement of the right-of-use asset as at the date of initial application; and
- the use of hindsight in determining the lease term where the contract contains an option to extend or terminate the lease.

Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Takeaway.com has elected not to reassess whether a contract is or contains a lease at the date of initial application. Instead, Takeaway.com relied on its assessments made earlier related to IAS 17 “Leases” and IFRIC 4 “Determining whether an Arrangement contains a Lease”.

The lease liabilities as at 1 January 2019 can be reconciled to the operating lease commitments as of 31 December 2018 as follows:

| €'000 | 31 December 2018 |
|---|---|
| **Operating lease commitments** | **22,310** |
| Discounted using the lessee incremental borrowing rate of at the date of initial application | 21,154 |
| Add finance lease liabilities recognised as at 31 December 2018 | – |
| Less short-term leases recognized on a straight-line basis as expense | (126) |
| Less low-value leases recognised on a straight-line basis as expense | (5,653) |
| Less adjustment as a result of different treatment of extension and termination options | – |
| **Total** | **15,375** |

| €'000 | 1 January 2019 |
|---|---|
| **Lease liability recognised** | |
| Current lease liabilities | 2,999 |
| Non-current lease liabilities | 12,376 |
| **Total** | **15,375** |

Set out below are the carrying amounts of Takeaway.com's right-of-use assets and lease liabilities and the movements during 2019:

| | Right-of-use asset | | Lease Liability |
|---|---|---|---|
| €'000 | Real estate | Vehicles | |
| **As at 1 January 2019** | **13,894** | **744** | **15,375** |
| Additions | 8,409 | 900 | 9,298 |
| Additions from business combinations | 7,091 | 260 | 9,365 |
| Disposals | (14) | – | (15) |
| Depreciation expense | (7,194) | (458) | – |
| Interest expense | – | – | 635 |
| Payments | – | – | (8,205) |
| Foreign exchange movement | 522 | – | 500 |
| **As at 31 December 2019** | **22,708** | **1,446** | **26,953** |

Takeaway.com recognised lease expenses from short-term leases of €0.1 million, and leases of low-value assets of €2.9 million in 2019.

Reference is made to note 13 Property and equipment, note 23 Financial Instruments and 26 Off-balance sheet commitments and the consolidated statement of cash flows for further disclosures on the leases.

The application of IFRS 16 has no impact on the disclosed earnings per share.

## New and amendments to standards and interpretations not yet adopted

The following new and amendments to existing standards have been published and are mandatory for periods beginning on or after 1 January 2020 which have not been adopted early in these consolidated financial statements.

- Amendment to IFRS 3;
- Amendment to IAS 1 and IAS 8 Definition of Material;
- Amendments to References to the Conceptual Framework; and
- Adoption of IFRS 17 Insurance contracts.

It is not expected that the adoption of the amendments and the new standard listed above will have a material impact on the Company's consolidated financial statements in future periods.

## Critical accounting judgements and key sources of estimation uncertainty

The preparation of the consolidated financial statements in conformity with IFRS requires the Management Board to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenues, expenses and the disclosure of contingent assets and liabilities. The application of accounting policies requires judgements that impacts the amounts recognised. In general, the judgements, estimates and assumptions are based on market information, knowledge, historical experience and other factors that the Management Board believes to be reasonable under the circumstances. The recognised amounts are based on factors which by default are associated with uncertainties. Actual results may differ from those estimates and may result in material adjustments in the next financial year(s).

The estimates and underlying assumptions are reviewed on an ongoing basis. 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 of the revision and future periods if the revision affects both current and future periods.

The most significant judgements, estimates and assumptions are:

### Taxation

For each group entity, the current income tax expense is calculated and (material) differences between the accounting and tax base are determined, resulting in deferred tax assets or liabilities. These calculations may deviate from the final tax assessments, which will be received in future periods.

In determining the amount of current and deferred tax, the impact of uncertain tax positions and whether additional taxes and interest may be due are taken into account. Takeaway.com believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. Tax liabilities are recognised when it is considered probable that there will be a future outflow of funds to a taxing authority. In such cases, provision is made for the amount that is expected to be settled, where this can be reasonably estimated. A change in estimate of the likelihood of a future outflow and/or in the expected amount to be settled would be recognised in the period in which the change occurs. This requires the application of judgement as to the ultimate outcome, which can change over time depending on facts and circumstances. Judgements mainly relate to transfer pricing, including inter-company financing, expenditure deductible for tax purposes and restructuring of the assets in order to align the tax and legal structure with the business model of Takeaway.com.

A deferred tax asset is recognised to the extent that it is probable that sufficient and suitable future taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilised. Relevant tax law is considered to determine the availability of the losses to offset against the taxable profits in the future. Recognition of deferred tax assets therefore involves judgement regarding the future financial performance of the entities for which the deferred tax asset has been recognised and is therefore inherently uncertain. See note 9 for details of the tax losses recognised.

### Share-based payments

Takeaway.com measures the cost of equity-settled transactions with the Managing Directors under LTIP and participants of ESOP by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. Judgements are applied in relation to estimations of the number of shares and options that will vest and of the fair value of the shares and options granted to the Managing Directors and participants of ESOP.

The vesting under LTIP and ESOP is based on a service condition (continued employment) and five non-market performance conditions (for the Managing Directors only). Estimates of fair value are made using a widely recognised share option value model (Black-Scholes-Merton option pricing model). Judgement is applied in determining the assumptions, which are the basis for the share option value model, continued employment, and the realisation of the non-market performance conditions over the 2-3-year period, if applicable. See note 20 for details of the key assumptions used.

### Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the CGUs to which goodwill has been allocated. The value in use calculation requires the Managing Directors to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

The carrying amount of goodwill as at 31 December 2019 amounted to €1,096.9 million (31 December 2018: €128.2 million). No impairment loss was recognised during 2019 (2018: nil). Reference is also made to note 11 for further details.

The Managing Directors believe that the impairment analyses and assumptions used are appropriate in determining that the goodwill is not impaired as at 31 December 2019 and 31 December 2018, respectively.

### Impairment of intangible assets other than goodwill

Intangible assets other than goodwill are impaired if the carrying value exceeds the recoverable amount (i.e. the higher of fair value less costs of disposal and value in use). An impairment test is carried out on the intangible asset or CGU where there is an indication of impairment during the year. In such cases, the Managing Directors determine the value in use by estimating the future cash flows expected to arise from the asset or CGU and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

In 2019, there were no indicators of impairment in relation to the intangible assets other than goodwill. The carrying amount of intangible assets other than goodwill as at 31 December 2019 amounted to €375.7 million (31 December 2018: €126.8 million). No impairment loss was recognised during 2019 (2018: nil).

### Business combinations and purchase price allocations

On 1 April 2019, Takeaway.com acquired the German Businesses for a total consideration of €1,203.7 million consisting of a cash payment and an issuance of 9.5 million ordinary shares. In 2019, the total consideration of €1,203.7 million was transferred. Takeaway.com has provisionally determined the purchase price allocation for this business combination leading to the recognition of goodwill of €963.7 million, other intangible assets of €265.8 million, non-current assets of €2.0 million, deferred tax liability of €19.7 million, current tax liability €22.3 million and net working capital of €14.2 million. A subsequent adjustment was made, see note 11.

The provisional purchase price allocation is based on an estimation of the identifiable assets acquired and liabilities assumed. This estimation requires the Managing Directors to estimate the future cash flows expected to arise from the assets and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise, or significant changes may occur during the measurement period. The main reason for being provisional is the settlement of liabilities.

The Managing Directors believe that the assumptions used in the provisional purchase price allocation are appropriate as at 31 December 2019.

### Useful lives of non-current assets

The useful lives have to be determined for other intangible assets and property and equipment. The useful lives are estimated based upon best practice within Takeaway.com and are in line with common market practice. Takeaway.com reviews the remaining useful lives of its non-current assets annually.

The uncertainty included in this estimate is that the useful lives are estimated longer than the actual useful live of the intangible assets and property and equipment, which could possible result in accelerated amortisation and depreciation in future years and/or impairments at the end of the actual useful live of the related intangible assets and property and equipment.

### Provisions and contingencies

In determining the likelihood and timing of potential cash out flows, Takeaway.com needs to make estimates. For claims and litigation, the assessment is based on internal and external legal assistance and established precedents. For contingencies, Takeaway.com is required to exercise significant judgement to determine whether the risk of loss is possible but not probable. Contingencies involve inherent uncertainties including, but not limited to, court rulings and negotiations between affected parties.

## 3 Revenue

Revenue consists of commission revenue, online payment services revenue and other revenue. Revenues are measured based on the consideration specified in contracts or based on customary business practices. Revenue is recognised net after deductions of rebates and other similar allowances whenever applicable. Revenues are recognised at a point in time. This is when the order is successfully transmitted from the consumer to the restaurant or when the merchandise or other goods are delivered or services are rendered to the consumer or restaurant. Revenues are only recognised when the performance obligations are satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. As fulfilment of the food order remains the responsibility of, and therefore remains within the control of, the restaurant, the gross order value placed by customers is not recognised as revenue, only the commission to which we are entitled.

Vouchers are considered as a consideration payable to customers and are therefore deducted from revenue. Vouchers have a unique reference number and have an expiry date. These are recognised as a deduction to revenue when the order takes place; as the discount is in respect of future orders no provision is made at the point the discount vouchers are granted.

| €'000 | 2019 | 2018 |
|---|---|---|
| Commission revenue | 382,518 | 217,393 |
| Online payment service revenue | 29,491 | 15,964 |
| Other revenue | 14,834 | 6,686 |
| Vouchers | (10,962) | (7,729) |
| **Revenue** | **415,881** | **232,314** |

Commission revenue represents the commission percentage charged to restaurants on the value of each order, or a fixed charge per order. Online payment services revenue represents the fees charged for processing online payments. Other revenue represents sales of goods such as merchandise and GPRS printers.

Revenue was €415.9 million in 2019 (2018: €232.3 million). In line with IFRS 15, voucher expenses have been classified as revenue. As vouchers continue to serve a strictly marketing purpose, Takeaway.com will disclose voucher expenses separately for comparison reasons.

Due to Takeaway.com's highly fragmented participating restaurant base, no single restaurant contributed 10% or more to Takeaway.com's revenue in either 2019 or 2018.

## 4 Cost of sales

Cost of sales consists of the fees charged by external online payment service providers to process online payments for consumers on behalf of the restaurant; order management costs for transmitting orders from consumers to restaurants (such as the costs of the infrastructure, SMS costs and the cost of GPRS printers); the cost of merchandise sold and delivery expenses. The delivery expenses relate to the delivery staff wages and salaries, social security charges and pension premium contributions and other direct delivery costs.

The increase in cost of sales is primarily related to the growth in orders and the growth in Takeaway.com's restaurant delivery services (Scoober), which has a structurally higher cost of sales due to the cost of employing couriers.

| €'000 | 2019 | 2018 |
|---|---|---|
| Delivery staff costs | 69,572 | 21,370 |
| • Wages and salaries | 36,400 | 8,650 |
| • Social charges and premiums | 8,192 | 1,821 |
| • Temporary staff expenses | 24,980 | 10,899 |
| Other delivery costs | 4,366 | 2,462 |
| Online payment services costs | 21,366 | 11,545 |
| Order management costs | 13,088 | 7,293 |
| Merchandise costs | 2,500 | 1,056 |
| **Total cost of sales** | **110,892** | **43,726** |

The average number of employees converted into full-time equivalents (FTE) per operating segment:

| FTE (average) | 2019 | 2018 |
|---|---|---|
| The Netherlands | 427 | 262 |
| Germany | 1,018 | 262 |
| Other Leading Markets | 868 | 255 |
| **Total** | **2,314** | **780** |

| FTE (average) | 2019 | 2018 |
|---|---|---|
| Delivery staff – direct | 1,474 | 397 |
| Delivery staff – indirect | 840 | 382 |
| **Total Delivery staff FTE** | **2,314** | **780** |

The average number of FTEs for delivery staff was 2,314 (2018: 780), of which 82% worked outside the Netherlands (2018: 66%). The increase in our average number of FTEs for delivery staff is mainly driven by acquisitions.

## 5 Staff costs

Staff costs comprise directly attributable costs of staff and Managing and Supervisory Directors (excluding Scoober couriers and dispatch staff), social security charges, pension premium contributions, share-based payments and temporary staff expenses.
Pension premium payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered services entitling them to the contributions. Pension premiums are paid for by Takeaway.com.

| €'000 | 2019 | 2018 |
|---|---|---|
| Wages and salaries | 82,801 | 40,482 |
| Social charges and premiums | 13,862 | 7,272 |
| Pension premium contributions | 2,159 | 783 |
| Share-based payments | 2,848 | 2,615 |
| Temporary staff expenses | 10,713 | 4,807 |
| **Total staff costs** | **112,383** | **55,959** |

Share-based payment charges in scope of IFRS 2 are recognised in Staff costs.

The pension costs of the Group are wholly related to defined contribution retirement benefit plans for all qualifying employees of Takeaway.com, limiting the Group's legal obligation to the amount it agrees to contribute during the period of employment. The assets of the plans are held separately from those of the Group in funds under the control of pension insurance companies and pension funds. The defined contribution retirement benefit plans held by the foreign subsidiaries are similar to those held in the Netherlands.

The pension premium contribution payable to the pension provider is recorded as an expense. The capital available for the purchase of a pension equals the investment value as at pension date, which has not been guaranteed by Takeaway.com. Based on the administrative regulations, Takeaway.com has no other obligations than the annual pension premium payments.

The average number of employees converted into full-time equivalents (FTEs) per operating segment and per department:

| FTE (average) | 2019 | 2018 |
|---|---|---|
| The Netherlands | 789 | 439 |
| Germany | 651 | 318 |
| Other Leading Markets | 585 | 477 |
| **Total** | **2,024** | **1,233** |

| FTE (average) | 2019 | 2018 |
|---|---|---|
| Customer Service / Logistics | 1,019 | 604 |
| Sales | 314 | 225 |
| Marketing | 202 | 139 |
| Product and Technology | 308 | 160 |
| Management and Support | 181 | 105 |
| **Total Department FTE** | **2,024** | **1,233** |

The average number of FTEs for the departments was 2,024 (2018: 1,233), of which 61% worked outside the Netherlands (2018: 64%). The increase in our average number of FTEs is mainly driven by acquisitions and continued investments in the organisation to support our growth.

The total average number of FTEs for Takeaway.com was 4,338 (2018: 2,013).

## Share-based payments

Equity-settled share-based payments to employees and Managing Directors are measured at the fair value of the ordinary shares at the grant date.

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 Company's estimate of the number of ordinary shares and options that will eventually vest, with a corresponding increase in shareholders' equity. At the end of each reporting period, the Company revises its estimate of the number of ordinary shares and options expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

### LTIPs

The Company has equity-settled performance-based LTIPs in place for the Management Board. There have been three grants under the LTIPs:

- LTIP 2017-2019 granted as at 31 December 2016;
- LTIP 2018-2020 granted as at 31 December 2017;
- LTIP 2019-2021 granted as at 31 December 2018.

Under these LTIPs, conditional performance options were granted to each Managing Director. These options shall vest three years after the relevant grant date, subject to a service condition (continued employment) as well as five (non-market) performance conditions to be assessed over a three-year period.

For the different LTIPs, the targets used for vesting of the conditional performance options granted and their relative weights are as follows:

| Targets | Relative weight |
|---|---|
| Order growth to exceed 25% per annum in the medium-term | 20% |
| > 30% CAGR over 2015 Actual-2018 Estimate | 20% |
| Revenue growth to continue to exceed order growth after 2016 | 20% |
| Positive Adjusted EBITDA margin for both Germany and the Company within 2 to 3 years after the IPO[1] | 20% |
| The Netherlands Adjusted EBITDA to continue to increase after 2016[2] | 20% |

[1] The positive Adjusted EBITDA margin for both Germany and the Company in this context means monthly positive Adjusted EBITDA margins (whether or not the full year Adjusted EBITDA margins are positive) as also disclosed in the prospectus dated 19 September 2016 on page 121

[2] Following the higher than expected growth of Scoober, also in the Netherlands, we amended the medium-term objective for the Netherlands from "Netherlands Adjusted EBITDA margin to continue to increase" (LTIP 2017-2019) to "Netherlands Adjusted EBITDA to continue to increase" (LTIP 2018-2020 and LTIP 2019-2021)

There are no market conditions related to the LTIPs.

The maximum number of conditional performance options conditionally granted is calculated as 75% of the base salary of each Managing Director over the three-year vesting period divided by the fair value of the conditional performance option at grant date. Only to the extent the performance conditions are achieved at the vesting date of each LTIP and subject to the respective Managing Director's continued employment, the conditional performance options vest. Since a variable number of conditional performance options to the value of a fixed amount (75% of the base salary of each Managing Director) is awarded, commonly known as share options “to the value of”, the Company has assessed the impact of the service condition and performance conditions on the long-term incentive costs for the LTIPs. These conditions have no impact on the (grant date) fair value of the conditional performance options themselves but only affect the total estimated long-term incentive costs in each year as the maximum expense is adjusted to reflect estimates of forfeitures of conditional performance options due to e.g. failing to achieve one or more of the non-market performance conditions. The Supervisory Board resolved that the number of conditional performance options granted under the LTIP 2017-2019 would be capped at one-fourth of the maximum number of conditional performance options that could have been granted. Changes in estimates in the achievement of these conditional performance conditions are – different from the (legal) grant – adjusted in the current year by means of a cumulative catch-up. Only at the end of the LTIPs, the final result of the performance conditions will decide the ultimate number of conditional performance options to vest for each of the Managing Directors.

So far, no LITP has been granted to the Managing Directors as per 31 December 2019. On 14 May 2019 the General Meeting approved the amended remuneration policy for the Management Board, which entered into force the day after the AGM. The first conditional grant under the amended remuneration policy is expected to be made after the AGM in May 2020.

**Fair value of conditional performance options under the LTIPs granted in the period**

The weighted average fair value of the conditional performance options under the:

- LTIP 2017-2019 granted as at 31 December 2016 was €0.2 million;
- LTIP 2018-2020 granted as at 31 December 2017 was €0.7 million;
- LTIP 2019-2021 granted as at 31 December 2018 was €0.7 million.

The conditional performance options were priced using the Black-Scholes-Merton option pricing model. The inputs to the model of the conditional performance options were as follows:

| | LTIP 2017-2019 Grant date 31 December 2016 | LTIP 2018-2020 Grant date 31 December 2017 | LTIP 2019-2021 Grant date 31 December 2018 |
|---|---|---|---|
| Grant date share price | € 23.50 | € 50.88 | € 58.80 |
| Exercise price | € 23.37 | € 49.06 | € 54.62 |
| Expected volatility | 33.99% | 38.08% | 33.69% |
| Expected dividend yield | 0% | 0% | 0% |
| Risk-free rate | 1.04% | 0.55% | 0.33% |
| Vesting period | 3 years | 3 years | 3 years |
| Assumed life of share options | 10 years | 10 years | 10 years |
| Fair value at grant date | € 10.38 | € 24.31 | € 25.74 |

The assumptions for the LTIPs are based upon publicly available market data and internal information and are as follows:

- The maximum number of conditional performance options to be granted to the Managing Directors cannot exceed 75% of the base salary of each Managing Director;
- The exercise price is based on the average of the closing prices of the Company's shares in the five trading days preceding the grant date;
- LTIP 2017-2019: Expected volatility is based on the share price development of the Company on an annualised basis;
- LTIP 2018-2020 and LTIP 2019-2021: Because the Company has limited trading history as a public company, the estimated volatility of its share price is based on published historical volatilities of comparable publicly-traded companies in Takeaway.com's vertical markets (peer group) over ten years;
- No dividends are expected to be declared during the vesting period;
- The risk-free rate is based on bonds of the Dutch government;
- No early vesting of the conditional performance options is expected;
- It is expected that each of the Managing Directors will remain in service (no forfeitures).

The LTIP 2017-2019 vested as per 31 December 2019. Based on the relative weight of the targets under the performance conditions, 80% of the granted share options vested.

### STAK

The STAK is responsible for the management of the following plans:

- ESOP for senior management and certain other employees;
- Employee bonus shares plan to qualifying employees.

### ESOP for employees

The Company has an equity-settled ESOP for senior management and certain other employees ("ESOP Participants"). Under this ESOP, depositary receipts on shares and share options are awarded to ESOP Participants on an annual basis. The vesting of these shares and share options is solely subject to a service condition (continued employment of 2-3 years).
The contractual life of the share options is 10 years from the grant date.

The details of share options granted under the ESOP for ESOP Participants as at 31 December 2019 are as follows:

| Option series | Number of share options granted | Number of share options forfeited | Number of share options exercised | Number of share options outstanding at 31 December 2019 | Grant date | Expiry date | Exercise price (in €) | Fair value at grant date (in €) |
|---|---|---|---|---|---|---|---|---|
| 1 | 106,099 | (3,814) | (29,631) | 72,654 | 1 January 2017 | 1 January 2027 | 23.37 | 10.38 |
| 2 | 19,510 | – | (7,285) | 12,225 | 1 May 2017 | 1 May 2027 | 30.86 | 13.11 |
| 3 | 2,461 | – | – | 2,461 | 1 September 2017 | 1 September 2027 | 37.50 | 15.13 |
| 4 | 1,846 | – | – | 1,846 | 1 September 2018 | 1 September 2028 | 67.76 | 29.80 |
| 5 | 23,197 | (836) | – | 22,361 | 1 January 2019 | 1 January 2029 | 54.62 | 25.74 |
| 6 | 2,003 | – | – | 2,003 | 1 May 2019 | 1 May 2029 | 77.14 | 30.47 |
| 7 | 4,884 | – | – | 4,884 | 1 September 2019 | 1 September 2029 | 84.44 | 32.85 |



The details of shares granted under the ESOP for ESOP Participants as at 31 December 2019 are as follows:

| Share series | Number of shares granted | Number of shares forfeited | Number of shares exercised | Number of shares outstanding at 31 December 2019 | Grant date | Fair value at grant date (in €) |
|---|---|---|---|---|---|---|
| 1 | 128,574 | (4,622) | (85,519) | 38,433 | 1 January 2017 | 23.37 |
| 2 | 24,244 | – | (19,147) | 5,097 | 1 May 2017 | 30.86 |
| 3 | 2,454 | – | (1,644) | 810 | 1 September 2017 | 37.50 |
| 4 | 3,247 | – | – | 3,247 | 1 September 2018 | 67.76 |
| 5 | 43,717 | (1,576) | – | 42,141 | 1 January 2019 | 54.62 |
| 6 | 3,164 | – | – | 3,164 | 1 May 2019 | 77.14 |
| 7 | 7,600 | – | – | 7,600 | 1 September 2019 | 84.44 |

The vesting of the shares and share options under the ESOP is 0% in the first year after the grant date, 67% in the second year after the grant date, and 33% in the third year after the grant date. However, given that the ESOP Participant must remain in service, the long-term incentive costs are spread equally over the service period.

### Fair value of share options under the ESOP granted in the period

The weighted average fair value of the share options under the ESOP granted for the period ended 31 December 2019 is €2.3 million (2018: €2.3 million). The share options were priced using the Black-Scholes-Merton option pricing model. The inputs to the model of the share options were as follows:

The assumptions for the ESOP are based upon publicly available market data and internal information and are as follows:

- The maximum number of shares and options to be granted to the ESOP Participants is directly linked to the fixed salary of each employee;
- The exercise price is based on the average of the closing prices of the Company's shares in the five trading days preceding the grant date;
- Expected volatility is based on the share price development of a peer group of companies on a ten year basis;
- No dividends are expected to be declared during the vesting period;
- The risk-free rate is based on bonds of the Dutch government;
- No early vesting of the shares and options is expected.



| | Series 1 | Series 2 | Series 3 | Series 4 | Series 5 | Series 6 | Series 7 |
|---|---|---|---|---|---|---|---|
| Grant date share price | € 23.50 | € 30.92 | € 39.00 | € 68.10 | € 58.80 | € 76.70 | € 86.85 |
| Exercise price | € 23.37 | € 30.86 | € 37.50 | € 67.76 | € 54.62 | € 77.14 | € 84.44 |
| Expected volatility | 33.99% | 32.10% | 30.59% | 33.74% | 33.69% | 32.54% | 31.93% |
| Expected dividend yield | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Risk-free rate | 1.041% | 1.147% | 0.134% | 1.001% | 0.334% | 0.192% | -0.546% |
| Vesting period | 2-3 years | 2-3 years | 2-3 years | 2-3 years | 2-3 years | 2-3 years | 2-3 years |
| Assumed life of share options | 10 years | 10 years | 10 years | 10 years | 10 years | 10 years | 10 years |

## Movements in share options (LTIP and ESOP) during the period

The following reconciles all share options (LTIPs and ESOP) outstanding at the beginning and end of the reporting period:

| €'000 | 31 December 2019 Number of share options | 31 December 2019 Weighted-average exercise price (in €) | 31 December 2018 Number of share options | 31 December 2018 Weighted-average exercise price (in €) |
|---|---|---|---|---|
| **Opening balance** | **209,526** | **36.07** | **208,913** | **25.84** |
| Grants during the year: | | | | |
| • LTIP 2019-2021[1] | – | – | 31,323 | 54.62 |
| • ESOPs | 30,565 | 60.37 | 3,144 | 52.53 |
| Vesting during the year: | | | | |
| • LTIP 2017-2019 | (3,883) | 23.37 | – | – |
| Forfeitures during the year: | | | | |
| • ESOPs | (836) | 54.62 | (3,814) | 23.37 |
| Exercised during the year: | | | | |
| • ESOPs | (36,916) | 24.85 | (30,040) | 6.46 |
| **Balance at 31 December** | **198,456** | **39.21** | **209,526** | **36.07** |

[1] Reflecting the maximum number of conditional performance options granted to each managing director

### Share options exercised during the period

On 1 January 2019, 1 May 2019 and 1 September 2019, 66.67% of the share options of the first, second and third series vested. In addition, 2,404 share options from the second series vested on 30 October due to an accelerated vesting. 36,916 of these share options were exercised during 2019. The weighted-average share price during 2019 amount to €74.43.

### Share options forfeited during the period

In 2019, 836 ESOP share options were forfeited (2018: 3,814) as a result of voluntary terminations.

### Weighted average exercise price of outstanding share options

The share options outstanding as at 31 December 2019 had a weighted average exercise price of €39.21 (31 December 2018: €36.07) and a weighted average remaining assumed life of 8 years (31 December 2018: 8 years). The exercise prices are between €23.37 and €84.44.

### Long-term employee incentive costs

The long-term employee incentive costs can be specified as follows:

| €'000 | 2019 | 2018 |
|---|---|---|
| LTIP 2017-2019 | 71 | 45 |
| LTIP 2018-2020 | 266 | 234 |
| LTIP 2019-2021 | 250 | – |
| ESOPs | 2,261 | 2,336 |
| **Total long-term employee incentive costs** | **2,848** | **2,615** |

### Cash flow

The cash flows related to the share options are included in the proceeds from issue of ordinary shares for the amount of €0.9 million.

## 6 Other operating expenses

Other operating expenses are neither directly attributable to cost of sales, staff costs, nor the financing of the Group.

| €'000 | 2019 | 2018 |
|---|---|---|
| Marketing expenses | 142,853 | 120,030 |
| Housing expenses | 3,740 | 4,201 |
| Charge for doubtful debts | 1,204 | 422 |
| Other operating expenses | 85,077 | 33,938 |
| **Total operating expenses** | **232,874** | **158,591** |

A total of €2.9 million in earn-out arrangement is included in other operating expenses (2018: €1.1 million). This earn-out arrangement is related to the acquisition of Hello Hungry in Bulgaria and Romania and 10bis in Israel.

Due to the initial application of IFRS 16 as of 1 January 2019, housing expenses in 2019 amounting to €3.7 million only include non-lease ("service") components. In 2018, the lease component included in the housing expenses amounts to €3.1 million.

The increase of other operating expenses was mainly driven by legal and compliance, and professional services fees in relation to the acquisitions and integrations, reference is made to note 10.

## 7 Finance expense

Interest expenses and other finance cost are recognised using the effective interest method. Finance expenses are accounted for on an accrual basis.

| €'000 | 2019 | 2018 |
|---|---|---|
| Interest on convertible bond | (10,594) | – |
| Interest on lease liabilities | (635) | – |
| Interest on bridge loan | (150) | (57) |
| Interest on revolving credit facility | (47) | – |
| Other interest expense | (604) | (148) |
| Foreign exchange differences | (396) | – |
| Other finance cost | (3,871) | (1,089) |
| **Finance expense** | **(16,297)** | **(1,294)** |

Finance expenses consist of interest and other charges mainly related to the €250.0 million convertible bond issued in January 2019 in amount of €10.6 million and to lease liabilities in amount of €0.6 million.

The other finance cost mainly relates to transaction cost of the bridge loan facilities used for an amount of €2.9 million. As at 31 December 2019 there were no outstanding bridge loan facilities.

The weighted average rate on funds borrowed in 2019 is 5.2% per annum. Takeaway.com did not capitalise borrowing costs (2018: nil).

## 8 Gain on joint venture disposal

On 15 February 2019, Takeaway.com sold its interest in Takeaway.com Asia B.V. to Woowa Brothers, operators of the Korean market leader "Baedal Minjok". Gain from the joint venture disposal amounted to €6.0 million. In return for Takeaway.com's part of the purchase price it acquired 0.24% in Woowa Brothers Corp. This investment is presented in the statement of financial position in the line "Equity investments".

## 9 Income taxes

Income tax expense represents the sum of current and deferred tax expenses.

### Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit before tax" as reported in the consolidated statement of profit or loss and OCI because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current tax is recognised in profit or loss, except when it relates to a business combination or for items directly recognised in equity or other comprehensive income.

### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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 realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The Company is part of the fiscal unity in the Netherlands of which the Company is the parent and pursuant to standard condition as assumed joint and several liabilities for the tax liabilities of the fiscal unity. The Company files a consolidated tax return on behalf of the fiscal unity. No fiscal unity exists in other countries.

Deferred tax is recognised in profit or loss, except when it relates to a business combination or for items directly recognised in equity or other comprehensive income.

Takeaway.com offsets deferred tax assets and deferred tax liabilities if Takeaway.com has a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity; or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

### Income tax recognised directly in profit or loss

| €'000 | 2019 | 2018 |
|---|---|---|
| Current tax expenses | (8,826) | (7,729) |
| Deferred tax benefits / (expenses) | (18,559) | 29,086 |
| **Total tax recognised directly in profit or loss** | **(27,385)** | **21,357** |

In the past, Takeaway.com reported losses in its non-Dutch entities and therefore accumulated tax losses in these entities which can be carried forward to offset future taxable income, if any, and if not expired in the relevant countries. As of 2018, Takeaway.com implemented a new legal structure to reflect the centralised management and operating model of Takeaway.com. Subsequently, the transfer pricing policy was aligned with Takeaway.com's operating model and legal structure. As a result, the Dutch entities reported a loss on a consolidated level as of 2018. The non-Dutch entities reported a taxable profit overall, which has been partly offset with the tax losses carried forward in those non-Dutch countries. As of 31 December 2019, the tax declarations of the Dutch fiscal unity were provisional for the years 2016, 2017 and 2018 and at this date there were no uncertain tax provisions recognised.

The current tax expense of €8.8 million relates to the taxable result of the non-Dutch entities of Takeaway.com for a tax expense of €13.2 million, a tax benefit of €5.4 million as a result of a prior period adjustment relating to a carry back of 2018 tax-losses of the Dutch entities and a tax expense of €1.1 million as a result of a change in accounting estimate. The deferred tax expenses of €18.6 million relate to the offsetting of taxable profits with tax losses in Germany, Poland and the Netherlands and temporary differences in amortisation of intangible assets. The deferred tax expenses also include a deferred tax benefit of €1.2 million as a result of a prior period adjustment relating to a deferred tax asset previously not recognised.

The tax paid in 2019 was €2.7 million compared to €5.0 million in 2018. The difference between the tax cash paid in 2019 with the tax charge of €8.8 million is mainly attributable to the provisional tax declarations and adjustments relating to prior period.



### Reconciliation of the effective income tax rate

The activities of Takeaway.com are subject to corporate income tax in all countries it is active in, depending on presence and activity. The applicable statutory tax rates of the tax jurisdictions in which the Group operates vary between 10% and 33.9%, which may cause Takeaway.com's effective tax rate (ETR) to deviate from the Dutch corporate tax rate. The following table presents a reconciliation between the tax charge on the basis of the Dutch tax rate and the ETR.

The income tax benefit / expense for the year reconciled to the accounting loss is as follows:

| €'000 | 2019 | % | 2018 | % |
|---|---|---|---|---|
| Loss before income tax | (88,105) | | (35,374) | |
| Income tax benefit calculated at 25% Dutch income tax rate | 22,026 | 25.0% | 8,844 | 25.0% |
| Change of unrecognised deferred tax assets | (46,562) | (52.8%) | (23,829) | (67.4%) |
| Tax effect of utilisation of tax losses not previously recognised | – | 0.0% | 39,456 | 111.5% |
| Adjustments for tax of prior periods | 5,214 | 5.9% | – | 0.0% |
| Effect of non-deductible expenses | (1,821) | (2.1%) | (726) | (2.1%) |
| Effect of different tax rates of foreign subsidiaries | (6,653) | (7.6%) | (2,388) | (6.8%) |
| Other | 411 | 0.5% | – | 0.0% |
| **Income tax expense recognised in profit or loss** | **(27,385)** | **(31.1%)** | **21,357** | **60.4%** |



The income tax expense of €27.4 million in 2019 (2018: income tax benefit of €21.4 million) represents an ETR of (31.1)% (2018: 60.4%). This ETR is primarily impacted by the effect of unrecognised deferred tax assets for tax losses, acquisition cost and interest carried forward.

The income tax benefit of €4.4 million mainly relates to prior year adjustments for €5.4 million to a carry back of 2018 tax-losses of the Dutch entities, as well as a change in estimate of €1.1 million (tax expense).

### Current tax asset

| €'000 | 2019 | 2018 |
|---|---|---|
| Opening balance | 499 | – |
| Income tax from business combinations | – | 199 |
| Income tax prepaid | 2,131 | 550 |
| Income tax benefit / (expense) | 4,395 | (250) |
| Foreign exchange movements | – | – |
| **Balance at the end of the reporting period** | **7,025** | **499** |

### Current tax liabilities

| €'000 | 2019 | 2018 |
|---|---|---|
| Opening balance | 7,485 | 4,457 |
| Additions from business combinations | 22,250 | – |
| Income tax paid | (586) | (4,451) |
| Current tax expenses | 13,221 | 7,479 |
| Foreign exchange movements | 5 | – |
| **Balance at the end of the reporting period** | **42,375** | **7,485** |

The current tax expense of €13.2 million relates entirely to the taxable result of the non-Dutch entities of Takeaway.com and represents the tax charges on profits for the current year. The net tax paid in 2019 was €2.7 million. For the disclosure on the additions from business combinations we reference is made to note 11.

### Net deferred tax position

| €'000 | 2019 | 2018 |
|---|---|---|
| Deferred tax assets - gross | 27,508 | 26,913 |
| Offsetting | (25,367) | – |
| **Deferred tax assets - net** | **2,141** | **26,913** |
| | | |
| Deferred tax liabilities - gross | (68,333) | (27,607) |
| Offsetting | 25,367 | – |
| **Deferred tax liabilities - net** | **(42,966)** | **(27,607)** |
| **Net deferred tax asset/(liability)** | **(40,825)** | **(694)** |



### Deferred tax assets

| €'000 | Intangibles | Tax losses | Leases | Other | Total |
|---|---|---|---|---|---|
| Opening balance 1 January 2018 | – | – | – | – | – |
| Additions from business combinations | – | – | – | 88 | 88 |
| Recognition unused tax losses | – | 39,456 | – | – | 39,456 |
| Utilisation of tax losses | – | (12,631) | – | – | (12,631) |
| Other movements | – | – | – | – | – |
| Foreign exchange movements | – | – | – | – | – |
| **Balance at 31 December 2018** | **–** | **26,825** | **–** | **88** | **26,913** |
| Additions from business combinations | 9,813 | – | – | – | 9,813 |
| Recognition unused tax losses | – | – | – | – | – |
| Utilisation of tax losses | – | (20,107) | – | – | (20,107) |
| Other movements | (1,962) | 641 | 7,127 | 44 | 5,850 |
| Other movements through equity | – | 5,039 | – | – | 5,039 |
| Foreign exchange movements | – | – | – | – | – |
| **Balance at 31 December 2019** | **7,851** | **12,398** | **7,127** | **132** | **27,508** |

The deferred tax assets mainly relate to the recognition of the unused tax losses for Germany, Poland and the Netherlands as well as temporary differences related to intangible assets from the acquisitions closed during the year and leases (IFRS 16). The movement during the period mainly relates to the utilisation of the tax losses of Germany and Poland and the release of the deferred tax asset on intangibles as a result of amortisation. An amount of €9.1 million relating to deductible temporary differences have not been recognised.

### Deferred tax liabilities

| €'000 | Intangibles | Leases | Other | Total |
|---|---|---|---|---|
| Opening balance 1 January 2018 | 5,962 | – | – | 5,962 |
| Additions from business combinations | 23,905 | – | – | 23,905 |
| Other movements | (2,260) | – | – | (2,260) |
| Foreign exchange movements | – | – | – | – |
| **Balance at 31 December 2018** | **27,607** | **–** | **–** | **27,607** |
| Additions from business combinations | 29,377 | – | – | 29,377 |
| Other movements | (1,558) | 6,655 | (794) | 4,303 |
| Other movements through equity | – | – | 5,039 | 5,039 |
| Foreign exchange movements through OCI | 2,007 | – | – | 2,007 |
| **Balance at 31 December 2019** | **57,433** | **6,655** | **4,245** | **68,333** |

The deferred tax liability additions are recognised in relation to the other intangible assets from the acquisition closed during the year, leases (IFRS 16) and in relation to the convertible bond.

As at 31 December 2019, Takeaway.com had no taxable or deductible temporary differences associated with investments in subsidiaries, branches and associates and interests in joint arrangements.

The release during the period is related to amortisation of intangible assets.

### Unused tax losses

| €'000 | 2019 | 2018 |
|---|---|---|
| Takeaway.com N.V. (fiscal unity) | 198,913 | 77,699 |
| yd.Yourdelivery GmbH | 18,103 | 77,329 |
| Sto2 Sp. z.o.o. | 4,496 | 15,663 |
| Takeaway Express GmbH | 222 | 2,131 |
| Other | 5,201 | 1,032 |
| **Balance at the end of the reporting period** | **226,935** | **173,854** |

A total of €38.0 million of deferred tax assets for the Netherlands and €0.6 relating to the other countries have not been recognised as we did not meet the respective recognition criteria at 31 December 2019.

### Expiry period of tax losses

| €'000 | 2019 | 2018 |
|---|---|---|
| Within 1 year | – | 200 |
| In the next 2 to 10 years | 208,609 | 94,194 |
| Over 10 years | – | – |
| Unlimited | 18,326 | 79,460 |
| **Total** | **226,935** | **173,854** |

Following the further integration of Takeaway.com's operations in 2019, the non-Dutch entities and branches reported a profit overall, which partly has been offset with losses carried forward. The unused tax losses of the Company (for which no deferred tax asset has been recognised) originated before 2019, for the amount of €77.7 million, may be carried forward for nine consecutive years, and the unused tax losses arising from 2019, amounting to €97.3 million, may be carried forward for six consecutive years. The unused tax losses of Yourdelivery, Takeaway Express and Takeaway.com Belgium BVBA have no statutory expiration. Of the unused tax losses of Sto2 that originated in 2016, 50% will expire in 2022 and of those tax losses that originated in 2017, 50% will expire in 2023. The other unused tax losses relate to the unused tax losses of Hello Hungry in Bulgaria and Hellohungry SA in Romania. In Bulgaria tax losses can be carried forward and set off against taxable income over the 5 years following the year in which they were incurred and in Romania unused tax losses can be carried forward for 7 consecutive years. 10bis reported a tax loss in 2019. This loss can be carried forward and set-off without time limit. No unused tax losses will expire in 2020.

## 10 Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses. All operating segments are regularly reviewed by Takeaway.com's Chief Operating decision maker (the Management Board) to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Operating segments that do not meet the quantitative thresholds and that have similar economic characteristics have been aggregated into a single reportable segment.

Takeaway.com's internal management reporting is focused on the three operating segments. The Management Board assesses the performance of operating segments based on the measures of segment orders, segment revenue, and segment Adjusted EBITDA, in addition to our KPIs as described in the section "Report of the Management Board".

For the definition of Adjusted EBITDA reference is made to the Glossary. Adjusted EBITDA is an alternative performance measure (APM) that enables the Management Board to assess the underlying operational performance per segment within Takeaway.com and conclude on the effectiveness of the strategy applied, without taking non-operational items into account including accounting allocations (depreciation and amortisation), financing, taxation, share-based payments, result from joint ventures and other expenditures arising from acquisitions (referred to as non-recurring items in the reconciliation) made in a certain year. Adjusted EBITDA as defined by Takeaway.com is comparable to peers and therefore provides management with externally-comparable information regarding underlying operational performance.

Takeaway.com has made a number of acquisitions in the recent past, incurring significant expenses which do not relate to underlying operational performance. These items mainly relate to expenditures for external professionals (such as consultants, legal advisors, bankers etc.), integration of the acquired business and employees (either to keep key employees working at Takeaway.com or to reduce number of employees in order to maintain the centralised approach).

Takeaway.com has three reportable segments: the Netherlands, Germany and Other Leading Markets. Each segment includes businesses with similar operating characteristics (revenue and marketing activities). The other smaller countries are considered the “Other Leading Markets segment” given the relatively small size of its revenue in relation to the consolidated revenue. The revenues of the segments are the same as on consolidated level.

Adjusted EBITDA per segment includes allocations of expenses from supporting functions within the Group. Such allocations have been determined based on relevant measures that reflect the level of benefits of these functions to each of the operating segments. As the three operating segments serve only external consumers, there is no inter-segment revenue. Interest income and expenses and tax are not allocated to the segments. There is no measure of segment assets and liabilities provided to the Management Board, as most fixed assets and working capital of Takeaway.com are managed on a centralised basis.

| €'000 | 2019 | 2018 |
|---|---|---|
| **Revenue** | | |
| The Netherlands | 118,870 | 96,283 |
| Germany | 205,299 | 83,275 |
| Other Leading Markets | 91,712 | 52,756 |
| **Revenue** | **415,881** | **232,314** |
| | | |
| **Marketing expenses** | | |
| The Netherlands | (13,770) | (11,829) |
| Germany | (79,007) | (71,135) |
| Other Leading Markets | (50,076) | (37,066) |
| **Marketing expenses** | **(142,853)** | **(120,030)** |
| | | |
| **Adjusted EBITDA** | | |
| The Netherlands | 58,861 | 53,211 |
| Germany | 5,162 | (36,721) |
| Other Leading Markets | (51,752) | (27,768) |
| **Adjusted EBITDA** | **12,271** | **(11,278)** |

Adjusted EBITDA attributed to operating segments can be reconciled to the net loss for the year as follows:

| €'000 | 2019 | 2018 |
|---|---|---|
| Loss before income tax | (88,105) | (35,374) |
| Add back items not included in Adjusted EBITDA: | | |
| • Finance expenses | 16,297 | 1,294 |
| • Share-based payments | 2,848 | 2,615 |
| • Gain on joint venture disposal | (6,020) | – |
| • Share of loss of joint ventures | – | 170 |
| • Depreciation and amortisation | 37,560 | 7,948 |
| • Non-recurring items - acquisition | 40,079 | 10,796 |
| • Non-recurring items - integration | 9,612 | 1,273 |
| **Segment Adjusted EBITDA** | **12,271** | **(11,278)** |

## 11 Goodwill

Goodwill arises from business combinations and represents the excess of the cost of the acquisition over Takeaway.com's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquired company.
Goodwill in respect of equity accounted investees is included in the carrying amount of the investment. Goodwill is measured at cost less accumulated impairment losses.

### Business combinations

Acquisitions of business combinations are accounted for using the acquisition method. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised in profit or loss as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

When the consideration transferred by Takeaway.com 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 and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as shareholders' equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within shareholders' equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, Takeaway.com reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

**Business combinations in the current year**

On 1 April 2019, Takeaway.com acquired 100% of the shares of the food delivery operations in Germany from Delivery Hero (Delivery Hero Germany GmbH and Foodora GmbH). Both entities operated portals for the online ordering of takeaway meals and beverages with restaurants in Germany. The total consideration amounts to €1,203.7 million and consists of a cash payment and an issuance of 9.5 million ordinary shares in the Company. In 2019, the total consideration was transferred.

The fair values of the identifiable assets and liabilities as at acquisition date for the acquisitions is based on the outcome of the preliminary purchase price allocation. Therefore, the fair value of the identifiable assets and liabilities was determined provisionally and is subject to change. The purchase price allocations will be finalised within 12 months from the acquisition date.

Takeaway.com has provisionally determined the purchase price allocation for this business combination leading to the recognition of goodwill of €963.7 million, other intangible assets of €265.8 million, non-current assets of €2.0 million, deferred tax liability of €19.7 million, current tax liabilities of €22.3 million and net working capital of €14.2 million. The nominal value of the acquired trade and other receivables at acquisition date amounts to €7.6 million.

Goodwill recorded in connection with the acquisition represents future economic benefits of anticipated synergies, future market developments and knowhow specific to Takeaway.com arising from assets that do not qualify for separate recognition as intangible assets. The goodwill arising on these acquisitions is not tax deductible.

The primary reason for the significant business combination is to further strengthen Takeaway.com's market share and enhance proposition for both consumers and (partner) restaurants in Germany.

### Aggregation of business combinations in the current year

As at acquisition date the fair values of assets, liabilities and cash flow on account of these acquisitions were as follows:

| €'000 | Total |
|---|---|
| Consideration paid in cash | 551,529 |
| Equity payment (9,500,000 ordinary shares) | 652,175 |
| **Total consideration** | **1,203,704** |
| | |
| Intangible assets | 265,759 |
| Non current assets | 2,042 |
| Trade and other receivables | 6,762 |
| Trade and other payables | (54,888) |
| Current tax liability | (22,318) |
| Deferred tax liability | (19,720) |
| Cash and cash equivalents | 62,385 |
| **Total fair value of net identifiable assets and liabilities** | **240,022** |
| **Goodwill recognised** | **963,682** |

For the newly issues ordinary shares reference is made to note 19 for further information.

### Contribution of acquisitions

Shortly after the acquisition, the websites lieferheld.de, pizza.de and foodora.de were migrated to lieferando.de, from which time it was no longer possible to separate the revenues and results of these websites. The combined revenue and loss of the period of Takeaway.com and the acquired businesses would have amounted to €444.7 million and €130.1 million respectively, if the acquisition date had been 1 January 2019.

Total acquisition-related costs for the completed and announced acquisitions in 2019 amounted to €40.1 million (2018: €10.8 million). The acquisitions costs are fully recognised in Other operating expenses, reference is made to note 6.

### Provisional fair value accounting

The fair value of the identifiable assets and liabilities will be revised if new information is obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date, identified adjustments to the above amounts, or for any additional provisions that existed at the acquisition date. The following subsequent changes in purchase price accounting after acquisition date were:

- €5.5 million increase of goodwill and trade and other liabilities in relation with the acquisition of the food delivery operations in Germany. This relates to the classification of a liability as an external liability instead of an intercompany liability. The cashflow movement is part of the movement in working capital.
- €0.1 million decrease of goodwill and deferred tax liability in relation with the acquisition of Foodarena.



### Contingent considerations

Acquisitions completed in 2019 did not result in a contingent consideration (2018: €0.1 million). The contingent consideration of the 2018 acquisition was paid in June 2019.

### Cash flows on acquisitions

The cash flows, net of cash acquired in the business combinations, on acquisitions were related to consideration (excluding contingent considerations) paid in relation to the German Businesses amounting to €489.1 million (2018: €124.8 million mainly relating to 10bis).

### Allocation of goodwill to CGUs and assumptions applied

Goodwill has been allocated for impairment testing purposes to four CGUs, being Germany, the Netherlands, Israel and Other.

| €'000 | As at 1 January 2019 | Arising on acquisition | Foreign exchange | Fair value adjustments | As at 31 December 2019 |
|---|---|---|---|---|---|
| CGU the Netherlands | 7,247 | – | – | – | 7,247 |
| CGU Germany | 45,501 | 963,682 | – | – | 1,009,183 |
| CGU Israel | 58,085 | – | 5,155 | – | 63,240 |
| CGU Other | 17,392 | – | (15) | (123) | 17,254 |
| **Total goodwill** | **128,225** | **963,682** | **5,140** | **(123)** | **1,096,924** |

Goodwill is impaired if the carrying value exceeds the recoverable amount (i.e. the higher of fair value less costs of disposal and value in use). The recoverable amount of the cash-generating units is determined based on a value in use calculation which uses cash flow projections based on financial budgets and estimates approved by the Managing Directors covering a ten-year period (CGU Germany, CGU Israel and CGU Other), and a five-year period (CGU the Netherlands). The key assumptions on which these budgets are based are as follows:



| | The Netherlands | Germany | Israel | Other |
|---|---|---|---|---|
| Forecast period | 5 years | 10 years | 10 years | 10 years |
| Average revenue growth per annum in the first five years of planning period (CAGR) | 12.5% | 20.7% | 25.4% | 23.0% |
| Average revenue growth per annum in the second five years of planning period (CAGR) | n.a. | 15.0% | 18.5% | 16.8% |
| Long-run EBITDA margin | 52.0% | 30.0% | 40.0% | 20.0% |
| Perpetual growth rate (%) | 1.4% | 1.5% | 1.7% | 2.1% |
| Pre-tax WACC (%) | 11.4% | 12.2% | 11.1% | 13.2% |

The ten-year period for CGUs Germany, Israel and Other is used as these CGUs operate in underpenetrated and immature markets with observable growth rates, significantly exceeding perpetual growth rates. CGU the Netherlands operates in a more stable state of business with sustainable EBITDA margins approximating long-run EBITDA margins; as other CGUs are in more volatile and growth stages, reaching stable EBITDA margins will take 10 years. A stable state of business is measured via penetration in a market. Penetration mainly affects revenue and marketing expenses and therefore we consider the financial metric EBITDA margin as the most appropriate financial measure to concludes on the stable state of a market. EBITDA margin above 20%, depending on the different market situations, is considered to be an indicator of a stable state of business.

Revenue growth for all CGUs is determined based on detailed planning on consumer cohort level, consistent with past experience (first three years) and management estimates based on market size and competitive position (fourth year and beyond). Considering Takeaway.com's Dutch business has been in operation for 18 years and still achieves annual revenue growth in excess of 23%, the revenue growth estimates applied in the long-run are our best estimate.

Development of long-run EBITDA is another key determinant of future free cash flows. Takeaway.com expects the long-term EBITDA percentage of revenue for the Netherlands to remain at the current level. Management believes that Germany will trend towards the Dutch EBITDA margin over time, as there is no structural reason for German margins to be lower over the long run. Taking into account the immature state for CGU Germany, our best estimate was used and a long-term margin of 30% was applied for impairment testing. Israel has been acquired with an EBITDA margin of 40%. Due to the introduction of Scoober and investing in marketing, the observable EBITDA margin has decreased, but management expects to restore the EBITDA margin to acquisition levels through the investments. For Other markets, management considers a return of 20% realistic within the ten year term.

The WACC is determined based on target capital structure of 96% equity (2018: 100%), where costs of equity are determined by capital asset pricing model (CAPM). A higher WACC has been applied to CGU Germany and CGU Other compared to CGU the Netherlands, due to the greater risk associated with the cash flows for these CGUs.

The cash flows beyond the forecast period have been extrapolated using a perpetual growth rate. These growth rates don't exceed the long-term average growth rate for each product industry or country in which the entity operates, or for the market in which the asset is used.

### Sensitivity analysis

The impairment testing also includes an assessment if a reasonably possible change in the key assumptions would cause the carrying amount to exceed the recoverable amount for each of the group of CGUs to which goodwill is allocated. Decrease in demand can lead to a decline in revenue and EBITDA margin. Change in WACC and perpetual growth rates can lead to lower recoverable amounts. The following changes in assumptions are assessed:

- Decrease in revenue by 5%
- Decrease in long-run EBITDA margin by 5%
- Increase in WACC by 1%
- Decrease in perpetual growth rate by 1%

Based on the sensitivity analysis performed, it has been concluded that any of these changes in the key assumptions (as described above) would in isolation not require an impairment for CGU the Netherlands and CGU Israel. Reasonably possible changes in long-run EBITDA margin and perpetual growth rate would not require an impairment for CGU Germany.

**CGU Germany**

The estimated recoverable amount exceeded its carrying amount by €126 million. A decrease of less than 5% in revenue or an increase of less than 1% in the WACC would result in the value of the estimated recoverable amount to fall to the level of the carrying amount.

**CGU Other**

The estimated recoverable amount exceeded its carrying amount by €6 million. A reasonably possible change in any of the individual assumptions as mentioned above with the mentioned ranges would result in the value of the estimated recoverable amount to fall below the level of the carrying amount.

## 12 Other intangible assets

Intangible assets acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over the assets' estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any change in estimates being accounted for on a prospective basis. Amortisation of intangible assets are included in other operating expenses.

Software under development is carried at cost and recognised when technological feasibility Is achieved, when it is probable that future economic benefits, attributable to the asset, will flow to Takeaway.com and when the cost can be measured reliably. Amortisation will start when the software is ready for use.

The following useful lives are used in the calculation of amortisation:

- Concessions, permits and intellectual property rights: 3-10 years
- Trade names, restaurant database, and software: 3-20 years
- Consumer list: 3-19 years

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

### Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair values at the acquisition date (which is regarded as their cost).
Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

| €'000 | Concessions, permits and IP rights | Trade names, restaurant database and software | Consumer list | Software under development | Total |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| **Balance at 31 December 2017** | **1,302** | **11,461** | **24,245** | **677** | **37,685** |
| Additions | – | 878 | – | – | 878 |
| Additions from business combinations | – | 48,106 | 60,009 | – | 108,115 |
| Additions from acquisitions | – | 10 | 11 | – | 21 |
| Reclassifications | (20) | 697 | – | (677) | – |
| **Balance at 31 December 2018** | **1,282** | **61,152** | **84,265** | **–** | **146,699** |
| Additions | – | 852 | 1 | – | 853 |
| Additions from business combinations | – | 45,792 | 219,967 | – | 265,759 |
| Additions from acquisitions | – | 24 | 48 | – | 72 |
| Foreign exchange movements | – | 4,110 | 4,874 | – | 8,984 |
| **Balance at 31 December 2019** | **1,282** | **111,930** | **309,155** | **–** | **422,367** |
| | | | | | |
| **Accumulated amortisation** | | | | | |
| **Balance at 31 December 2017** | **(737)** | **(2,107)** | **(10,741)** | **–** | **(13,585)** |
| Amortisation expense | (126) | (2,225) | (3,980) | – | (6,331) |
| **Balance at 31 December 2018** | **(863)** | **(4,332)** | **(14,721)** | **–** | **(19,916)** |
| Amortisation expense | (112) | (8,943) | (17,617) | – | (26,672) |
| Foreign exchange movements | – | (43) | – | – | (43) |
| **Balance at 31 December 2019** | **(975)** | **(13,318)** | **(32,338)** | **–** | **(46,631)** |
| | | | | | |
| **Balance at 31 December 2018** | **419** | **56,820** | **69,544** | **–** | **126,783** |
| **Balance at 31 December 2019** | **307** | **98,612** | **276,817** | **–** | **375,736** |

Trade names, restaurant database and the consumer list relate primarily to the acquired intangible assets of the German Businesses, Yourdelivery (Germany including Poland) and 10bis in Israel.

Intangible assets other than goodwill are impaired if the carrying value exceeds the recoverable amount (i.e. the higher of fair value less costs of disposal and value in use). An impairment test is carried out on the intangible asset or CGU where there is an indication of impairment during the year. In such a case, the Managing Directors determine the value in use by estimating the future cash flows expected to arise from the asset or CGU and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. In 2019, there were no indicators of impairment in relation to the intangible assets other than goodwill, therefore no impairment losses were recognised during 2019 (2018: nil). No research and development expenditures are capitalised during 2019 (2018: nil).

## 13 Property and equipment

Property and equipment are presented at cost less accumulated depreciation and, if applicable, less impairments in value. Depreciation is based on the estimated useful life and calculated as a fixed percentage of cost, taking into account any residual value. Depreciation is recognised from the date an asset comes into use.

The following useful lives are used in the calculation of depreciation:

- Right-of-use Assets: 1-10 years
- Leasehold improvements: 3-13 years
- Other equipment: 1-13 years

The economic useful lives of the leasehold improvements have been aligned with the lease period agreed with the landlords. The useful life for Right-of-use Assets is equal to the corresponding lease term. If there is evidence that the remaining useful life of underlying assets is lower than the lease term, then useful life is used.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

| €'000 | Right-of-use Assets: real estate[1] | Right-of-use Assets: vehicles[1] | Leasehold improvements | Other equipment | Total |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| **Balance at 31 December 2017** | **–** | **–** | **2,915** | **3,619** | **6,534** |
| Additions | – | – | 1,006 | 2,622 | 3,628 |
| Additions from business combinations | – | – | 713 | 365 | 1,078 |
| Disposals | – | – | – | (12) | (12) |
| **Balance at 31 December 2018** | **–** | **–** | **4,634** | **6,594** | **11,228** |
| Initial application IFRS 16 of IFRS 16 as of 1 January 2019 | 13,894 | 744 | – | – | 14,638 |
| Additions | 8,409 | 900 | 3,224 | 4,373 | 16,906 |
| Additions from business combinations | 7,091 | 260 | 523 | 230 | 8,104 |
| Disposals | (176) | – | – | (765) | (941) |
| Foreign exchange movements | 522 | – | 87 | 71 | 680 |
| **Balance at 31 December 2019** | **29,740** | **1,904** | **8,468** | **10,503** | **50,615** |
| | | | | | |
| **Accumulated depreciation** | | | | | |
| Balance at 31 December 2017 | – | – | (976) | (1,594) | (2,570) |
| Depreciation expense | – | – | (732) | (885) | (1,617) |
| Reversal of accumulated depreciation on disposals | – | – | – | 12 | 12 |
| **Balance at 31 December 2018** | **–** | **–** | **(1,708)** | **(2,467)** | **(4,175)** |
| Depreciation expense | (7,194) | (458) | (1,180) | (2,056) | (10,888) |
| Reversal of accumulated depreciation on disposals | 162 | – | – | 652 | 814 |
| Foreign exchange movements | – | – | (14) | 20 | 6 |
| **Balance at 31 December 2019** | **(7,032)** | **(458)** | **(2,902)** | **(3,851)** | **(14,243)** |
| | | | | | |
| **Balance at 31 December 2018** | **–** | **–** | **2,926** | **4,127** | **7,053** |
| **Balance at 31 December 2019** | **22,708** | **1,446** | **5,566** | **6,652** | **36,372** |

[1] For details on the IFRS 16 Leases, reference is made to note 2.

The contractual commitments on leasehold improvements amount to €0.8 million.

## 14 Other non-current assets

Other non-current assets are initially recognised at fair value, and subsequently measured at amortised cost (if the time value is material), using the effective interest method.

Other non-current assets mainly comprise security deposits, net investment in leases and prepaid expenses exceeding one year. Net investment in the lease is arising from business combination and relates to sublease of real estate facilities. The undiscounted lease payments to the net investment in the lease are disclosed in note 23. The Group's finance lease arrangements do not include variable payments. There is no unearned finance income relating to the lease payments receivable and no unguaranteed residual value as sublease term ends together with head lease.

| €'000 | 2019 | 2018 |
|---|---|---|
| Non-current security deposits | 1,931 | 581 |
| Net investment in the lease | 1,305 | – |
| Non-current prepaid expenses | 286 | 139 |
| **Total other non-current assets** | **3,522** | **720** |

## 15 Equity investments

The contractual terms of the equity investment do not give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding. Takeaway.com holds the asset within the strategic business model whose objective is neither collecting contractual cash flows or selling financial asset. Takeaway.com at initial recognition accounted for its equity investment at fair value through profit or loss. The equity investment for which the fair value is measured and disclosed, is categorised within the fair value hierarchy, see also note 23. Valuation techniques to determine the fair value is derived from this categorisation.

On 6 March 2019, Takeaway.com acquired 25,854 shares of Woowa Brothers Corp representing an equity investment of 0.24% for an amount of €7.0 million. During the period no changes were observed in the fair value of the investment. Fair value of the equity investment approximates it's carrying amount as there were no significant changes in the measurement inputs and / or observable market transactions since its fair value was determined upon initial recognition.
The fair value is determined using the observable investments made in the company based on the register of shareholder. The last observable investment was made by Takeaway.com. Before the end of the year, an offer was made for the shares of Woowa Brothers Corp which was still conditional and subject to approval of the general meeting and therefore was not included in the shareholders register. The fair value of this investment was categorised as level 2 as at 31 December 2019.

## 16 Trade receivables, other receivables and other current assets

Trade receivables and other receivables are initially recognised at fair value, and subsequently measured at amortised cost (if the time value is material), using the effective interest method, less a provision for impairment. Loss allowance for trade receivables is equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by refence to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised within other operating expenses. When a trade receivable is uncollectible, it is written off against the allowance account for doubtful debts. Subsequent recoveries of amounts previously written off are credited against other operating expenses.

### Trade receivables and other receivables

Trade receivables online payment service providers are related to online payments of orders by consumers settled through external contracted online payment service providers.

| €'000 | 2019 | 2018 |
|---|---|---|
| Trade receivables online payment service providers | 13,785 | 7,941 |
| Trade receivables corporate accounts | 23,934 | 15,747 |
| Trade receivables restaurants | 1,655 | 971 |
| Other receivables: | 4,345 | 2,829 |
| • Accrued revenue | 2,620 | 2,102 |
| • VAT receivable | 1,725 | 727 |
| **Closing balance** | **43,719** | **27,488** |

The closing balance of the trade receivables corporate accounts is as follows:

| €'000 | 2019 | 2018 |
|---|---|---|
| Gross Trade receivables corporate accounts | 24,132 | 15,885 |
| Allowance for doubtful debts | (198) | (138) |
| **Closing balance** | **23,934** | **15,747** |

For the corporate accounts the movement in the allowance for doubtful debts expense is as follows:

| €'000 | 2019 | 2018 |
|---|---|---|
| Opening balance | 138 | – |
| Additions | 60 | 138 |
| Write-offs | – | – |
| **Closing balance** | **198** | **138** |

The closing balance of the trade receivables restaurants is as follows:

| €'000 | 2019 | 2018 |
|---|---|---|
| Gross Trade receivables restaurants | 2,393 | 1,481 |
| Allowance for doubtful debts | (738) | (510) |
| **Closing balance** | **1,655** | **971** |

For the restaurants the movement in the allowance for doubtful debts expense is as follows:

| €'000 | 2019 | 2018 |
|---|---|---|
| Opening balance | 510 | 835 |
| Additions | 1,144 | 422 |
| Write-offs | (916) | (747) |
| **Closing balance** | **738** | **510** |

No doubtful debts for trade receivables from online payment service providers and for prepaid expenses and other receivables, were deemed necessary as at 31 December 2019 (31 December 2018: nil). None of the trade receivables that have been written off are subject to enforcement activities.

The average credit period on sales of services is 30 days. No interest is charged on receivables. Takeaway.com has recognised an allowance for doubtful debts of 100% against all receivables over 365 days because historical experience has shown that receivables that are past due beyond 365 days are not recoverable.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

Receivables disclosed above include amounts (see below for ageing analysis) that are past due at the end of the year for which Takeaway.com has not recognised an allowance for doubtful debts. Age of receivables past due but not impaired as at 31 December 2019 and 31 December 2018 is specified as follows:

| €'000 | 2019 | 2018 |
|---|---|---|
| 31-90 days | 511 | 361 |
| 91-180 days | 334 | 216 |
| 181-365 days | 222 | 142 |
| **Closing balance** | **1,067** | **719** |
| | | |
| Average age (in days) | 28 | 26 |

For the trade receivables outstanding past due for more than 90 days but less than 365 days we concluded that these are still recoverable, as there is no history of impairment for this age category.

Trade receivables of Takeaway.com have no significant financing component. Based on the requirements we determine the allowance under the simplified approach (i.e. lifetime allowance).

There were no individually impaired receivables in 2019 and 2018 which have been placed under liquidation.

The following table details the risk profile of trade receivables based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different segments, the provision for loss allowance based on past due status is not further distinguished between segments.

| Category | Expected credit loss rate |
|---|---|
| Not overdue | 5% |
| 31-60 days | 5% |
| 61-90 days | 15% |
| 91-180 days | 30% |
| 181-365 days | 70% |
| over 365 days | 100% |

### Other current assets

Other current assets comprise of prepaid expenses €12.3 million (2018: €3.0 million), deposits €0.2 million (2018: €0.2 million) and €20.0 million (2018: nil) listing related costs to be accounted for through equity upon completion of the Combination, see note 27.

| €'000 | 2019 | 2018 |
|---|---|---|
| Prepaid Expenses | 12,330 | 3,001 |
| Deposits | 183 | 194 |
| Other | 19,984 | 676 |
| **Closing balance** | **32,497** | **3,871** |

## 17 Inventories

Inventory is stated at the lower of cost and net realisable value and constitutes inventory in consignment. Inventory is valued on a first-in-first-out basis. Net realisable value represents the estimated selling price for inventory less all estimated costs of completion and costs necessary to make the sale.

| €'000 | 2019 | 2018 |
|---|---|---|
| GPRS-terminals | 405 | 1,219 |
| Merchandise | 3,564 | 2,913 |
| **Closing balance** | **3,969** | **4,132** |

There is no inventory in transit as at 31 December 2019 (31 December 2018: €2.0 million). The inventories are written down for an amount of €0.4 million (31 December 2018: nil). The write-off of the inventories is recognised in Other operating expenses.

## 18 Cash and cash equivalents

Cash and cash equivalents are stated at face value and comprise cash balances, deposits held on call with banks, and other short-term highly liquid investments (maturity less than 3 months from acquisition date) that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

| €'000 | 2019 | 2018 |
|---|---|---|
| Cash and cash equivalents | 31,788 | 77,758 |
| Cash balances held by Stichting Derdengelden | 17,975 | 11,800 |
| **Closing balance** | **49,763** | **89,558** |

As at 31 December 2019, the Group had issued bank guarantees amounting to €0.6 million (31 December 2018: €0.6 million), and had issued no letters of credit (31 December 2018: nil). Cash and cash equivalents are not restricted in relation to cross-border cash movements or repatriation due to tax complications.

Takeaway.com collects receivables (i.e. payments from its customers) from payment service providers and passes these amounts on to financial institutions (for, amongst other, payment to the restaurants listed on its portal). As such, the Stichting Derdengelden Takeaway.com acts as trustee. Cash balances held by Stichting Derdengelden are restricted.

## 19 Capital and reserves

### Share capital

Ordinary share capital is classified as share capital.
Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the Company's option and any dividends are discretionary.

### Share premium

Share premium is the excess of the amount received by the Company over and above the nominal value of its ordinary and preference shares issued. Incremental costs directly attributable to the issue of new shares are shown in shareholders' equity as a deduction, net of tax, from the proceeds and are presented in share premium.



### Authorised share capital

The authorised share capital as at 31 December 2019 of the Company amounted to €7.0 million, divided into 87,500,000 ordinary shares with a nominal value of €0.04 each and 87,500,000 cumulative preference shares with a nominal value of €0.04 each.

### Ordinary share capital

The Company had issued 61,206,450 ordinary shares at nominal value €0.04, amounting to an issued share capital of €2,448,258 as at 31 December 2019 (31 December 2018: 43,218,234 ordinary shares at nominal value €0.04, amounting to an issued share capital of €1.7 million). All ordinary shares have been issued and paid-in.

| | 2019 | 2018 |
|---|---|---|
| Opening balance | 43,218,234 | 43,183,176 |
| Issued during the year: | | |
| • Capital raise in form of accelerated bookbuild | 8,350,000 | – |
| • Equity payment for German Delivery Hero Businesses | 9,500,000 | – |
| • ESOP shares vested | 101,300 | 5,018 |
| • ESOP options exercised | 36,916 | 30,040 |
| **Closing balance** | **61,206,450** | **43,218,234** |

The 17.97 million ordinary shares issued during the period mainly relate to the issuance of 8.35 million shares with a value of €430 million at an issue price of €51.50 per new share, for the financing of the cash-portion of the purchase price for the German Businesses by means of an accelerated bookbuild in January 2019 as well as issuance of a total of 9.5 million ordinary shares with a value of €652 million at an issue price of €68.65 per new share for the share-portion of the purchase price. The total issuance costs for the accelerated bookbuild offering amounted to €11.6 million. In addition, in 2019 ordinary shares were issued due to the vesting of shares and the exercise of share options under the ESOP.

### Preference share capital

The Company had not issued outstanding preference shares as at 31 December 2019 and 31 December 2018.

### Call option cumulative preference shares

As at 31 December 2019, the Company had granted a call option to purchase cumulative preference shares to the Foundation Continuity for an indefinite period. Both the Company and the Foundation Continuity can terminate the call option at any time by giving six months prior written notice, with the effect from the end of a calendar year. On each exercise of the call option, the Foundation Continuity is entitled to acquire from the Company up to a maximum number of cumulative preference shares corresponding to 100% of the issued ordinary shares at the time of an exercise of the call option which are held by parties other than the Foundation Continuity, the Company or any of the Company's subsidiaries minus the number of cumulative preference shares already held by the Foundation Continuity at that time (if any).

The Foundation Continuity may exercise the call option repeatedly, each time up to the aforementioned maximum. The call option can, inter alia, be exercised by the Foundation Continuity in order to:

- Prevent, delay or otherwise complicate an unsolicited takeover bid for or an unsolicited acquisition of ordinary shares by means of an acquisition at the stock market or otherwise; and/or
- Prevent and countervail concentration of voting rights in the General Meeting; and/or
- Resist unwanted influence by and pressure from shareholders to amend the strategy of the Management Board; and/or
- With respect to the foregoing, to give the Management Board and the Supervisory Board the opportunity to consider and to explore possible alternatives and, if required, to work these out and to implement one or more alternatives if any of the above events is occurring or threatening to occur and considered to be unsolicited and not in the interest of the Company, its undertaking and the companies affiliated with it, according to the (provisional) judgement of the management board of the Foundation Continuity, and to enable the Company to (temporarily) neutralise the effects of such events.

Upon issue of cumulative preference shares, such shares will be paid-up in full at the expense of the reserves of the Company, unless the Foundation Continuity determines in the exercise notice that the cumulative preference shares will be paid-up in cash.

The Management Board is of the opinion that the call option does not represent a significant value as meant in IAS 1, paragraph 31, due to the fact that the likelihood that the call option will be exercised is remote. In the remote event that the call option is exercised, the cumulative preference shares that are issued are intended to be cancelled shortly after issuance (within a period of year). The call option has no value at balance sheet date.

### Share premium

The share premium reserve amounted to €1,320.6 million as at 31 December 2019 (31 December 2018: €249.8 million). The movement is due to the issuance of new shares following the accelerated bookbuild offering to partially finance the acquisition of the German Businesses, and the payment of an exercise price above the nominal value of the ordinary shares upon exercise of share options.

### Option premium on convertible bonds

This reserve amounted to €23.3 million as at 31 December 2019 (31 December 2018: nil) and relates to the conversion option, net of tax, included in the convertible bonds issued on 22 January 2019. Reference is made to note 21 for the disclosure on the convertible bonds.

### Equity-settled employee benefits reserve

The equity-settled employee benefits reserve as at relates to share options granted by the Company to each of the Managing Directors under the LTIPs and ESOP Participants under the ESOP. Each share option can be converted into one ordinary share of the Company upon exercise. No amounts are paid or payable to the Company by the ESOP Participants for the vesting of shares under ESOP. Upon exercise of vested share options, the exercise price related to the share options must be paid by the Managing Directors or ESOP Participant, respectively. The share options, vested or unvested, carry neither rights to dividends nor voting rights. Share options may be exercised at any time from the dates of vesting to the dates of their expiry, subject to the Takeaway.com insider dealing rules and the terms of the ESOP.

The cash flows related to the share options are included in the proceeds from issue of ordinary shares for the amount of €0.9 million. Reference is made to note 5.

### Foreign currency translation reserve

The foreign currency translation reserve comprises foreign currency translation differences arising from the translation of assets and liabilities of foreign operations and from translation of goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of foreign operation.  When a foreign operation is sold, exchange differences recorded in shareholders' equity prior to the sale are reclassified from shareholders' equity to profit or loss as part of the gain or loss on divestment. This reserve is not available for distribution and is classified as a legal reserve under Dutch law.

### Accumulated deficits

Accumulated deficits are related to past net losses allocated to shareholders' equity. In accordance with article 10.1.8 of the Company's articles of association, the Management Board has determined that the net loss of 2019 amounting to €115.5 million has been accounted for in accumulated deficits.

## 20 Basic and diluted loss per share

### Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

### Diluted loss per share

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potential dilutive ordinary shares arising from share options and other equity-settled share-based plans. The effect of anti-dilutive potential ordinary shares is ignored in calculating diluted earnings per share.

For the share options, a calculation is performed to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares), based on the monetary value of the subscription rights attached to outstanding share options.

The number of shares calculated as above is compared with the number of shares that would have been issued, assuming the exercise of the share options. When the effect of the share options is anti-dilutive, the number is excluded from the calculation of diluted loss.

### Numbers of ordinary shares

Numbers of weighted-average ordinary shares used in the calculation of basic and diluted loss per share are as follows:

| | 2019 | 2018 |
|---|---|---|
| For the purpose of basic loss per share | 58,008,856 | 43,218,234 |
| For the purpose of diluted loss per share | 58,008,856 | 43,218,234 |

The number of potential dilutive weighted-average shares not taken in consideration above, due to their anti-dilutive effect amount to 3,684,359 ordinary shares, mainly relating to the convertible bonds.

### Basic and diluted loss per share

The loss used in the calculation of basic and diluted loss per share are as follows:

| €'000 | 2019 | 2018 |
|---|---|---|
| Loss used in the calculation | (115,490) | (14,017) |

## 21 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Subsequently, amounts are stated at amortised cost with the difference being recognised in the income statement over the period of the borrowings using the effective interest rate method.

| €'000 | 2019 | 2018 |
|---|---|---|
| **Short term borrowings** | | |
| • Bridge facility | – | 149,850 |
| • Short term part of convertible bond | 5,625 | – |
| • Revolving credit facility | 15,047 | – |
| **Short term borrowings** | **20,672** | **149,850** |
| **Long term borrowings** | | |
| • Long term part of convertible bond | 222,446 | – |
| **Long term borrowings** | **222,446** | **–** |
| **Closing balance** | **243,118** | **149,850** |

The short-term borrowings at 31 December 2019 relate to the interest payable within 12 months regarding the convertible bonds and the drawn amount as at 19 November 2019 of the revolving credit facility for €15 million which is repayable within 6 months. The weighted average effective interest rate on borrowings in 2019 was 5.2% (2018: none). The short-term borrowings at 31 December 2018 related to the bridge facility agreement of €150 million in connection with the acquisition of 10bis in 2018. The bridge facility was fully repaid before maturity was reached, from the proceeds of the issuance of new shares on 22 January 2019.

### Revolving credit facility

The €60 million revolving credit facility (RCF) agreement, with an interest rate of 2.5% plus Euribor, started at 26 October 2019 and matures 26 October 2022. For the committed yet undrawn part, a commitment fee of 0.875% is due. The following financial covenants require quarterly testing:

- gearing (total net debt to shareholders' equity) not more than 25%; and
- adjusted EBITDAM (adjusted EBITDA after adding back marketing expenses), for for the 12 months ended 2019 this should exceed €150 million

Financial covenants were tested at 31 December 2019 and Takeaway.com is in compliance with all covenants.

### Bridge facility agreement

On 24 September 2018 Takeaway.com entered into a bridge facility to finance acquisition of 10bis. The interest rate was in line with market conditions and was based on Euribor plus a margin for the first three months of 0.35%, for the fourth until the sixth month 0.70%, for the seventh until the ninth month 1.10% and for the tenth until the twelfth month 1.50%. The bridge facility was fully repaid before maturity was reached, from the proceeds of the issuance of new shares on 22 January 2019.

### Convertible bonds

| €'000 | 2019 |
|---|---|
| Proceeds from issue of convertible notes (2,500 notes at €100,000 par value) | 250,000 |
| Transaction costs | (6,402) |
| **Net proceeds** | **243,598** |
| | |
| Amount classified as equity (net of transaction costs of €613 thousand) | (23,308) |
| Accrued interest | 10,594 |
| Interest paid | (2,813) |
| **Carrying amount of liability at 31 December 2019** | **228,071** |

On 18 January 2019, Takeaway.com issued convertible bonds at 100% of their nominal value. The bonds have an interest rate of 2.25% payable semi-annually in arrears in equal instalments on 25 January and 25 July each year, commencing on 25 July 2019, and having a minimum denomination of €100,000 each. The set factor conversion price of the convertible bond was set at €69.525, representing a conversion premium of 35% above the issue price per new share.

The notes are convertible into 3,596,000 ordinary shares of the Company in January 2024 at the option of the holder, which is a rate of 1,438 shares for every convertible note; unconverted notes become repayable on demand.

The convertible bond may be converted into ordinary shares of the Company. The Company has the option to redeem all, but not a portion of, the convertible bonds at their principal amount plus any accrued interest from 9 February 2022, should the value of an ordinary share of the Company exceed 130% of the conversion price over a certain period. At early redemption notice bondholders have the option to convert the bonds into ordinary shares.

## 22 Payables and Other liabilities

Payables and Other liabilities are initially measured at fair value.

| €'000 | 2019 | 2018 |
|---|---|---|
| Trade payables | 6,677 | 6,036 |
| Amounts due to restaurants | 53,865 | 51,864 |
| **Closing balance** | **60,542** | **57,900** |

Takeaway.com has a policy in place to ensure that all payables are paid within the pre-agreed credit terms.

| €'000 | 2019 | 2018 |
|---|---|---|
| Accrued staff expenses | 6,177 | 4,489 |
| VAT, wage tax and social security liabilities | 15,012 | 6,983 |
| Other liabilities (accrued expenses) | 88,846 | 23,948 |
| **Closing balance** | **110,035** | **35,420** |

Other liabilities mainly represent marketing expenses for €15.1 million, and professional fees and legal expenses related to the Combination for €46.3 million.

## 23 Financial instruments

### Capital management

Takeaway.com manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. Takeaway.com's overall strategy remains unchanged from 2018.

The capital structure of the Company consists of net debt (borrowings as disclosed in note 21 after deducting available cash and cash equivalents as disclosed in note 18) and shareholders' equity (comprising issued ordinary share capital, share premium, reserves and accumulated deficits as disclosed in note 19).

The Management Board reviews the capital structure of the Company on a quarterly basis. As part of this review, the Management Board considers the cost of capital and the risks associated with each class of capital. Takeaway.com has a target gearing ratio of 15% to 25% determined as a proportion of net debt to equity. The gearing ratio at 31 December 2019 is 19%.

Takeaway.com is subject of external capital requirement from revolving credit facility. The required gearing ratio shall not exceed 25% as from 31 December 2019. This external capital requirement will last for the term of the RCF ending on 26 October 2022.

The gearing ratio at the year end is as follows:

| €'000 | 2019 |
|---|---|
| Short term borrowings | 20,672 |
| Long term borrowings | 222,446 |
| Cash and cash equivalents | (49,763) |
| excl. held by Stichting Derdengelden | 17,975 |
| **Net Debt** | **211,330** |
| Equity | 1,132,705 |
| **Gearing** | **19%** |

Net Debt is defined as borrowings net of available cash and cash equivalents. Equity includes all capital and reserves that are managed as capital.

### Financial risk management objectives

Takeaway.com's activities are exposed to a number of financial risks. Takeaway.com seeks to minimise the effects of market risk, credit risk and liquidity risk based on charters and (in)formal policies. Takeaway.com doesn't use derivative financial instruments to hedge these risk exposures. Takeaway.com does not enter into or trade derivative financial instruments, including derivative financial instruments, for speculative purposes.

## Market risk

Takeaway.com's activities expose it to the financial risks of changes in foreign currency exchange rates and interest rates. There has been no change to Takeaway.com's exposure to market risk or the manner in which these risks are managed and measured.

## Foreign currency risk

Foreign exchange risk is the risk to earnings or capital arising from movement of foreign exchange rates. This risk is found in cross border investing and operating activities. Takeaway.com undertakes transactions denominated in foreign currencies. Consequently, exposures to exchange rate fluctuations arise. Exchange rate exposure is not managed by foreign exchange contracts.

The carrying amounts of the Takeaway.com's foreign currency assets and liabilities at the reporting date are as follows:

Takeaway.com is mainly exposed to the Swiss Franc, the Polish Zloty, the Israeli New Shekel, the Bulgarian Lev and the Romanian Leu. The exposure relates to investments in the foreign operations.

The following table details the Group's sensitivity to possible change of foreign currency exchange rates with all other variables held constant. The sensitivity analysis includes only outstanding foreign currency items and adjusts the translation at the year-end change in foreign currency rates. The table excludes the Bulgarian Lev as it is pledged to the euro at a fixed rate.



| €'000 | 31 December 2019: Assets | 31 December 2019: Liabilities | 31 December 2018: Assets | 31 December 2018: Liabilities |
|---|---|---|---|---|
| ILS | 48,268 | (67,496) | 32,819 | (46,243) |
| PLN | 14,614 | (2,568) | 6,134 | (2,691) |
| RON | 11,414 | (7,883) | 3,389 | (4,935) |
| BGN | 7,825 | (6,563) | 1,091 | (3,418) |
| CHF | 734 | (1,800) | 1,274 | (2,275) |

| €'000 | Profit or loss | | Other equity | |
|---|---|---|---|---|
| | Strengthening | Weakening | Strengthening | Weakening |
| **31 December 2019** | | | | |
| ILS (10% movement) | – | – | (1,923) | 1,923 |
| PLN (3% movement) | – | – | 361 | (361) |
| RON (3% movement) | – | – | 106 | (106) |
| CHF (5% movement) | – | – | (53) | 53 |
| **31 December 2018** | | | | |
| ILS (5% movement) | – | – | (671) | 671 |
| PLN (5% movement) | – | – | 172 | (172) |
| RON (2% movement) | – | – | (31) | 31 |
| CHF (5% movement) | – | – | (50) | 50 |



Takeaway.com's sensitivity to foreign currencies increased during 2019, mainly for the Israel New Shekel and the Polish Zloty, due to increased operations in those countries, leading to higher net asset positions by the end of the reporting period.

### Interest rate risk

Takeaway.com is exposed to interest risk due to existing borrowings at both fixed and floating interest rates. The risk is managed by management by maintaining an acceptable mix between fixed and floating rate borrowings. For the last two years Takeaway.com obtained only one debt with floating rate, a RCF with rate 2.5% + Euribor, at the end of 2019. There was no interest rate risk exposure in 2018.

Takeaway.com's exposure to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

The sensitivity analysis has been determined based on the exposure to interest rate for non-derivative instruments at the reporting date.
For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year.

If the interest rate had been 1 per cent higher/lower and all other variables were held constant, Takeaway.com's profit for the year ended 31 December 2019 would decrease/increase by €0.1 million. This is fully attributable to interest rate in Revolving Credit Facility.

### Credit risk

This is the current and prospective risk to earnings or capital arising from an obligor’s failure to meet the terms of any contract with the Group or otherwise to perform as agreed. In the event Takeaway.com decides to assume more credit risk through asset concentrations or adoption of new credit standards in conjunction with untested business lines, it will properly evaluate the impact this action will have on its liquidity.

Takeaway.com structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers and industry segments. Such risks are monitored on a revolving basis and are subject to frequent review. The Management Board periodically discusses the level of credit exposure by restaurants and corporate accounts at its meetings. Takeaway.com usually collects trade receivable within seven days.

Note 16 details Takeaway.com’s exposure to credit risk and the measurement bases used to determine expected credit losses for trade receivables.

Takeaway.com has two sublease contracts of office facilities in Germany with payments in advance. These contracts were added as part of the business combination of German Businesses. Since recognition the credit risk of net investment in the lease haven’t changed as all lease payments were received in a timely manner.

Trade receivables consists of a large number of unrelated restaurants in various geographical areas. The Group’s credit risk is reduced by its business model which allows it to offset payables to restaurants against receivables. The Group does not have significant credit risk exposure to any single counterparty. Concentration of credit risk to any counterparty did not exceed 5% of gross monetary assets at any time during 2019 (2018: did not exceed 5%).

The credit risk on liquid funds is limited because the counterparties are financial institutions with high credit-ratings assigned by international credit-rating agencies. The main financial institution used by Takeaway.com has a long-term A rating from Standard & Poor’s with a positive outlook, (latest credit research 12 March 2019 and 28 June 2019) (31 December 2018: one financial institution, long-term A rating with a stable outlook).

The tables below detail the credit quality of Takeaway.com's financial assets and maximum exposure to credit risk by credit risk rating grades:

| €'000 | Note | External credit rating | 12-month or lifetime ECL | Gross carrying amount | Loss allowance | 31 December 2019 |
|---|---|---|---|---|---|---|
| Trade receivables restaurants | 16 | n.a. | Lifetime ECL (provision matrix) | 2,393 | (738) | 1,655 |
| Trade receivables corporate accounts | 16 | n.a. | Lifetime ECL | 24,132 | (198) | 23,934 |
| Net investment in the lease | 14 | n.a. | Lifetime ECL | 1,305 | – | 1,305 |
| Cash and cash equivalents | 18 | A rated | n.a. | 49,763 | – | 49,763 |

| €'000 | Note | External credit rating | 12-month or lifetime ECL | Gross carrying amount | Loss allowance | 31 December 2018 |
|---|---|---|---|---|---|---|
| Trade receivables restaurants | 16 | n.a. | Lifetime ECL (provision matrix) | 1,481 | (510) | 971 |
| Trade receivables corporate accounts | 16 | n.a. | Lifetime ECL | 15,885 | (138) | 15,747 |
| Cash and cash equivalents | 18 | A rated | n.a. | 89,558 | – | 89,558 |

**Liquidity risk**

This is the risk to earnings or capital arising from a possible scenario that Takeaway.com might not be able to meet its obligations when they come due, without incurring unacceptable losses.

Liquidity risk includes the inability to manage unplanned decreases or changes in funding sources. Liquidity risk also arises from a failure to recognise or address changes in the market conditions that affect the ability to liquidate assets quickly and with minimal loss in value.

Ultimate responsibility for liquidity risk management rests with the Management Board, which has established an appropriate liquidity risk approach for the management of Takeaway.com's short-, medium- and long-term funding and liquidity management requirements. Takeaway.com manages liquidity risk by maintaining adequate reserves, by continuously monitoring cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Group's financial liabilities and net investment in the lease with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows based on the earliest date on which Takeaway.com can be required to pay. The tables include both interest and principal cash flows:

| €'000 | Less than one year | Between one and five years | More than five years |
|---|---|---|---|
| Lease liability | 11,403 | 14,040 | 3,516 |
| Convertible bond | 5,625 | 269,688 | – |
| Revolving credit facility | 15,190 | – | – |
| Net investment in the lease asset | 266 | 1,004 | 103 |
| Trade and other payables | 60,542 | – | – |
| **Total monetary assets and liabilities** | **93,026** | **284,732** | **3,619** |

The nominal amount of the convertible bond may be converted into ordinary shares of the Company. No comparative figures are included in the table as all the payables were short term as at 31 December 2018. For leases, reference is made to note 2.

**Fair value measurements**

The Managing Directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements 2019 approximate their fair values due to their short nature.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Fair value of the equity investment approximates its carrying amount as there were no significant changes in the measurement inputs and / or observable market transactions since its fair value was determined upon initial recognition. The fair value of this investment was categorised as level 2 as at 31 December 2019.

## 24 Subsidiaries

The Company wholly-owned the following (in)direct subsidiaries:

| Entity | Country of incorporation | Nature of business | Proportion of voting rights as at 31 December 2019 | Proportion of voting rights as at 31 December 2018 |
|---|---|---|---|---|
| Takeaway.com Group B.V. | The Netherlands | Holding | 100% | 100% |
| • yd.Yourdelivery GmbH | Germany | Operating | 100% | 100% |
| • Takeaway Express GmbH | Germany | Operating | 100% | 100% |
| • Takeaway.com Central Core B.V. | The Netherlands | Operating | 100% | 100% |
| • Takeaway.com European Operations B.V. | The Netherlands | Operating | 100% | 100% |
| • Takeaway.com European Operations B.V. Belgium branch | Belgium | Operating | Branch | Branch |
| • Takeaway.com European Operations B.V. Austria branch | Austria | Operating | Branch | Branch |
| • Takeaway.com European Operations B.V. Switzerland branch | Switzerland | Operating | Branch | Branch |
| • Takeaway.com European Operations B.V. Portugal branch | Portugal | Operating | Branch | Branch |
| • Foodarena AG | Switzerland | Dormant | 100% | 100% |
| • Takeaway.com Belgium BVBA | Belgium | Dormant | 100% | 100% |
| • Takeaway.com JE B.V. | The Netherlands | Dormant | 100% | 100% |
| • Sto2 Sp. z o.o. | Poland | Operating | 100% | 100% |
| • Hello Hungry AD | Bulgaria | Holding | 100% | 100% |
| • BG Menu EOOD | Bulgaria | Operating | 100% | 100% |
| • HH Delivery EOOD | Bulgaria | Operating | 100% | 100% |
| • Hellohungry SA | Romania | Operating | 100% | 100% |
| • Hellohungry Delivery Srl | Romania | Operating | 100% | 100% |
| • Takeaway.com Payments B.V. | The Netherlands | Operating | 100% | 100% |
| • Biscuit Holdings Israel Ltd. | Israel | Holding | 100% | 100% |
| • 10bis.co.il Ltd | Israel | Operating | 100% | 100% |
| • Online Ordering Ltd. | Israel | Dormant | 100% | 100% |
| • Scoober TLV Ltd. | Israel | Operating | 100% | 100% |

All subsidiaries have a similar period-end reporting date. Delivery Hero Germany GmbH and Foodora GmbH were acquired and integrated into the corporate structure of Takeaway.com in 2019. Delivery Hero Germany GmbH was merged with Yourdelivery and ceased to exist. Foodora GmbH was demerged and its logistics business was transferred to Takeaway Express while its platform business was transferred to Yourdelivery in the period ended 31 December 2019. Foodarena, Hello Hungry and Biscuit Holdings (10bis) were acquired in 2018. During the period ended 31 December 2019 Takeaway.com's shareholding in the joint venture Takeaway.com Asia B.V. was disposed, no wholly owned subsidiaries were disposed.

## 25 Related party transactions

A related party is a person or entity that is related to the Group. These include both people and entities that have, or are subject to, the influence or control of the Group (e.g. key management personnel). Transactions with related parties are accounted for in accordance with the requirements of relevant IFRSs and take into account the substance as well as the legal form. Related party transactions were made on terms equivalent to those that prevail in arm's length transactions are made only if such terms can be substantiated.

Balances and transactions within the Group, which are related parties of the Group, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

### Trading transactions

During 2019, the Group did not enter into significant transactions with related parties that are not members of the Group (2018: none).
No expense has been recognised in the current or prior years for bad or doubtful debts in respect of the amounts owed by related parties.

### Loans to related parties

During 2019, the €1.7 million loan to related party Takeaway.com Asia B.V. was fully repaid. The Group did not enter into new loans with related parties that are not members of the Group (2018: €1.7 million).

### Loans from related parties

There are no loans from related parties as at 31 December 2019 (31 December 2018: none).

### Transactions with key management personnel of the Company

The members of the Management Board and the Supervisory Board are considered key management personnel as defined in IAS 24.

The remuneration policy for members of the Management Board was developed by the Supervisory Board, approved, adopted and amended by the General Meeting. On 15 May 2019, the day after the General Meeting 2019, the current remuneration policy entered into force.

The total remuneration of the Management Board and Supervisory Board in 2019 is disclosed in note 37 of the Company financial statements.

No loans, advances or guarantees were granted to members of the Management Board in 2019 (2018: none).

## 26 Off-balance sheet commitments

### Lease arrangements

From 1 January 2019, leases previously classified as operating leases are recognised as a right-to-use asset and a corresponding liability, reference is made to note 2. Takeaway.com applies the short-term lease recognition exemption to its short-term leases. It also applies the lease of low-value assets recognition exemption to leases of bikes that are considered of low value (i.e. below €5,000). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Leases relate to leases of delivery bikes with lease terms of between 1 and 4 years. Non-cancellable lease arrangements for delivery bikes as at 31 December 2019 can be specified as follows:

| €'000 | 2019 | 2018 |
|---|---|---|
| Not later than one year | 2,658 | 5,363 |
| Between one and five years | 3,728 | 12,534 |
| More than five years | – | 4,413 |
| **Closing balance** | **6,386** | **22,310** |

### Group guarantees

The Company has issued declarations of joint and several liabilities for Takeaway.com Group, Takeaway.com Central Core, Takeaway.com European Operations and Takeaway.com Payments, in accordance with Section 403 of Part 9 of Book 2 of the Dutch Civil Code.

Takeaway.com Group has declared to be liable vis-à-vis Yourdelivery and Takeaway Express only in the subsequent fiscal year for any obligations entered into by Yourdelivery and Takeaway Express until 31 December 2019. Based on section 264 paragraph 3 of the German Commercial Code, Yourdelivery and Takeaway Express are exempt from certain requirements of the German Commercial Code.

Takeaway.com Payments has agreed that in case Stichting Derdengelden Takeaway.com has insufficient funds, Takeaway.com Payments will immediately pay this deficit.

### Commitments for expenditure

Takeaway.com had commitments for expenditure as at 31 December 2019 of €32.8 million (31 December 2018: €0.1 million) mainly related to media contracts and sponsoring and excluding leasehold improvements, reference is made to note 13.

At 31 December 2019, Takeaway.com had a lease contract for a new Berlin office that has not commenced yet. The property is currently under construction and will be available between August and December 2020. The lease payments amount to €6.4 million annually, with a duration of 10 years.

### Legal proceedings

Claims are evaluated based on the relevant facts and legal principles, the likelihood of an unfavorable outcome and whether the amount of the loss can be reasonably estimated. In most cases, management determined that either a loss was not probable or was not reasonably estimable.
In any particular claim, Takeaway.com may agree to settle or to terminate a claim in which Takeaway.com believes that it would ultimately prevail

where Takeaway.com believes that doing so, when taken together with other relevant commercial considerations, is more effective and in the best interest of Takeaway.com's stakeholders. In accordance with IAS 37 "Provisions, Contingent Liabilities, and Contingent Assets," provisions and/or disclosures are reflected in the financial statements with respect to these claims, where appropriate.

Some restaurants have claimed inaccurate execution of the commercial agreement between the restaurants and Takeaway.com. Takeaway.com disclaims liability and are defending the claim. Legal advice indicates that it is possible that a liability with a material effect on the statement of financial position could arise as a consequence. Takeaway.com is not expecting an exposure on these legal proceedings, considering related reimbursements to be received from third parties. At this stage, Takeaway.com is are not able to make an estimate of the potential effect of this claim with sufficient reliability, accordingly no liability has been recognised. The information usually required to disclose about this contingent liability is not provided on the grounds that it can be expected to prejudice seriously the outcome of the litigation.

## 27 Events after the reporting period

A subsequent event is a favourable or unfavourable event, that occurs between the reporting date and the date that the financial statements are authorised for issue. Events after the reporting date that provide evidence of conditions that existed at the reporting date are adjusted within the financial statements. Events that are indicative of a condition that arose after the reporting date of a material size or nature are disclosed below.

**Combination with Just Eat plc**

On 19 December 2019 the Company announced the terms of an increased and final all-share offer (the "Increased Takeaway.com Offer") to acquire the entire issued and to be issued ordinary share capital of Just Eat plc. According to the Increased Takeaway.com Offer, Just Eat shareholders will own approximately 57.5% of the share capital of the Company and Takeaway.com shareholders will own approximately 42.5% of the share capital of the Company assuming valid acceptances being received by the Company in respect of 100% of Just Eat shares. Under the terms of the Increased Takeaway.com Offer, the total consideration consists of the grant of 0.12111 newly issued shares in the Company to Just Eat shareholders in exchange for each Just Eat share. The Company's EGM organised on 9 January 2020 approved the Combination of Takeaway.com N.V. and Just Eat plc.

On 10 January 2020, the Increased Takeaway.com Offer had become unconditional as to acceptances.

Only those Just Eat shareholders who had validly accepted the Increased Takeaway.com Offer by 30 January 2020, amounting to 92.2% of the shares of Just Eat plc, participated in the initial settlement of newly issued shares in the Company on 7 February 2020. As a result of receiving acceptances of more than 90%, compulsory acquisition notices were posted on 7 February 2020, pursuant to Section 979 of the Companies Act 2006, to acquire compulsorily all outstanding shares in Just Eat plc on the same terms as the Increased Takeaway.com Offer.

On 31 January 2020, the Increased Takeaway.com Offer became unconditional in all respects and the Company was re-named Just Eat Takeaway.com N.V.

On 3 February 2020, trading of the Company's shares commenced on the main market for listed securities of the London Stock Exchange plc under the ticker "JET".

The total acquisition-related costs amount to €58.5 million, of which €38.5 million is part of other operating expenses as included in note 6 and €20.0 million will be deducted from Equity in 2020 at the moment the ordinary shares are issued.

On 6 February 2020, the Company had received valid acceptances of the Increased Takeaway.com Offer in respect of 657,559,738 Just Eat Shares in total, representing approximately 96.3%. of the voting rights of Just Eat.

**UK Competition and Markets Authority investigation**

On 23 January 2020, the Company announced to have been informed by the CMA that it had reconsidered its position regarding the combination and believed that a merger investigation was warranted. The Company and its advisers intend to submit a merger notice and responses to the CMA's questions as soon as possible. In connection with the ongoing investigation, the CMA imposed a hold separate order which came into effect on 31 January 2020, requiring the Just Eat and Takeaway.com businesses to continue to be run independently and under separate management until the CMA's investigation has concluded or the CMA permits the order to be lifted or amended by derogation, if earlier.

In light of the hold separate order imposed by the CMA, Paul Harrison and Mike Evans have decided not to assume their positions as Chief Financial Officer and Chairman of the Supervisory Board, respectively, of Just Eat Takeaway.com N.V. Gwyn Burr and Jambu Panaliappan were appointed to the Supervisory Board on 31 January 2020 but are prevented from acting during the hold separate order.

### Extension of revolving credit facility

In January 2020, the Company used its option, at the discretion of the lenders, to increase its RCF by another €60 million up to €120 million. The RCF has a term of three years, with the possibility for the Company to request two one-year extensions.

Amsterdam, 12 February 2020

### The Management Board

| | | |
|---|---|---|
| Jitse Groen | Brent Wissink | Jörg Gerbig |
| CEO | CFO | COO |

### The Supervisory Board

| | | |
|---|---|---|
| Adriaan Nühn | Corinne Vigreux | Ron Teerlink |
| Chairman | Vice-chairman | |
| Johannes Reck | Gwyn Burr | Jambu Palaniappan |
| | Prevented from acting | Prevented from acting |

# Company statement of profit or loss

for the year ended 31 December

| €'000 | Note | 2019 | 2018 |
|---|---|---|---|
| **Management fee** | | **20** | **20** |
| Staff costs | 37 | (2,273) | (1,769) |
| Other operating expenses | | (39,178) | (1,830) |
| Depreciation and amortisation expenses | | (79) | (39) |
| Finance expense | | (12,148) | 1,608 |
| Share of result of subsidiary, net of tax | 29 | (66,174) | (12,007) |
| **Loss before income tax** | | **(119,832)** | **(14,017)** |
| Income tax benefit | | 4,342 | – |
| **Loss for the year** | | **(115,490)** | **(14,017)** |

The accompanying notes are an integral part of these Company financial statements.

# Company statement of financial position

after proposed allocation of net loss for the year as at 31 December

| €'000 | Note | 2019 | 2018 |
|---|---|---|---|
| **Assets** | | | |
| Participations in associated companies | 29 | 1,385,937 | 233,861 |
| Property and equipment | | 50 | – |
| **Total non-current assets** | | **1,385,987** | **233,861** |
| | | | |
| Receivables on group companies | 30 | – | 4,055 |
| Prepaid expenses and other receivables | 16 | 20,009 | 696 |
| Current tax asset | 33 | 4,200 | – |
| Cash and cash equivalents | | 265 | 51,057 |
| **Total current assets** | | **24,474** | **55,808** |
| **Total assets** | | **1,410,461** | **289,669** |

The accompanying notes are an integral part of these Company financial statements.

# Company statement of financial position (continued)

after proposed allocation of net loss for the year as at 31 December

| €'000 | Note | 2019 | 2018 |
|---|---|---|---|
| **Shareholders' equity** | | | |
| Ordinary share capital | 31 | 2,448 | 1,729 |
| Share premium | 31 | 1,320,610 | 249,838 |
| Equity-settled employee benefits reserve | 31 | 4,457 | 4,665 |
| Option premium on convertible bonds | 31 | 23,308 | – |
| Foreign currency translation reserve | 31 | 12,246 | (106) |
| Accumulated deficits | 31 | (230,364) | (117,297) |
| **Total shareholders' equity** | | **1,132,705** | **138,829** |
| | | | |
| **Liabilities** | | | |
| Borrowings | 32 | 222,446 | – |
| Deferred tax liabilities | | 1 | – |
| Lease liability | | 17 | – |
| **Total non-current liabilities** | | **222,464** | **–** |
| | | | |
| Borrowings | 32 | 5,625 | 149,850 |
| Payables on group companies | 30 | 2,571 | – |
| Trade and other payables | | 58 | 438 |
| Lease liability | | 27 | – |
| Current tax liabilities | 33 | – | 133 |
| Other liabilities | 34 | 47,011 | 419 |
| **Total current liabilities** | | **55,292** | **150,840** |
| **Total shareholders' equity and liabilities** | | **1,410,461** | **289,669** |

The accompanying notes are an integral part of these Company financial statements.

# Notes to the Company financial statements

## 28 Summary of significant accounting policies

**Reporting entity**

Takeaway.com N.V. (renamed Just Eat Takeaway.com N.V. as per 31 January 2020, the "Company") is a company domiciled in the Netherlands.

**Basis of preparation**

The financial statements of the Company are prepared in accordance with the provisions of Part 9, Book 2 of the Dutch Civil Code. The Company uses the option of article 2:362 (8) of Part 9, Book 2 of the Dutch Civil Code. This article allows companies to use the same accounting principles in their Company financial statements as those applied for the consolidated financial statements unless disclosed otherwise.

Amounts in the notes are in €'000 unless related to number and/or nominal value of shares, number and fair value elements of share options, or stated otherwise.

## 29 Participations in associated companies

Participations in associated companies are accounted for using the equity method as the Company effectively exercises significant influence over the operational and financial activities of these participations. The net asset value is based upon policies applied in the consolidated financial statements.
Participations in associated companies are stated at net asset value as the Company effectively exercises significant influence over the operational and financial activities of these participations. The net asset value is determined on the basis of IFRS applied by the Company.

The movement in participations in associated companies is as follows:

| €'000 | 2019 | 2018 |
|---|---|---|
| Opening balance | 233,861 | 72,927 |
| Capital contribution | 1,205,898 | 172,684 |
| Share of loss for the year | (66,174) | (12,007) |
| Foreign currency exchange gain / (loss) | 12,352 | 257 |
| **Closing balance** | **1,385,937** | **233,861** |

For details regarding our participations in associated companies (our subsidiaries), reference is made to note 24 of the consolidated financial statements.

## 30 Receivables and Payables on group companies

The group companies mainly relate to short-term financing by means of current accounts.

The same valuation principles are applied in the Company financial statements as those in the consolidated financial statements, IFRS 9 is also applicable to intercompany loans and receivables. The assessment of the expected credit loss did not result in a material impact on the Company financial statements. To have consistency between the consolidated and standalone equity no loss has been recorded, which is in line with the clarification as provided by the "Raad voor de Jaarverslaggeving" (RJ) that a reversal of the Expected Credit Loss can be included in the carrying amount of the loans. Noted is that the Company has control, directly or indirectly, over all the subsidiaries it granted loans and can convert these into equity if needed. In 2019 no loans have been converted into equity.

## 31 Shareholders' equity

Reference is made to the consolidated statement of changes in equity and note 19 of the consolidated financial statements.

## 32 Borrowings

The borrowings of the Company relate to the convertible bonds, reference is made to note 21 of the consolidated financial statements.

## 33 Income taxes

The current tax asset of €4.2 million (2018: current tax liability of €0.1 million) mainly relates for €5.4 million to a carry back of 2018 tax-losses of the Dutch entities and prior year adjustments of €1.1 million (tax expense), reference is made to note 9 of the consolidated financial statements.

## 34 Other liabilities

| €'000 | 2019 | 2018 |
|---|---|---|
| Other liabilities | 47,011 | 419 |
| **Balance at 31 December** | **47,011** | **419** |

The other liabilities relate to accrued remuneration of the members of the Management Board and the Supervisory Board for €0.1 million and professional fees and legal expenses related to the Combination for €46.3 million.

## 35 Employees

The Company had no employees in 2019 (2018: none). The Managing Directors as per 31 December 2019 were: Jitse Groen (CEO), Brent Wissink (CFO) and Jörg Gerbig (COO).

## 36 Fees and services by the external auditor

In accordance with article 2:382a of the Dutch Civil Code, the following table details the aggregate fees by our external auditor, Deloitte, including the foreign offices of Deloitte to Takeaway.com:

| €'000 | 2019 | 2018 |
|---|---|---|
| Audit services | 549 | 344 |
| Other assurance services | 4,105 | 19 |
| **Total** | **4,654** | **363** |

Fees for audit services include the audit of the financial statements of the Company and its subsidiaries. Fees for other assurance services include audit of financial statements for the prospectus and other assurance services. No non-audit services have been provided.

Fees for audit services are included in the other expenses as disclosed in the consolidated financial statements in note 6.

## 37 Remuneration Management Board

The remuneration policy for members of the Management Board was developed by the Supervisory Board approved, adopted and amended, effective as per 15 May 2019, by the General Meeting. In accordance with the Code, the remuneration of the Supervisory Directors does not depend on the results of the Company.

The total remuneration of the Management Board is as follows:

| €'000 | Jitse Groen (CEO) | Brent Wissink (CFO) | Jörg Gerbig (COO) | 2019 |
|---|---|---|---|---|
| Short-term benefits | 479 | 438 | 404 | 1,321 |
| Post-employment benefits | 50 | 50 | 46 | 146 |
| Share based payments | 191 | 176 | 172 | 539 |
| **Total** | **720** | **664** | **622** | **2,006** |

| €'000 | Jitse Groen (CEO) | Brent Wissink (CFO) | Jörg Gerbig (COO) | 2018 |
|---|---|---|---|---|
| Short-term benefits | 431 | 378 | 337 | 1,146 |
| Post-employment benefits | 50 | 50 | 40 | 140 |
| Share based payments | 104 | 91 | 84 | 279 |
| **Total** | **585** | **519** | **461** | **1,565** |

The total remuneration of the Supervisory Board is as follows:

| €'000 | 2019 | 2018 |
|---|---|---|
| Adriaan Nühn (Chairman) | 65 | 65 |
| Corinne Vigreux | 50 | 50 |
| Ron Teerlink | 50 | 50 |
| Johannes Reck | 38 | – |
| Sake Bosch | – | 35 |
| **Total** | **203** | **200** |

No loans, advances or guarantees were granted to members of the Management and Supervisory Board in 2019 (2018: none).

Reference is made to the remuneration report for more details.

## 38 Loans, prepayments and guarantees by subsidiaries

As at 31 December 2019, there were no loans, prepayments or guarantees provided by subsidiaries (31 December 2018: none).

## 39 Off-balance sheet commitments

The Company forms a fiscal unity for purposes of Dutch tax law (CIT and VAT) and is, as such, jointly and severally liable for the tax debts of the fiscal unity. The fiscal unity consists of the Company and the following (indirect) subsidiaries:

- Takeaway.com Group B.V.
- Takeaway.com Central Core B.V.
- Takeaway.com JE B.V.
- Takeaway.com European Operations B.V.
- Takeaway.com Payments B.V.

The Company has issued declarations of joint and several liabilities for Takeaway.com Group, Takeaway.com Central Core, Takeaway.com European Operations and Takeaway.com Payments, in accordance with Section 403 of Part 9 of Book 2 of the Dutch Civil Code.

Takeaway.com Group has declared to be liable vis-à-vis Yourdelivery and Takeaway Express only in the subsequent fiscal year for any obligations entered into by Yourdelivery and Takeaway Express until 31 December 2019. Based on section 264 paragraph 3 of the German Commercial Code, Yourdelivery and Takeaway Express are exempt from certain requirements of the German Commercial Code.

## 40 Loss allocation

The Management Board determined to allocate the net loss 2019 of €115.5 million to accumulated deficits, which has been reflected in the financial statements.

Amsterdam, 12 February 2020

**The Management Board**

| | | |
|---|---|---|
| Jitse Groen | Brent Wissink | Jörg Gerbig |
| CEO | CFO | COO |

**The Supervisory Board**

| | | |
|---|---|---|
| Adriaan Nühn | Corinne Vigreux | Ron Teerlink |
| Chairman | Vice-chairman | |
| Johannes Reck | Gwyn Burr | Jambu Panaliappan |
| | Prevented from acting | Prevented from acting |

04

# Other information

# Statutory provision with respect to appropriation of result

According to article 10.1 of the Company's articles of association, the Company's result is freely at the disposal of the shareholders, provided that total shareholders' equity exceeds the called-up and paid-up capital of the Company, increased by legal and statutory reserves. In accordance with article 10.1.8 of the Company's articles of association, the Management Board is authorised to determine the allocation of a deficit to be included in the financial statements. Our articles of association can be found on our corporate website.

# Foundation Continuity

For a description of the Foundation Continuity, reference is made to "Governance & Compliance" in this annual report.

# Independent auditor's report

To the Shareholders and the Supervisory Board of
Just Eat Takeaway.com N.V.

## Report on the audit of the financial statements 2019 included in the annual report

### Our opinion

We have audited the accompanying financial statements 2019 of Just Eat Takeaway.com N.V., based in Amsterdam. The financial statements include the consolidated financial statements and the company financial statements.

In our opinion:

- The accompanying consolidated financial statements give a true and fair view of the financial position of Just Eat Takeaway.com N.V. as at 31 December 2019, and of its result and its cash flows for 2019 in accordance with International Financial Reporting Standards as adopted by the European Union.
- (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
- The accompanying company financial statements give a true and fair view of the financial position of Just Eat Takeaway.com N.V. as at 31 December 2019, and of its result for 2019 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

1. The consolidated statement of financial position as at 31 December 2019.
2. The following statements for 2019: the consolidated statement of profit or loss and other comprehensive loss, the consolidated statement of changes in equity and the consolidated statement of cash flows.
3. The notes comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

1. The company statement of financial position as at 31 December 2019.
2. The company statement of profit or loss for 2019.
3. The notes comprising a summary of the accounting policies and other explanatory information.

### Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of Just Eat Takeaway.com N.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in The Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

## Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 6 million (2018: EUR 2 million). The revenue benchmark is used in 2019 to calculate the materiality, in line with 2018. The materiality of 2019 is based on 1.5% of revenues. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

Audits of group entities (components) were performed using materiality levels determined by the judgement of the group audit team, taking into account the materiality of the financial statements as a whole and the reporting structure within the group. Component materiality did not exceed 95% of the group materiality and for most components, the materiality applied is lower than this level.

We agreed with the Supervisory Board that misstatements in excess of EUR 0.3 million (2018: EUR 0.1 million), which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must bereported on qualitative grounds.

## Scope of the group audit

Just Eat Takeaway.com N.V. is at the head of a group of entities. Just Eat Takeaway.com N.V. applies a highly centralised organisational structure by the means of centrally administering all European operations on one IT system driven in The Netherlands. During the financial year Just Eat Takeaway.com N.V. operated in ten European countries and Israel.
The financial information of this group is included in the consolidated financial statements of Just Eat Takeaway.com N.V.

Our group audit mainly focused on the significant components within the group. Our assessment of components that are significant to the group was done as part of our audit planning and was aimed to obtain sufficient coverage of the risks of a material misstatement for the significant account balances, classes of transactions and disclosures that we have identified. In addition, we considered qualitative factors as part of our assessment. In establishing the overall group audit strategy and plan, we determined the type of work that needed to be performed at the components by the group audit team and by the component auditor.

This led to the completion of the group audit in accordance with the following scope:

Our group audit mainly focused on the significant components within the group. Our assessment of components that are significant to the group was done as part of our audit planning and was aimed to obtain sufficient coverage of the risks of a material misstatement for the significant account balances, classes of transactions and disclosures that we have identified. In addition, we considered qualitative factors as part of our assessment. In establishing the overall group audit strategy and plan, we determined the type of work that needed to be performed at the components by the group audit team and by the component auditor.

This led to the completion of the group audit in accordance with the following scope:

- We have performed audit procedures ourselves for the entities which are part of the European centralised operations. In terms of size, the centralised operations contribute for about 96% to the consolidated revenue and 98% of consolidated assets.
- In addition, the group consolidation, financial statements disclosures and certain centrally coordinated topics were audited by ourselves. These include among others: impairment testing on goodwill, corporate income tax, acquisitions (including purchase price accounting) and divestments, share-based payments and claims and litigations. Specialists were involved, among other things: in the areas of tax, information technology, accounting and valuation.
- For Israel we have used Deloitte Israel as our component auditor. We determined the level of involvement that we needed to have in the audit work at this component, to be able to conclude whether sufficient appropriate audit evidence has been obtained, as a basis for our opinion on the financial statements as a whole. The group audit engagement team provided detailed audit instructions to the component auditor, directed the planning, performed file reviews, reviewed the results of the work undertaken by component auditor and assessed and discussed the findings with the component auditor during conference calls and site visits.

Through the procedures mentioned above performed by ourselves and the component auditor, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion about the consolidated financial statements.

**Scope of fraud and non-compliance with laws and regulations**

In accordance with Dutch Standards on Auditing, we are responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatements, whether due to fraud or error.

Inherent to our responsibilities for the audit of the financial statements, there is an unavoidable risk that material misstatements go undetected, even though the audit is planned and performed in accordance with Dutch law. 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. Also, we are not responsible for preventing and cannot be expected to detect non-compliance with all laws and regulations. Our audit procedures differ from those performed as part of a specific forensic or legal investigation, which often have a more in-depth scope.

In identifying potential risks of material misstatement due to fraud and non-compliance with laws and regulations, we evaluated the group's risk assessment, had inquiries with management, those charged with governance and others within the group, including but not limited to, legal counsel, central accounting and controlling, and internal audit. We involved a forensic specialist in our identification of fraud risk factors.

Following these procedures, and the presumed risks under the prevailing auditing standards, we considered the fraud risks in relation to management override of controls. Furthermore, we identified and considered the fraud risk related to management override of controls.

As part of our audit procedures to respond to these fraud risks, we evaluated the internal controls relevant to mitigate these risks and performed supplementary substantive audit procedures, including detailed testing of journal entries and supporting documentation in relation to post-closing adjustments.

Resulting from our risk assessment procedures, and whilst realizing that the effects from non-compliance could considerably vary, we considered adherence to (corporate) tax law and financial reporting regulations and the requirements under Part 9 of Book 2 of the Dutch Civil Code with a direct effect on the financial statements as an integrated part of our audit procedures, to the extent material for the related financial statements. Apart from these, the group is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts and/or disclosures in the financial statements, for instance through imposing fines or litigation. Given the nature of Just Eat Takeaway.com N.V.'s business and the complexity of Just Eat Takeaway.com N.V., a risk of non-compliance with the requirements of such laws and regulations exists. In addition, we considered data and privacy legislation and Dutch stock exchange regulations.

As required by auditing standards, we designed and performed audit procedures that address the risk of non-compliance with these laws and regulations. Our procedures included inquiries of management, those charged with governance and others within the group and we inspected (board) minutes, correspondence with relevant authorities and lawyers' letters. We also remained alert to indications of (suspected) non-compliance throughout the audit, both at component and group levels.

Finally, we obtained written representations that all known instances of (suspected) fraud or non-compliance with laws and regulations have been disclosed to us.

## Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Key audit matter – acquisition of German Delivery Hero Businesses

In 2019, the company acquired 100% of the shares of the food delivery operations in Germany from Delivery Hero (Delivery Hero Germany GmbH and Foodora GmbH). The total consideration amounts to EUR 1,203.7 million and consists of a cash payment of EUR 551.5 million and an issuance of 9.5 million ordinary shares. The fair values of the identifiable assets and liabilities as at acquisition date for the acquisition is based on the outcome of the provisional purchase price allocation. The purchase price allocations will be finalised within 12 months from the acquisition date.

The purchase price allocation requires management to identify and calculate the fair value of the acquired assets, including tangible and intangible assets. The fair value calculation represents several estimates that require the use of valuation models, reliable source documentation and a significant level of management judgement.

### How the key audit matter was addressed in the audit

In our audit procedures we have obtained contractual information, business plans and forecasts to understand the acquisition and we have involved valuation specialists to review the valuation model applied and the key assumptions. We have also assessed the reasonableness of changes made in the provisional purchase price allocation, compared to the initial assumptions used.

We have held meetings to obtain an understanding of the entity acquired, reconciled the acquisition price with supporting information, tested the design and implementation of the related controls, performed specific audit procedures to validate the opening balance sheet used in the purchase price calculations and assessed the future growth patterns to historical trends.

Finally, we have assessed the adequacy of disclosure notes including those relating to the sensitivity of management's assumptions. Reference is made to note 11 of the consolidated financial statements.

### Observation

Based on our procedures performed and our assessment of the disclosures made, we have not identified any reportable matters. Our audit procedures are deemed appropriate and sufficient to address the risks of material misstatements.

## Key audit matter – valuation of goodwill

The company has recorded a significant amount of goodwill (and other intangibles) that is subject to an annual impairment test. The goodwill is allocated to the four cash generating units (CGUs) and amounts to EUR 1,096.9 million as at 31 December 2019 (2018: EUR 128.2 million). Under IAS 36 “Impairment of Assets”, the group is required to annually perform an impairment test for goodwill.

An impairment arises when the value-in-use for a cash generating unit is lower than the carrying amount recorded. The value-in-use of goodwill is dependent on expected future cash flows from the underlying Cash Generating Units (CGUs) for goodwill. The impairment assessment prepared by management includes a variety of internal and external factors, representing significant estimates that require the use of valuation models and a significant level of management judgement, particularly the assumptions related to the weighted average cost of capital and the perpetual growth rates. Due to the significance of the goodwill and its dependence on management judgment, we considered this area to be a key audit matter.

### How the key audit matter was addressed in the audit

We obtained an understanding of the process in place and identified controls in the impairment assessment for goodwill. We obtained management's impairment assessment and have evaluated the impairment models.

We challenged management's key assumption used for cash flows projections, weighted average cost of capital and perpetual growth rates. We compared rates in use with historical trends and external data and performed sensitivity analyses. We reconciled forecasted cash flows per CGU to authorised budgets and obtained an understanding how these budgets were compiled.

Our valuation specialists assisted us in challenging the discount rates, future growth rates, and other rates applied by benchmarking against independent data.

We also evaluated the adequacy of the company's related disclosures in note 11 to the consolidated financial statements.

#### Observation

Based on our procedures performed and our assessment of the disclosures made, we have not identified any reportable matters. Our audit procedures are deemed appropriate and sufficient to address the risks of material misstatements.

### Changes in key audit matters

In prior year we reported 'corporate restructuring and service fee' as a key audit matter. As the restructuring and centralization activities were finalised in 2018 this is no longer considered a key audit matter.

## Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contain other information that consists of:

- Report of the Management Board.
- Other Information included in the annual report.
- Other Information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements.
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the report of the Management Board in accordance with Part 9 of Book 2 of the Dutch Civil Code, and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

## Report on other legal and regulatory requirements

**Engagement**

We were engaged by the Supervisory Board as auditor of Just Eat Takeaway.com N.V. on 1 November 2014, as of the audit for the year 2014 and have operated as statutory auditor ever since that financial year.

**No prohibited non-audit services**

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

## Description of responsibilities regarding the financial statements

**Responsibilities of Management and the Supervisory Board for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the company's financial reporting process.

**Our responsibilities for the audit of the financial statements**

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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.

- Obtaining 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 company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's 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 company'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 statements 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 company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identified during our audit. In this respect we also submit an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the Supervisory Board 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, related safeguards.

From the matters communicated with the Supervisory Board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. 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, not communicating the matter is in the public interest.

Amsterdam, 12 February 2020

**Deloitte Accountants B.V.**
Signed on the original: I.A. Buitendijk

# Three-year key figures

These figures are derived from the annual report of the related years.

| €'000 unless stated otherwise | 2019 | 2018 | 2017 |
|---|---|---|---|
| **Key Financial Indicators** | | | |
| Gross revenue | 426,843 | 240,043 | 166,478 |
| • Netherlands | 120,708 | 98,293 | 74,427 |
| • Germany | 210,942 | 86,040 | 57,859 |
| • Other Leading Markets | 95,193 | 55,710 | 34,192 |
| Gross profit | 304,989 | 188,588 | 136,373 |
| Marketing expenses | (153,815) | (127,759) | (116,636) |
| Adjusted EBITDA | 12,271 | (11,278) | (27,572) |
| • Netherlands | 58,861 | 53,211 | 43,017 |
| • Germany | 5,162 | (36,721) | (47,024) |
| • Other Leading Markets | (51,752) | (27,768) | (23,565) |
| Loss for the period | (115,490) | (14,017) | (42,024) |
| **Key Performance Indicators** | | | |
| Restaurants | 53,027 | 43,763 | 31,816 |
| Active Consumers ('000s) | 19,549 | 14,116 | 11,471 |
| Orders ('000s) | 159,209 | 93,919 | 68,291 |
| • Netherlands | 38,006 | 32,693 | 27,446 |
| • Germany | 69,470 | 32,629 | 23,946 |
| • Other Leading Markets | 51,733 | 28,597 | 16,899 |
| Returning Active Consumers as % of Active Consumers | 66% | 62% | 59% |
| Orders per Returning Active Consumer | 13.2 | 11.4 | 10.7 |
| Average Order Value (€) | 19.10 | 19.02 | 19.23 |
| GMV (in millions €) | 3,041 | 1,787 | 1,313 |

# Three-year key figures (continued)

| €'000 unless stated otherwise | 2019 | 2018 | 2017 |
|---|---|---|---|
| **Capital employed** | | | |
| Total assets | 1,658,694 | 417,091 | 197,914 |
| Total shareholders' equity | 1,132,705 | 138,829 | 149,779 |
| **Cash flows** | | | |
| Net cash used in operating activities | (63,770) | (2,726) | (36,167) |
| Net cash used in investing activities | (496,693) | (130,171) | (8,660) |
| Net cash generated by financing activities | 519,703 | 132,718 | – |
| Net decrease in cash and cash equivalents | (40,760) | (179) | (44,827) |
| **Data per share** | | | |
| Weighted average shares outstanding as at 31 December | 61,206,450 | 43,218,234 | 43,183,176 |
| **Personnel** | | | |
| FTE at year-end | 5,423 | 2,672 | 1,171 |

# Takeaway.com addresses

## Head office

**Just Eat Takeaway.com N.V.**
Oosterdoksstraat 80
1011 DK Amsterdam, the Netherlands
E-mail: press@takeaway.com
Internet: www.takeaway.com
Twitter: @takeaway

Chamber of Commerce Amsterdam,
the Netherlands
Trade registry no. 08142836
VAT no NL815697661B01

## Our other offices

**Takeaway.com**
Brouwerijstraat 10
7523 XD Enschede
The Netherlands

Havenlaan 86C
1000 Brussels
Belgium

**yd.yourdelivery GmbH**
Am Karlsbad 16
10785 Berlin
Germany

**Takeaway Express GmbH**
Koppenstrasse 93
10243 Berlin
Germany

**sto2 Sp. z.o.o.**
ul. Rybacka 9
53-656 Wrocław
Poland

**BGmenu EOOD**
111 Bulgaria Blvd., Embassy Suits
1404 Sofia
Bulgaria

**Hellohungry SA**
Octavian Goga Blvd, nr. 21st, district 43
Bucharest
Romania

**10bis.co.il Ltd**
Derech Menachem Begin 144
Tel Aviv-Yafo
Israel

# Glossary

**10bis** 10bis.co.il Ltd

**Active Consumers** Unique consumer accounts (identified by a unique email address) from which at least one order has been placed on Takeaway.com's platform in the preceding 12 months

**Adjusted EBITDA** Takeaway.com's profit or loss for the period before depreciation, amortisation, finance income and expenses, long-term employee incentive costs, share of loss of joint ventures, non-recurring items and income tax expense

**Adjusted EBITDA margin** Adjusted EBITDA as a percentage of revenue for the relevant period

**Addressable Population** Population in a country aged 16 years and older, however, Eurostat only provides an overview of the population aged 15 and older.

**AFM register** Register as referred to in section 1:107 FMSA kept by AFM, which is accessible through its website

**Annual report** Report consisting of the Message from the CEO, management report, within the meaning of section 2:391 of the Dutch Civil Code, Governance & Compliance, Risk Management, Consolidated financial statements, Company financial statements, and Other information

**Articles of association** Articles of association of the Company as effective from time to time

**Average order value (AOV)** The GMV divided by the number of orders in a particular period

**B2B** Business to business

**B2C** Business to Consumer

**BGmenu** BG Menu EOOD

**CEO** Chief Executive Officer of the Company

**CFO** Chief Financial Officer of the Company

**CGU** Cash-generating unit

**Charter of the Management Board** The charter of the Management Board as effective on 31 December 2019

**Charter of the Supervisory Board** The charter of the Supervisory Board as effective on 31 December 2019

**CMA** The UK Competition and Markets Authority

**Code** Dutch Corporate Governance Code, as amended from time to time

**Combination** A recommended all-share combination between Just Eat plc and the Company, to be effected by means of the Offer

**Company** Takeaway.com N.V., as per 31 January 2020 renamed into Just Eat Takeaway.com N.V.

**Company financial statements** Financial statements of the Company for the year ended 31 December 2019

**Consolidated financial statements** Consolidated financial statements of the Group for the year ended 31 December 2019

**Continental Europe** Mainland Europe

**Continuïteit Takeaway.com** Continuïteit Takeaway.com B.V.

**COO** Chief Operating Officer of the Company

**CPO** Marketing cost per order

**CRM** Customer relationship management

**CSR** Corporate social responsibility

**Delivery Hero** Delivery Hero SE

**Deloitte** Deloitte Accountants B.V.

**ESOP** Employee Share Option Plan of the Company

**ESOP Participant** Senior management and designated employees

**ETR** Effective Tax Rate

**€** Euro

**Financial statements** The consolidated financial statements of the Group and Company financial statements of the company

**Food Tracker®** Real-time estimation of arrival of food delivery

**FTE** Full-time equivalent

**Foundation Continuity** Stichting Continuïteit Takeaway.com

**GDPR** The European general data protection regulation

**General Meeting** The corporate body, the general meeting of the Company, or its meeting, as the case may be

**German Businesses** The German businesses of Delivery Hero, consisting of Delivery Hero Germany GmbH and Foodora GmbH, which operated the Pizza.de, Lieferheld and foodora brands in Germany (considering that certain intellectual property rights and IT of Delivery Hero will not be transferred, but will be licensed during the transitional period)

**GMV** The Group's gross merchandise value which is the total value of merchandise (food) sold as a result of orders in a particular period

**Gribhold** Gribhold B.V., the personal holding company of the Company's CEO

**Group** The Company together with its direct and indirect subsidiaries

**Gross revenue** Revenue not adjusted for voucher expenses under IFRS 15

**Hello Hungry** Hello Hungry AD

**IAS** International Accounting Standards

**IASB** International Accounting Standards Board

**IFRS** International Financial Reporting Standards as adopted by the European Union

**IPO** Initial public offering of the Company's ordinary shares on Euronext Amsterdam

**Just Eat** Just Eat plc and its subsidiaries

**Just Eat EGM** the Company's extraordinary shareholder meeting held on 9 January 2020, in connection with the Combination

**KPIs** Key performance indicators that the Management Board uses to analyse the Company's business and financial performance and help develop long-term strategic plans

**Leading Markets** The six largest markets in which Takeaway.com believes that it has established a market leading position, being the Netherlands, Germany, Belgium, Austria, Poland and Israel

**LTIP** Long-Term Incentive Plan for the Management Board of the Company

**Management Board** The management board of the Company

**Managing Directors** Members of the Management Board

**Mobile share** Share of mobile applications orders divided by Orders

**Net working capital** Net working capital excluding restaurant-related items: receivables from payment service providers, restaurant payables and restaurant receivables

**OCI** Other comprehensive income / (loss)

**Offer** A recommended offer by the Company for Just Eat announced on 4 November 2019 and as revised on 19 December 2019

**Online payments** Online payment by means of debit or credit card or other forms of cashless payment such as PayPal© or Bitcoin©

**Orders** Orders by consumers processed through the Group's websites and mobile applications, i.e. excluding orders processed through third party websites

**Orders per Returning Active Consumer** Calculated as the number of orders per Returning Active Consumer during the period divided by the average number of returning Active Consumers during the period

**Other Leading Markets** Takeaway.com's reporting segment for the markets in Belgium, Austria, Poland and Israel, as well as the smaller countries where we are active, being Romania, Bulgaria, Switzerland, France (discontinued in February 2018), Portugal and Luxembourg.

**Restaurants** The total number of restaurants listed on the Group's platform as at a particular date

**RCF** Revolving credit facility

**Returning Active Consumers** Active Consumers who have ordered more than once in the preceding 12 months

**Scoober** Restaurant delivery services offered by Takeaway.com whereby we transmit the order from the consumer to the restaurant and we also deliver the meal to the consumer

**STAK** Stichting Administratiekantoor Takeaway.com

**Sto2** sto2 Sp. z o.o.

**Supervisory Board** The supervisory board of the Company

**Supervisory Directors** Members of the Supervisory Board

**Takeaway.com** The Company together with its direct and indirect subsidiaries as per 31 December 2019

**Takeaway.com Belgium** Takeaway.com Belgium BVBA

**Takeaway.com Central Core** Takeaway.com Central Core B.V.

**Takeaway.com European Operations** Takeaway.com European Operations B.V.

**Takeaway.com Group** Takeaway.com Group B.V.

**Takeaway.com JE** Takeaway.com JE B.V.

**Takeaway.com Payments** Takeaway.com Payments B.V.

**WACC** Weighted Average Cost of Capital

**Yourdelivery** yd.yourdelivery GmbH

# Colophon

**Just Eat Takeaway.com N.V.**
Oosterdoksstraat 80
1011 DK Amsterdam
The Netherlands

**Realisation:**
Just Eat Takeaway.com N.V.
Domani B.V., The Hague
Sturnis 365 S.r.l., Milan

**About this report**
This annual report is available as a PDF, on our website www.takeaway.com and as a limited print version.

**Forward-looking statements**
This annual report may contain forward-looking statements. These statements are only predictions and are not guarantees. Actual events or the results of our operations could differ materially from those expressed or implied in the forward-looking statements. Forward looking statements are typically identified by the use of terms such as "may," "will," "should," "expect," "could," "intend," "plan," "anticipate," "estimate," "believe," "continue," "predict," "potential" or the negative of such terms and other comparable terminology.

The forward-looking statements contained herein speak only as of the date they are made. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. Actual results may differ materially from those expressed in these forward-looking statements, and you should not place undue reliance on them. For a discussion of factors that could cause future results to differ from such forward-looking statements, see also section Risk Management of this annual report.

You will be solely responsible for your own assessment of the market and the market position of Takeaway.com and you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of Takeaway.com's business. This document does not constitute or form part of, and should not be constructed as, an offer or invitation to subscribe for or purchase any Takeaway.com securities.

**Third-party market data**
Statements regarding market share, including the group's competitive position, contained in this annual report are based on outside sources such as specialised research institutes, industry and dealer panels in combination with management estimates.

Just Eat Takeaway.com N.V.

Oosterdoksstraat 80

1011 DK Amsterdam

The Netherlands